

7. supermarket

## 7 Supermarket

One of the objectives of this project was to assess options for the location of a full-line supermarket within the broader area of Canberra's inner south, including Kingston.

This chapter assesses strategic issues relating to the development of a full-line supermarket and section 9.1.2 considers the development of a supermarket in the context of the Kingston Centre, including community comments about design issues.

This chapter considers the policy context, demand for additional supermarket floorspace and assesses alternate locations in inner South Canberra. It also reports the community views about the location of a full-line supermarket from a strategic perspective. The results of the assessment were incorporated into the Framework for the Kingston Centre.

### 7.1 ACT Supermarket Policy

The ACT Supermarket Competition Policy was reviewed in 2009. The review notes that the per capita provision of supermarket floorspace at the group centre level was lower in central Canberra than in other districts. This is the result of group centre not being introduced into the retail hierarchy until the 1960s by which time much of the area had been developed. The review notes that the supply of supermarket capacity has fallen behind demand in central Canberra and that the competitive situation has 'deficiencies in terms of choice and diversity' (p59).

The review concludes that the Kingston Planning Framework project provides an opportunity to fill a 'serious supermarket competition and diversity gap' (p80). The review also recognises the constraints to locating a full-line supermarket in Kingston and the potential to identify a site in the East Lake/Fyshwick area.

### 7.2 Demand for additional supermarket floorspace

It is estimated that there is about 8000m<sup>2</sup> of supermarket space in South Canberra (excluding the Fyshwick Markets and Campbells Cash and Carry in Griffith). Currently Manuka has the only full line supermarket (3500m<sup>2</sup>) in Canberra's inner south. In comparison the Kingston Group Centre supermarket is about 1100m<sup>2</sup>. The balance of supermarket space is located in local centres and ranges in size from 440m<sup>2</sup> (Red Hill) to 1000m<sup>2</sup> (Deakin).

In Australia a full line supermarket is provided for every 8000-10,000 residents. The one full line supermarket in South Canberra serves a population of about 20,000 residents and a large workforce. Based on the Australian average, the area could currently support an additional full line supermarket. In addition, given the proposed population growth, South Canberra could support more supermarket space in the longer term.

ACTPLA's retail modelling has concluded that there is a demand for about 4900m<sup>2</sup> of supermarket floorspace by 2010 in inner South Canberra. A retail assessment was undertaken as part of this project and investigated the demand for additional supermarket floorspace within the Kingston Centre catchment area rather than the whole of South Canberra (Attachment 3).

The assessment concluded that supermarket floorspace within the catchment area is inadequate to meet the demand and that this under provision would increase as the resident and worker populations grew. It is estimated that by 2011, assuming all existing supermarkets and grocery stores continue to operate, an additional 3000m<sup>2</sup> of supermarket space could be supported, increasing to almost 3500m<sup>2</sup> by 2016. The deficiency in supermarket space is the equivalent of one full line supermarket indicating that there is a demand for an additional full-line supermarket in the district.

It should be noted that the demand estimated in the retail assessment is lower than ACTPLA estimates because the catchment for a full-line supermarket in Kingston would not include all of inner South Canberra. In comparison ACTPLA has estimated demand for the whole of this area.

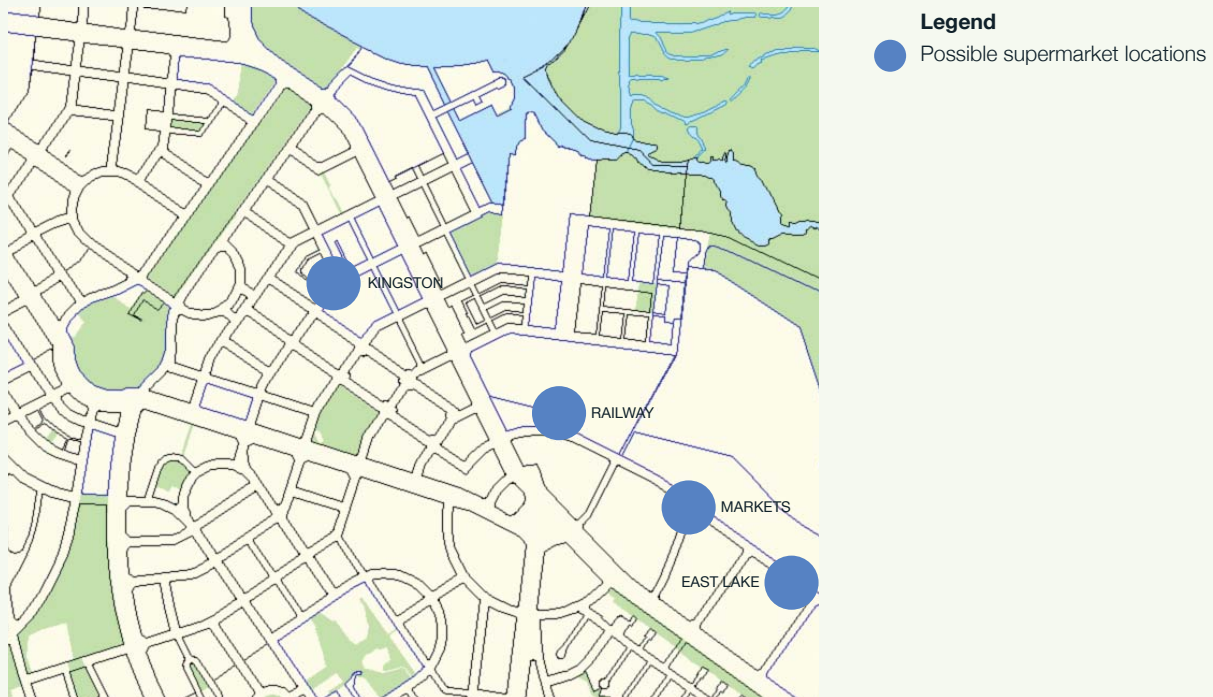
### 7.3 Assessment of alternate supermarket locations

The following locations type 2 were assessed for their suitability for a supermarket as part of the Kingston Centre Planning Project:

- Canberra Railway Station
- Fyshwick Markets
- East Lake, and
- Kingston Centre.

The assessment considered the advantages and disadvantages of the four locations and the competitive position of Kingston.

Figure 27: Alternate locations for a full-line supermarket



### 7.3.1 Advantages and disadvantages

Table summarises the advantages and disadvantages of the four locations.

Table 3: Advantages and disadvantages of alternative supermarket sites

Location	Advantages	Disadvantages
Canberra Railway Station	<ul style="list-style-type: none"> <li>• Extensive areas of unleased land are available on site a supermarket on.</li> <li>• Some surface parking would be feasible at this site.</li> <li>• There are sufficient services (water, sewer, roads) in the vicinity of the site.</li> <li>• The site is highly visible as it is near major traffic routes.</li> </ul>	<ul style="list-style-type: none"> <li>• Site not immediately available for release.</li> <li>• Adverse impact on Kingston because of additional retail space in competing location.</li> <li>• Limited multi-purpose trip capacity</li> <li>• Lack of public transport to the site.</li> <li>• Major departure from policy of locating supermarkets in centres.</li> </ul>
Fyshwick Markets	<ul style="list-style-type: none"> <li>• The site would be near the markets , an established food destination.</li> <li>• There are sufficient services (water, sewer, roads) in the vicinity of the site.</li> <li>• There would be good vehicular access to the site off Canberra Avenue.</li> <li>• The site would be central for future East Lake residents.</li> </ul>	<ul style="list-style-type: none"> <li>• No unleased land available so implementation would be reliant on willingness of a lessee to implement.</li> <li>• Major departure from policy of locating supermarkets in centres.</li> <li>• Adverse impact on Kingston because of additional retail space in competing location.</li> <li>• Lack of public transport to the site.</li> </ul>
East Lake	<ul style="list-style-type: none"> <li>• The site would service future East Lake residents/workers.</li> <li>• Would be able to be released as a Government land sale.</li> </ul>	<ul style="list-style-type: none"> <li>• The site would be remote from the existing catchment.</li> <li>• Site not immediately available for release.</li> <li>• Could compromise planning for the larger surrounding area.</li> </ul>
Kingston	<ul style="list-style-type: none"> <li>• There are sufficient services (water, sewer, roads) in the vicinity of the site.</li> <li>• A supermarket would reinforce the retail role of the centre.</li> <li>• Would be able to be released as a Government land sale.</li> <li>• Land immediately available.</li> <li>• Would increase retail diversity and choice in the centre.</li> <li>• Centrally located to catchment.</li> <li>• Counters threats to the centre.</li> <li>• Access to public transport.</li> <li>• Capacity for multi-purpose trips.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited sites available in the centre.</li> </ul>

### 7.3.2 Kingston Centre's competitive position

#### Gaps in retail provision

The centre has a lower proportion of supermarket space than other group centres of comparable size in Canberra (Table 4).

Table 4: Supermarket function of selected group centres

Centre	Supermarket (m <sup>2</sup> )	Total (m <sup>2</sup> )	% of Total
Kingston	1,136	35,152	3%
Manuka	3,479	38,864	9%
Dickson	3,055	52,213	6%
Weston Creek	2,778	36,531	8%
Jamison	5,710	21,063	27%
Mawson	2,095	19,498	11%
Erindale	2,972	21,056	14%
Total (selected group centres)	21,225	224,377	9%
All centres			20%

Source: ACTPLA: ACT Commercial Centres and Industrial Areas floorspace (2007) unpublished survey data

The centre's existing supermarket meets daily rather than weekly shopping requirements with the consequence that the catchment population visits other centres for weekly shopping. Thus, a major gap (and weakness) in the Kingston Centre's retail mix is the lack of a major anchor tenant such as a full-line supermarket that would meet major weekly convenience shopping needs.

A full line supermarket would anchor the centre, attract complementary retailing and other services. It would also attract more shoppers and reduce escape expenditure. Without such a supermarket, Kingston's retail future is uncertain.

Development of a full-line supermarket elsewhere in the catchment would prevent this gap in the centre's retail mix being addressed. Conversely locating the full-line supermarket in the centre would reinforce its retail role and introduce a more diverse retail mix.

### Threats to the centre

Threats to the centre are external and internal. These threats are significant and could affect the long term viability of retailing in the centre.

Several retail centres compete with Kingston:

- the Canberra Centre, Manuka and local supermarkets compete for convenience shopping, and
- competition for comparison shopping is primarily from the Canberra Centre and Westfield Woden, the factory outlets and bulky goods stores in Fyshwick.

Retail competition will continue and is likely to intensify. Future developments that threaten the centre include:

- the redevelopment and expansion of the Fyshwick Markets
- the future establishment of a cafe culture at the Foreshore, and
- the potential retailing to be included in the East Lake development.

Given that there is a demonstrated demand for additional supermarket floorspace in inner South Canberra, the major external threat to the centre is the establishment of a full line supermarket elsewhere in the Kingston catchment.

The main internal threat to the centre is the closure of a major retailer. This would reduce the attractiveness of the centre and the number of people visiting. Locating a full-line supermarket in Kingston would address the main external and internal threats currently facing the centre.

### 7.3.3 Centres policy

As discussed above a fundamental planning principle is that commercial activity, including retailing is to be located in centres. As part of this policy supermarkets have been located in and anchored the retail core.

Concentrating retail activity in centres has several advantages. These include economic benefits to traders arising from the 'increased pulling power' of the grouping of complementary uses, minimising the number of trips for consumers and encouraging multi-purpose trips. Centres are also a focal point in the community.

The current demand for additional supermarket space and additional outlets has been met to date in centres. The development of a supermarket in a non-centre location would represent a major departure from established policy. While this could be justified if undeveloped land was not available in a centre, it is not warranted while there are sites with development potential.

Locating a full-line supermarket in the Kingston centre is consistent with the centres policy.

### 7.3.4 Community view

The community expressed views about the strategic issues associated with locating a full-line supermarket, including concerns regarding the centre's competitive position.

Although some people supported a supermarket, many members of the community attending the first workshop were opposed to the development of a full line supermarket in the centre. During subsequent consultations the issue was discussed in more detail and sentiment changed. Although not all people participating supported the development of a supermarket, most did so. The main reason why people changed their opinion was that they wanted the centre to continue performing as a group centre.

### **Community voices**

*Residents who opposed to the development of a full-line supermarket did so because they did not believe it was required and were concerned about the economic impact.*

*During the consultations there was general acceptance that any new full line supermarket should be located in the centre to protect its retail function. Other people wanted more competition, retail choice and diversity, believing that more daytime activity should be encouraged and shoppers given a reason to visit the centre.*

Kingston will lose its group centre status and die if a supermarket is established nearby and property values and rates and taxes will decrease.

[Without a supermarket] Kingston will become a mixture of things people do not like, e.g., night life, lack of maintenance/redevelopment, vacancies, crime and vandalism.

In its current state Kingston could not compete with developments planned for the foreshore and would become the overflow area.

Kingston is dying because of the closure of specialty shops and lack of a major supermarket. The potential loss of group centre status is a major threat to the centre.

If the supermarket is close to Kingston, people will continue to visit the centre for its unique ambience and shops.

A new centre will draw trade from Kingston.

A better location would be the railway station area as access is good and it is close to Kingston.

## **7.4 Preferred location**

Locating a full-line supermarket elsewhere in the catchment but the Kingston Centre would have a major adverse impact on the centre. Conversely locating a supermarket in the centre would reinforce its role as a group centre, enable it to better compete with other centres in its catchment and attract more people to shop there.

The preferred location for a new full-line supermarket in inner South Canberra is the Kingston Centre. The preferred site in the Kingston Centre is considered in more detail in section 9.1.2.

