

**LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**STANDING COMMITTEE ON PLANNING AND ENVIRONMENT**

**(Reference: Draft variation 175)**

**Members:**

**MRS V DUNNE (The Chair)  
MR J HARGREAVES (The Deputy Chair)  
MRS H CROSS  
MS R DUNDAS**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**FRIDAY, 14 MARCH 2003**

**Secretary to the committee:  
Ms L Atkinson (Ph: 6205 0142)**

**By authority of the Legislative Assembly for the Australian Capital Territory**

Submissions, answers to questions on notice and other documents relevant to this inquiry which have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

**The committee met at 9.01 am.**

**TIM EFKARPIDIS** and

**CLAIRE MIDDLETON**

were called.

**THE CHAIR:** Welcome to the public hearings on draft variation 175, which is about industrial land use. There will be half a day of public hearings which will cover all of those people who have expressed a desire to speak to the Planning and Environment Committee on draft variation 175.

We will begin with the formalities. You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. This gives you certain protections, but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation for what you say at this public hearing, but it also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Legislative Assembly as a serious matter. I welcome Efkarp Pty Ltd, Mr Efkarpidis and Ms Middleton.

You might like to give an opening presentation on your position. When you do, identify yourself for the purposes of the *Hansard* record. If you use any acronyms, explain what the acronym is the first time. Do you want to start, Claire?

**Ms Middleton:** Yes, please. Do you mind if I stand up? I've got some overheads that I'd like to show you, if that's okay.

**THE CHAIR:** Okay. You really need to address that microphone.

**Ms Middleton:** Okay. I'll stand as close as I can. I'll try to talk loudly. This presentation actually covers two sites which are owned and operated by companies of which Mr Efkarpidis is a director. One of them is in Fyshwick and one of them is in Mitchell, but there are similar issues about both sites which I'd like to cover as quickly as possible.

I'll use the overhead. This site in Fyshwick is known as blocks 11 and 12 section 38. It's a very large site, more than 14 hectares, which is in two blocks. It's in a fairly unique location because it's quite separate from Fyshwick proper, which is referred to in the variation as Fyshwick East, and it's separated by other physical constraints, such as the Monaro Highway and the Sydney-Canberra railway. It seems to sit in a unique location and precinct on its own. We're suggesting to the committee that it should be dealt with in a similar fashion.

It's also quite a different land use arrangement than this part of Fyshwick, which is primarily precinct C, which is for wholesale food distributors and the like and includes the Fyshwick Markets. If you look at the Territory Plan for the same site, you'll see that it's surrounded by, firstly, Canberra Nature Park and the Jerrabomberra Wetlands, which

is a designated area under the National Capital Plan. It's surrounded also by the Molonglo River corridor, which is a recreation or non-urban area in the Territory Plan. This, once again, is the railway through here, the rest of Fyshwick and the Monaro Highway.

**THE CHAIR:** What's in light purple on that?

**Ms Middleton:** That's the railway. It's a funny colour it has come out on the internet. It's actually utility or whatever a railway is under. But that's a very large railway reservation which has now passed into the hands of the territory government.

The site that Mr Efkarpidis has purchased, the old DASFleet site, actually has about eight industrial warehousing-type buildings, including three offices. It was a substantial complex operated by DASFleet, and today it has more than 20,000 square metres of GFA, of which 5,000 are in various office arrangements and the rest is warehouses and workshops.

The buildings are of different eras. The building started on site in about 1968 and continued until the site was sold in 2001, so there's a range of buildings. I'll just flash through the sort of quality. Some of them are typical warehousing, but some of them are quite presentable office buildings.

There's substantial surface car parking on the site because it was a compound for Commonwealth cars and there was a small cafeteria, there was a petrol filling service station and the like, car wash facilities, the normal sort of arrangement you'd expect for a major transport depot, and that's been its use up until now.

We believe that the site is part of a unique precinct which deserves special consideration in terms of future land use. If I show you this aerial photo, you'll see the sort of thing that I've shown you on a plan, where the site here is surrounded by tracts of open space, but more particularly the relationship to the Jerrabomberra Wetlands is the one that we would like to capitalise on. It's a very sensitive environment location and Mr Efkarpidis is not keen to see it continue as a general industrial site because we believe, as the study team that have been assisting Mr Efkarpidis, that that would be a terrible waste of a very important site.

With draft variation to the Territory Plan No 175, the initial background study in 1998 by Synectics highlighted the need for more flexibility in industrial land uses, and recommended particularly that bulky goods retailing continue to be permitted in Fyshwick and that we create more flexible mixed use precincts. So the two major precincts in the industrial areas of Canberra are A and B. I'd just like to explain some of the difference between those.

This shows the range of precincts in Fyshwick. Our site is here and sits in precinct A. Most of Fyshwick is in precinct B. That is the existing precincts, not the ones that have changed under the variation. Over here is C, which I referred to before, which is wholesale food and the like and markets.

Precinct A is a general industrial precinct that's described in the plan. The general purpose is to provide for transport-related and manufacturing land uses requiring large land areas accessible to main and interstate transport routes. It's described as a general industrial precinct.

Precinct B provides for retail warehousing with commercial services over and above the normal industrial activities, so that general industrial uses can also be carried on in precinct B, but precinct B has a number or a range of other commercial opportunities, and the main differences between A and B in terms of permitted land uses would have to be bulky goods retailing and offices. There are a few other minor uses, such as indoor and outdoor recreation, but they're the two that offer the most commercial opportunities. Other than that, the industrial land uses are much the same. This is where we have some concern for the opportunities that are left for precinct A.

In studying the opportunities for this very large site we looked further afield than just this site. Because it's seen to sit in a very unique part of town, because it had very good access to the rest of Canberra and because it didn't seem to sit happily with the general industrial development and other activities on the eastern side of Fyshwick, we looked at other opportunities for this site.

We have been talking to government recently about opportunities to undertake what we call the wetlands master plan. We believe that this site is far too valuable to be tied up once again for general industrial uses, bearing in mind that in this precinct you can have offensive and hazardous industries right on the doorstep of the wetlands and Canberra's recreational spaces.

This is generally the area that we have been studying, which takes in all the railway land. It takes in this very large tract of undeveloped land here which is still unleased and which variation 175 would seek to put into precinct A. We would include that because it's very relevant to our site and it has drainage from the wetlands passing through it, all this railway land and indeed all the land up to Kingston foreshore.

I have some other drawings to show you quickly of the sort of thing that we are suggesting. Once again, here's our site in orange; I'm sorry if you can't see up the back. This is the study area. This is the recreational wetlands area. This is Kingston foreshore. We are suggesting that this whole precinct could become a very wonderful mixed use development which would include the full range of commercial, recreational and residential opportunities. You could still have as part of that mixture clean industry, such as technology parks and the like.

But this is the suggested concept that we've been working on. It would be a significant housing opportunity and, because most of the land other than Mr Efkarpidis' site, is government-owned, here is an opportunity for low-cost housing controlled by government. We would hope to provide a huge range of housing opportunities in there, mixed up with other uses, which would be complementary to other greenfields developments that the government is undertaking at this time.

This drawing by Colin Stewart—a fairly stunning drawing, I think—just gives you an idea of what it could all look like and how very important this land is. Here's Mr Efkarpidis' site in the foreground and Canberra Avenue. This shows the relationship of this site to the central national area. That's the sort of concept that we're working on; that's what we would like to achieve. Mr Efkarpidis would like to start to position his land to undertake this sort of work through variation 175.

**Mr Efkarpidis:** And this place here is the one the government is changing. It belongs to the government now—the rest of it, anyway—and they want to change this to precinct A, which is transport.

**MS DUNDAS:** Is that the little piece there?

**Mr Efkarpidis:** Right on the Canberra main road, which is almost impossible to pass now in traffic, so it doesn't make sense to have transport there.

**Ms Middleton:** That's currently precinct C, but variation 175 suggests that it revert to general industrial, precinct A. It's a very large tract of land of the government's which could become part of this opportunity.

**THE CHAIR:** Thank you for that, Ms Middleton and Mr Efkarpidis. From your company's point of view, Mr Efkarpidis—please identify yourself for the *Hansard* record—what would be the best outcome for your block and the surrounding areas in this draft variation?

**Mr Efkarpidis:** I am Tim Efkarpidis, representing Australian Independent Developers, from 6a Vancouver Street, Red Hill. I'll just take it a little bit different. We bought the site in June last year. We looked at the site at the time. We thought the best thing we can do is to employ the best consultants that we know of in town and we have employed Smith Kostyrko and Middleton, Claire Middleton, also Rollins, Colin Stewart, Maunsells, Colliers, to do the study for the site. All the consultants when they looked at the site, especially Colin Stewart, become very excited at the site because of the different area that it is.

For us, from our point of view, obviously we see it as funny being precinct A as it is next to the wetlands. From an environmental point of view, I would have thought that it would be anything but precinct A. It is next to the wetlands and all they want us to have is trucks and parking, and it just doesn't make sense. As Claire showed you there, very clearly it's another site.

So from that point of view, for us to be able to work for the future we need to be at least precinct B, or mixed uses, really. That's what that block needs to be, something different. It needs to be precinct B or mixed uses of some sort, so we can work with the government for the next four, five, six or 10 years, whatever the time, to do the necessary changes if the government agrees to it.

But if we go now and put more transport on, it's going to be difficult to change that. We did knock down a few good customers, or a couple at least, on the basis that we didn't want to have more trucks in the area and more bitumen in the area, but we can't do that indefinitely. It's time for us to think which way we're going to go. We can run it as it is, but it's not going to be the right thing for that area. Certainly open up some new opportunities for a lot of people; I mean, there's a lot of stakeholders in that area as well as the government.

**THE CHAIR:** Claire said before that there was a service station site. Does the service station operate in some capacity—not as a commercial/retail service station, but do you actually store petroleum products in the ground on the site?

**Mr Efkarpidis:** We don't, but the site is there and the tanks are still there, which we intend to take all out anyway. You can't possibly have a service station site there now. In fact, even the government must have been thinking in the same way because they closed the road. When we bought it, we didn't realise that that road was going to be closed. I'm not sure whether it was ever published, but I certainly did not see it.

**THE CHAIR:** What, Dairy Flat Road?

**Ms Middleton:** Yes, Dairy Flat Road has become a dead-end in the last couple of weeks.

**THE CHAIR:** It must be only the last couple of weeks, because I was out there about three weeks ago.

**Ms Middleton:** The access now from Fyshwick to Civic is via the Monaro Highway.

**Mr Efkarpidis:** You have got to go back to the Monaro Highway. It's not what we thought originally was going to happen. Really, somebody who has got to come to our site has got to come specifically to that site and know where it is.

**THE CHAIR:** And the other point that you were making, Mr Efkarpidis, is that if the southern bit closer to the intersection of Canberra Avenue and Monaro Highway became A, that is also principally for transport operations—

**Mr Efkarpidis:** That is what it is at the moment and it is vacant.

**THE CHAIR:** But you were saying that you thought that access and egress off Canberra Avenue would be very difficult.

**Mr Efkarpidis:** I think it is impossible, if you look at it.

**Ms Middleton:** I also think that site has problems, because it was looked at some years ago for the AGSO building and there were certainly some water issues on that site, from the drainage of the wetlands and the Molonglo River. So I don't know whether it is feasible to develop it in the way that is suggested, but obviously if you have got enough money you can develop anything.

**MR HARGREAVES:** You might lose a lot of money doing that, too.

**THE CHAIR:** I am mindful of the time. What you were talking about was mixed use, clean industrial/commercial/residential.

**Ms Middleton:** Yes.

**THE CHAIR:** Do you have any idea of what the land servicing costs would be for such a large area? What is it, 30 or 50 hectares? Sorry, how big is the overall site?

**Mr Efkarpidis:** It is about 70 hectares. Only a small part is ours.

**Ms Middleton:** We have done some costings, certainly about yield of residential development to pay for some of the infrastructure. We do have that information.

**THE CHAIR:** Could you give me off the top of your head a figure for what a block would cost? I suppose it is would be a bit hard to do that.

**Ms Middleton:** I do not think so. I can't tell you off the top of my head.

**THE CHAIR:** It probably depends on the configuration and how much residential you do have.

**MR HARGREAVES:** And the block size.

**Ms Middleton:** Yes, and it also depends on the type. But it wouldn't be for detached housing. The sort of housing that we have talked about is a range of multiunit housing, at the lower end of the market particularly, with a mix of higher quality upper market housing as well. It is almost exactly the same size as the Homebush Bay village, so we are using that as a model. The range of housing produced there is spectacular and we would like to do something the same.

**Mr Efkarpidis:** Also, the site was used by the federal government for so long. The building the first time that Claire showed you up there is a bit over 2,000 metres of office.

**Ms Middleton:** The pink one.

**Mr Efkarpidis:** I cannot use it as an office. I can use it if it is ancillary to, but not many companies want to have the office here and the warehouse 200 metres away. The site is very big. It is 145,000 square metres. But what do we do with that site? The office is actually in very good condition, excellent condition, but I am not allowed to rent it or lease it out.

**Ms Middleton:** Not in precinct A. Mr Efkarpidis is between a rock and a hard place there because, having purchased it from the Commonwealth as a previously unleased block, it comes under the provisions of the Territory Plan precinct A. Offices are not permitted as a separate use, only as an ancillary use.

**THE CHAIR:** And an office that big is not ancillary.

**Ms Middleton:** In fact, it has a sunset clause which was written into the lease about the use of the offices, and yet he has a perfectly good building, but he does not have any existing use rights either for office use. Because it was unleased land, under the land act he does not have an estate in land, therefore he has no existing use rights.

**Mr Efkarpidis:** Actually, that condition is for another building which is again within the compound, and that is leased up to 2005. Again, after that I will have another building empty and I will not know what to do with it because it does not have a warehouse attached to it. It is only an office. So we are talking about offices in the order of about 3,000 metres. 3,500 metres.

**MS DUNDAS:** Is that why you have proposed that the area actually be classified as section B?

**Ms Middleton:** We are suggesting you can do it in a number of ways. There is no true mixed use precinct under the Territory Plan—it is probably about time that there was—and there are many models from other places which you could take, but one of the ways in which this has been addressed in the Territory Plan for other specific sites is to keep it in its original land use policy. It could stay in precinct A but have an overlay which would allow a range of uses which would more closely model a mixed use precinct we are suggesting, which would allow more commercial opportunities and residential, which would mean that if the master plan goes ahead in the way that we are suggesting there would be no issue with the Territory Plan. Can we talk about Mitchell shortly?

**THE CHAIR:** Very briefly, yes. I have just realised the time is getting away from us.

**Ms Middleton:** It is slipping away. Fifteen minutes is really short.

**THE CHAIR:** Yes.

**Ms Middleton:** There are similar issues with the Mitchell site. This is the site that has been purchased, 1 of 22. It is also in precinct A. It was the former brickworks site, more recently used by Austral, I think, but it has not been used for about 10 years. This is a very well located site in terms of access to the Gungahlin town centre. It has an edge to Hoskins Street, which these days leads into Wells Station Road and straight onto Gungahlin Drive.

If you look at the general subdivision of the rest of Mitchell you will see that generally there are small blocks in precinct B. There are some vacant blocks around this edge which belong to the government, and they are listed for auction in the foreseeable future, as are these blocks here, precinct A. This is the Gungahlin cemetery in here.

We are suggesting that this is a wonderful opportunity for an anchor tenant in Mitchell, and Mr Efkarpidis has some ideas about that. But the sort of model that he is looking at is a bulky goods retailing supercentre of the like of the Moore Park supercentre in Sydney. I have a couple of images of what that looks like. Basically, if you have a large enough block, you can co-locate a range of bulky goods retailing and you can work it



into a complex where you have convenient car parking and lots of it, because people want to take home their bulky goods. You have several like-minded bulky goods retailers. In the Moore Park model you have got Harvey Norman, Dick Smith, Toys “R” Us, Freedom and Ikea, and it is extremely popular.

You could say that the bulky goods retailing in Fyshwick, which is all in separate developments, the whole of Fyshwick is almost a supercentre on its own. But Mr Efkarpidis’s, with his background in industrial and retailing development, has suggested that a supercentre in Gungahlin would be really fantastic and would be a huge drawcard for the rest of Mitchell. That’s the sort of opportunity that he would like, but you cannot have it in precinct A.

He is suggesting that his site, being seven hectares, is a huge opportunity to do something good for Mitchell in terms of a more diverse range of bulky goods retailing. At the moment, there is nothing like it in the rest of Mitchell. The only bulky goods retail site that has been sold in Gungahlin went to Bunnings Warehouse, as we know. The opportunity here for Mitchell is that it would serve both the town centres of Gungahlin and Belconnen at the same time. Do you have anything to add to that?

**Mr Efkarpidis:** Yes. Could you leave that on for a minute? This is precinct B. All this is A. For some reason, it is mostly A in Mitchell and very little B. These are all very similar sites here. Everybody knows in Canberra for the last 20-odd years Mitchell, since it started, since the inception of Mitchell, has never worked, never to the expectations of the government at the time, or even these days. To me, it is very simple. If you consider that Mitchell is a mall and if you consider Fyshwick is a mall, Fyshwick has got a hell of a lot of anchor tenants. Mitchell has got none, not even one anchor tenant. Yet we have 25,000 people in Gungahlin at the moment and it is growing. You have got Belconnen, Dickson, all those areas, and they all have to go to Fyshwick for bulk retailing.

Bulk retailers are not going to go to the Gungahlin shopping centre because of the rents. If you look at the last auctions, the rents have to be at least \$260 a metre to \$320, somewhere in there, whereas at the moment the normal bulk retailers, most of them, would be somewhere between \$100 to \$120, \$150, no more than that. So it does not make sense from that point of view. We have got a plan that was approved to split into 23 small blocks. All we are going to do is more of the same. There is a heap of empty space right there. You only have to take a half-hour drive to see how many empty spaces there are within that area, small areas, only because there is nothing there to draw the customers in the first place.

**THE CHAIR:** What you are saying, Mr Efkarpidis, is that Mitchell is like the Belconnen Mall without Woolworths and Grace Bros.

**Mr Efkarpidis:** Without Woolworths, without Grace Bros, without Coles, without the big stores. There is nothing there.

**THE CHAIR:** It is just a collection of variety stores.

**Mr Efkarpidis:** Yes, very small stores.

**THE CHAIR:** If you subdivided your area into 27 small units, you would probably end up poaching people out of Huddart Court or somewhere like that.

**Mr Efkarpidis:** From the other places, that is right. That is the only thing we can do because not many small people would come there because they all feel Mitchell doesn't work as it is in the current form.

**THE CHAIR:** We are pressed for time. Thank you very much for your presentation. Claire, could you leave a couple of those overheads there, because they might come in handy later in the day?

**Ms Middleton:** Okay. Fine, you're welcome to them.

**JOHN CONVINE** was called.

**THE CHAIR:** Mr Convine, welcome. Please identify yourself for the *Hansard* record. Would you like to make an opening presentation?

**Mr Convine:** John Convine. Our business name is Convines, my brother Chris and me. I've got spare copies there if someone wants them.

**THE CHAIR:** Thank you.

**Mr Convine:** Basically, we're probably the only small business involved in this whole Territory Plan of 175. Everyone seems to be from the big end of town, multinational companies, and there are just two of us. We basically build small business units in Hume, which we've been doing for nine years. The new Territory Plan wants to put into precinct A minimum size units, minimum size subdivisions, minimum size blocks with no subdivisions.

What we've been doing for nine years, and it looks like not many people know about Hume, it's a quiet little area. If you go through Hume, there are not many streets and there are lots of small warehouses that have been subdivided and unit titled into small units that basically go up to maybe 250 square metres. If the new Territory Plan comes to fruition, I think the minimum size unit is supposed to be 1,000 square metres. Small business can't afford 1,000-square-metre units. A maximum of five units per block. If you buy a block that's got, say, 7,000 square metres and you're only allowed to put five units on it, you've got big units. What we're aiming at is units of basically 100 square metres to 300 square metres, and that's what we've been doing for nearly nine years. If this thing comes in, we're out of business basically with what we've been doing.

**THE CHAIR:** Mr Convine, would you explain for me again—I'm sorry, I might be a bit slow this morning—what is your business?

**Mr Convine:** We build warehouses, which we subdivide into small business units, industrial units. Glorified tin sheds, I call them. In the papers I've handed out, I've got some statistics there of what we've actually been doing and who's been buying the units. If you look at the units and the people we sell to, two of the businesses have been brand new Canberra businesses started up, all small business, miniature fellows. Five of the businesses have relocated from their house, their home, as a business and bought their own units.

One business has relocated from Queanbeyan, where they were renting, and now they're owning their unit. One business relocated from Queanbeyan and they owned the unit and sold it and moved to Hume and bought. Two businesses have relocated from Fyshwick; they were renting in Fyshwick. The rents became too high, so they moved out and they bought their own units. One business relocated from Phillip; they were renting and they bought a unit in Hume.

One business relocated from Phillip. He owned his unit in Dundas Court. He sold that and moved into Hume with his own unit. One relocated from Kambah. He was renting

and he now owns his unit. Two businesses relocated from Hume. They were renting and now they own their units. There are two existing interstate businesses from Sydney that have opened a branch up in Hume, and they've bought the little units in Hume.

There's one business that's actually got a shop in Lanyon. He wanted storage and he was renting from storage units in Kambah, for which the rents, as far as I'm concerned, are astronomical. He could afford to buy his own unit. He's already saved in the first year; he's paying half what he was paying in small storage units, so he owns his unit. Five of the units we sold were sold to investors.

The people that lease those buildings, those units, one was a home business, three were existing Hume businesses that moved because the units they were in were getting old and they wanted something newer, two were existing Fyshwick businesses that moved out of Fyshwick because the rents were going up and one's a Queensland business that has opened an office in Hume and he's renting.

Except for the Queensland business, which is a fairly large business around Australia, all the others are small business. These people can afford to buy their unit at the price we're selling for at the size they want and that's what we're on about.

**THE CHAIR:** Mr Convine, you're on the northern side of the Monaro Highway in Hume.

**Mr Convine:** No, more—

**THE CHAIR:** On the Canberra side rather than the Queanbeyan side.

**Mr Convine:** Yes. There's only one side. On Sheppard Street. Mainly Sheppard Street, Raws Crescent, through that area. Where the petrol station is, in that area.

**THE CHAIR:** Yes, okay.

**Mr Convine:** Not where the timberworks are.

**THE CHAIR:** What are the changes that draft variation 175 makes that would make your business unviable?

**Mr Convine:** None of those people would be able to own units because the minimum size in the new variation is 1,000-square-metre units. All these units here are up to the maximum of 250 square metres. So none of these businesses would have been able to buy.

**THE CHAIR:** None of them would have been able to buy.

**Mr Convine:** No. I mean, a 1,000-square-metre unit to all these businesses is at least four to six times the size they require. And they're all unit titled, so they've got a body corporate set up.

**THE CHAIR:** As things currently stand, if we changed the Territory Plan, we wouldn't be going through and ripping down warehouses and saying that you must put up bigger ones.

**Mr Convine:** I assume not.

**MRS CROSS:** But that's what you're implying.

**Mr Convine:** No, I'm not implying that, I'm implying that from whenever this comes in, none of these small businesses will be able to buy a unit. What they'll basically be doing is the big boys in town will build massive warehouses. If they want to divide it up, they will own the warehouse and they will lease to these types of people. What we're doing is, we build the units at this small size and then we sell most of them and these people have the opportunity to buy.

**THE CHAIR:** So that what you're saying is that the changes in draft variation 175 will make Hume inaccessible to small operators; it will become a large operation.

**Mr Convine:** Yes, that's right.

**THE CHAIR:** If people like your clients don't go to Hume, where else could they go and where else could you go?

**Mr Convine:** I'd say out of these people, the money that they would have had at the time, possibly a couple might have gone to Fyshwick. All but, I'd say, one might have gone to Mitchell. I mean, 80 per cent of the people who have bought here live in Tuggeranong, Queanbeyan or Woden. There's only one person I know in all of these that actually lives in Belconnen and he goes all the way to his unit in Hume.

**THE CHAIR:** The brief summary of what you're saying is that you, as a small operator, on behalf of other small operators in Hume, would like to see some continuing capacity for a small-scale operation.

**Mr Convine:** To do what we're doing, yes. You've just got to go around Hume and look at, say, Raws Crescent, the number of small units that are already in complexes of four to five units at a time. Sheppard Street has got up to, I think, 14 units in one complex, 11 in another.

**THE CHAIR:** And are they all occupied?

**Mr Convine:** There is one vacant unit in Hume. Sorry, there are two, but the one that's got the other one will never sell it because he wants twice as much as it's worth.

**THE CHAIR:** So what you're actually saying is that you're meeting a demand, that there's an ongoing demand because there is not a substantial number of vacancies, and that by doing this we run the risk of carving out of the market a number of small operators.

**Mr Convine:** Yes, they'll either stay at home or they'll be renting off the big boys of town and the big get richer and the little get poorer.

**THE CHAIR:** You would have heard Mr Efkarpidis say before that there are many vacancies in Mitchell, for instance.

**Mr Convine :** I agree with him. Mitchell is a disaster in my book.

**MRS CROSS:** Mr Convine, my sympathies for your recent family tragedies. We appreciate your preparing something as concise as this. Can I just ask you a little bit about your business so that I can understand? You said that you sell the sheds, the warehouse infrastructure. How long has your business been going?

**Mr Convine :** Chris started about nine years ago with another partner.

**MRS CROSS:** And is most of your business done in Canberra, in the ACT?

**Mr Convine:** Yes, all in Canberra. We don't do anything anywhere else. There are only two of us. Basically, what it is, the two of us build the warehouse. It takes us up to a year to build because there are only two and we employ three contractors. We're not like the Greeks and all those. They get in 50 or 100 people, build it quick smart and that's it. We're just a small operator.

**MRS CROSS:** How much of your business would be dependent on this variation and how it affects Hume, if it went against you?

**Mr Convine :** If the variation went through, we can change what we do and just build a warehouse and sell it to one business.

**MRS CROSS:** So it won't affect you.

**Mr Convine :** We're really not interested.

**MRS CROSS:** So you're here representing the small business person.

**Mr Convine :** Yes. I mean, what we do is we have no real estate agents involved. We sell all the units ourselves, so we prefer to deal with the person that's buying the unit.

**MRS CROSS:** Are you here today actually representing the small businesses?

**Mr Convine :** If you want to call it that. I'm a small business. It's taken us a long time. We basically buy one block of land and develop it and when we've finished with that we buy the next. We can't afford to buy two or three.

**MRS CROSS:** So you're not just building a shed; you actually buy the land, put the shed on it and then sell it.

**Mr Convine :** We buy the land, generally at government auction, and then sell it off.

**MS DUNDAS:** Do you think, if you were able to subdivide as you would like, that there's enough room in Hume for the businesses to continue to grow without the need to leap over to the other side of the Monaro Highway? You've opposed sections 23 and 17 being involved.

**Mr Convine:** That was another thing. I'm personally against developing the other side of the Monaro Highway. I mean, you've got a main arterial road to Canberra and you're going to have it going through an industrial area. There are suggestions in there that it could be used for roadside whatever, it doesn't really say, but to me the industrial area of Hume is hidden by the vegetation from the highway side. To me, you don't have a main arterial road going through an industrial area. You've got to go to Sydney and other places to see what it's like. We're supposed to be the national capital and everyone's trying to make the place look pretty— and to do that, I mean, there are other purposes. Leave us a bit of farmland; there's no harm in that.

**MS DUNDAS:** But do you think that there is enough room in the rest of Hume for it to be able to continue to thrive?

**Mr Convine:** I think there is. The way precinct A is written out is that it's always talking about large companies, transport companies, whatever, coming in and having massive blocks. You go out to Hume and you find out that the number of small units vacant is one. You now look at the warehouses in Hume that are vacant that are over 1,000 square metres and there is a lot of them around, just go and have a look, and some of them have been vacant for three or four years.

The old Woolworths warehouse is now completely vacant. That's a massive site. They're trying to get tenants. I don't know how they're going. To me, small business can go in there. It's always been a precinct A. To me, you either change some of it to another precinct to allow for this sort of thing, because there is a demand for it, or you change the rules for precinct A, which will affect other areas of Fyshwick and Mitchell, especially Mitchell, which has a large precinct A area in it. To me, there's no harm in that.

**THE CHAIR:** Is that all done for Mr Convine? Thank you very much for your presentation.

**Mr Convine:** That's that part. I was born in this town and I have seen what happens. As far as I'm concerned, government and developers are making an absolute disaster area of the place. I live in Downer and it looks like Downer is going to be half wiped out.

**THE CHAIR:** You should have been here earlier in the week if you want to talk about that.

**Mr Convine:** I tried to write about it but I just wasn't in the mood. The thing that I'm dead against is actually the two blocks for Hill Station. I mean, there's a suggestion of making it a precinct A. It's already squashed into the middle of Hume. I don't know what the history is or why Hume ended up there and why it's in the middle, but as far as

I'm concerned the little block of land that's actually got grapevines on at the moment, leave it as it is, let the place stay as it is, don't get the developers in there or especially the architects and do their fancy little designing to do something else to it. Let's have a bit of stuff in Canberra that's original with a bit of space around it, and don't close all the farm houses.

**THE CHAIR:** We will be having Hill Station in later in the morning.

**Mr Convine:** As far as I'm concerned, that shouldn't be changed; try to look after these places. There was one other. I mean, I've put some suggestions in there on what I think minimum sizes should be for units, 100 for units, 1,000 for subdivisions, and increase the number of units per block. We've got a block at the moment of 7,000 square metres. We want to build a lot more units on that than the five units allowed.

There was one other one in there. There's just a small bit in the front there with some of the reasons people have given us why they've moved out of Queanbeyan—because of its untidy state and they wanted a clean area for their customers to come in, plus the expense of Fyshwick for some of the small people; they just can't afford anything in there. Fyshwick is getting old and untidy anyway in lots of areas.

**THE CHAIR:** Just to finish up, Mr Convine, what sorts of people, what sorts of businesses, buy or rent from you?

**Mr Convine:** The businesses range from storage for, say, a toy shop. He was the one that was renting at U-Stow-It and it was costing him an absolute fortune a month to do so. He buys the unit and he's already paying half the rent. The rent he's paying is actually his loan to the bank, so in five to seven years he'll own the unit and he's laughing after that.

They range through the different trades, from plumbers to electricians, airconditioning, balancing businesses, joinery shops, a small appliance repairer, storage for distribution to Chinese restaurants around town. There's been a couple of mechanics. A couple of them have gone bust. It doesn't seem to be too flash for mechanics around the place. There are waste people just renting small units to run their offices and stuff like that and repairs to their vehicles.

**THE CHAIR:** So there is quite a variety of people.

**Mr Convine:** There are lots of different types of businesses. Some of the newer ones we've got at the moment for the new set range from coming from Sydney for toy distribution, another Chinese wholesaler to restaurants and a spray painter, so there are lots of small businesses.

**THE CHAIR:** Thank you very much, Mr Convine, for coming along.

**Mr Convine:** No worries.



**PAUL SMITH,**

**ROBYN GIBBONS** and

**BRUCE GIBBONS**

were called.

**THE CHAIR:** The next witnesses are from Posh Pots. Please introduce yourself for the *Hansard* record. Would you like to make a presentation? I hate to do this to you, but I have to ask you to be as brief as possible because we're running behind schedule and the people who come later will have to wait unduly.

**Mr Smith:** Sure, we'll be as quick as we can. I do say, though, that we do have a presentation and we would like the opportunity to see it through. My name is Paul Smith. I am the business manager of Posh Pots and Robyn and Bruce Gibbons are the proprietors. Today's address from our point of view is a follow-up to our submission that we forwarded to you good people at an earlier stage. I presume you are well aware of the text of that submission?

**THE CHAIR:** Yes.

**Mr Smith:** Fine. I will talk to that submission as the short period goes forward. Obviously, we came to a decision in lodging that submission to do so after perusal of the public file in relation to the draft variation to the Territory Plan 175. We took exception to an attachment that was, in fact, included in that documentation and that was an attachment to the Minister for Planning. It was an Urban Services brief signed by a Ms Ekelund. Whoever wrote this particular document wrote, we felt, words to the effect that we were being singled out, somewhat being used as a whipping boy, for a situation that has been ongoing in relation to the operation of Posh Pots at Mitchell.

**MR HARGREAVES:** Do you want to put the title of that into the microphone so that we can find it easier when we are looking for it?

**Mr Smith:** Indeed. It is headed "Attachment 1" to the brief by Urban Services. Have you all found that?

**MR HARGREAVES:** Yes.

**Mr Smith:** Excellent. You may not necessarily have to read it right through now, but it is the basis for why we saw fit to write to you as a committee in the first instance. And, of course, it is relating to our leasehold at Mitchell, block 41 section 18.

Earlier, Tim and Claire both articulated, I think, a great presentation of what Mitchell is all about. Obviously, this is where Tim has some interest and is looking to go forward.

We are here, block 41 in section 18. We sit behind Hoskins Street, which is this main artery wandering out to the Gungahlin community. We sit behind this precinct, which

provides for retailing. Our easement or our driveway coming off Hoskins Street, being our main access, is in precinct B. However, our block sits in this precinct A situation. That is the basis for a lot of ongoing embroilment about the conduct of our operation, Posh Pots World. But I am not only going to address that in isolation. It is ongoing about the plan.

Obviously we have been party to a lot of paper warfare about this situation and seemingly going slowly forward, but this—

**THE CHAIR:** But going forward.

**Mr Smith:** Going forward slowly.

**THE CHAIR:** Yes, but forward.

**Mr Smith:** Going forward slowly. I don't see it necessary to waste time now recounting this whole A, B situation. I have given you that in a brief and I think everybody understands that. The town planners, which I will talk about shortly, are well on top of the concept.

In the attachment that I talked to you about, there is a comment about the fact of sufficient active frontage and suitable vehicle access being afforded to block 41. As already mentioned, we have significant active street frontage in Hoskins Street by way of signage. We are sitting there amongst the retail precinct that sits along Hoskins Street. Access is provided for motor vehicles, passenger motor vehicles, large commercial delivery vehicles, et cetera.

In fact, we believe we have a greater level of access to our area of operation than perhaps most leaseholds along the Hoskins Street frontage, because these are sitting hard up against the street. There is little to no parking for just passenger vehicles, let alone commercial vehicles who are delivering on a regular basis, and the nature of our business is that a lot of our product comes to us in either 20 or 40-foot containers.

Where it has been argued that our situation does not provide vehicular access sufficient, we believe that is not correct and, in fact, contrary. The way our situation has developed here by way of the actual infrastructure on the block, large semi-trailers have plenty of room to deliver, turn and move out of the block.

We also talked about, or it has been talked about in terms of that attachment, shop size limitations, et cetera, between precinct A and precinct B. Industrial land use policies provide for shop—we will use the word “shop”—sizes across the broad spectrum of industrial areas in the ACT to range from 200 square metres to 3,000 square metres. This is couched in this document, which again you will have read, I suppose, in 4.1. Depending on the criteria of whether you are a B or C location, you can have that 200 to 3,000 square metres. But incredibly, documented or not documented in this draft variation, is if you have a precinct A classification, even as ancillary activity, there is no nominated gross floor area provision.

Also, in the plan, we believe, there has got to be an interpretation of the gross floor area, GFA, in terms of whether we are talking per lease, that is, per lease in any one of these little boxes, whether we are talking about per block, again in one of these boxes, or per unit entity within the structure that might be, by way of capital improvement, built on the block and section, or on the block, i.e., there is no provision for a unit which might be one of four units in a development on the lease or on the block to be identified as an individual entity. We feel that that is a shortcoming in this Territory Plan. Accordingly, there is no provision for a GFA for single unit entity. There need to be guidelines implemented within the plan.

The criteria used by Urban Services in determining parking generation rates—again, this is highlighted or made comment of in that attachment regarding Posh Pots versus, if you like, the Minister for Planning: parking generation rates for all industrial precincts in the ACT seem to be lacking. Not a mention whatsoever in this document. Our parking arrangements more than satisfy the standard lease arrangements based on the PGR, which is the parking generation rate, one space per 100 metres square of floor space, that is, in one of our unit entities we have 451 square metres, for which we would by way of the written word, by way of the lease document, have to provide five car spaces. We, in effect, provide 23 car spaces. However, this ratio is not evident or existing at the majority of leasehold activity in the ACT.

**THE CHAIR:** Especially on Hoskins Street.

**Mr Smith:** Well, it does not matter whether it is Hoskins Street or anywhere in that particular Mitchell precinct: if you went across to Fyshwick, if you went to Hume, if you went anywhere, I suggest there is not sufficient parking based on that parking generation ratio formula. I believe that that should be certainly an adjunct to a Territory Plan that you wish to be the basis for going forward in future development.

PALM directed the leaseholders of unit 2, these people, block 41 section 18, to make available 23 car spaces back in 2000-01. While it's not directly associated with what this is all about, there was certainly seemingly some plucking from the air of a parking generation rate formula to suit the case at the time. So we strongly recommend that as part of your revision, committee, you look at the business of parking, because as a very, very pushed to the side issue we've seen death and destruction occur in Fyshwick which no doubt have been part of the problem of vehicular traffic through that area and the lack of suitable parking.

Land use controls: we read through the plan and we find that there are many and varied land use controls. You are probably well aware of all these schedules. These little Ys against anything from A to Z. What seems to be terribly lacking in this document for it to be the basis of forward growth in this community is definitions of the terms of permissible uses. The Territory Plan document must clearly and concisely define terms.

We as mere laymen working to make money—I suppose like all of us in business, we're looking for wealth generation—can't be expected when looking to develop to have an understanding of the use of terminologies if they're not clearly defined in a document which is the basis for all to go forward on. I would suggest that the terms that, from our

point of view, certainly need clarification are “ancillary”, “bulky goods retailing”, “retailing general”, “shop”, “warehouse” and something that is terribly evident within the structures of Mitchell, Fyshwick and Hume, the amazing thing called a showroom. There is not a word called “showroom” in this document. However, lots of leaseholds operate showrooms, whether they be in A, B, C, D, E, F.

**THE CHAIR:** You’re saying that the common sense definitions aren’t enough.

**Mr Smith:** They’re not even there.

**THE CHAIR:** There are definitions there.

**Mr Smith:** Vicki, there’s only one or two definitions.

**THE CHAIR:** Yes, and the thing is that there might be some things which are common sense, but things like ancillary do present problems for just about everyone except the planners.

**Mr Smith:** I think that when the game gets rough and we’ve got to refer back to the rule book, then there have got to be definitions. We can’t stop the match to argue the definition.

**THE CHAIR:** Okay.

**MRS CROSS:** Mr Smith, it sounds to me, and correct me if I’m wrong, that you feel that Posh Pots has been deliberately victimised. Is my assumption correct?

**Mr Smith:** I don’t sit here to necessarily in this forum—

**MRS CROSS:** I’m just going back on the evidence you’ve given so far regarding parking spaces and the—

**Mr Smith:** All right, you’re certainly reading between the lines.

**MRS CROSS:** Okay, right.

**Mr Smith:** I think you’re not incorrect there, Helen, but the situation is, of course, we’re addressing this as a business entity, but we’re seeing the Territory Plan providing for the future growth. I would suggest that certain organisational structures have taken stances that I don’t think they could go back and confirm or rely on support.

**MRS CROSS:** Do you mean arbitrary?

**Mr Smith:** Yes.

**MRS CROSS:** Arbitrary decisions have been taken.

**Mr Smith:** Yes. I don’t think that they could back them up by written word.

**MRS CROSS:** Right, okay.

**Mr Smith:** Area specific policies, site specific controls: Territory Plan 175 provides for some site specific controls. I won't articulate what they are in terms of the big picture, the terminology, but one case is in Hume, Hill Station, blocks 5 and 6 section 6, being mindful of the need for flexibility and adaptability of business operations measured against the changing trends and demands of the local consumer base, which is really the underlining thing. Why are we in business? We're in business wherever we are to suit the needs of the consumer base.

Site specific controls must be more accessible to leaseholders. Scope for such should be provided in the Territory Plan. There is only one mention of a site specific control being documented, and that is for Hill Station, which has been talked about and will be talked about later on.

If an activity is going to take place on a block and section within the ACT and it doesn't clearly fit in with what the Territory Plan provides for, there is scope for PALM, for the government, to initiate site specific controls. That, I think, should be more fully developed as a section of this Territory Plan.

Compliance issues, and I suppose this is where the Posh Pots thing comes in quickly, for block 41 section 18—

**THE CHAIR:** Block 41 section 18 Mitchell.

**Mr Smith:** Sorry, Mitchell, yes, I must say Mitchell for the record. Refer back to the Urban Services brief, which I've based a lot of talk on already this morning, and a letter to Ms Vicki Dunne MLA from the Minister for Planning dated 18 November 2002, signed by Simon Corbell. Point 1—

**THE CHAIR:** Wearing my other hat, not as the Chair of this committee.

**Mr Smith:** Sorry, yes. It just happens you're here, Vicki; it could have been to anybody at the time.

**MR HARGREAVES:** Mr Smith, you must appreciate, if you will, that the other three of us aren't necessarily privy to that document.

**Mr Smith:** All right. Well, I'll articulate probably what's in here now. Point 1, PALM has a total lack of understanding of the nature of the Posh Pots business, as I would suggest from coming and hearing here today may be the case across a broad range of business.

Predominantly, storage and wholesaling are what we're all about, handling mainly bulky goods, and the type of business that we operate can clearly be seen to only fit into an industrial area to be successful. By way of what we're doing, we believe it does not have any prejudicial impact on the planned hierarchy of retail centres, but rather clearly enhances the intended purpose and character of the Mitchell industrial area.

We are not an operation that would be suitable to be involved in the Gungahlin town centre. I would suggest this morning you've had a fair briefing on that mindset from Tim and his colleague there in terms of what may or may not go on up here. Things can happen in town centres that are very nice, but when you get into large bulky goods or if you want these anchors in terms of large retail outlets, you've got to be involved in an area that can get a little dirty, doesn't seem to be as pristine, and it's more the day-to-day movement of goods coming in and going out that you need the access of an industrial site. You would not get too many credits if you allowed double B vehicles, trucks, to come in to a town centre, backing up with two 40-foot containers on them, not to mention what might be squashed as they're reversing, et cetera. So the industrial area has a place. It has a place for what we're doing, as no doubt many other operators are involved.

Part 2, singled out in that document that I've referred back and back to, as a problem leasehold or leaseholder, we took exception to that. Other unauthorised retailing, not excessive, as mentioned in this letter to yourself—

**MRS CROSS:** Did you say you were called a problem leaseholder?

**Mr Smith:** We would identify ourselves, right, in the eyes of PALM, et cetera, as being a problem leaseholder. I think they are almost the words used in that document there.

**MRS CROSS:** To describe this business?

**Mr Smith:** Our operation—

**MRS CROSS:** In writing?

**Mr Smith:** Well, in as much writing as is there.

**MR HARGREAVES:** But it doesn't have that actual description in there, does it?

**Mr Smith:** No, I'm using that description. I'm suggesting that that is what we are seen—

**MR HARGREAVES:** I think that's what Mrs Cross was actually getting at.

**MRS CROSS:** Yes, because I haven't seen that word, that's all.

**Mr Smith:** Singled out as a problem leaseholder. Other unauthorised retailing not excessive, with PALM investigating to ensure such compliance of regulations, yet no mention of names. What this is all about is that, in effect, Posh Pots is seen to be working outside its lease purpose clause, based on the fact that it's sitting in a precinct A domicile, bearing in mind that all this is retail and bearing in mind the nature of our business, yet no-one has gone forward, including in the letter that is here from Simon Corbell, to mention these other operators that may be working outside their current purpose clause, based on their situation in regard to precincts A, B, C or D.

**THE CHAIR:** But the reality has been, Mr Smith, for as long as Canberra has been Canberra that people in industrial areas have been operating outside their leases.

**Mr Smith:** Yes, that's right.

**THE CHAIR:** A few years ago, we went and fixed up Fyshwick, so that people retrospectively weren't operating outside their leases.

**Mr Smith:** So, as we move on, there is no doubt in our mind that there is obvious inequity and bias in the way in which the compliance issue has been dealt with by PALM. Independent review of leasehold activity in the Mitchell area would indicate that of some 20 leaseholds recently observed, and I mean in the last two weeks, 10 are seemingly operating contrary to the provisions of the Territory Plan. Such would include Magnet Mart, the Essington Street bike shop and end of the line retail. There's a document that we will prepare, not necessarily to go forward to you unless you felt it was appropriate, that will confirm that in black and white.

In summary, we support the broad range of the stated objectives as documented in the revised draft variation to Territory Plan 175. However, the indifferences towards our business operation by PALM in regard to the ambiguities in the proposed variation are such that we strongly urge that the Standing Committee on Planning and Environment, in the context of your inquiry into the draft variation, agrees to recommend that block 41 section 18—that's the block—be rezoned from A, as it is now, to precinct B. There's precinct B. Our driveway is precinct B. We believe that this line could come around, just like Magnet Mart, and, small anchor that we may be, Tim's looking for the big anchor up here, this would be me.

Such agreement could include the subjective standardisation of land use floor limits of leaseholds, that is, we need, as do all operators, a workable and realistic minimum square foot area per unit entity, because at the moment PALM has afforded Robyn and Bruce and myself a mere 21 square metres to carry out what they believe to be our prime business operation, retail, which is not the case, but most people have a bathroom larger than 21 square metres. So there is a huge inequity in the mindset of this gross floor area, based on the fact that no provision has been made for gross floor area considerations and rationale of formulae.

It can be seen that the Mitchell plan, block 24 section 38, Magnet Mart, has been suitably included in precinct B. I've already mentioned that. So it's not too hard to put a nice thick pen around a plan. It should also be mentioned that this document, and there are piles of other documents, is about an industrial land use study that dates back to 1998.

Retailing in industrial areas: generally, this was supported by way of the documentation that's written in this one, but there are other documents that have come to bear after some research, generally supported with some provisos, although there seems to be a great push up our neck of the woods that everything that ever should happen, should happen in the Gungahlin town centre.

That is not a viable centre for the likes of us and probably the greater majority of operators. It might be a little bit greener in 2008, and, based on writings, it suggests that in that area we're not going to have 100,000 people, consumers, until 2025. Gungahlin town centre is nice. The guys that drew it up and said, "Let's do it", didn't really think clearly as to a town centre only works if it's a viable proposition.

**MRS CROSS:** So you've got no opinion on the \$40 million thing that will be happening today at 1 o'clock?

**Mr Smith:** Sorry, Helen?

**MRS CROSS:** The \$40 million government plan.

**THE CHAIR:** No, this is not the subject.

**MRS CROSS:** No, that's all right, that's okay.

**Mr Smith:** Our conclusion, guys, is that it is clearly evident that not all is well in terms of the proposed draft variation to the Territory Plan 175. Respondents by way of submissions to the Territory Plan last July, August, September, of which there were several, to say the least, have all raised extremely important issues for consideration by the committee, as we do as leaseholders of units 1 and 2, block 41 section 18 Mitchell. We are most adamant that the current precinct A status afforded the developed part of our said block—remembering this is our block as well, that driveway; that's already B—be afforded the developed part of the said block and rezoned precinct B.

As a consequence of this intent, the leaseholders of the said property, Mr and Mrs Bruce Gibbons, have engaged the services of a town planner, Mr Malcolm Smith of Smith, Cohen, Middleton, et cetera, Claire's group, to assist with the preparation of a submission for the rezoning of block 41 section 18 to precinct B. We request that the standing committee, yourselves, undertake to agree to accept this submission, once finalised.

**THE CHAIR:** We can't undertake to accept something until we see it, but we will look favourably on receiving it.

**Mr Smith:** Probably, what I'd like to hear is that yes, you will undertake to get the document from us. I can't table the document today. The document is still being prepared.

**THE CHAIR:** We would like you to forward the document to us, though.

**Mr Smith:** No, but you will receive the document.

**THE CHAIR:** We can't agree to receive until we've seen it. That's the way the standing orders work.

**MS DUNDAS:** "Receive" is a technical term in the Assembly.

**Mr Smith:** All right. Sorry. In essence, we are intent on pursuing a review of the industrial land use policies, as invited by the Minister for Planning, Mr Simon Corbell MLA, in his letter of 18 November. We've talked about the letter.

**MR HARGREAVES:** You've got a one in four chance of getting that one understood at the minute.



**Mr Smith:** This letter?

**MR HARGREAVES:** Yes, because we haven't seen it, only one of us has.

**Mr Smith:** All right. I'm quite happy for it to be copied and left with you today. The minister has invited us, in fact, to review the land use policies, based on our embroilment with the relevant department, such a review providing for a rezoning of block 41 section 18 Mitchell to precinct B and, in turn, provide for a fair and equitable gross floor area for the bulky goods retailing that we participate in.

**MR HARGREAVES:** We got that.

**Mr Smith:** General controls: 3.5 land use restrictions provide for precinct B bulky goods retailing of 3,000 square metres per lease in Mitchell. I revert back to this business of looking at the potential in the plan to talk about unit entities rather than just a lease, which is the total land mass of a particular block within a section.

We seek your support and recommendation for approval of the rezoning of block 41 section 18 Mitchell and we also seek your support to standardise gross floor area provisions, which we talked about before, standardise parking generation rates requirements for all industrial precincts in the ACT, include in the Territory Plan clear and concise definitions of terms of permissible uses, including "showroom", area specific policies, site specific controls, provide for such in the Territory Plan, and provide for a proactive moratorium by PALM on non-complying leasehold activity, assessing needs of all such leaseholds for the years ahead and, in turn, ratify correct zoning and associated land use controls.

As part of this, perhaps introduce an annual review of leasehold activity by way of self-assessment whereby that would go forward when rates are being paid, so as to provide for changes in the marketplace. If I go back to the person before us, small business has a lot on its plate. Small business has to move with the changes in the marketplace. As we see it, the industrial activity of the ACT is not looked upon proactively by the government, but rather reactively when somebody, somewhere, says somebody is doing something wrong—all I summarise totally now by saying, let common sense prevail.

**THE CHAIR:** Thank you very much.

**LEIGH KENNEDY** was called.

**THE CHAIR:** Welcome, Mr Kennedy. I'm not sure that you were here before, so I'd better read this just in case.

**Mr Kennedy:** Yes, I was.

**THE CHAIR:** Okay. That saves one thing. Would you like to introduce yourself and make a brief opening statement.

**Mr Kennedy:** Leigh Kennedy is my name. I'm the owner of Hill Station. I'd like to say a few words. First of all, thank you for letting me take the opportunity to speak today. I am told that you have a copy of this report and you're all familiar with its contents.

**THE CHAIR:** I couldn't swear to being absolutely familiar with it, but we will be by the end.

**Mr Kennedy:** Yes, because that's very important. The increased industrial activities and continued development of the Hume industrial area are having a deleterious effect on the designated uses of the Hill Station property as a quality cultural, passive leisure, tourism experience. The co-location of the two land uses in Hume has caused an environmental conflict where the two planning policies are linked but are not working compatibly together. This situation is now gravely affecting the Hill Station's business viability.

Continued industrial development has changed people's perception of Hill Station's tranquil environment and they now question the property's capability of being able to provide the socially acceptable ambience that it had in the past. Continuing on the same path, we will see business activities becoming insolvent and ultimate closure. The current zoning and purpose clauses are too restrictive for change to take place to bring the property into a more compatible situation with the now dominant industrial area. We ask PALM to allow for the industrial zoning to be expanded as per the interpretation of variation 175 to cover section 5, blocks 5 and 6, Hume, which is Hill Station.

Just to bring you up to date, potential clients are letting us know we are no longer on an even playing field when it comes to comparing the surrounding area of the Hill Station property with other venues being located in more environmentally and aesthetically pleasing areas. Our faithful clients who understand our situation are also telling us that the increase in industrial activity is making them edgy about continued use of Hill Station as a venue. It is increasingly difficult to answer a potential client with complete honesty, and I say complete honesty, knowing full well that what you are saying is not entirely true with regard to the localised environment. Their event may go off without a hitch, but then it can turn into a complete disaster caused by off-site nuisances.

We continue to win awards of excellence and continue to talk up our products, but the public is quite vocal about our environment and why they will not return. I must say it is completely demoralising for our family, who strive to provide excellence in service along with a quality product in an atmosphere that is filled with old world charm that continues to be undermined by an ever-increasing localised environment. Our statistics

show a continued decline in demand for our products. If this decline continues at the same rate as present, the life expectancy of the Hill Station restaurant will be brought forward. Do you have any questions?

**MS DUNDAS:** I do. Your letter and what you've just said indicate that you would actually like to have more flexibility in the future of the site.

**Mr Kennedy:** Yes.

**MS DUNDAS:** Is this pre-empted by the fact that you believe that, quite possibly, the restaurant might have to close and the whole site—

**Mr Kennedy:** There's no quite possibility; we have dropped. I can tell you the figures just roughly. In the first quarter of the current financial year, a la carte was down 14 per cent, weddings were down 20 per cent, conferences were down 18 per cent. Second quarter: a la carte, down 21 per cent; weddings, down 13 per cent; conferences actually went up by 12 per cent, we had a win. The start of the third quarter, which is the current quarter and overall, as I didn't have time to do a split up, January was down 42 per cent and February was down 17 per cent.

**MS DUNDAS:** What plans would you like to see for the site?

**Mr Kennedy:** It's a lovely old building and, if you have read this, it tells you the story of—

**MR HARGREAVES:** Or if you have been there.

**Mr Kennedy:** Right. I call it very bad planning because there were no corridors left there for something that they wanted protected. As a tourist, or if you had visiting friends coming into town, where are you going to take them? Are you going to take them to Hill Station to have a look at, or are you going to take them to Lanyon? Where? Or to the place in Red Hill, whatever it's called, I don't know.

Here we have dust and pollution. You know how they have Clean Up Australia Day. We have clean up Hill Station day every day of the week from industrial rubbish coming from everywhere. Just the other day a longstanding client we've had who has brought conferences for the last eight years and has always sworn by Hill Station, the product and everything, said, "Leigh, I'm sorry but it's getting to a point where we just can't do it any more because of the noise, the perception, the whole lot." It's just killing us.

What is happening is that you're turning something that's meant to be protected into a worthless piece of real estate, and it is worthless at the moment, let me tell you. We've tried to sell it for the last three years and we've had nothing but offers way below what we paid for it. Nobody is interested in the business whatsoever because when you look at a business you want to look at growth, but then when you look at the surrounding area you say, "Well, this is really a tourist business. How am I going to make it work? Burn all the neighbouring buildings down?" So we really have to swing it over to some sort of industrial area.

Now, you talk about protection of the building. When you look at what they've set up for Hume and the role of Hume, in this they say, "The role of Hume is for regional manufacturing, warehousing and storage on large blocks, waste resources, recycling cluster west of Monaro, industrial enterprises requiring rail access and service industry for all residents of Tuggeranong district." There is nothing there, once again, for what Mr Smith said, that is, with regard to showrooms or anything like that. So what do you do? Put heavy industrial machinery in the middle of the Hill Station homestead? What can you do with it? It has to have some industrial situation. I agree that it has to be moved over to industrial. We have to work out how we can incorporate that homestead so it's preserved, but it's turned into offices or something like that.

We talk about the sex industry. We even had a group look at it with regard to turning it into an upmarket bordello. They said, "We would not touch it because it is not in the right precinct, because all the bordellos and everything are in Fyshwick, the major sex shops are in Fyshwick and that's where the market goes. To have it in Hume would be an absolute disaster." So we've looked at many things to try and work out what you can do with it. It's just unfortunate that back in 1925 when the National Capital Development Commission said, "Let's bulldoze", they should've bulldozed it quick smart. I know it's sad.

**MR HARGREAVES:** You gave me a heart attack.

**Mr Kennedy:** Yes, but tell me this, Mr Hargreaves: why did they allow the industrial area to be built round it?

**MR HARGREAVES:** Why can't a mouse eat a streetcar, Mr Kennedy? I don't know the answer to that one, either.

**THE CHAIR:** Thank you for that contribution, Mr Hargreaves.

**Mr Kennedy:** I am not saying I want to destroy it, but I am saying that it's a very difficult situation.

**Mr Convine:** Can I say something? Am I allowed to say something?

**THE CHAIR:** No, I'm sorry, you can't.

**MR HARGREAVES:** Mr Kennedy, can I pick up on something you said before? I have been to Hill Station quite a number of times—I live in Tuggeranong—and it's always amazed me that we have an historic place like that and some sort of act of planning bastardry was allowed to run free. I'd like to see some light industrial and commercial areas and things like that, but the proximity of that activity to Hill Station and the sawmills I thought was just incongruous. To me, it just was anathema. But it was there when I got here and it's still there and there is nothing we can do about that, I suppose.

You mentioned something about its being used for office accommodation and that sort of thing. I'm reminded of the protected places in Manuka which are now professional suites. I don't suppose too many people will want to go out to Hume and do that. Notwithstanding, they can't go out there at the moment at all because of the zoning.

**Mr Kennedy:** No.

**MR HARGREAVES:** If it were possible to have it zoned to accommodate just professional office accommodation, would that accommodate you? I guess I'm trying to come up in my mind with a way to encourage the preservation of the property, to encourage the use of it because, if you don't use it, it will fall over, and also to try to find a ring around it. I can recall going to a property in Adelaide which was smack in the middle of the suburbs, there were houses everywhere, but there was a row of trees around a heritage property which was being used by professional people. I have had that mindset with respect to some of the others. Would that solve the issue?

**Mr Kennedy:** That would solve the issue in a residential area, but when you're talking industrial then you've got a problem because you're looking at people's perceptions. Hill Station was established as an upmarket product. It always has been an upmarket product. If we were to lower the standard now, that would be an even worse disaster than what we're trying to do right this very moment to survive. We have spoken to lots of people. The best that we've come up with so far is to find somebody that's willing to develop it in the end into some sort of industrial precinct, with the spare land that's around there, incorporating the homestead with the gardens into some sort of office showroom and preserving it that way, so it's making it a feature for that particular business. Now, that's the way I see it being done properly.

The equity that's required to maintain those buildings is absolutely staggering. While heavy transports continue to move up and down, and whatever happened out there yesterday, something blew or something, the vibration that went through the ground, that poor old building is falling apart through constant vibration. To us, we have to continually look at upgrading it, repairing it and so forth. That's the only thing I can see. As a tourism precinct, as a restaurant, let me tell you I've been in this business all my life and we've run incredibly much larger organisations and operations, and we took this on. Sure, it was a challenge. But we also thought the government, because it was protected, would look after it a little bit better with regard to planning than what they have. Since the planning has escalated in that suburb, we have had huge problems.

**MR HARGREAVES:** The heritage people in town have some sort of wider responsibility than just individual bits, like the former Tuggeranong Homestead authority. What do you think about putting all of those premises together and having some sort of overall assistance approach to it, recognising the lease ownership and the proprietary occupancy of these places, but actually having a say in the protection of it?

What you're saying makes eminent sense. For example, it might be a ceramic tiling business, off the top of my head, and, in fact, you could be using it for the office space, the showroom and all that sort of thing, and out the back are all the tiles. That makes eminent sense. The worry that I have, of course, is that there won't be any sort of heritage control compliance and enforcement on that or involvement with it. If, on the other hand, there was more involvement of Heritage in the viability issue, as there is, for example, with the Tuggeranong Homestead, one might have a better chance of preserving the premises within the context—

**Mr Kennedy:** With the existing business?

**MR HARGREAVES:** Not necessarily the existing business, but preserving the heritage and the historic significance of that building within the context that you propose, which is to allow it to be subsumed into an industrial context.

**Mr Kennedy:** If you put protection orders on it, you put protection orders on it; it's up to that company. I think a major company that would take that on would have some interest in the preservation of historic buildings and so forth and would see it as—

**THE CHAIR:** As a sort of flagship.

**Mr Kennedy:** A flagship or something that would help them to be seen by the local community as protecting property that should be protected. I tell you what: we've torn our hair out trying to work it out, we've torn our hair out trying to make the business exist, but when you've got to go and jump the fence and tell somebody to shut up their noise because we've got a wedding ceremony on and then you've got the mother of the bride screaming at you because you didn't tell her about this noise or that noise, what do you do?

**THE CHAIR:** Yes, I think we understand the problems. Thank you very much, Mr Kennedy, for appearing before us today and putting forward your case. We wish you well.

**MRS CROSS:** Yes, we do. You run a good business.

**MR HARGREAVES:** Thanks for that. We've had other views and it was nice to hear that.

**CLAIRE MIDDLETON** and

**JOE GIUGNI**

were called.

**THE CHAIR:** The next witnesses are from the Fyshwick Fresh Food Markets. Claire, would you like to get to it.

**Ms Middleton:** I'm sure most of you know where the Fyshwick Markets are situated, but this is the block here, block 1 section 7 in precinct C. This matter is not about the precinct. Variation 175 has produced a situation which would be almost an open season on produce markets, because what it intends to do is allow produce markets in precinct B, which would be any part of Fyshwick shown here, and any part of precinct B in other industrial locations.

Fyshwick Markets is Canberra's original fruit and vegetable market. It's been there since 1971, and earlier when it was a temporary market operating out of fruit barrows. My colleagues will give you more information about the background. It became a permanent site, as recommended by the Joint Committee on the ACT, in 1968. The government originally owned the Fyshwick Markets until 1987, when it was sold to Fyshwick Markets traders who are represented here today. It comprises 18 vendors, the annual turnover is more than \$45 million and it has in the order of 30,000 tonnes of produce per annum.

There is a separate definition in the Territory Plan of a produce market that means the use of the land for the sale from market buildings or stalls of fruit and vegetables and other primary produce and may include the sale of other products which complement this primary purpose. For the Fyshwick Markets particularly, there's an area specific policy, which is in section 4.3, and it relates to the fact that this site is only to be used as a produce market for the sale of fresh fruit and vegetables.

This reinforces the fact that produce markets, as distinct from any other sorts of markets, have always been located specifically to serve a specific catchment. There is a planned intention of one market to serve a metropolitan-wide catchment and Fyshwick is that market. We also have Belconnen Markets, which service north Canberra, and a third market was tried in Tuggeranong but has not proved to be viable, which once again suggests that the catchment is imperative to the viability of the market.

The other problem that we see is that in precinct C there is a change in land use restriction for "shop" from 200 square metres per lease to 200 square metres per shop. This would have the effect of encouraging a shopping centre or a produce market under a different name, and we see that as a concern to the ongoing viability of the produce markets in any case. But our main concern is to ensure that a produce market is not a permissible use in precinct B and that "produce market" as such continues to be a one-off specific location site selection as part of the general retail hierarchy of Canberra.

The draft variation includes a produce market as a permitted use in precinct B, applying to most of the land in Fyshwick estate. This is strongly opposed and appears to be an unintended inclusion in the variation. Our submission is supported by market advice attached to our submission.

**THE CHAIR:** What is the distinction between the Fyshwick Markets and the Belconnen Markets? Is it that the Belconnen Markets are on commercial land and Fyshwick is on industrial land?

**Ms Middleton:** Yes, there's a difference, but in terms of the way in which they operate there's no difference.

**THE CHAIR:** There's no material difference. You were saying before that you didn't think that we could have another one, but we already do. Do you mean we couldn't have a third?

**Ms Middleton:** We tried a third in Tuggeranong and it proved not to be viable. It might be a factor of the rents and the fact that it was located close to the town centre but, generally, Fyshwick Markets serves most of south Canberra and parts of Queanbeyan. The operators here can tell you more about that. Belconnen is serving north Canberra.

**MR HARGREAVES:** Tuggeranong's proximity to Woolworths, Coles and all the rest of it within the same rain protection would have helped kill it off, wouldn't it?

**Ms Middleton:** It's had an impact.

**MR HARGREAVES:** That's why we had to change it, because it just died. There was also some other skulduggery going on, but we won't go down that track.

**THE CHAIR:** We won't go there.

**MS DUNDAS:** Just to clarify your concerns about the 200 metres square per lease, the final variation that was put to this committee says that the existing land use restriction that limits food shops to 200 metres square per lease has been retained. Is that satisfactory?

**Ms Middleton:** So that it won't be per shop?

**MS DUNDAS:** It says per lease here.

**Ms Middleton:** Yes, we would prefer it to go back to per lease, to the existing situation, because that would preclude retailing of fruit and vegetables in a complex which would resemble and work effectively the same way as the produce market at Fyshwick.

**MR HARGREAVES:** If we were to go along with this sort of thing and make it 200 square metres per shop, that would put every one of your market businesses in breach of their lease clause, wouldn't it?



**Mr Giugni:** My name is Joe Giugni. I am a director of the Fyshwick Fresh Food Markets. To answer you, no, because at the present moment it's only that we have to have, I believe, around 60 per cent of fresh fruit and vegetables and the rest can be made up of other businesses in the fresh food business and a small, very small, newspaper agency as it stands at the moment.

**MR HARGREAVES:** How many of the shops that you have out there would be 200 square metres?

**Mr Giugni:** Five.

**MR HARGREAVES:** And the rest are all less than that, aren't they?

**Mr Giugni:** Yes.

**MR HARGREAVES:** What I was getting at was if we actually went down this track, most of them would be in breach.

**Mr Giugni:** And the biggest ones are the fruit and vegetable shops, the fish shops and butcher shops, delicatessen, takeaways, cake shops, they're all less than 200 square metres.

**MR HARGREAVES:** They'd be instantly in breach.

**THE CHAIR:** Yes.

**MS DUNDAS:** Can I clarify something? Your two major concerns are the 200 metres square lease/shop and the produce market being in precinct B.

**Ms Middleton:** Rather than in a specific site location, which has been the history of the segregation of the produce markets.

**MS DUNDAS:** The final variation that was put to us fixes most of those problems, so are there any other problems that you have?

**Ms Middleton:** We'd be very pleased with that outcome.

**THE CHAIR:** Okay. Thank you very much.

**TONY ADAMS** and

**LEO PERIN**

were called.

**THE CHAIR:** Good morning, Mr Adams and Mr Perin. Thank you for taking time today. I do apologise for us; we grossly miscalculated the amount of time that this would take this morning. I have to catch a plane at a quarter to 12 and will have to leave at 11 o'clock, so I do apologise. One of the reasons that we started so early and had small things was to allow me as much time here as possible and to hear as many of the submissions as possible. Mr Adams, would you like to begin?

**Mr Adams:** Thank you, Madam Chair. My name is Tony Adams. I work with McCann Property and Planning. I'm a town planning consultant. I'm here today representing the Perin Property Group Pty Ltd. With me is Mr Leo Perin. We would like to thank the committee for the opportunity to make this submission. We would like to make several points with respect to the draft variation. I think I will be able to be brief and I'll endeavour to meet the 11 o'clock timeframe.

**THE CHAIR:** No, don't be constrained by me.

**Mr Adams:** We did plan around 15 minutes. Firstly, the submission that we are presenting is focused particularly on the area known as west Fyshwick, which is that part of Fyshwick which is in the vicinity of the fruit and vegetable markets, which we've just heard about. The Perin Property Group is a substantial stakeholder in the Fyshwick area. The Perin Property Group is the lessee of block 9 section 6, block 16 section 6, block 3 section 7, block 4 section 7, block 6 section 7, block 7 section 7, block 39 section 22 and block 18 section 30. They're all substantial landholdings.

Perin Property Group has a longstanding interest in the Fyshwick area and in other parts of Canberra. The family has been investing in Canberra over a period of 40 years—since 1962, Leo tells me, which is a long time ago. I think it is generally recognised in the Canberra community that the Perin group is committed to achieving economic activity that contributes to the economic and social vitality of the city. We have here a substantial participant in the Canberra economic community and in other elements of the Canberra community.

Having regard to the landholdings in Fyshwick, the group has several strong objections to make to the proposed draft variation. I'll summarise those. They're related to the proposal for a regional food enterprises precinct. I would like to make some comments on bulky goods retailing issues. I'd like to make some comments on the style of retailing and the changing style of retailing in Canberra and, indeed, in many parts of the world and how this is not necessarily being accommodated in current Canberra planning. The opportunity for enhancement of the Fyshwick Markets with some development in the vicinity, which the current variation will preclude. And a limitation on liquor retailing, which is a specific element of the variation.

Firstly, the intent to create a cluster of regional food enterprises, I have four copies of a document here. If I may distribute those to the committee. There's a limitation in the draft variation which limits the west Fyshwick area to food-related wholesale distribution-type enterprises and it seeks to create a precinct or a zone that's focused on wholesale and retail distribution of food enterprises and manufacturing.

The attempt by planning agencies to predict the future and to pick winners often fails. There are clusters of activity in Canberra that have self-generated. The Woolley Street restaurant precinct in Dickson is a really good example of a cluster of activities where a whole lot of restaurants have grown up together, but they weren't planned for.

The plans that I've distributed illustrate the west Fyshwick area and the bulk of Fyshwick. We did a very simple exercise, went through the yellow pages and identified food wholesaling and retailing enterprises, and we put them on the map. You can see that they're scattered evenly and broadly throughout the greater Fyshwick area and there are some in the west Fyshwick area.

To attempt for some reason which is not explained particularly in the variation documents to focus these industries into one particular area is going against market forces. There is no particular reason for it. There's no reason for these sorts of enterprises to want to locate near each other. The evidence is that if they did, they would, and they're not; they're scattered all over the place. There are reasons for restaurants to be next to each other. You create a restaurant precinct. There are reasons for elsewhere in Fyshwick; the furniture shops are all near each other. They've done that naturally because it gives them a marketing advantage to be next to their competition. There is no reason for the food precinct to be created in west Fyshwick and we suggest that, as it's not needed, as it's not meeting any particular social community or economic need, it's just unnecessary.

The Synectics report, which provides a lot of background to the draft variation, did not distinguish between retailing in different parts of Fyshwick, but it did in fact open up some limitations on bulky goods retailing for the main part of Fyshwick but not for west Fyshwick. That analysis didn't distinguish between the two parts of Fyshwick. We're suggesting that somehow preserving west Fyshwick for regional food enterprises is not a particularly sensible thing to do and that therefore the limitations or lack of limitations on bulky goods retailing that are now applying in the bulk of Fyshwick should also extend to west Fyshwick. There's simply no reason not to.

It's also unfair. They've all got their industrial leases that are bought and sold under the same circumstances historically. Why should one part of Fyshwick, for no apparent reason, have its economic opportunity limited while another part of Fyshwick has its opportunity for economic growth expanded?

The third point: there are new styles of retailing throughout the world which the Canberra retail hierarchy and Canberra's planning system do not accommodate very well. A good example, and the one that I'll focus on, is the half-case style of grocery shop. The Canberra retail hierarchy is based around shopping centres that consist of a

standard modern supermarket and a whole lot of specialty shops. The thing that's in between, which much of the community is now finding a very attractive option, is the half-case sort of grocery retailing, which provides cheaper and different sorts of products.

There are various operators in that game. There's a major international chain that's showing some interest in Canberra at the moment. They can't get into Canberra shopping centres because the land isn't available. The centres have been very rigidly planned under a very rigid retail hierarchy which is intended to deliver a very specific retailing outcome for the people of Canberra. The different product that's come along, which is half-case style retailing, which is usually a facility that's about 1,000 to 2,000 square metres, compared to a current Woolworths, which is about 3,500 square metres, simply can't squeeze in anywhere. They can't find sites. That sort of retailing should be permitted.

The opportunity in Canberra that we have to provide for that sort of retailing is in the industrial areas, and it also suits the economics of that sort of retailing. The nature of that retailing is that they do things very cheap so that they can deliver a low-price product to the consumers, and that means they need lower priced land that can be made available in industrial areas and it's physically not available anywhere else, even if we wanted to put them somewhere else. The limitation on shops of a maximum of 200 square metres obviously precludes that sort of retailing. It means that most of the shops in industrial areas obviously will be very small and precludes that sort of retailing.

The question that we would ask is: if that is allowed, will it greatly upset the existing retail hierarchy established elsewhere in Canberra? There are two levels of answer to that. One is that it won't because the retail structure in most of Canberra is dominated, driven and led by the majors, the Woolworths and Coles supermarkets, and in the town centres by the department stores and the discount department stores. That's what makes it tick and, for the foreseeable future, they'll be the major engines driving retail patterns in Canberra.

But for that portion of the population that's looking for something different, it's not available. If that something different was provided in Fyshwick, it might take a small percentage of the market away from the majors, but it won't mean that the Jamison Centre or Manuka will go into decline and turn into some sort of area of blight. It won't make any difference, really.

If only a small portion of the market wants that sort of retailing and is prepared to travel to get it, they should have the opportunity to do that. We believe that the limitation on food retailing, which is the key to it, should be raised. The food retailing limit is a maximum of 200 square metres. That should be raised to 2,000 square metres, and that's a level which would enable this sort of activity to occur. It would not greatly affect the rest of the Canberra retail market, but it would be of great benefit to the people of Canberra.

The Fyshwick Markets, as we've heard, are a very popular facility—37,000 tonnes of goods or something; it was very impressive. The markets stand alone. The opportunity

exists for that function to be reinforced and strengthened with some other retailing in the immediate vicinity. The fact is that I go shopping at the Fyshwick Markets and the product is excellent, but then I have to go a long way away somewhere else to get the other things that I want.

**MR HARGREAVES:** Mr Adams, if I could just interrupt you, what you think would be an acceptable arrangement, for example, would be for that part of Fyshwick where the markets are to be designated as a B classification but protect the markets in a C classification.

**THE CHAIR:** Or some sort of specific land use policy.

**MR HARGREAVES:** Is that the sort of thing that you would—

**Mr Adams:** Actually, I think the markets are such a good operation that they don't need that much protection, but, if there is to be planning protection, it could be protected. The area around, I think we need to allow, firstly, larger areas of other food retailing, grocery retailing. The markets are limited to fruit and vegetables and they sell, obviously, fresh meat and fish as well, but there's a whole range of groceries, dry goods, which you have to go a long way away to get. Why can't that be provided nearby? Similarly, why can't other retail outlets be in the vicinity—newsagents, chemists or whatever—so that if you're the sort of person who wants the fresh fruit and vegetables that the markets provide, why are you then penalised and have to go somewhere else entirely to do your other shopping?

**MR HARGREAVES:** Do you see any danger that the same thing could happen to the Fyshwick Markets that happened to the Tuggeranong markets, where the large chains came in—quite a number; three, if my memory serves me correctly; it could have been four—within the Hyperdome and, because of the ease of the purchasing that you speak of, people actually did their wholesale purchasing within it and the markets actually became quite unviable.

**Mr Adams:** We're suggesting a limitation, a maximum shop size of 2,000 square metres, and a standard Woolworths is 3,500.

**THE CHAIR:** Yes, the majors just aren't interested in 2,000 square metres.

**Mr Adams:** It wouldn't be the majors.

**MS DUNDAS:** Basically, you want west Fyshwick zoned as precinct B?

**Mr Adams:** Yes, with the additional raising of the limitation on food retailing so that dry goods and groceries can be sold.

**MR HARGREAVES:** I reiterate my concern about the open slather availability of food purchasing. If, in fact, you have a viable marketplace at the moment and then there is an opportunity for people to acquire various shops, amalgamate them and then sell—I have

no difficulty with selling food products which are not available in the markets, don't get me wrong about that, but the opportunity for people like the larger chains to go into competition in a nice, unique part of Canberra, thanks very much, scares me. That scares me significantly.

**Mr Adams:** The chains would not be able to compete on anywhere like the range that they compete in Tuggeranong because their shops would be limited to about half the size, and there isn't that much land for this to happen on.

**MRS CROSS:** Do you mean like an Aldi type of store?

**Mr Adams:** Like an Aldi type of store.

**MR HARGREAVES:** Quite frankly, and I'll put it on the line and put it on the public record, I'm more worried about Woolworths coming into the place and getting themselves quite a nice piece of real estate out there, actually running a loss leader and doing the Canberra markets over and then walking away and leaving our small businesses out there with nothing. That's the bit that scares me. If, for example, the whole of that area ought to be a B classification—I have a problem with that, I have to say—I would be looking at some sort of protection against that sort of incursion. That worries me.

**THE CHAIR:** Big business need not apply.

**MR HARGREAVES:** Well, yes.

**Mr Adams:** The final point which I would like to address is that there is a specific limitation on a specific block across the road from the markets on the amount of liquor retailing. It's limited to 1,200 square metres, which is the size of the current liquor facility. That liquor facility is owned and operated by a Canberra company. It's a local business. I think someone else mentioned in one of the earlier presentations that business needs the capacity to grow, all businesses need the capacity to grow. Canberra has 312,000 people and we're looking at 350,000 in a few years and 400,000 and so on. A business like that needs the capacity to grow. The draft variation limits it forever to 1,200 square metres. There seems absolutely no reason to do that. It should be allowed to grow.

I think that need is greatly reinforced in the very current climate. In the last year or so the majors, Woolworths and Coles, have themselves acquired major liquor chains. Dan Murphy has come to town in Belconnen and may come to town elsewhere. That's owned by Woolworths. Those major chains are in the same scale of liquor retailing and their growth prospects in Belconnen are relatively unlimited. They're certainly not limited by a Territory Plan specific control on a specific lease. It just seems unreasonable that that limitation should be imposed on that lease. The facility is there. It's accepted. It's obviously causing no nuisance to anybody. It's a lease that's been agreed by the territory in the past. There's nothing wrong with it. It just doesn't seem fair to say, "What you've got is all you're ever going to get."

**THE CHAIR:** It also doesn't seem rational, Mr Adams.

**MRS CROSS:** No.

**MR HARGREAVES:** What you're saying is that there is one business which, whilst it's a very viable business, and we all know that, for the moment, because of the advantage that the major chains have in being able to have larger services, we ought to remove the restriction on to protect that particular business or any successive business that may occur in that site because, if we don't, essentially it's going to get gobbled up by the major chains.

**Mr Adams :** Yes.

**MR HARGREAVES:** The same thing would apply to the markets, then, wouldn't it? Well, I say it would.

**THE CHAIR:** I think Mr Adams and Mr Perin don't agree.

**MR HARGREAVES:** I agree with you, Mr Adams, about the liquor outlet. I actually agree with you. I think my argument is consistent. I couldn't agree with you more.

**MRS CROSS:** I don't think anyone could compete with the Fyshwick Markets.

**Mr Adams :** Thank you, Madam Chair. That concludes our presentation.

**THE CHAIR:** Thank you very much for your time and your attendance today. I'll have to leave the rest of the hearings in the capable hands of Mr Hargreaves.

**ROGER ADCOCK,**

**LEO PERIN,**

**MICHAEL PERIN** and

**LOYD PERIN**

were called.

**THE DEPUTY CHAIR:** The next witnesses are from RJ Support Services Pty Ltd.

**Mr Adcock:** I have Mr Perin and his two sons, Loyd and Michael, with me. They are proprietors of Spunlock Pty Ltd.

**THE DEPUTY CHAIR:** Before we proceed, I am obliged to read this card to you as part of the public hearings process. It says that you should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections, but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

I will also let you know that the little lights up there mean that the proceedings are being recorded by Hansard. When you speak, I ask you to identify yourself by speaking into the microphone and to state the organisation you represent. The people in the booth can then identify who is at the mike. Also, I should let you know that the proceedings are being broadcast throughout this building for the people who want to listen in, two offices of which are occupied by the media. I just let you know that for your information. Welcome, Mr Adcock. If you'd like to make a presentation, then we'll see where questions go.

**Mr Adcock:** Thank you, Mr Chair. I've got a handout here, being a summary of the position that Spunlock has taken. My name is Roger Adcock and I act on behalf of Spunlock, who are a property owner in the Fyshwick west area. You've already heard on behalf of the parent property group with respect to a large number of leases which are owned or have significant interests in the parent family. Today, we wish to talk to you about two blocks of land which abut onto Canberra Avenue, blocks 6 and 7 section 7. Those two blocks are, as I said, the subject of what we wish to talk to you about today. If I could show you another slide which highlights the area a little better. As we have already said, to use this plan before we move on—

**THE DEPUTY CHAIR:** Sorry, Mr Adcock, could you just go back and tell us again the two blocks that you pointed to at the beginning?

**Mr Adcock:** I'll show you this one.



**THE DEPUTY CHAIR:** I've got a much smaller map and I'll try to identify which ones they are. For the record, what's on them at this minute?

**Mr Adcock:** The two blocks we're talking about here are block 6 and block 7. One is a KFC fast food restaurant, which you might recognise. The second is a Mobil garage and convenience store, service station.

**THE DEPUTY CHAIR:** Interesting co-locations.

**Mr Adcock:** Yes.

**MRS CROSS:** There's a good car wash there.

**Mr Adcock:** As we said, we have the retail markets here and we have two other blocks in the front of the markets which are owned by the parent group.

**MRS CROSS:** You know where we are, don't you?

**THE DEPUTY CHAIR:** Yes, I do, I'm just trying to figure it out. I was just trying to find out what that was zoned as.

**Mr Adcock:** This plan from DVP 175 shows us an area here, with the thick marking around it, which PALM intends or is proposing to put forward as zone E, office corridor zone. Are you familiar with that?

**MRS CROSS:** Yes.

**THE DEPUTY CHAIR:** An office corridor zone. You will have to excuse my ignorance; that's a new one on me. Can someone explain that to me, please?

**Mr Adcock:** Have you got this document available to you?

**THE DEPUTY CHAIR:** Yes, I've got that. I know about the map and all that sort of stuff. I'm just curious as to what sorts of activities you'll be restricted to.

**Mr Adcock:** We were, too, I have to say, Mr Chair, that this ever saw the light of day. We have office corridor zones as a distinct entity in the Territory Plan. If you go to page 8, area specific policies, you can see there that they've identified—I don't think the printing is that good in the document.

**THE DEPUTY CHAIR:** I've got that identified.

**Mr Adcock:** This whole area, as we saw on the original plan, used to be zone C. The proposal now is to excise that from zone C and place it in this office corridor zone. We found this quite extraordinary, and I'll elaborate on those comments.

Firstly, working through that summary, if you have that in front of you, we endorse 100 per cent the comments from Mr Adams that a food warehousing and wholesaling

zone increase in C is no longer needed, or is even appropriate. I think there's been a gradual move away from the situation in recent years, largely because the big food retailers in Canberra that we've mentioned, Woolworths and Coles in particular, don't do their warehousing in the ACT any more. The warehousing distribution is done from large premises in the state capitals, in Melbourne and Sydney, and delivered straight to the supermarkets, so a large slab of that what was previously a necessity in Canberra has now gone.

This precinct C area has been an artificial precinct for some time, which, as Tony Adams said, is hindering or placing a discrimination even on the leaseholders in this area. So we endorse that 100 per cent. Our suggestion has always been in discussions with PALM leading up to DVP 175 and in comments during the process that this whole area should now revert to precinct B. I detected a degree of support for that amongst the committee in earlier comments.

**MRS CROSS:** We made no commitment; we just reacted to what we were hearing.

**Mr Adcock:** Yes, I understand. Certainly, we promote that to you in the strongest possible terms.

**THE DEPUTY CHAIR:** Your antennae were picking up vibes, perhaps, Mr Adcock.

**Mr Adcock:** Certainly we endorse that and submit to you that this is the way to go.

**THE DEPUTY CHAIR:** How can you have a petrol station and a Kentucky Fried Chicken in an office corridor?

**Mr Adcock:** Exactly the points that we feel as well. In this zone there's nothing approaching office use. The key to this zone is two blocks which have commercial activities on them which are ancillary to the markets, but yet help the markets and help the general area. There's no way those blocks of ours there will ever go to offices, offices being the key component of the office corridor use.

There are no food uses in that wholesaling and warehousing capacity down this area at all. There's nothing like that. Obviously, this is not appropriate to C. That's the first point we make to you; C is no longer valid for those areas. What we're saying to you now is that E is not valid, either. I think, Mr Chair, you made a very pertinent point when you said, "What is a use which is not permitted by that office corridor zone?" It's not permitted. Both those uses that are currently there are not permitted. What's it doing smack in the middle of a proposed office corridor area? The answer is that we don't know and we don't believe it's correct.

**THE DEPUTY CHAIR:** What's the activity in that larger one there?

**Mr Adcock:** I think it's the mail exchange. You've got a separate precinct B activity already there. You've got R blocks, you've got a fire station, and you've got a parks and gardens depot.

**MS DUNDAS:** What's happening in the top section, I think it's 26, that is already commercial E?

**Mr Adcock:** It's been attempted there to have offices linking into industrial behind them.

**MS DUNDAS:** Is that where the Rehome office is? There's Rehome office and other offices along there, or is that further up?

**MRS CROSS:** It's been lots of things, actually. Over the last 10 years, there have been a number of different offices in that area.

**Mr Adcock:** Yes. This block here is owned by the Perin group and the turnover of tenants has been substantial. Again, it's the Hill Station sort of scenario, where the mix of offices with industrial is not a good idea. In fact, this whole scenario around here is unprecedented elsewhere in Canberra. That office corridor mix generally goes with residential use behind it, not industrial. Again, it's a key reason, Mr Chair, why it's not a good idea to have E, either.

**THE DEPUTY CHAIR:** What would happen if you made it into a precinct B and you've already got your offices there? Would you have to tear them down and put something else up?

**Mr Adcock:** I would reverse the question, if I could, to you. We've already got R commercial activities there and we're being told we can't deal with those in a sensible manner. We have to put offices or residential in there in an area which is totally inappropriate. Again, we put to you that this be nipped in the bud and that you recommend to the minister that this area go to precinct B and not to corridor E.

**MS DUNDAS:** What would you envisage happening on the site if it was changed to precinct B?

**Mr Adcock:** It puts it into the category of the rest of Fyshwick. To answer the question, if I could go back to that original. You can see that you've got B frontage all the way down Canberra Avenue here. This used to be B as well. The proposal is to move that to another classification. All of that is B, so Fyshwick is now in a position where, to answer your question, all the sort of restricted retail activities that are happening everywhere else in Fyshwick could then happen along this area here. Fairness and equity come in. Why should those C landholders continue to be discriminated against? Why should they not have the rights that this great mass of Fyshwick has?

**THE DEPUTY CHAIR:** You could argue, for example, that you want the same treatment that the *Canberra Times* site got in Fyshwick.

**Mr Adcock:** I wouldn't restrict it, Mr Chair, to any one site.

**THE DEPUTY CHAIR:** It's an activity linked with an industrial activity in its rolling out of the production line, but predominantly it's a white-collar industry within a blue-collar precinct, and you're just wanting the same to apply to those particular blocks. I understand.

**Mr Adcock:** I could put up a slide giving you the range of uses, if you like, but you probably know them already. Basically, we're saying there that it's time that something was done. We've had in mind the redevelopment of these sites. I take you back to this slide to give you an idea. This is based on aerial photography. There's the garage; there's the KFC restaurant. The combination of those two sites is something of the order of 10,000 square metres. That area is grossly underutilised. The Perin group has had in mind the redevelopment of that, which has been raised informally with PALM. It's common sense. You can see the size of these buildings along here. An increase in density will be accommodated in terms of parking and development on this site.

If we go to the office development, we can't do it. If we go to corridor E, we can't do that. We've been talking to potential tenants for precinct B-type uses, which will complement the retail markets. We don't want to get involved in activities that worried you, Mr Chair, about putting quasi-supermarkets in there. We would not have a difficulty, if precinct B was amended, to remove produce markets from it altogether and precinct B did not have a quasi-supermarket, 2,000-metre, half-case warehouse or something of that nature in it.

Precinct B, much as it is now without produce markets, would satisfy the development proposals that we have for this area here. At all times we're saying that this is a retail-type node that's fulfilling a specific function which can be improved upon by the use of these blocks particularly here.

**THE DEPUTY CHAIR:** Can you tell me what the use is of blocks 3 and 4 in that lump there?

**Mr Adcock:** Blocks 3 and 4 used to be the old style warehousing-type activities. They're under investigation now. The proposal for those to go to B would assist that no end.

**THE DEPUTY CHAIR:** Off the top of your head, do you know who owns them?

**Mr Adcock:** Yes, Mr Perin owns them.

**THE DEPUTY CHAIR:** Both of them?

**Mr Adcock:** Yes. Could I make one point to you? C is not appropriate. This block here was sold at auction but, despite extensive investigations, there wasn't a food tenant available to go in there and it's gone to another use there.

**MRS CROSS:** What's that?

**Mr Adcock:** I believe it's an insurance company depot. You get from that a picture that these are downgraded uses. The other thing that I would point out to you is that the value of those blocks does not correspond with the Territory Plan classifications. There are very high and ever-increasing rates and land tax on those blocks. Perhaps the committee would accept an irony here: one arm of government is collecting increasing rates, increasing land taxes and damned good sale prices at auction, while the other arm of government is saying to us that we cannot use that land for the purposes which the market says it's worth.

**THE DEPUTY CHAIR:** It used to happen in Roman times, Mr Adcock. There's no reason why we can't have it now. We make our money out of unravelling things like that.

**Mr Adcock:** It's in your hands to help us.

**MS DUNDAS:** Section 30, which we discussed earlier today, on the side of Jerrabomberra Creek: you've discussed having west Fyshwick taken into the B precinct and having greater linkage through to the rest of Fyshwick. Do you have any opinion about that section 30 site and the suggestion that was put forward to us before about linking it to a broader Jerrabomberra Wetlands precinct, which would build a divide to a certain extent between Fyshwick and west Fyshwick?

**Ms Adcock:** If I could take you back a step, I think we're overprescribed, we're overgoverned, in terms of our industrial areas. You've heard today from a number of people that have all complained about the type of precinct or the number of precincts that they're up against in developing here. We're not talking about an intricate layout of a group centre; we're talking about an industrial area. I think greater flexibility is the order of the day in these areas. I put it to you again, in answering your question, that there needs to be that flexibility, there needs to be a linkage here. I agree with Mr Efkarpidis's proposal. We need to link that in. My general opinion is that B is the classification that should be used wherever possible. It's taken a long time to arrive at that B classification; let's make it available to people.

**THE DEPUTY CHAIR:** At the risk of being a dictator, and I'm actually known for that in committee work, I ask you to speed things up a little bit, please, because I think we're roughly 55½ minutes out. Is there anything else you'd like to underscore with us, Mr Adcock? I think you've been very clear about that and I thank you very much for that.

**Mr Adcock:** No, I think we've got it covered. We'd summarise to you that the office corridor use is inappropriate and your recommendation to the minister should be that it be removed, and that you give consideration to the removal of the precinct C classification throughout, substituting for it the precinct B classification, with the restrictions, perhaps, Mr Chair.

**THE DEPUTY CHAIR:** Would you support that whole area there, the whole lot, being a B classification from basically Mildura Street to Canberra Avenue, the whole three big sections there, but with a C classification for the market area?

**Mr Adcock:** Yes, I have no difficulties at all with that, Mr Chair. The integrity of the market needs to be preserved and we support that.

**THE DEPUTY CHAIR:** It's a bit of history, isn't it? Okay. Thank you very much for that; it was excellent.

**THE DEPUTY CHAIR:** Now we'll call Mr Dawes from the Master Builders Association. We express our appreciation to all the people who have been waiting so long. We apologise for the delay and thank you very much for your patience.

Thank you very much for coming, Mr Dawes. I welcome you to the public hearing. We seem to be seeing a lot of each other lately. I won't read the card. You were here when it was read out earlier. You've seen and heard it many times before. Perhaps I could ask you to identify yourselves into the microphone for the purposes of the *Hansard* record. Then it's over to you.

**DAVID DAWES** was called.

**Mr Dawes:** I am David Dawes from the Master Builders Association. I thank you for the opportunity of again appearing before the committee. I've had the privilege of being present here while some of the other people have been speaking. We want to reinforce the things that have been said—that seems to be the sensible way to move forward. So I probably won't get into the finer grain that the previous speakers did.

We're promoting the fact that we should be looking at the system being simplified to what it is; we should be encouraging the market to some extent with certain protections, of course, to dictate. When you look in zone B for example, it is limited to the 200 square metres, and the takeaway shop is not allowed in zone D. We believe the systems need to be simplified to allow that sort of flexibility, especially for certain businesses, and the opportunity to grow. I think that's one of the things we need to encourage.

Jerry will get into some of the other detail, when we look at the high-quality design and so on in commercial buildings. Jerry will elaborate there, but what we've also got to be doing here is looking at encouraging other opportunities for development and growth. When we look at youth unemployment and so on in the territory, we should be looking at trying to attract light manufacturing and that sort of thing. We certainly feel that that needs to be addressed, down the track, as well.

There are some opportunities there that are going to be able to link into some of the rail, et cetera. We should be looking at providing those sorts of opportunities and encouraging that type of business operation in the territory. Jerry, did you want to talk a little about the high quality?

**JERRY HOWARD** was called.

**Mr Howard:** Jerry Howard, Master Builders Association. With the high-quality design process as applied to commercial buildings, there is a suggestion that we should move down along similar lines that are applied to the residential process. However, this is high-quality design and sustainability. The same principle is being applied to commercial buildings in excess of 2,000 square metres, from memory.

We've experienced some teething problems with the current system as applied to residential buildings. So we should at first review the current system, and how it's working, and how successful it is as applied to residential buildings, before we move down the line on commercial buildings.

**THE DEPUTY CHAIR:** Do you think there's enough of a bunfight going on about that at the moment, that we ought to just wait till the dust settles on that?

**Mr Howard:** Yes, I think so—and I think we can learn from the residential experience.

The other issue is energy efficiency. There's a recommendation in there that we should move to energy efficiency commercial buildings—and we support that in principle. However, we wouldn't want PALM developing a policy that's not in line with the national objectives. The building codes board is already in the process of developing energy efficiency requirements for commercial buildings. We wouldn't want to go off on a different tangent and not be in line with the national objectives of energy efficiency.

**MS DUNDAS:** You wouldn't want the situation where basically they were the same as the national objectives, they were just a little more—

**Mr Howard:**—onerous.

**MS DUNDAS:** They take the extra step.

**Mr Howard:** Yes. I don't think they should be more onerous than what's required in the building code. The other issue went back to the classifications of buildings, and use of buildings in the different zones. Not only do you have to look at the use of the buildings in the zone, but you also have to look at the classifications of the buildings in accordance with the building code. I think the good example, Mr Chair, you gave was the Kentucky Fried Chicken outlet and the service station adjacent to each other.

There are levels of protection required, naturally, between the two buildings. That's dealt with in the building code. The other question is how you classify a bordello—is it a health care building, or is it a professional services building?

**THE DEPUTY CHAIR:** Or an amusement park.

**Mr Howard:** Or an amusement park.

**THE DEPUTY CHAIR:** It is certainly not a restaurant.

**Mr Howard:** We still haven't resolved the issues of the specific use and the zone we're going to give that building, because it then gets classified differently under the Building Code of Australia. We have a private certification system of building classification now, so I'm unsure how it would be classified.

The other point—to elaborate on what David was saying—is that our manufacturing process, when applied to building products, has died in the ACT. We used to manufacture bricks and roof tiles. We see that as light manufacturing, or light industrial. That should be encouraged, because it offers regional employment opportunities and it probably also offers cheaper products to the local industry. That could be sustained here.

**THE DEPUTY CHAIR:** Would you agree that it can also provide a second economic food chain to the public service pay packet, by virtue of export to the region and beyond?

**Mr Howard:** Yes.

**THE DEPUTY CHAIR:** Without going down the path of billows of smoke coming out everywhere?

**Mr Howard:** Exactly, yes.

**THE DEPUTY CHAIR:** Can you put your finger on the major thing that's preventing it?

**Mr Howard:** I think the improvement in the transportation system. The rail system has basically died off. Regarding the larger companies, we had a situation—going back probably 15 years—where we had lots of small manufacturers in the construction industry. Now we've narrowed it down to perhaps the big three. They've set up elaborate plants that can produce products very efficiently. They concentrate those large plants around areas where there are opportunities to employ a lot of people. They don't see Canberra in the same light as high population areas like Sydney, or Sydney suburbia.

**Mr Dawes:** Recently, because one of the large roof truss and frame manufacturers that was operating in Mitchell were unable to get something of the size they required, they had to move the operation to Queanbeyan. That has been a very successful ACT company that's grown. There wasn't that sort of flexible arrangement for it to grow, so it moved to Queanbeyan. They export to Sydney and all over western New South Wales. It's quite a good business. They've injected all of their money et cetera in reinvestment into the territory.

We lobbied for one of our transport members as well. He was heavily criticised for parking his trucks, and all of that, at Mitchell. Obviously, we couldn't get the appropriate land for him, and he's also moved to New South Wales. We've seen a mass exodus of registrations leaving the territory. I think that's where we've got to take stock and allow that sort of flexibility for some of those businesses.

**THE DEPUTY CHAIR:** Was that car care transport?

**Mr Dawes:** That is correct, yes. As you know, they've moved just across the border, so we've lost that revenue stream. I think they're some of the things we need to look at, as to what we can do to attract that sort of business operation to the territory.

**MS DUNDAS:** Could I seek some clarification? How would you see this flexibility coming about? Is it taking precinct A and precinct B and applying them—how do we achieve this flexibility? Do we just amalgamate all the precincts into an industrial precinct and stamp that on Hume, Fyshwick and Mitchell and allow the four different categories across the entire industrial areas, or do we need to rethink the precinct classifications altogether? How do we achieve the flexibility we're looking for?

**Mr Dawes:** I think it can be simplified. We'd probably need to streamline some of it. I don't think we need all of the classifications that we've got—although certainly A, B, C, D, E and so forth. I agree with the previous speaker that it's not appropriate to have



office blocks—that type of accommodation. I think it is far more sensible to have that as a mix with residential. We've certainly got some of those precincts where we can apply that type of office accommodation.

**THE DEPUTY CHAIR:** On that point—I think I got this idea from the previous presentation—isn't it true that, if you did build office blocks in those sorts of precincts, no-one would rent them anyway?

**Mr Dawes:** I don't think they'd get the returns—that's one of the problems you'd have. I think that, at the end of the day, the market is going to rule them and dictate, to a certain extent.

**THE DEPUTY CHAIR:** That would force the rents down for other office complexes elsewhere, wouldn't it?

**Mr Dawes:** That's right. If you look at extending that to a Bclassification, we believe that that would be required.

**THE DEPUTY CHAIR:** Would we, as a government, need to worry about that, though; would the market take care of that; or would that, in fact, damage the market by us allowing it to occur?

**Mr Dawes:** I don't think it would damage the market. That's something that can be monitored as well. We have the commercial advisory council which advises the government. It could certainly be monitored through that particular council, as people were feeding in that information. That's well represented by people from the Property Council, the Canberra Property Owners Association and a number of other businesses in the territory as well.

Going back to the Building Code of Australia, we hope to have that finalised in 2005. I know it's a little while away. We're certainly having some input into that part through our respective associations at a national level.

**THE DEPUTY CHAIR:** Thank you very much, again, for your patience. It's been very instructive for us. We have taken up a lot of your time and we thank you and apologise for that.

**Mr Dawes:** Thank you.

**THE DEPUTY CHAIR:** We now have Mr Calnan from PALM. Again, we won't read the rule card. Officers of PALM have heard it read out so many times before, they're reciting it in their sleep! I again apologise for your having to wait so long. I express the appreciation of the committee for your patience. You know the drum. Perhaps I could ask you to kick it off. Please identify yourselves for the microphone—and away we go.

**GARRICK CALNAN** was called.

**Mr Calnan:** My name is Garrick Calnan, I'm the manager of Territory Plan coordination at PALM. I'm going to give a brief introduction and then I'll introduce Diana Heins. She is a senior planner in PALM who's involved with the review of industrial land. This work's been going on for some time. It's involved a number of studies which have looked at industrial trends and past practices. That work's been the subject of extensive consultation. I'll talk about some of the consultation that's occurred. After Diana has given her presentation, I'm sure there will be some questions the committee will have. We'll collectively try to answer those questions.

**THE DEPUTY CHAIR:** Before you kick off and do that, perhaps I could ask one simple question. As you know, I'm not the brightest member on this committee. What was the impetus to do it, in the first place? What catastrophic event happened which said, "Oh, we've got to change this"? What was it?

**Mr Calnan:** The Territory Plan has been in place since 1993.

**THE DEPUTY CHAIR:** Was it just its term?

**Mr Calnan:** There were a number of issues, particularly the bulky goods issue. We are regularly approached by various interest groups, stakeholders and people who would like to become stakeholders who are seeking sites in Fyshwick and in other industrial areas.

**THE DEPUTY CHAIR:** Like the car care transport problem up at Mitchell—that sort of imperative, where they couldn't do it because of the way the plan was?

**Mr Calnan:** That's right. We believed it was time to have a good look at those policies, remembering that the industrial land use policy is one of a series of land use areas within the territory. We believe we need to make provision for industrial development in our industrial land use areas. As well as reviewing the issues relating to industrial development, we've been regularly reviewing what's happening with retailing across the whole range of retailing sectors.

We acknowledge the comments Mr Adams made about changing trends in retailing and the need to respond to those. We also need to recognise that the amount of retailing expenditure a community the size of the ACT has available to it is limited—so there is only so much retail space that can be supported. We therefore need to make sure that's arranged in the most appropriate way.

You'll be aware of our policies in relation to hierarchies of retail centres. They are all about trying to make retail services as accessible as possible to the local community. But

we also recognise that there's this trend towards bulky goods that require large areas for display of stock and so forth; that that is an undeniable trend, and that places like Fyshwick have started to play that role in the system. It will probably be better if I hand over to Di now.

**DIANA HEINS** was called.

**Ms Heins:** I am Diana Heins. I'm a senior planner in the planning and policy section in the territory planning branch in PALM. I've been involved in industrial land studies for about five years now. As Garrick explained, there are a number of territory plan policies which are being reviewed sequentially as a general review of the Territory Plan.

When I was manager of the commercial employment policies unit in 1997-98, we realised that there was a need to look at industrial land, mainly to find out if there was enough. That is the impetus you were talking about—why did we start this? It was a strategic review. Is there enough industrial land? What are the trends, and are the policies really meeting those trends?

**MRS CROSS:** Is that based on demand? Is that based on an overwhelming number of people coming here and saying that there's not enough industrial land?

**Ms Heins:** Not really, because, at the time, we were also responsible for the commercial land release program. It is important that we have sufficient information before we release land so that we know we've got enough. Then, if we're permitting other land uses, are we running out of industrial land? There were a number of trend-type things happening, not one specific one—although, as Garrick said, more recently the bulky goods retailing is, I suppose, more significant.

That was when that Synectics study was done. It looked at the question, is there enough industrial land in the ACT? Their view, based on our supply/demand analysis as well, was that there was sufficient industrial land in the ACT for the next 20 years, provided that uses in industrial areas are efficiently managed.

This comes back to how much retailing, and then how much space. And then do you have enough for real industrial activities so you don't have to go and find a new industrial area? That was the beginning of that. The Synectics study also looked at trends in retailing. They suggested that there not be general retailing in Mitchell and Fyshwick. That was something we had to take on board, as that was a fairly firm position about retailing.

Other things have happened. During that study, there was a lot of consultation with the industry groups. One of the main things that came out of the workshop we held was that they wanted more flexibility in land uses.

**THE DEPUTY CHAIR:** Before you go on, Ms Heins, you said you conducted a workshop. Could you tell us who attended those workshops?

**MS DUNDAS:** And when it was?

**Ms Heins:** Lots of people from the Property Council—and business groups. I can give you the list.

**THE DEPUTY CHAIR:** When did it happen?

**Ms Heins:** It was in August 1997, I think.

**THE DEPUTY CHAIR:** Perhaps you could let us have that, at your leisure.

**Ms Heins:** I did a summary of all these details. It is sitting in the file here if you want it.

**THE DEPUTY CHAIR:** No.

**Ms Heins:** After that, as part of the general review of industrial policies, part A of the Territory Plan was varied in variation 155. That incorporates a lot more environmental high-quality sustainable-type objectives. Therefore, the industrial policies needed reviewing—because they didn't include enough environmental-type considerations. One of the issues the Synectics report was bringing up was the idea of eco-industrial parks, more environment co-location, compatibility and complementarity between industries. This is looking to the future of industrial areas and their environment.

**THE DEPUTY CHAIR:** Questioning the co-location of a Kentucky Fried Chicken outlet and a petrol station?

**Mr Heins:** No. Those are big strategic issues—the environmental issues. On top of that come the more immediate issues to do with bulky goods retaining. There are two issues here. One is that, when I was doing the commercial land release program, the main demand was for the large trucking freight companies, and they needed large blocks of land.

There's masses of vacant space in Fyshwick, Mitchell and Hume—like 124,000 square metres in 2001—but a lot of it is small space. There are not the large spaces. Therefore, we were releasing land for the large freight companies. When you go down to Hume, you can see the large warehouses and freight companies they've established there. That met that need. But, on the other hand, the bulky goods retailers are increasing their floor space. From 3,000 to 6,000, they are now wanting 10,000 square metres, and the Territory Plan doesn't permit that. This variation, as well as all those general and strategic issues, was meeting the bulky goods retailing.

**MS DUNDAS:** On that point, we had some discussion earlier about how this had gone too far, and would limit the small operators wanting to set up. We had a discussion about making the lease sizes that big, and that the GFA minimums are too big to allow those small operators to have their storage space and run their businesses in these industrial areas. How do you tackle that claim?

**Mr Calnan:** It's one of the key issues. That's why we have these different precincts—the differentiation between precinct A, precinct B and precinct C, particularly. Precinct A

is intended to retain those large areas for the sorts of uses Di was talking about. The last presenters talked about situations where some large land users were unable to find sites to meet their requirements, and had to move elsewhere.

The danger is that, if we open up the policies too much, then we run the risk of those sites being broken down—being subdivided into small units and then not having sufficient availability of larger spaces to meet these larger land uses.

**MS DUNDAS:** Your consultations were in 1997, about the demand at that time for freight space and bulky goods space, but the market has changed so much in the last five years.

**Ms Heins:** That's not quite correct, because 1997 was the Synectics study. They were suggesting there shouldn't be more retailing in industrial areas anyway—to protect the hierarchy of commercial centres. But the bulky goods retailing issue has come along since then, and so has the freight issue. We do appreciate that those small unit holders—I suppose our view is based on seeing how much vacant floor space there is. There appeared to us to be quite a bit of vacant floor space in Hume and in the other areas—and small space.

We're hearing what Mr Convine is saying about his difficulties with the smaller units. We didn't want to subdivide the blocks, to make them smaller and smaller, when we could see the people expressing interest wanting them larger and larger.

**THE DEPUTY CHAIR:** There seems to be a bit of a conflict in the two thoughts, which can be resolved by the opportunities—in the sense that he's got a business that conducts his manufacturing. Clarko transport, on the other hand, would need the Melbourne Cricket Ground to park their trucks on.

**MRS CROSS:** You believe it can be resolved, don't you—the marriage between the small need and the larger need of land?

**Mr Calnan:** Unfortunately, Mr Convine's issue has arisen fairly late in the piece. We didn't get a submission from him on the variation itself, when it was released for public comment. We would have liked to have that.

**MRS CROSS:** I understand that, but can I ask a general question, Mr Chair?

**THE DEPUTY CHAIR:** Please do.

**MRS CROSS:** Irrespective of whether Mr Convine got a submission in or not, with the fact that there are so many small businesses in the area, and in many other areas in Canberra, there should have been due consideration given to small businesses. One of the things in the ACT that many people have tried to highlight the importance of—especially in the last eight years—is the encouragement, promotion and nurturing of small business. So, irrespective of that submission, that should have been considered.

When the deputy chairman asked you earlier what prompted you to start this DV, you said that you wanted to see what we needed—whether we needed to have more industrial

area. It's not as if you had people coming to you with submissions, saying, "We want more large areas." You thought, "Well, as part of the planning process, we have to determine what we need to plan for, for the future." The same thing, don't you think, should have been determined and taken into account for small businesses?

**Ms Heins:** Probably yes, but at the time of doing the commercial land release program, the demand was people coming to us for freight transport businesses.

**THE DEPUTY CHAIR:** That's within the last five years?

**Ms Heins:** That's within the last five years. They were the people who were coming to us.

**THE DEPUTY CHAIR:** Is it true to say that you haven't had anybody saying, "We need more industrial land released, other than the bulky stuff and the transport stuff"? You haven't had an approach from people in medium and small business in the industrial sector to say, "We want more of it, thanks"?

**Ms Heins:** The commercial land release program, as you probably know, is for five years, and is done by Land Group. That puts out blocks of land regularly for people to buy—and there's a range of blocks. There are some medium blocks in Mitchell and large blocks in Hume.

**THE DEPUTY CHAIR:** There would be a reasonable vacancy rate around the industrial areas, to take up the demand anyway, I would have thought.

**Ms Heins:** That's what needs to be balanced—the amount of vacant warehouse or whatever space with releasing more land and still leaving land vacant. It's a balancing exercise.

**MS DUNDAS:** Can we talk specifically about the area of west Fyshwick? There were a number of submissions about west Fyshwick and the request to have that classified under the precinct B definition, as opposed to precinct A. There was also discussion about the office corridor along Canberra Avenue. What prompted you to put the office corridor there? More generally—not just in west Fyshwick—I refer to your response to the questions about the definitions being too restrictive and people expressing a greater desire for precinct B to be greater utilised.

**Ms Heins:** There are a few things tied up in that. To clarify that, somebody asked, "Why aren't there any definitions in this variation?" There are definitions in the Territory Plan but they're at the back. It mightn't be obvious, because they're not attached to the draft variation. The land use definitions are at the back of the Territory Plan.

The second thing is that we were approached by Mr Perin with regard to his blocks—blocks 3, 4, 6 and 7 I think they are—concerning a wider range of land uses—and this could be precinct B. Because of that approach, we were thinking about what would be more flexible and higher order in that location. That's why we came to the conclusion that the corridor policy is more appropriate.

We need to clarify that this is the Canberra Avenue corridor, and that is a separate type of classification from office sites. The commercial hierarchy has Civic town centres, group centres and local centres. As part of the commercial policies, there's also commercial E, which is corridors and office sites. With the office sites bit of that, west Deakin is an example, but the corridor is Canberra Avenue. It's a different type of policy land use.

**THE DEPUTY CHAIR:** Can I interrupt you? I want to get a definition stuck in my head. Can I tell you what I think it is—and you can tell me if I'm right? When you're talking about these corridor things, you're saying that, with Northbourne Avenue—the major arterial roads—and Canberra Avenue further down, the way you want the place to look is to have office block stuff, as the market demands, go down the corridors, rather than having manufacturing businesses in front of them.

**Mr Calnan:** Part of the rationale is that the Canberra Avenue is an important corridor. It's one of the entries into the national capital, and it is subject to special requirements under the National Capital Plan. We would like to see a high quality of design treatment for that road.

With the Canberra Avenue corridor, as Di mentioned, the existing blocks up here are already part of that corridor. What we're proposing is that that be extended. With this block here, the precinct B classification of that block is a reflection that that is an existing office building—it's the Computat offices. We think that that's the sort of use that's appropriate for that corridor.

**MRS CROSS:** Are you talking about for aesthetic purposes? Is it more for the aesthetics of that road—because you consider it a main road and you think it will look better if there are office buildings rather than industrial?

**Mr Calnan:** It's not just office—it's a corridor. There is a range of uses that are permissible under the corridor's land use policy. Certainly, offices is one of them.

**MRS CROSS:** But uses can be changed.

**MS DUNDAS:** Why wasn't Canberra Avenue part of the corridor before? Canberra Avenue has been part of Canberra for 90 years, and the National Capital Authority, or whatever, would have had these restrictions in place for a substantial amount of time. Why is it only now that this particular area of west Fyshwick is being targeted to be part of the Canberra Avenue corridor?

**Mr Calnan:** The original policy was industrial.

**MS DUNDAS:** That was allowed on the Canberra Avenue corridor?

**Mr Calnan:** The original policy didn't allow bulky goods retailing in this area—or anywhere else in Fyshwick, for that matter. With the original NCDC policies for those areas, they were industrial areas for industrial uses. There has been gradual change over time. We are now doing another review.

As part of that review, we have recommended that the corridor classification be extended to those additional blocks in west Fyshwick, and that the policies for the area behind be modified but essentially retained in broadly the same form. This is in the sense that we're not proposing that bulky goods retailing—the sort of range of bulky goods retailing that is permissible under precinct B—be extended into these areas.

You can see the very different subdivision pattern that exists in this area to what exists in this area. As sure as day follows night, if this goes to precinct B, that will start to happen in this area.

**MRS CROSS:** Garrick, you're much more experienced at this than I am. It sounds to me like what you're trying to do is introduce a new focus and new style, to satisfy smaller areas, and push that style through and force everyone else to adjust to that. It sounds like everyone's going to be forced to comply with someone's idea of what that should be like, rather than the planning people of Canberra trying to accommodate the business side of Canberra.

**Mr Calnan:** What we're saying is that there is a range of different demands in different sectors within the industrial groupings, if you like—and we see those being accommodated in different areas—and clustered in different areas.

**Ms Heins:** This proposal is our proposal of something that could happen in the future. So it is closer to the centre of Canberra and it is adjacent to the existing corridor but the uses along there are already there. There is a depot, but there are also small office-type buildings. What we did not think was appropriate, as Garrick was just saying, was that they become retail-type, consumer, lots of traffic, parking-type businesses—that they are more appropriate being perhaps the small-scale office or employment-type uses.

**MRS CROSS:** Who decided they were not appropriate? Who made that decision?

**Ms Heins:** On planning grounds, considering the location where this is—it's pretty close to the centre of Canberra, it's adjacent to an existing corridor—that's why we're extending the corridor. The uses that are there now are not retailing, and they're not warehouse-type uses. So we thought that the corridor's use was more appropriate than precinct B.

**MRS CROSS:** I'm ignorant on this one, so you'll have to treat me a bit like the deputy chairman.

**THE DEPUTY CHAIR:** I'm more ignorant than you are, Mrs Cross. I've got a reputation for being ignorant!

**MRS CROSS:** No. Just explain it to me again. I'd like to know the basis for how you did that. What formula and what examples—global, national or otherwise—have you used to get appropriateness and inappropriateness? That will help me understand how you came to this decision. I think that's what has, for quite some time, been confusing a lot of people who have given evidence to us—the fact that they don't know where they stand on planning issues in general. How did you decide? What was it? What benchmark did you use to make the decision as to it being appropriate or otherwise?



**Ms Heins:** Sometimes it's because of what you would like to see there. By changing this policy, we are not forcing any of those people to change their leases. So we're not doing that.

**MRS CROSS:** No—you don't understand. Ms Heins, you're not answering my question. I know you guys have a very difficult job. I'm not going to tell you you're not doing your job well, because I know you work damn hard. What I'd like to know is how you made the decision to change that—to introduce it. What was it that sparked it? Was it that someone in your office one day said, "Do you know what would be good? I think we should do that"? I'd like to know the basis of that decision.

**Ms Heins:** Yes. One of the—

**THE DEPUTY CHAIR:** Was that what it was? Someone sat in the office and said, "I've got a great idea"?

**Ms Heins:** One of the issues is the existing land uses. The other is the metropolitan structure, which I've tried to explain—about Canberra Avenue. The third, I suppose, criterion for, "What would we like to see here?" Is, "What would we not like to see here? Garrick has covered that—that if we're going to change this area—it already looks a bit like an employment corridor, but we do not want to see the bulky goods retailers there—we do not want precinct B. Okay, we can leave it as precinct C.

**MRS CROSS:** Who are "we"?

**Ms Heins:** The planners in general.

**Mr Calnan:** As the planning authority, it is responsible for advising the government.

**THE DEPUTY CHAIR:** Perhaps I can be absolutely dictatorial here and say that we have run out of time. I'd like to just go to one question each, if you have one. If you don't have time for that, then I'd ask you to put questions on notice. Then we'll ask PALM to address those, rather than take up people's time.

**MRS CROSS:** Is "we" the minister? Are you being guided by the minister? Is this his vision, or is the minister being guided by people in PALM, as to what the vision should be?

**Mr Calnan:** On this particular issue, this is the planning authority advising the government.

**THE DEPUTY CHAIR:** I thought you answered that brilliantly, Mr Calnan. I would have just said, "I don't want to answer that question."

Thank you very much. I ask members, if they have further questions or flashes of light come to them in the middle of the night, to give them to the secretary.

**The committee adjourned at 12.05 pm.**