

21 September 2018

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RECEIVED
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DPTI

Email: DPTI.PlanningEngagement@sa.gov.au

Re: *SAIR Submission – State Planning Policies - Draft for Consultation*

South Australian Independent Retailers (SAIR) representing the Foodland and IGA supermarkets are pleased to provide a submission in relation to the draft State Planning Policies.

SA Independent Retailers acts on behalf of Foodland and IGA supermarkets. There are 115 South Australia based owners operating a total of 236 Foodland, IGA and Friendly Grocer supermarkets across the State, currently employing more than 15,000 South Australians

Firstly, SAIR has made several submissions, over the several years in relation to the retail climate and challenges facing the retail supermarket sector in South Australia and the importance of a strategic and planned approach to **the State's** future retailing.

The State Planning Policies make two subtle references to retailing and these are contained within the section on Employment Lands, Policy 9.

Employment Lands Policies 6 and 9 state;

6. Allow for competition within the retail sector by providing an appropriate supply of land for all retail formats in areas that are accessible to communities; and
9. Encourage the development of vibrant employment and residential mixed use precincts where conflicts between uses can be managed.

Based on the above, we and our retail industry colleagues are somewhat disappointed with the lack of clarity around the ultimate intent with regards to future retail policy.

We were pleased to read Policy 6 and references to the provision of a future land supply, for all the various retail formats.

This is a strategic planning necessity to facilitate economic development, investment and growth in the State by the existing market players and new market entrants.

However, more clarity is now sought on the policy detail and how this will be achieved.

As a result, SAIR is keen and actively wanting to work collaboratively and directly with the Planning Commission, DPTI and other retailers to develop a clear policy position going forward.

It is vital that there is sufficient clarity in the planning framework to ensure all participants in the retail market can make informed investment decisions about their existing assets and future development projects.

To that end, a thorough strategic and planned approach to future retailing policy, that is clear and transparent, is now required and it is suggested that this could be developed by the following;

1. **Undertaking a review of the existing Centre's Policy/ Hierarchy**
2. Undertaking a retail catchment and demand analysis of the Greater Adelaide Planning Region (in the first instance) with Regions to follow, to highlight areas deficient in retail floor space
3. Identifying **issues and shortcomings of the existing Centre's Policy and provide recommendations** for any required changes
4. Identify areas that can support future retail growth and demand and areas of over-supply
5. Consult and engage with the retail industry on the findings and recommendations
6. Develop and implement an updated **Centre's Policy**
7. Develop and implement a strategic and planned approach to the future supply of retail land

There are some strong and robust arguments for maintaining the current **Centre's Hierarchy** framework (albeit a review is needed) and developing a future retail land supply. This by default creates a 'level playing field approach' to future retail planning and zoning as opposed to the 'ad-hoc approach' to the development of activity centres in '**out of centres**' locations that has emerged in South Australia in more recent times.

When it comes to our core business of supporting and growing the independent supermarket sector, SAIR is aware of two recent studies, where two different and experienced retail consultants have both made similar comments regarding the importance of maintaining the **Centre's Hierarchy, creating a strategic** and demand based approach to the location of **future retail centres and the consequential negative implications of 'out of centres' development.**

In relation to a matter within the City of Playford, Deep End Services had the following comments to make in relation to a proposed 'out of centres' retail development proposal at Munno Para. They spoke with some authority on the matter as they were the firm acting for Council and undertook the Playford Centres Review 2015 which recommended a strategic approach to the future zoning of new retail centres in Playford North, which the City of Council implemented in full.

"The planned network (hierarchy) of centres in Playford, most recently amended via two DPAs in 2016, is based on extensive strategic and demand-based studies. The network of centres has been established to optimise centre locations relative to the identified growth areas and to ensure their development at the earliest possible time. Retail floorspace limits provide flexibility for a range of supermarkets and other retailers and are less prescriptive than previous controls. Protecting the structure and integrity of the centres hierarchy is vitally important so that retailers and developers / owners can make long-term location or investment decisions with confidence". page 23 & 24 Deep End Services 9 August 2018.

In addition, this from Property and Advisory in relation to a recent retail review of the City of Mitcham as part of **Council's** Spatial Planning and Structure Plan / Precinct Plan review that has recently undergone community consultation.

"From a policy standpoint it is also evident that the current settings reflect the prevailing Centres Hierarchy framework. We regard this as appropriate – it presents a level playing field and allows market participants to make long term plans (which retail development typically requires, to reflect changes in population). Ad-hoc out-of-Centre retail development can jeopardise such long-term planning, to the benefit of large market players, but to the ultimate detriment of local residents". Page 11, City of Mitcham – Draft Spatial Vision Community Consultation: Retail Focus, Property and Advisory Pty Ltd.

My emphasis

To that end, SAIR concurs with the sentiments of both of these retail consultants, in that we do not support 'out of **centres**' developments and for the reasoning outline above by Deep End and Property and Advisory, we would certainly be most concerned if the next level of retail policy detail went down a track of encouraging or facilitating new activity centres outside of existing centre zones.

It is simply poor strategic planning.

We have previously sighted Renmark as a case example where by a new activity centre development was allowed to develop in an ad-hoc manner, outside of the retail core and where the result has been a fragmented township and the **demise of the town's** main street.

There is real risk to the viability of existing urban centres, and regional townships for that matter, if new retail developments are allowed to be developed, in an ad-hoc fashion, away from, or removed from existing centre zones.

In summary, SAIR believes there is now more work to be done in collaboration with industry to develop the retail policy detail, policy which is clear and transparent and ensures a level playing field approach to future development.

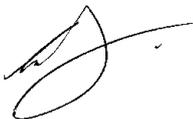
We say, this can be done via;

- Reviewing and updating, but **maintaining the Centre's Policy** framework;
- A demand based study to ascertain demand, future retail networks, and optimise future centre locations; and
- Direct industry engagement in the translation of the above policy into the Planning & Design Code.

Thank you for the opportunity to provide comment of the draft Planning Policies and we are keen to meet and work with the Planning Commission and DPTI staff on the sentiments contained within this submission and the development of a clear policy position for future retailing.

If you have any questions, or wish to clarify any aspects of this submission, please do not hesitate to contact the undersigned or feel free to contact our planning advisor Ms Amanda Price-McGregor on [REDACTED].

Yours sincerely



Colin Shearing
Chief Executive
SA Independent Retailers

Cc Mr Tim Anderson, State Planning Commissioner