## 7

It is far too late to re-create Griffin's original design but the comparison with Griffin is the clue to the future of the national capital. His Land Axis and Water Axis, the triangle of avenues and the land within, held the heart of Griffin's city. Today the natural form of hills and valley have been made manifest by the framework of Griffin's geometry but the heart of the city is not there... This is the final crucial step for Australia's national capital.<sup>1</sup>

Civic has always struggled to assert itself as a viable, dynamic centre of the city. Whilst Canberra's development has been reasonably rapid by comparison with other capitals, it has been inconsistent. Nowhere is this more evident than in Civic.<sup>2</sup>

## **Employment Policies and their impact on Civic**

7.1 A combination of market forces and planning policies that have encouraged employment and commercial development away from Civic as the central business district have contributed to the decline of Canberra's city centre. Reaffirming Civic as the dynamic heart of the city has been identified as a high priority by both the National Capital Authority and the ACT Government. The Organisation for Economic Cooperation and Development (OECD), which undertook an *Urban Renaissance* review of Canberra in 2002, believes that Civic can be

<sup>1</sup> Reid, P., <u>Canberra Following Griffin</u>, National Archives of Australia, 2002, p 342.

<sup>2</sup> ACT Department of Urban Services, November 1999, Creating our City – An Implementation Strategy, p 3.

developed into a vibrant robust town centre without weakening the existing town centres.<sup>3</sup>

- 7.2 The National Capital Plan states that the Territory's interest in Civic relates mainly to Civic's role as the prime commercial and retail centre and as a location for Territory administration, major private sector business, regional and metropolitan head offices, recreational and entertainment, tourist accommodation and important cultural community activities.<sup>4</sup> The Commonwealth's interest, meanwhile, is derived from Civic's location at the apex of the National Triangle the centrepiece of the Griffin Plan and the functional and symbolic relationship between Civic and the Parliamentary Zone.<sup>5</sup>
- 7.3 As of July 2003, 29 per cent of the total office stock in Canberra was located in Civic.<sup>6</sup> The office market vacancy rate in Civic was 4.7 per cent, the lowest recorded CBD vacancy in office space in Australia. It is claimed in the Canberra Spatial Plan that these vacancy rates support the view that "there is substantial unmet demand for additional office space in Civic".<sup>7</sup> The Organisation for Economic Cooperation and Development stated that there is currently an over supply of commercial office space in the central business district.<sup>8</sup> According to the OECD, this can be attributed to the age of buildings with the accommodation offered not meeting current government and private sector standards - and decisions by the Commonwealth Government to relocate outside of Civic.<sup>9</sup> While current office space is being refurbished, the Spatial Plan states that tenants often have little option but to go elsewhere, such as to Barton or to the Brindabella Business Park at Canberra International Airport.<sup>10</sup>
- 7.4 Since its privatisation in 1998, Canberra International Airport has undergone substantial changes which have seen it develop into a major employment centre as well as a regional air transport hub.<sup>11</sup> Mr

- 5 National Capital Authority, *Consolidated National Capital Plan*, February 2002, p 89.
- 6 The Canberra Spatial Plan, March 2004, p 9.
- 7 The Canberra Spatial Plan, March 2004, p 9.
- 8 Organisation for Economic Cooperation and Development, 2002, *Urban Renaissance Canberra: A Sustainable Future*, OECD, p 127.
- 9 Organisation for Economic Cooperation and Development, 2002, *Urban Renaissance Canberra: A Sustainable Future*, OECD, p 127.
- 10 The Canberra Spatial Plan, March 2004, p 9.
- 11 Powell, T. *2003 Planning, Economic Development and Canberra Airport,* Capital Airport Group, Canberra, p 1.

<sup>3</sup> Organisation for Economic Cooperation and Development, 2002, *Urban Renaissance – Canberra: A Sustainable Future*, OECD, p 125.

<sup>4</sup> National Capital Authority, Consolidated National Capital Plan, February 2002, p 89.

Tony Powell acknowledged that although there is no evidence that the Business Park has impacted adversely on Civic and the other town centres, "there has nonetheless been some disquiet".<sup>12</sup> Canberra International Airport is unique in that it is the only capital city airport which is subject to a town planning regime, that being the regime set out in the National Capital Plan administered by the National Capital Authority.<sup>13</sup>

- 7.5 The Commonwealth's sale of Canberra International Airport was described by the ACT Government as a "further factor impacting on Civic and other Town Centres at the Territory's expense".<sup>14</sup> The National Capital Authority's decision to encourage investors to take up vacant sites outside of Civic was also criticised by witnesses.<sup>15</sup> Mr Brian Binning, for example, pointed out that by providing such encouragement, the Authority "would appear to be acting in contravention of the stated policies of the National Capital Plan".<sup>16</sup>
- 7.6 The airport is located on National Land managed by the Commonwealth Department of Transport and Regional Services. The owners of the airport, the Capital Airport Group, are obliged to prepare master plans and, where developments exceed \$10 million, they are also required to prepare major development plans which require the approval of the Minister for Transport and Regional Services.<sup>17</sup> The NCA pointed out to the Committee that both of these plans require public consultation.<sup>18</sup> These master plans and major development plans cannot be inconsistent with the National Capital Plan. Mr Stephen Byron, Managing Director of the Capital Airport Group, explained the requirements for developments at the airport as set out in the National Capital Plan:

The airport is within the broadacre areas of the National Capital Plan and is specifically identified as the airport for Canberra. It is included in the designated areas as well. So, in effect, any developments not only have to conform to a master plan and a major development plan, they also require

- 15 See Submissions, p 73, 132, 320.
- 16 Binning, Submissions, p 132.
- 17 Mr David Wright, Transcript, 19 September 2003, p 210.
- 18 Mr David Wright, Transcript, 19 September 2003, p 210.

<sup>12</sup> Powell, T. 2003 *Planning, Economic Development and Canberra Airport*, Capital Airport Group, Canberra, p 42.

<sup>13</sup> Mr Stephen Byron, Transcript, 16 October 2003, p 281.

<sup>14</sup> ACT Government, *ACT Workplace Discussions 13-15 November 2002*, Commonwealth Grants Commission 2004 Review, p 104.

the works approval of the authority. The effect of the National Capital Plan is to set the broad land use policies. The effect of designation, more directly, is that all the works are subject to the approval of the authority. That is unique in Australia.<sup>19</sup>

7.7 Local community group Canberra Community Action on Acton Inc. was highly critical of what it called "the fragmentation of the city".<sup>20</sup> The group believes this is a result of the rapid development of commercial office space at the Airport which has reduced the attractiveness of Civic and other commercial centres. ACT residents Mr and Mrs Douglas and Ann Darbyshire shared the group's concerns, stating that in the case of the Airport:

> ...no apparent consideration by the NCA has been given to how this relatively unfettered development may be starving other town centres such as Tuggeranong and Gungahlin of development needed and supported by the ACT Government.<sup>21</sup>

- 7.8 The ACT Government believes that the current National Capital Plan limits further growth of Commonwealth Office space in Civic and gives priority to the development of additional space in Town Centres.<sup>22</sup> The ACT is also critical of the way in which the current Plan limits office accommodation in Parkes and Barton to Commonwealth departments and agencies requiring close working relationships with the Executive and Parliament.<sup>23</sup> Like the Darbyshires, the ACT Government is concerned that the development rights sold with the airport are seeing the emergence of a new employment centre which will place pressure on Civic and other existing town centres. In addition, the Territory believes that it will come under increasing pressure to provide services to the new employment centre, without any supporting population mass.<sup>24</sup>
- 7.9 During a recent debate in the ACT Legislative Assembly, Minister for Planning, Mr Simon Corbell MLA, spoke of the need to strike the

<sup>19</sup> Mr David Wright, National Capital Authority, Transcript, 15 August 2003, p 210.

<sup>20</sup> Canberra Community Action on Action Inc., Submissions, p 28.

<sup>21</sup> Darbyshire, Submissions, p 73.

<sup>22</sup> ACT Government, Submissions, p 226.

<sup>23</sup> ACT Rejoinder Submission to the Commonwealth Grants Commission 2004 Review, February 2003, p 15.

<sup>24</sup> ACT Government, *ACT Workplace Discussions 13-15 November 2002*, Commonwealth Grants Commission 2004 Review, p 104.

right balance between developments at the Airport and developments in Civic and the other town centres:

It is not black and white: airport good, Civic bad—or Civic good, airport bad. It is about making sure we have a balance. The airport is a significant activity centre, and the spatial plan recognises it as a significant activity centre, as does draft amendment 44 to the National Capital Plan. The issue is: to what extent should that activity go? The territory's view is that the airport should not have the same status as a town centre or, indeed, as Civic, and we have put that view to the National Capital Authority.<sup>25</sup>

## Draft Amendment 44: Office Employment Location Policies

7.10 In November 2003, the National Capital Authority released Draft Amendment 44 of the National Capital Plan for public consultation. The amendment proposes changes to the Office Employment Location Policies set out in Chapter Three of the National Capital Plan as they relate to the Canberra International Airport. According to the NCA:

> The policy changes proposed by Draft Amendment 44 aim to promote the primacy of Civic as the dominant metropolitan centre, reinforce the role of town centres as decentralised employment locations and identify other locations, such as Canberra International Airport, where office employment will encourage growth in Canberra while protecting the interests of Canberra as the National Capital.<sup>26</sup>

In its submission, the ACT Government questioned the national significance of having any employment location policies in the National Capital Plan.<sup>27</sup>

<sup>25</sup> ACT Legislative Assembly *Hansard*, 9 March 2004, p 6.

<sup>26</sup> National Capital Authority, Annual Report 2002-03, p 55.

<sup>27</sup> ACT Government, Submissions, p 201.

## The Committee's views

7.11 The Committee is well aware of growing concern among the Canberra business community and calls to put an end to further development of office blocks on and around Canberra Airport. The disquiet over Draft Amendment 44 is such that prominent business leaders from Canberra and the region have formed the Capital Region Proper Planning Group to formally oppose the sections of the amendment which relate to developments at the airport. However, the Minister has yet to refer the amendment to the Committee for comment or inquiry and therefore the Committee believes it would be inappropriate to comment at this time. The Committee will, however, continue to monitor any further developments in this matter as they come to light.