

Agenda Report for Decision

Meeting Date: 25 November 2021

Item Name	Code Amendment Initiation Advice to the Minister for Planning and Local Government – Lot 5 Hampden Way, Strathalbyn
Presenters	Nadia Gencarelli and Brett Steiner
Purpose of Report	Decision
Item Number	3.4
Confidentiality	Not Confidential (Release Delayed). To be released following final decision by the Minister on initiation of the Code Amendment. Anticipated by January 2022
Related Decisions	N/A

Recommendation

It is recommended that the State Planning Commission (the Commission) resolves to:

1. Approve the designation of the item as Not Confidential (Release Delayed), with the meeting papers for the item to be released following final decision by the Minister for Planning and Local Government (the Minister) on initiation of the Code Amendment.
2. Advise the Minister that it:
 - 2.1 Recommends the approval of the Lot 5 Hampden Way, Strathalbyn Code Amendment under section 73(2)(vii) of the *Planning, Development and Infrastructure Act 2016* (the Act), subject to the following conditions applied under section 73(5)(b) of the Act:
 - (a) The scope of the proposed Code Amendment does not include the creation of new planning rules, and is limited to the spatial application of zones, subzones, overlays or technical and numerical variations provided for under the published Planning and Design Code (on the date the Amendment is released for consultation).
 - (b) The Code Amendment is prepared by a person with qualifications and experience that is equivalent to an Accredited Professional—Planning Level 1 under the Act.
 - (c) The Designated Entity must obtain the approval of the Commission to undertake public consultation following preliminary consultation with the Attorney-General's Department (the Department).
 - 2.2 Recommends that Strath Property Investments Pty Ltd be the Designated Entity responsible for undertaking the Code Amendment process.
3. Specify that the Designated Entity consults with the following nominated individuals and entities, under section 73(6)(e) of the Act:
 - Attorney-General's Department – Planning and Land Use Services (AGD-PLUS)
 - Strathalbyn and District Tourist Association

- landowners located within the Concept Plan Boundary identified on the Planning and Design Code Concept Plan 113 Strathalbyn North
 - utility providers, including SA Power Networks, ElectraNet Pty Ltd, APA Group, SA Water, EPIC Energy, NBN, and other telecommunications providers
 - State Members of Parliament for the electorates in which the proposed Code Amendment applies.
4. Specify the following further investigations or information requirements under section 73(6)(f) of the Act in addition to those outlined in the Proposal to Initiate:
 - (a) Undertake high-level investigations to identify potential environmental impacts and mitigation measures, having consideration to native vegetation, flora, fauna and the adjacent Angas River and tributary.
 - (b) Conduct a search of the Aboriginal Heritage Registers to identify relevant Aboriginal heritage considerations, including any identified cultural sites and objects.
 - (c) Undertake a retail and economic assessment to the satisfaction of the AGD-PLUS.
 - (d) Based on the outcomes of the retail and economic assessment, determine an appropriate zoning framework having consideration to the Code suite of activity centre and employment zones to accommodate the intended land use outcomes (eg local centre and bulky goods).
 5. Recommend that the Minister approve the initiation of the Code Amendment by signing the Proposal to Initiate (**Attachment 1**) and approval letters with conditions (**Attachment 2**).
 6. Approve and authorise the Chair of the Commission to sign the advice to the Minister as provided in **Attachment 3**.
 7. Authorise the Chair to finalise any minor amendments to the advice and attachments as required.

Background

Section 73(2)(b)(vii) of the Act provides that a proposal to amend the Planning and Design Code (the Code) may be initiated by a person who has an interest in the relevant land with the approval of the Minister, acting on the advice of the Commission in relation to the following matters:

- Strategic assessment against the State Planning Policies and *The 30-Year Plan for Greater Adelaide*.
- Any person or body that must be consulted by the Designated Entity, pursuant to section 73(6)(e) of the Act.
- Any investigations to be carried out or information to be obtained by the Designated Entity, in accordance with section 73(6)(f) of the Act.

The purpose of this report is therefore to provide the Commission with advice to be provided to the Minister in relation to the Proposal to Initiate submitted by Strath Property Investments Pty Ltd (**Attachment 1**).

Procedural matters regarding the Commission's role is provided in **Attachments 4** and **5**.

Discussion

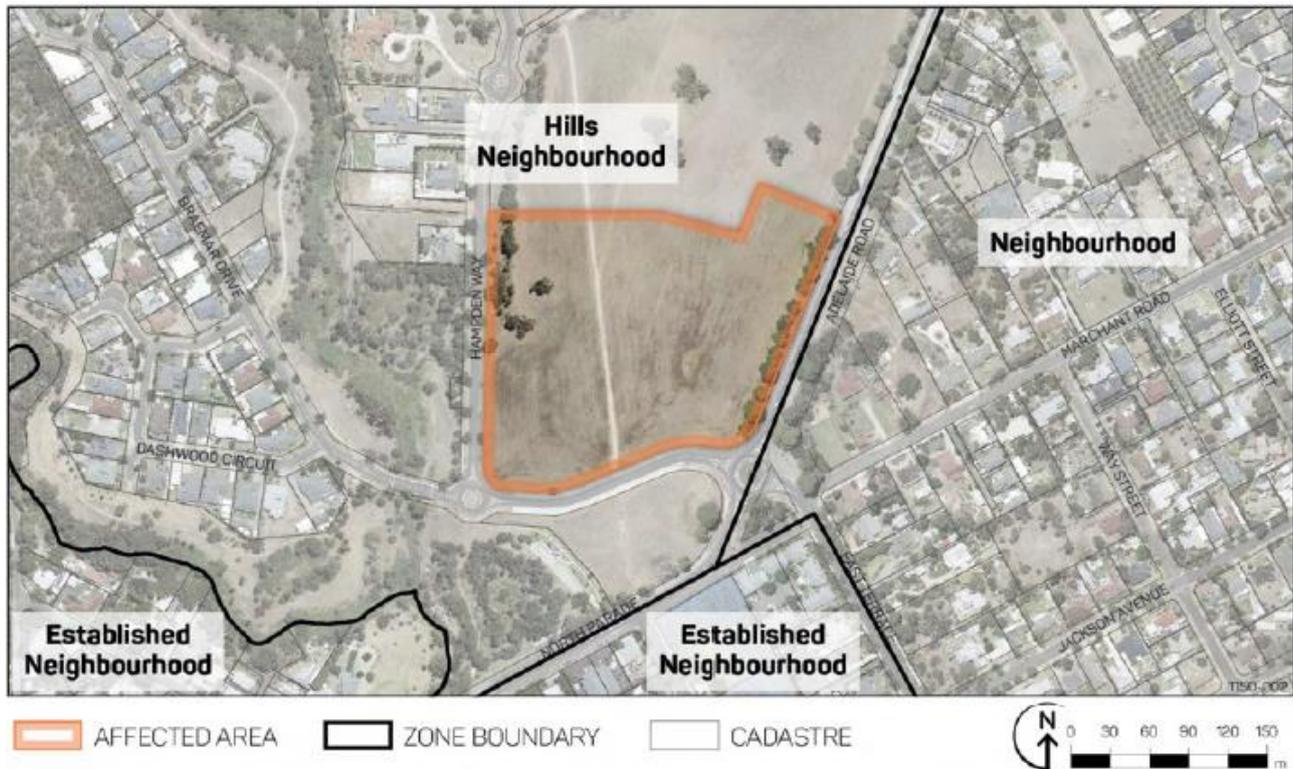
Scope of the Amendment

The Proposal to Initiate seeks to rezone approximately 4.6 hectares of vacant land in the township of Strathalbyn from the Hills Neighbourhood Zone to the Local Activity Centre Zone. The affected area is surrounded by residential uses, with retail facilities located one 1km south of the affected area.

Previous investigations indicate that the northern growth area of Strathalbyn is underserved, with retail expenditure being lost to neighbouring Mount Barker. The Proponent proposes to supplement the existing services in Strathalbyn by facilitating small-scale retail, speciality shops, a bulky goods outlet, preschool, consulting rooms, and personal or domestic services establishments.

The affected area and current zoning are shown in the figure below.

Detailed discussion is provided in the advice to the Minister in **Attachment 3**.



Planning and Design Code Zoning

The affected area is located within the Hills Neighbourhood Zone.

The following Overlays apply to the land:

- Affordable Housing
- Hazards (Bushfire – Urban Interface)
- Hazards (Flooding – Evidence Required)
- Murray Darling Basin
- Native Vegetation
- Prescribed Water Resources Area
- River Murray Tributaries Protection Area
- Traffic Generating Development
- Urban Transport Routes
- Water Resources.

Land surrounding the affected area is within the Neighbourhood Zone, Hills Neighbourhood Zone and Established Neighbourhood Zone.

Advice to the Minister

The attached advice to the Minister sets out the statutory and procedural elements that must be considered as part of the initiation of a Code Amendment (**Attachment 3**).

The advice recommends that the Minister approve the initiation of the Code Amendment for the following reasons and subject to conditions (as set out below).

Strategic Considerations

The Proposal seeks to rezone land to accommodate retail facilities for the projected growth of the township. There have been a number of previous retail studies undertaken for Strathalbyn between 2015 and 2018. Generally, they indicated that there is demand for additional retail floor area but have varying opinions as to the extent of demand and most appropriate response to accommodate this. The most recent study commissioned by the Department indicated that:

- There is potential for a new centre based on the provision of retail and forecast population growth at that time and limited demand for bulky goods development.
- There are limited opportunities for any large scale retail or commercial development in the existing town centre or high street; however, some demand could be accommodated through a redevelopment of the existing supermarket.
- A new centre would lead to redistribution of retail away from existing centres, including Strathalbyn, but would also increase the share of spending captured that is currently directed to centres further afield (eg Mount Barker).

The Proposal to Initiate identifies the land being zoned Local Centre Zone to facilitate local convenience retail and services. However, the extent of land identified for a local centre is significant (approx. 4.6 hectares), which is more akin to the size of a district centre – for example, Burnside covers approximately 5 hectares, and Kurralta Park approximately 3.5 hectares. The Local Centre Zone does not contain a retail floor cap and this, coupled with the significant extent of the affected area, could result in a scale of retail development which is inappropriate in this location.

The Proposal to Initiate indicates that the intent is to deliver small scale convenience retail (supermarket less than 3,000sqm), as well as bulky goods and local services. This being the case, it is recommended that, following the completion of a retail and economic analysis (discussed further below), consideration be given to the application of a range of zones which will facilitate the intended development outcomes and reduce the risk of future development undermining the existing retail centre in Strathalbyn.

It is noted that planning consent was recently issued by Alexandrina Council for the construction of a mixed-use development comprising consulting rooms, an indoor recreation facility (gym) and shop on a portion of the affected area. Planning consent has also been issued on the parcel immediately south of the affected area for the construction of a Retail Fuel Outlet. The land immediately north of the affected area is also owned by the Proponent, and planning consent has been issued for a land division to create 63 additional residential allotments.

Further strategic considerations and discussion are provided in **Attachment 3**.

Procedural considerations

The Proposal to Initiate meets all procedural requirements, as detailed in the attached advice to the Minister (**Attachment 3**).

Practice Direction 2 – Preparation and Amendment of Designated Instruments requires the Proponent to provide evidence that they have consulted with the Chief Executive of the relevant council, and any details raised as a result.

Alexandrina Council's administration did not object to initiation and provided feedback in relation to investigations and the engagement process, which have been reflected in the Proposal to Initiate.

Conditions proposed and items specified

A number of conditions have been recommended to be specified by the Minister pursuant to sections 73(5)(b) of the Act.

In addition, it has been recommended that the Commission specify persons or bodies to be consulted with by the Designated Entity under section 73(6)(e) of the Act, as well as specify additional investigations to be undertaken by the Designated Entity under section 73(6)(f) of the Act, as outlined in the advice to the Minister (**Attachment 3**).

Attachments:

1. Proposal to Initiate the Lot 5 Hampden Way, Strathalbyn, Code Amendment (#17861468).
2. Draft approval letters to:
 - a) The Proponent (#17998520)
 - b) The Alexandrina Council (#17998800).
3. State Planning Commission advice to the Minister (#17860960).
4. Procedural Matters for the State Planning Commission (#17861060).
5. Process Flowchart – Code Amendments Initiated by Proponents (#17861582).

Prepared by: Reena Gupta

Endorsed by: Brett Steiner

Date: 11 November 2021

**PROPOSAL TO INITIATE AN AMENDMENT TO THE
PLANNING AND DESIGN CODE**

Lot 5 Hampden Way, Strathalbyn

**By the Strath Property Investments Pty Ltd (*the
Proponent*)**



Phil Richards
Director
Strath Property Investments Pty Ltd

Date: 13-10-2021

This Proposal to Initiate document together with conditions specified by the Minister forms the basis for the preparation of a proposed amendment to the Planning and Design Code for the purpose of section 73(2)(b) of the *Planning, Development and Infrastructure Act 2016*. By signing this Proposal to Initiate, the Proponent acknowledges and agrees that this Proposal to Initiate, and any supporting documents may be published on the PlanSA website by the Attorney General's Department.

MINISTER FOR PLANNING AND LOCAL GOVERNMENT

Date:

- 1. INTRODUCTION..... 3
 - 1.1. Designated Entity for Undertaking the Code Amendment..... 3
 - 1.2. Rationale for the Code Amendment..... 4
- 2. SCOPE OF THE CODE AMENDMENT 5
 - 2.1. Affected Area..... 5
 - 2.2. Scope of Proposed Code Amendment 7
- 3. STRATEGIC PLANNING OUTCOMES 10
 - 3.1. Alignment with State Planning Policies 10
 - 3.2. Alignment with Regional Plans 12
 - 3.3. Alignment with Other Relevant Documents..... 15
- 4. INVESTIGATIONS AND ENGAGEMENT 18
 - 4.1. Investigations Already Undertaken 18
 - 4.2. Further Investigations Proposed 23
 - 4.3. Engagement Already Undertaken..... 25
 - 4.4. Further Engagement Proposed 27
- 5. CODE AMENDMENT PROCESS 27
 - 5.1. Engagement Plan 27
 - 5.2. Engagement Report..... 28
 - 5.3. Code Amendment Timetable..... 28

1. INTRODUCTION

In accordance with Section 73(2)(b)(vii) of the *Planning, Development and Infrastructure Act 2016* (the 'Act'), Strath Property Investments Pty Ltd (the 'Proponent') seeks the approval of the Minister for Planning and Local Government (the 'Minister') to initiate an amendment to the Planning and Design Code (the 'Code Amendment') as it relates to land at Lot 5 Hampden Way, Strathalbyn (the 'Affected Area').

This Proposal to Initiate an Amendment to the Planning and Design Code ('Proposal to Initiate') provides details in relation to the scope of the Code Amendment. It also identifies the relevant strategic and policy considerations, the nature of investigations to be carried out and other information to be collected for the Code Amendment. It also details the timeframes to be followed in undertaking the Code Amendment, should this Proposal to Initiate be approved by the Minister.

The Proponent requests that the Minister grant it approval under Section 73(2)(b)(vii) of the Act on the basis that it (i.e., the Proponent) will conduct the processes specified in Section 73 of the Act.

We confirm that the Proponent has a legal interest in the whole of the Affected Area as identified in Section 2.1 of this document.

The Proponent acknowledges that, under section 73(5) of the Act, the Minister may specify conditions on approving this Proposal to Initiate. In the event of inconsistency between this Proposal to Initiate and any conditions specified by the Minister, the conditions will apply.

1.1. Designated Entity for Undertaking the Code Amendment

In accordance with section 73(4)(a) of the Act, the Proponent will be the Designated Entity responsible for undertaking the Code Amendment process. As a result:

- 1.1.1 The Proponent acknowledges that it will be responsible for undertaking the Code Amendment in accordance with the requirements of the Act.
- 1.1.2 The Proponent declares that it has not and does not intend to enter into an agreement with a third party for the recovery of costs incurred in relation to the Code Amendment under section 73(9) of the Act. If the Proponent does enter into such an agreement, the Proponent will notify the Department prior to finalising the Engagement Report under section 73(7).
- 1.1.3 The Proponent's contact person responsible for managing the Code Amendment and receiving all official documents relating to this Code Amendment is:
 - a) Richard Dwyer – Managing Director, Ekistics Planning & Design (Accredited Professional – Level 1- Conditional)
 - b) Email: rdwyer@ekistics.com.au
 - c) Phone: 08 7231 0286
- 1.1.4 The Proponent intends to utilise the services of Ekistics Planning and Design Pty. Ltd. ('Ekistics') to assist it in undertaking the Code Amendment. Ekistics is a specialist planning consultancy comprised of a team of Accredited Professionals with significant experience in the preparation of planning policy as well as land use investigations and community engagement. The Code

Amendment process will be undertaken by planning practitioners who have qualifications and experience that is equivalent to a Accredited Professional – Planning Level 1.

- 1.1.5 Either Ekistics or a separate independent community engagement specialist (to be confirmed) will be engaged to undertake required community engagement in accordance with '*Practice Direction 2 – Consultation on the Preparation or Amendment of a Designated Instrument*' and the Community Engagement Charter. Required community engagement will be undertaken by specialist community engagement or planning practitioners. Required community engagement would be undertaken under the general direction of Richard Dwyer at Ekistics Planning and Design Pty. Ltd.
- 1.1.6 The Proponent acknowledges that the Minister may, under section 73(4)(b) of the Act, determine that the Chief Executive of the Department will be the Designated Entity responsible for undertaking the Code Amendment. In this case, the Proponent acknowledges and agrees that the Chief Executive may charge the Proponent the reasonable costs incurred by the Chief Executive in conducting the Code Amendment process in accordance with Section 73 of the Act.

1.2. Rationale for the Code Amendment

The Affected Area is currently located within the Hills Neighbourhood Zone as expressed in the Planning and Design Code. However, the Affected Area presents as a key strategic site within Strathalbyn and at the 'gateway' to the township. A number of retail assessments of the Strathalbyn Township has been undertaken by retail specialists, both on behalf of the Proponent and former Department of Planning, Transport and Infrastructure (DPTI).

In summary these retail assessments concluded that there is a notable under provision of retail floor space in Strathalbyn (per person basis) and a significant level of escape expenditure, which indicates that Strathalbyn is not adequately serving local needs. Copies of these assessments are provided at Attachment C, with a summary of the key findings as relevant to the Code Amendment provided in Section 4.1 below.

Despite the strategic location of the Affected Area, the Hills Neighbourhood Zone primarily seeks low scale residential development, with small-scale complementary non-residential uses. Whilst some small-scale non-residential uses are contemplated in the Zone, a 'shop' (unless has a gross leasable floor area less than 1,000sqm, or is a 'restaurant') is a 'Restricted' form of Development.

Noting the existing restrictions placed on development by the existing Hills Neighbourhood Zone, the Proponent wishes to progress a Code Amendment for the Affected Area to investigate policy amendments that will facilitate a convenient local activity centre comprising a small scale convenience retail (supermarket less than 3,000sqm), specialty shops, bulky goods outlet, pre-school, consulting rooms and personal or domestic services establishments.

Accordingly, the Code Amendment represents an opportunity to facilitate much needed development that satisfies the growing demand for retail offerings within the Strathalbyn township and provides a convenient and walkable, small-scale centre for local residents.

Notably, the former Alexandrina Development Plan identified the Affected Area as a suitable location for non-residential development (and was referenced in the Desired Character Statement for the former Policy Area). However, the intent of this policy did not translate through the Planning and Design Code, and the Northern Growth area remains underserved, with retail expenditure and associated economic development being lost to neighbouring Mount Barker due to an under provision of retail offerings within Strathalbyn more broadly.

As a reflection of this strategic location, a planning consent (Application No. 21007959) was recently issued on 1 September 2021 by the Alexandrina Council, within a portion of the Affected Area (on Lot 12 in approved Development Application 455/D022/20), for the *'construction of a mixed-use development, comprising consulting rooms, an indoor recreation facility (gym) and shop (pharmacy) with associated car parking, signage and landscaping'*.

When enacted, this development will assist to deliver the Proponent's vision for the site and will be aligned with the future zone and policy framework sought by the proposed Code Amendment.

Also of note, a planning consent (Application No. 21003380) has been recently issued on the parcel immediately south of the Affected Area, at Lot 508 Hampden Way, Strathalbyn, for the *'construction of a Retail Fuel Outlet comprising a control building, car and dog washing facilities, fuel canopy, drive-through facility and associated signage, car parking and landscaping'*.

2. SCOPE OF THE CODE AMENDMENT

2.1. Affected Area

The Affected Area is located at Lot 5 Hampden Way, Strathalbyn (see Figure 1) and comprises one (1) Certificates of Title as follows:

- Certificate of Title Volume 6247 Folio 344 (Allotment 5 in Deposited Plan 125134).

Figure 1: Affected Area



The Affected Area is currently vacant of any structures and buildings. The land is flat to gently undulating with a general slope down toward the Angas River from the north-east to the south-west of the site presenting an appropriate topography for future development.

To the north-west of the Affected Area, on the opposite side of Hampden Way, the land comprises recently constructed single storey detached residential dwellings. To the east of the Affected Area, on the opposite side of Adelaide Road, also comprises predominantly single storey detached residential dwellings.

To the south of the Affected Area, on the opposite side of Braemar Drive (Lot 508 Hampden Way), is a vacant parcel of land. As outlined earlier, this land is intended to be developed for the purposes of a Retail Fuel Outlet (under Application No. 21003380). Also south of the Affected Area is the 'Strathalbyn Skate Park', situated within the Angus River open space corridor.

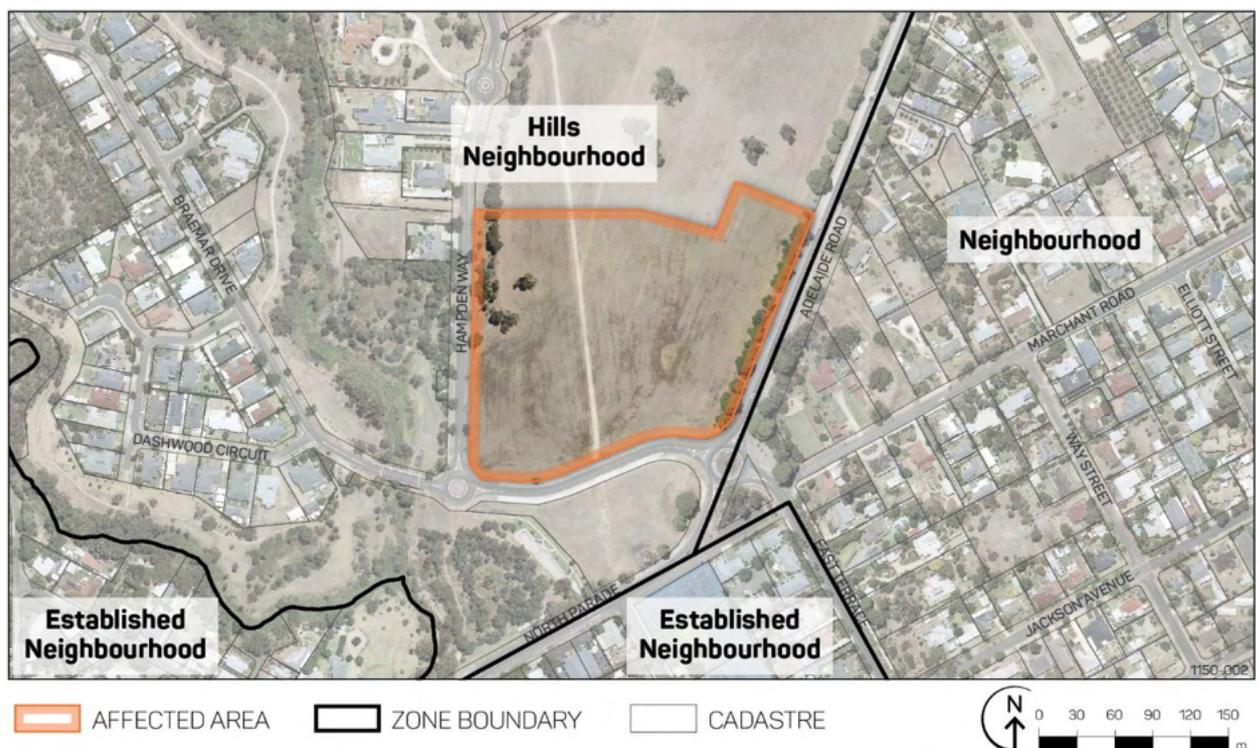
Further south of North Parade (and portion of Adelaide Road), there are two (2) land parcels occupied by the 'Strath Motel', one parcel occupied by the 'Strathalbyn Tennis Club', one parcel occupied by an existing pre-school (child care centre) and several parcels comprising single storey detached dwellings.

To the area immediately north of the Affected Area, the land is under the control and ownership of the proponent and is currently vacant. A planning consent has recently been issued for a land division on the land to create 63 additional allotments for residential purposes (Application ID 21016382, Development Application No. 455/D417/21).

As illustrated in **Figure 2**, the Zone arrangements surrounding the Affected Area comprise:

- To the west of the Affected Area, over Hampden Way, land is located within the 'Hills Neighbourhood Zone';
- To the east of the Affected Area, over Adelaide Road, land is located within the 'Neighbourhood Zone';
- To the south of the Affected Area, over Braemar Drive, land is located within the 'Hills Neighbourhood Zone'. Further south of the Affected Area (and south of North Parade) land is located within the 'Established Neighbourhood Zone', and importantly, includes the 'Historic Area Overlay' (the 'Strathalbyn Suburban Neighbourhood Historic Area').

Figure 2: Current Zoning



2.2. Scope of Proposed Code Amendment

The Code Amendment proposes to introduce a policy framework that will facilitate appropriate local activity centre development with a strong focus on convenience based retail and commercial uses, to service local residents and commuters through the Strathalbyn, with built form outcomes seeking to activate primary road corridors.

More specifically, it is intended that the Code Amendment will:

- Replace the existing 'Hills Neighbourhood Zone' covering the Affected Area with the 'Local Activity Centre Zone';
- Introduce a policy framework which will enable a desired development outcome as follows:
 - Maximum building heights of up to 2 levels; and

- Amend Alexandrina Council 'Concept Plan (113)' to provide any relevant guidance to access, internal road linkages, pedestrian and cycling linkages, open space, landscape buffers and infrastructure (stormwater detention, intersections, pedestrian crossings).

<p>Current Policy</p>	<p>The Affected Area is wholly located in the 'Hills Neighbourhood Zone'.</p> <p>The following Technical and Numeric Variations currently apply to the Affected Area:</p> <ul style="list-style-type: none"> • Concept Plan (113); • Maximum Building Height (metres) (<i>Maximum Building Height is 8m</i>); • Maximum Building Height (Levels) (<i>Maximum Building Height is 2 levels</i>); • Gradient Minimum Frontage (Detached) (<i>Minimum frontage for detached dwellings where the site gradient is less than 1-in-8 is 15m; 1-in-8 to 1-in-4 is 18m; greater than 1-in-4 is 25m</i>); and • Gradient Minimum Frontage (Detached) (<i>Minimum site area for detached dwellings where the site gradient is less than 1-in-8 is 500sqm; 1-in-8 to 1-in-4 is 1000sqm; greater than 1-in-4 is 2000sqm</i>). <p>The following Overlays apply to the Affected Area:</p> <ul style="list-style-type: none"> • Affordable Housing • Hazards (Bushfire - Urban Interface) • Hazards (Flooding - Evidence Required) • Murray Darling Basin • Native Vegetation • Prescribed Water Resources Area • River Murray Tributaries Protection Area • Traffic Generating Development • Urban Transport Routes • Water Resources
------------------------------	---

<p>Amendment Outline</p>	<p>The overall objective for the Code Amendment is to introduce a policy framework which will facilitate the creation of a local activity centre, with a strong focus on convenience based retail and commercial uses for local residents, and capturing commuters through the Strathalbyn township, with built form outcomes seeking to activate primary road corridors.</p>
<p>Intended Policy</p>	<p>The Code Amendment intends to replace the existing 'Hills Neighbourhood Zone' with the 'Local Activity Centre Zone' across the whole of the Affected Area, while also ensuring that the Technical Numeric Variations allow for future development which:</p> <ul style="list-style-type: none"> • Consists of buildings of up to 2 levels; and up to 8 metres in height; and • Amend Alexandrina Council 'Concept Plan (113)' to provide any relevant guidance to access, internal road linkages, pedestrian and cycling linkages, open space, landscape buffers and infrastructure (stormwater detention, intersections, pedestrian crossings, etc).

3. STRATEGIC PLANNING OUTCOMES

Proposed Code Amendments occur within a state, regional and local strategic setting, which includes:

- State Planning Policies (SPPs)
- Regional Plans
- Other relevant strategic documents.

3.1. Alignment with State Planning Policies

The State Planning Policies (SPPs) set out the State’s overarching goals and requirements for the planning system. Under section 66(3)(f) of the Act, the Code must comply with any principle prescribed by a SPP.

The Code Amendment should be initiated because the strategic planning outcomes sought to be achieved through the Code Amendment align with or seeks to implement the following SPPs:

State Planning Policy (SPP)	Code Amendment Alignment with SPPs
<p>SPP 1: Integrated Planning</p> <p><i>Integrated planning coordinates the strategic use of land with the necessary services and infrastructure. It can influence how a city or region grows and evolves, which if done well, creates livable and sustainable places that contribute to our prosperity.</i></p>	<p>In accordance with SPP1, the Code Amendment will facilitate orderly development of a convenient local activity centre on the Affected Area, a key ‘gateway’ site of Strathalbyn.</p> <p>Subject to detailed investigations, the Affected Area is capable of being service by existing infrastructure.</p> <p>As a small-scale local activity centre it will protect the primary role of the town centre as Strathalbyn’s main commercial, civic and retail precinct. The local activity centre would allow provision for a small to mid-sized supermarket, small-scale shops and other complimentary commercial and retail uses, to meet the needs of the surrounding, growing community whilst also capturing passing trade and commuters on Adelaide Road.</p> <p>The Affected Area is located within the ‘Northern Growth’ area of Strathalbyn, which is currently not serviced by any convenience based retail or commercial uses, resulting in residents having to drive to the town centre. Locating a walkable activity centre in the Northern Growth area promotes healthy, active lifestyles for residents whilst reducing reliance on private vehicles.</p>

<p>SPP 2: Design Quality</p> <p><i>Good design improves the way our buildings, streets and places function, making them more sustainable, more accessible, safer and healthier. The integration of design within the planning system encourages creative solutions to complex social, economic and environmental challenges including those arising from our changing settlement patterns.</i></p>	<p>The Code Amendment proposes to incorporate a concept plan, through updates to the existing Concept Plan 113, and provide design guidance to built form with focus on streetscape activation and high quality buildings, at a key gateway site for Strathalbyn.</p>
<p>SPP 4: Biodiversity</p> <p><i>To maintain and improve our state's biodiversity and its life supporting functions.</i></p>	<p>The Affected Area accommodates mature vegetation, and may include Regulated and Significant Trees or native vegetation which may be protected under the <i>Native Vegetation Act 1991</i>.</p> <p>The large mature trees along Adelaide Road are 'pine' trees which have been considered for removal given their age and remaining life span. The scattered eucalypts along the Hampden Way interface are 'Sugar Gums' (<i>Eucalyptus cladocalyx</i>) and non-native to the area.</p> <p>The Native Vegetation Overlay will apply to the Affected Area, providing protection to native trees and vegetation.</p>
<p>SPP 9: Employment Lands</p> <p><i>Providing a suitable supply of land for employment uses is critical to support job growth and the economic prosperity of the communities. The planning system needs to support the diversification of our economy and remove barriers to innovation. It is critical that the right signals are sent to the market to attract interest, investment and tourism opportunities across South Australia.</i></p>	<p>The Code Amendment fundamentally seeks to unlock new commercial and retail opportunities, in a new convenient local activity centre on the Affected Area.</p> <p>Currently Strathalbyn is reliant on one supermarket within the town centre and has limited opportunities for other commercial and retail development in the town centre, and High Street precinct, due to various constraints. These constraints include ownership fragmentation, heritage considerations, and the non-continuous nature of new potential development sites within commercial areas.</p> <p>By facilitating a new local activity centre in the Northern Growth area, the local community will be provided with a convenient alternative, whilst capturing escape expenditure lost to nearby Mount Barker. New retail and commercial offerings will create more jobs for a growing</p>

3. STRATEGIC PLANNING OUTCOMES

Proposed Code Amendments occur within a state, regional and local strategic setting, which includes:

- State Planning Policies (SPPs)
- Regional Plans
- Other relevant strategic documents.

3.1. Alignment with State Planning Policies

The State Planning Policies (SPPs) set out the State’s overarching goals and requirements for the planning system. Under section 66(3)(f) of the Act, the Code must comply with any principle prescribed by a SPP.

The Code Amendment should be initiated because the strategic planning outcomes sought to be achieved through the Code Amendment align with or seeks to implement the following SPPs:

State Planning Policy (SPP)	Code Amendment Alignment with SPPs
<p>SPP 1: Integrated Planning</p> <p><i>Integrated planning coordinates the strategic use of land with the necessary services and infrastructure. It can influence how a city or region grows and evolves, which if done well, creates livable and sustainable places that contribute to our prosperity.</i></p>	<p>In accordance with SPP1, the Code Amendment will facilitate orderly development of a convenient local activity centre on the Affected Area, a key ‘gateway’ site of Strathalbyn.</p> <p>Subject to detailed investigations, the Affected Area is capable of being service by existing infrastructure.</p> <p>As a small-scale local activity centre it will protect the primary role of the town centre as Strathalbyn’s main commercial, civic and retail precinct. The local activity centre would allow provision for a small to mid-sized supermarket, small-scale shops and other complimentary commercial and retail uses, to meet the needs of the surrounding, growing community whilst also capturing passing trade and commuters on Adelaide Road.</p> <p>The Affected Area is located within the ‘Northern Growth’ area of Strathalbyn, which is currently not serviced by any convenience based retail or commercial uses, resulting in residents having to drive to the town centre. Locating a walkable activity centre in the Northern Growth area promotes healthy, active lifestyles for residents whilst reducing reliance on private vehicles.</p>

<p>SPP 2: Design Quality</p> <p><i>Good design improves the way our buildings, streets and places function, making them more sustainable, more accessible, safer and healthier. The integration of design within the planning system encourages creative solutions to complex social, economic and environmental challenges including those arising from our changing settlement patterns.</i></p>	<p>The Code Amendment proposes to incorporate a concept plan, through updates to the existing Concept Plan 113, and provide design guidance to built form with focus on streetscape activation and high quality buildings, at a key gateway site for Strathalbyn.</p>
<p>SPP 4: Biodiversity</p> <p><i>To maintain and improve our state's biodiversity and its life supporting functions.</i></p>	<p>The Affected Area accommodates mature vegetation, and may include Regulated and Significant Trees or native vegetation which may be protected under the <i>Native Vegetation Act 1991</i>.</p> <p>The large mature trees along Adelaide Road are 'pine' trees which have been considered for removal given their age and remaining life span. The scattered eucalypts along the Hampden Way interface are 'Sugar Gums' (<i>Eucalyptus cladocalyx</i>) and non-native to the area.</p> <p>The Native Vegetation Overlay will apply to the Affected Area, providing protection to native trees and vegetation.</p>
<p>SPP 9: Employment Lands</p> <p><i>Providing a suitable supply of land for employment uses is critical to support job growth and the economic prosperity of the communities. The planning system needs to support the diversification of our economy and remove barriers to innovation. It is critical that the right signals are sent to the market to attract interest, investment and tourism opportunities across South Australia.</i></p>	<p>The Code Amendment fundamentally seeks to unlock new commercial and retail opportunities, in a new convenient local activity centre on the Affected Area.</p> <p>Currently Strathalbyn is reliant on one supermarket within the town centre and has limited opportunities for other commercial and retail development in the town centre, and High Street precinct, due to various constraints. These constraints include ownership fragmentation, heritage considerations, and the non-continuous nature of new potential development sites within commercial areas.</p> <p>By facilitating a new local activity centre in the Northern Growth area, the local community will be provided with a convenient alternative, whilst capturing escape expenditure lost to nearby Mount Barker. New retail and commercial offerings will create more jobs for a growing</p>

	community, and generally increase diversity and competition within Strathalbyn.
<p>SPP 11: Strategic Transport Infrastructure</p> <p><i>To integrate land use policies with existing and future transport infrastructure, services and functions to preserve and enhance safe, efficient and reliable connectivity for people and business.</i></p>	<p>The Code Amendment creates the opportunity for a convenient and walkable local activity centre and reduces the reliance on private transport.</p> <p>The Code Amendment would support the creation of new green corridors and shared path linkages through the Angas River Linear Reserve to the Town Centre.</p>

3.2. Alignment with Regional Plans

As with the SPPs, the directions set out in Regional Plans provide the long term vision as well as setting the spatial patterns for future development in a region. This includes consideration of land use integration, transport infrastructure and the public realm.

The 30-Year Plan for Greater Adelaide volume of the Planning Strategy is relevant for this Code Amendment.

Regional Plan Identified Priorities or Targets	Code Amendment Alignment with Regional Plan
Transit Corridors, growth areas and activity centres	
P8. Provide retail and other services outside designated activity centres where they will contribute to the principles of accessibility, a transit focused and connected city, high quality urban design, and economic growth and competitiveness.	<p>The Code Amendment will facilitate a local convenience centre to establish in the Northern Growth area of Strathalbyn which has limited accessibility (other than by vehicle) to the town centre core.</p> <p>Encouraging new small scale retail offerings in the Affected Area, with a focus on convenience, will service local residents needs and reduce escape expenditure to nearby Mount Barker (23.5 kilometres north). Facilitating a new 'small to mid-sized supermarket' offering will provide a secondary option to the Strathalbyn township and improve competition.</p>
P9. Develop activity centres as vibrant places by focusing on mixed-use activity, main streets and public realm improvements.	The Code Amendment will encourage a mixture of commercial and retail uses with active frontages and increase activity at an important gateway into Strathalbyn.

<p>P10. Allow for low-impact employment activities in residential areas, such as small-scale shops, offices and restaurants, where interface issues can be appropriately managed.</p>	<p>The Affected Area is located within an established and growing residential area bounded on three sides by connector and local roads. The future residential interface on the northern boundary can be managed through future development applications within the Affected Area, and due to its location and orientation, development of the Affected Area will not create overshadowing impacts to surrounding residential uses. The high-traffic volumes of Adelaide Road will not impact the commercial development and existing residential development on the western side will be buffered by the landscaping along North Creek (future Public Reserve) and the Angas River. The Code Amendment will seek to ensure sensitive interfaces are appropriately managed</p>
<p>Design Quality</p>	
<p>P25. Encourage urban renewal projects that take an all-inclusive approach to development by including streetscapes, public realm, public art and infrastructure that supports the community and responds to climate change.</p>	<p>By unlocking the potential for commercial development within the Affected Area, the Code Amendment will encourage new public realm, streetscape and public art opportunities.</p>
<p>P28. Promote permeable, safe, attractive, accessible and connected movement networks (streets, paths, trails and greenways) in new growth areas and infill redevelopment areas that incorporate green infrastructure.</p>	<p>By encouraging non-residential activity within the Affected Area, the Code Amendment seeks to promote walkability and vibrancy for local residents and links the future development with existing streets, paths and trails.</p>
<p>P29. Encourage development that positively contributes to the public realm by ensuring compatibility with its surrounding context and provides active interfaces with streets and public open spaces.</p>	<p>The Code Amendment will encourage development that makes a positive contribution to the streetscape and public spaces through active frontages and responds to surrounding residential interfaces.</p>
<p>A16. Ensure that the local area planning process adequately address interface issues in the local context and identify appropriate locations for:</p>	<p>The Code Amendment will utilise existing Planning and Design Code policies to manage the building height interface with surrounding residential areas.</p>

<ul style="list-style-type: none"> • medium and high rise buildings • sensitive infill in areas of protection and areas of heritage value • where there should be minimum and maximum height limits 	
<p>Health, wellbeing and inclusion</p>	
<p>P47. Plan future suburbs and regenerate and renew existing ones to be healthy neighbourhoods that include:</p> <ul style="list-style-type: none"> • diverse housing options that support affordability • access to local shops, community services and facilities • access to fresh food and a range of food services • safe cycling and pedestrian friendly streets that are tree-lined for comfort and amenity • diverse areas of quality public open space (including local parks, community gardens and playgrounds) • sporting and recreation facilities • walkable connections to public transport and community infrastructure. 	<p>The Code Amendment will facilitate a new local activity centre within the Northern Growth area of Strathalbyn, and promote healthy, active lifestyles to local residents, through improving walkability for a significant residential catchment and provision of convenience based retail and service orientated land uses.</p>
<p>The economy and jobs</p>	
<p>P56. Ensure there are suitable land supplies for the retail, commercial and industrial sectors.</p>	<p>The Code Amendment will unlock much needed commercial and retail land supply for Strathalbyn.</p>

3.3. Alignment with Other Relevant Documents

Additional documents may relate to the broader land use intent within the scope of this proposed Code Amendment (or directly to the Affected Area) and therefore are identified for consideration in the preparation of the Code Amendment.

The following table identifies other documents relevant to the proposed Code Amendment:

Other Relevant Document	Code Amendment Alignment with Other Relevant Document
Alexandrina 2040	<p>The 'Alexandrina 2040' plan is the key document for Council's long term strategic directions to deliver on the community vision for the district.</p> <p>With regards to the Code Amendment, the 2040 plan identifies that <i>'Our community needs a high-quality road, water, rail and trail network that is safe, well maintained, supportive of healthy lifestyles, and environmentally sustainable.'</i></p> <p>The Affected Area is located outside of the town centre and within the Northern Growth area. Currently residents to the north of Strathalbyn have limited access to local commercial and retail offerings and must travel by car into the town centre (or Mt Barker) for their daily needs.</p> <p>The Code Amendment seeks to provide a convenience-based alternative, that will encourage increased walkability and healthy lifestyles for local residents.</p>
Alexandrina Community Strategic Plan 2014-23	<p>The 'Community Strategic Plan' establishes long term aspirations of the district and outlines strategies to achieve them. The key aspirations of the Community Strategic Plan most pertinent to the Code Amendment are as follows:</p> <p>Innovate throughout our Region</p> <ul style="list-style-type: none"> • <i>Showcase 'Alexandrina 2040' as a premium living and lifestyle destination</i> • <i>Attract diverse local industries and strengthen our workforce to grow the local economy and increase employment opportunities</i> <p>Activate our Spaces</p> <ul style="list-style-type: none"> • <i>Identify and encourage lifestyle, heritage and visitor experiences Facilitate/Initiate</i> • <i>Design and plan for high quality, integrated and healthy spaces and places</i>

	<p>The Code Amendment will assist in delivering on these aspirations and strategies by facilitating a new local activity centre comprising a mixture of retail and commercial offerings, within a walkable catchment to the residents of the Northern Growth area of Strathalbyn.</p> <p>Bringing in new business opportunities to the district will create more employment and foster continued growth of the local economy.</p>
<p>Regional Public Health Plan for Southern & Hills LGA (2015)</p>	<p>The '<i>Regional Public Health Plan for Southern & Hills LGA</i>' was developed by the Southern and Hills Local Government Association on behalf of six of its member councils, including the City of Alexandrina.</p> <p>The plan identifies the 'State of Health' of the various communities across the region and establishes 3 themes that provide a framework for the plan.</p> <p>'Theme 1: Healthy Environments' is most relevant to the Code Amendment and seeks '<i>the provision of healthy environments through quality places, lifestyle opportunities and environmental health</i>'.</p> <p>Strategy 1 of the Theme seeks to:</p> <p style="padding-left: 40px;"><i>"Plan for built environments that support communities to be active and socially connected and contribute to the health and well-being of communities (all generations, levels of ability and cultures). This will require a focus on creating liveable and 'walkable' towns and places with appealing and good quality public realm, open spaces and community facilities."</i></p> <p>The Code Amendment focuses on providing a convenient local activity centre and encourage healthy, active lifestyles through improved walkability.</p>
<p>Alexandrina Economic Development Strategy 2016-2022</p>	<p>The '<i>Economic Development Strategy</i>' was prepared by Essential Economics Pty Ltd, in conjunction with Hemisphere Design (Aust) Pty Ltd, on behalf of Alexandrina Council, to guide Council's role in fostering economic development within the district.</p> <p>The plan identifies that Council are '<i>open for business</i>' and seeking to be the '<i>location of choice for new businesses and investment in the region</i>'.</p>

	<p>The plan outlines that there is both a demand for local services, driven by the population growth, within the retail, health, community and entertainment sectors, however there is also a threat of losing economic activity to other regional centres (such as nearby Mount Barker, located 23.5km to the north), with residents required to travel out of the district to access basic services.</p> <p>Of particular note, and in relation to the Affected Area, the plan identified that work being undertaken by the Council in preparation of the Strathalbyn Town Plan would free-up development opportunities in the existing town centre, while also exploring development opportunities for land to the north of the centre’.</p> <p>The Code Amendment will seek to further explore the northern development opportunities, demonstrate the need for establishing a local activity centre to service local residents in northern Strathalbyn, and ensure that the role of the town centre as the primary retail and commercial centre, is retained.</p>
--	--

4. INVESTIGATIONS AND ENGAGEMENT

4.1. Investigations Already Undertaken

The table below identifies what investigations have already been undertaken in support of the proposed Code Amendment. The investigations undertaken reflect a long history of review and analysis across the Affected Area, in particular with respect to the Proponents intentions to explore the potential for the site for non-residential (retail and commercial) uses, and the subsequent demand for these uses in the context of Strathalbyn.

Investigation Undertaken	Summary of Scope of Investigations	Summary of Outcome of Recommendations
<p>As part of the <i>Strathalbyn Township and Environs DPA</i>, there were several investigations undertaken applicable to the Affected Area:</p> <ul style="list-style-type: none"> • Retail Analysis Review • Review of Adelaide Road Land, Strathalbyn (including Transport Impact Assessment); • Infrastructure Report, Strathalbyn 	<p><i>A Retail Analysis Review</i> was undertaken by SGS Economics and Planning in 2017 independent assessment of retail demand and supply in Strathalbyn Township and includes a review of recent previous retail analyses completed by others</p> <p><i>A Review of Adelaide Road Land, Strathalbyn</i> undertaken by Holmes Dyer in 2017 reviewed the suitability of the Affected Area (and included the balance of land to the north of the Affected Land) for urban, convenience retail and community services purposes. The Holmes Dyer investigations also included a review of transport/traffic impacts (via assessment by Cirqa Pty Ltd), and factors potentially affecting development opportunities within the town centre (including land ownership,</p>	<p>Based on the previous investigations undertaken through the <i>Strathalbyn Township and Environs DPA</i> and as relevant to the Affected Area, the following outcomes are drawn for consideration in the Code Amendment:</p> <ul style="list-style-type: none"> • Given the passage of time and changes to market conditions, trends, and objectives of the development within the Affected Area, an updated Retail analysis is required and should have regard to previous assessments undertaken, with a more current analysis and forecast; • The common theme throughout the <i>Retail Analysis Review</i> and <i>Review of Adelaide Road Land</i>, is that there is clear support for non-residential uses on the Affected Area for 'community development, convenience retailing and limited commercial uses'. The proposed Code Amendment would address the scale of these uses based on various factors and general demand for commercial and retail floor space in Strathalbyn; • There is significant capacity in the existing road network (without need for upgrades) around the Affected Area to cater for increased traffic volumes associated with non-residential land uses (as envisaged

	<p>allotment sizes, existing land uses, heritage listings, infrastructure, etc;)</p> <p>An <i>Infrastructure Report</i> prepared by Walbridge Gilbert Aztec (WGA) assessed the capacity of existing civil infrastructure services including potable water, recycled water, wastewater, electrical, communications and gas as it relates to the Affected Area.</p>	<p>under this Code Amendment). Primary access can be provided from Adelaide Road with other access via Braemar Drive and Hampden Way; and</p> <ul style="list-style-type: none"> • The Affected Area can be appropriately serviced to cater for future development on the land. <p>Importantly the Code Amendment will update previous investigations undertaken to inform the <i>Strathalbyn Township and Environs DPA</i>. These investigations are identified in Section 4.2 below and will be focused on the proposed new policy framework whilst building on and updating the extensive studies and investigations already undertaken in and around the Affected Area.</p>
Retail Needs Assessment	<p>In August 2013, <i>Urbis</i> were engaged by the Proponent to undertake a retail needs analysis of Strathalbyn including:</p> <ul style="list-style-type: none"> • An assessment of the current and future supply of retail floorspace in Strathalbyn; and • An assessment of the market served by Strathalbyn and its historic, current and future growth. 	<p>Urbis provided the following findings and recommendations:</p> <ul style="list-style-type: none"> • Strathalbyn serves a broader regional catchment which is growing; • Escape expenditure from the Strathalbyn trade area residents is approximately \$138 million or 78% of overall expenditure (which was \$177 million in 2012) – with non-food expenditure leakage likely to be in excess of 85%. This is extremely high and suggest the current range of facilities and services of Strathalbyn do not meet the demand of local needs; and • Strathalbyn growth is likely to support a need for 1,500-2,100 sqm of additional retail floorspace in Strathalbyn by 2021 and 2,600-3,400 sqm by 2026, in addition to the floorspace that can be supported by retaining some escape spending. <p>This Code Amendment will undertake a new and updated retail assessment to update and test a number of these findings and recommendations identified in the Urbis Retail Needs Assessment.</p>

<p>Peer Review of Property Advisory “Strathalbyn Retail Review”</p>	<p>In October 2013, <i>Urbis</i> were engaged by the Proponent to undertake Peer Review of the Property Advisory “Strathalbyn Retail Review” (a report commissioned by Alexandrina Council in April 2013).</p> <p>This Peer Review undertook a critical review of the methodology and assumptions of the “Strathalbyn Retail Review” and reviewed the existing and future demand and supply of retail in Strathalbyn.</p>	<p>Urbis provided the following findings and recommendations through its Peer Review of the Property Advisory retail review:</p> <ul style="list-style-type: none"> • The gravity model and methodology undertaken by Property Advisory in the Retail Review is unorthodox and contrary to real world evidence, and a longer-term view should be considered; • Over the long term the floorspace requirement is anticipated to be far more than as estimated in the “Strathalbyn Retail Review”; • There are constraints relating to land fragmentation, heritage issues, and allotment layout/size within the two existing town centres (Strathalbyn Town Centre Core and High Street Precinct) that limit appropriate level of new retail offerings. Specifically: <ul style="list-style-type: none"> ○ The Town Centre Core comprises physical feature and significant volume of heritage buildings. Small sites may be available for redevelopment, but unlikely in the medium term due to displacement of existing uses, site areas and locations not being suitable (as needed for retail continuity); ○ The High Street Precinct is a specialised boutique precinct with a unique character targeted towards tourism based offerings. Together with existing significant aged care facilities, High Street is unlikely to be suitable for local orientated retail expansion to meet demand. • There are significant benefits of not restricting the ability of retail provision in Strathalbyn, to ultimately retain spending that is currently leaving the town, providing convenience and choice to residents and visitors. • A minimum requirement to cater for immediate needs and foreseeable growth should include provision for
---	---	---

		<p>between 4,000 sqm-6,500 sqm of additional retail floorspace over time. The land requirement for 6,500 sqm of retail floorspace alone is around 2 hectares. Allowance should also be made for non-retail uses.</p>
<p>Retail Peer Review and Assessment</p>	<p>In March 2015, the Department of Planning, Transport and Infrastructure (DPTI) commissioned <i>Essential Economics Pty Ltd</i> to undertake an independent peer review of previous retail assessments (undertaken by Property & Advisory (April 2013), Urbis (August 2013 & October 2013)) and provide independent advice in relation to the following:</p> <ul style="list-style-type: none"> • Does Strathalbyn warrant a second retail area, and if yes, what size and balance of retail types is considered appropriate? • What impacts (both positive and negative) would a second retail area have on the established Strathalbyn district centre? • What possible initiatives can the Government, Council or the proponent consider to help enliven the existing main street and / or mitigate any adverse impacts on established retail? 	<p>Essential Economics provided the following findings and recommendations to support a new local activity centre as proposed under this Code Amendment:</p> <ul style="list-style-type: none"> • Strathalbyn provides residents within the trade area with a limited convenience and high-order retail offering; • The potential exists for Strathalbyn to improve convenience based retail offerings; • The potential exists for up to an additional 2,600 sqm of supermarket floorspace over the next 10 years. A proportion of this may be accommodated in an expansion of the existing Woolworths supermarket; however, the likelihood and extent of such an expansion is not known. Therefore, potential for a new mid-sized supermarket of up to 2,600 sqm exists; • A demand for approximately 5,750 sqm of additional retail floorspace exists over the next 10 years for Strathalbyn, a proportion of which could be incorporated in a new centre located to the north of the Strathalbyn Town Centre; • Due to fragmented land ownership patterns and the presence of many buildings with historical values within Strathalbyn's existing retail and commercial areas, only a limited number of sites exist to accommodate a new supermarket; and • The Affected Area is a suitable location for a supermarket based centre, given its superior accessibility to existing and future

	<ul style="list-style-type: none"> • What is the appropriateness of locating an integrated service station near the intersection of Braemar Drive and North Parade? <p>The advice was prepared to ultimately determine the appropriateness of a proposed centre located to the north of the existing Strathalbyn town centre.</p>	<p>residents within the north, and also being at a key gateway into Strathalbyn.</p>
<p>Strategic & Structural Township Analysis</p>	<p>In July 2021, <i>Ekistics Planning & Design</i> were engaged by the Proponent to undertake a strategic and structural analysis of the township, with a focus on connectivity, access to retail and commercial areas, and general character/growth directions observations that have occurred over time.</p>	<p>The structural analysis revealed:</p> <ul style="list-style-type: none"> • Strathalbyn is generally a ‘concentric township’, with earliest settlements occurring along the Angus River (in the now Town Centre Core and High Street precinct). Growth has since spread outward in all directions, seeking to maintain close proximity to existing services, shops and facilities within the town centre; • Angus River is a ‘green spine’ through the township, providing amenity and passive recreation, however given its steep escarpments and waterway, it also acts as a significant movement barrier through the township; • Major vehicular access/bridges and pedestrian crossings across the Angus River are mostly centralised within the town centre itself; • Key arterial roads (such as Adelaide Road) run through the town centre (generally in a north-south direction), acting as a further barrier to pedestrian movement; • The Affected Area is located in the ‘Northern Growth’ area of the township, bounded by Angus River to the west and Adelaide Road to the east;

		<ul style="list-style-type: none"> • The Northern Growth area has a distinctive character in comparison to other older residential areas of Strathalbyn – and represents a more contemporary character similar to many Adelaide Metropolitan growth areas; • The Affected Area and Northern Growth Area is located wholly outside of an 800 metre walkable catchment (linear) of the Town Centre Core; • The majority of the Northern Growth Area is located outside an 800 metre walkable catchment (linear) of the High Street Precinct; and • A new local convenience centre within the Affected Area would provide small scale shops and services within an 800m walkable catchment to approximately 90% of Northern Growth area residents (and residents to the east of Adelaide Road).
--	--	--

4.2. Further Investigations Proposed

In addition to the investigations already undertaken and identified above, the table below outlines what additional investigations that will be undertaken to support the Code Amendment.

Further Investigations Proposed	Explanation of how the further investigations propose to address an identified issue or question
Retail and Economic Assessment	<p>The Retail and Economic Assessment will investigate:</p> <ul style="list-style-type: none"> • The demand and required land supply for retail and other commercial floor space and employment generating uses; • The suitability of the land for future retail and commercial uses; • The net economic impact / benefit arising from the proposed Code Amendment (assuming a probable development scenario including generation of and access to employment for the region); and • A Peer review of reports prepared by Urbis, SGS Economics & Planning and Essential Economics.

<p>Traffic and Transport Impact Assessment</p>	<p>The Traffic and Transport Impact Assessment will investigate:</p> <ul style="list-style-type: none"> • The traffic and transport implications of the proposed Code Amendment, including a 'Traffic Impact Study' to determine the impact of the proposed Code Amendment on the surrounding transport network; • Traffic generation characteristics associated with future development of the Affected Area; • Any infrastructure improvements that may be required (including timing and costs); • How the proposed rezoning will support walkable neighbourhoods including potential pedestrian and cycling linkages; • Vehicular access arrangements to and from the Affected Area; and • Appropriate parking provision to support future development of the Affected Area.
<p>Flooding, Hydrology and Stormwater Investigations;</p>	<p>The Flooding, Hydrology and Stormwater Investigations will generally undertake the following:</p> <ul style="list-style-type: none"> • A review of the Hazards (Flooding - Evidence Required) applicable to the Affected Area and whether the overlay is required following a detailed flood study; • Identify and model potential flooding, hydrology and surface water flows in and around the Affected Area, both in pre-development and post-development conditions; • Determine whether a finished floor level minimum is required to mitigate any issues from potential floodwaters; and • Identify and provide indicative costs to any infrastructure required to mitigate flooding potential.
<p>Land Use Interface Investigations</p>	<p>The Land Use Interface Investigations will be undertaken including the suitability of existing Planning and Design Code Policy to successfully manage and address:</p> <ul style="list-style-type: none"> • The design, character and visual appearance of buildings; • The bulk, scale and visual impact of buildings; • Building heights at street (eye) level; • Building heights and setbacks in relation to surrounding land; and • Interface impacts including visual privacy, access to sunlight / overshadowing and acoustic privacy.
<p>Civil Infrastructure Investigations</p>	<p>The Civil Infrastructure Investigations will review:</p> <ul style="list-style-type: none"> • Existing servicing and infrastructure to the Affected area in relation to supply of: <ul style="list-style-type: none"> ○ Potable Water, ○ Recycled Water; ○ Wastewater;

	<ul style="list-style-type: none"> ○ Electrical; ○ Gas; ○ Communications; and ○ Any other services as relevant. <ul style="list-style-type: none"> ● Capacity of existing systems and any required upgrades to facilitate an ultimate development outcome in the Affected Area.
Spatial Concept Plan	<p>The Spatial Concept Plan will be prepared to guide the future development of the Affected Area including key transport connections, open space networks and the strategic provision of infrastructure within the Affected Area.</p> <p>The Spatial Concept Plan would therefore seek to update Alexandrina Concept Plan (113) through the Code Amendment.</p>

4.3. Engagement Already Undertaken

In accordance with Practice Direction 2, the Proponent and its representatives have liaised with the Alexandrina Council on several occasions concerning the proposed Code Amendment.

On the 3rd August 2021, the proponent and representatives of Ekistics met with Senior Administration of Alexandrina Council (Ms Sally Roberts – Manager Strategic Planning, Matthew Atkinson – Manager Development Assessment, and Matt Grant – General Manager Growth) regarding the proposed initiation of a Code Amendment to rezone the Affected Area to a ‘Local Activity Centre Zone’. Following this meeting, written correspondence dated 10th August 2021 was sent to the Chief Executive of Alexandrina Council seeking:

- Confirmation that Council’s administration do not object to the initiation of a Code Amendment to rezone the ‘Affected Area’ in order to facilitate future development of small-scale commercial and convenience retail land uses;
- Feedback from Council’s administration on the nature of investigations that are proposed to be undertaken in association with the proposed Code Amendment; and
- Advice on any existing investigations, strategies or reports that may have already been undertaken by Council (or that are proposed or scheduled to be undertaken by Council) that should be taken into consideration when initiating and preparing the proposed Code Amendment.

This correspondence is contained within Attachment D.

Council responded to the written correspondence in its letter dated 7th September 2021. In summary, Council did not object to the initiation of the Code Amendment, noting that this does not necessarily suggest support for the Code Amendment itself.

Council also provided the following preliminary feedback regarding matters for consideration in preparation of the draft Code Amendment, as addressed through this Proposal to Initiate request:

- Justification for retail/commercial land uses in proximity to existing Township Main Street Zone, such as through an independent retail/commercial demand and supply analysis;
- Interfaces with adjacent residential land uses;
- Connectivity to open space;
- Stormwater management;
- Capacity and provision of infrastructure and services;
- Impact on, and connectivity to, the surrounding movement network, including roads, cycling and pedestrian routes; and
- Ensure meaningful consultation is undertaken with the Council and elected members, adjoining landowners and occupiers, key community groups (such as the Strathalbyn & District Tourist Association) and the broader community.

Following receipt of Council's response, a further update the Affected Area for the Code Amendment occurred which involved removal of the land parcel at Lot 508 Hampden Way, Strathalbyn from the Affected Area. This land parcel was originally proposed to form part of the Affected Area when it was under the control of the Proponent. Following the recent approval of a 'Retail Fuel Outlet' at Lot 508 Hampden Way, Strathalbyn (Application ID. 21003380) by the Fleurieu Regional Assessment Panel on 17th August 2021, the Proponent sold the land Parcel at Lot 508 Hampden Way, Strathalbyn and therefore no longer has an 'interest' in this land parcel.

On this basis, given the Proponent no longer has an 'interest' in this land parcel the Proponent is not able to amend a 'designated instrument' in relation to this parcel (rezone this land) pursuant to section 73(2)(b)(vii) of the *Planning, Development and Infrastructure Act, 2016*.

This amendment to the 'Affected Area' of the proposed Code Amendment was subsequently communicated to Council via correspondence dated 13 October 2021, and is also attached in Attachment D.

4.4. Further Engagement Proposed

In addition to the engagement already undertaken and identified above, the table below outlines what additional engagement will be undertaken to support the Code Amendment.

Further Engagement Proposed	Explanation of how the further engagement propose to address an identified issue or question
Alexandrina Council	Additional engagement will be undertaken with the City of Alexandrina in relation to the Code Amendment
Neighbouring land owners and occupiers	The Proponent will comply with the Community Engagement Charter for the purposes of consultation in relation to the Code Amendment process. Also, if the Code Amendment has a specific impact on 1 or more particular pieces of land in a particular zone or subzone (rather than more generally), the Proponent will comply with Regulation 20 of the <i>Planning, Development and Infrastructure (General) Regulations 2017</i> , by giving notice to: <ul style="list-style-type: none">• the owners or occupiers of the land; and• owners or occupiers of each piece of adjacent land
Relevant Government Agencies and service providers such as DIT, SA Water, SA Power Networks etc	Advice from relevant Government Agencies and service providers will be sought to determine and address the impact that the Code Amendment may have on surrounding infrastructure and services.

5. CODE AMENDMENT PROCESS

5.1. Engagement Plan

The Code Amendment process will occur in accordance with the Community Engagement Charter and '*Practice Direction 2 – Consultation on the Preparation or Amendment of a Designated Instrument*'.

The Designated Entity will prepare an Engagement Plan prior to the commencement of engagement on the proposed Code Amendment. The Engagement Plan will include the following mandatory consultation requirements (which may be in addition to the engagement outlined in this Proposal to Initiate):

- the Local Government Association must be notified in writing of the proposed Code Amendment;
- if the Code Amendment has a specific impact on 1 or more particular pieces of land in a particular zone on subzone (rather than more generally), the

Designated Entity must take reasonable steps to give a notice in accordance with Regulation 20 of the *Planning, Development and Infrastructure (General) Regulations 2017*, to:

- the owners or occupiers of the land; and
- owners or occupiers of each piece of adjacent land;
- consultation must also occur with any person or body specified by the State Planning Commission under section 73(6)(e) of the Act.

5.2. Engagement Report

Once engagement on the Code Amendment is complete, the Designated Entity will prepare an Engagement Report under section 73(7) of the Act.

The Designated Entity must ensure that a copy of the Engagement Report is furnished on the Minister and also published on the SA Planning Portal. This will occur in accordance with Practice Direction 2.

The Engagement Plan and the Engagement Report will also be considered by the State Planning Commission during the final stages of the Code Amendment process. The Commission will provide a report to the Environment, Resources and Development Committee of Parliament under section 74(3) of the Act. The Commission's report will provide information about the reason for the Code Amendment, the consultation undertaken on the Code Amendment and any other information considered relevant by the Commission.

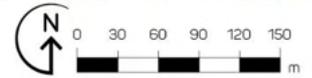
5.3. Code Amendment Timetable

The Proponent (where it is also the Designated Entity) commits to undertaking the Code Amendment in line with the timeframe outlined Attachment B. If a timeframe is exceeded (or expected to be exceeded) the Proponent agrees to provide an amended timetable to the Department with an explanation of the delay, for approval by the Minister of an extension of time for the Code Amendment.

ATTACHMENT A
Map of Affected Area



 AFFECTED AREA  CADASTRE



ATTACHMENT B

Timetable for Code Amendment by Proponent

Step	Responsibility	Timeframe
Approval of the Proposal to Initiate		
Review of Proposal to Initiate to confirm all mandatory requirements are met (timeframe will be put on hold if further information is required). Referral to the Minister to request advice from the Commission	AGD	2 weeks <i>(includes lodgement and allocation + referral to Government Agencies within the first week)</i>
Minister requests advice from the Commission.	Minister	2 weeks
Referral to Government Agencies for comment (where necessary)	AGD, Relevant Government Agencies	+ 2 weeks
Consideration of Proposal to Initiate and advice to the Minister	Commission (Delegate)	3 weeks
	Commission	+ 3 weeks
Proposal to Initiate agreed to by the Minister	Minister	2 weeks
Preparation of the Code Amendment		
Engagement Plan Prepared. Investigations conducted; Code Amendment Report prepared The Drafting instructions and draft mapping provided to AGD	Designated Entity	8 weeks
AGD prepares Amendment Instructions and Mapping and provides to Council for consultation purposes	AGD	1 week
Preparation of Materials for Consultation	Designated Entity	2 weeks
Engagement on the Code Amendment		
Code Amendment Report released for public consultation in accordance with the Community Engagement Charter and the prepared Community Engagement Plan	Designated Entity	6 weeks
Consideration of Engagement and Finalisation of Amendments		
Submissions summarised; Amended drafting instructions provided, Engagement Report prepared and lodged with AGD	Designated Entity	4 weeks
Assess the amendment and engagement. Prepare report to the Commission or delegate <i>Timeframe will be put on hold if further information is required, or if there are unresolved issues</i>	AGD	4 weeks
Consideration of Advice	Commission (Delegate)	2 weeks <i>(includes 1 week to process through Minister's office)</i>

Step	Responsibility	Timeframe
	Commission	+ 3 weeks
Decision Process		
Minister considers the Code Amendment Report and the Engagement Report and makes decision	Minister	3 weeks
Implementing the Amendment (operation of the Code Amendment)		
Go- Live- Publish on the PlanSA Portal	AGD	2-4 weeks
Parliamentary Scrutiny		
Referral of approved Code Amendment to ERDC	AGD	8 weeks

ATTACHMENT C

Economic and Retail Assessments



Retail Needs Assessment

Strathalbyn, South Australia

29 August 2013

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Ian Shimmin
Associate Director	Jo-Anne King
Consultant	Jessica Collins
Job Code	MPE1-2019

© Urbis Pty Ltd
ABN 50 105 256 228

All Rights Reserved. No material may be reproduced without prior permission.

You must read the important disclaimer appearing within the body of this report.

URBIS
Australia Asia Middle East
urbis.com.au

TABLE OF CONTENTS

- 1 Introduction.....1**
- 2 Background.....2**
 - 2.1 Regional Context2
 - 2.2 Local Context.....2
 - 2.3 Development Plan Amendment.....5
 - 2.4 Summary 10
- 3 Market Analysis11**
 - 3.1 Residents..... 11
 - 3.1.1 Trade Area..... 11
 - 3.1.2 Regional Population 14
 - 3.1.3 Trade Area Population..... 14
 - 3.1.4 Retail Spending 17
 - 3.1.5 Socio-Demographic Characteristics 19
 - 3.2 Workers 22
 - 3.3 Tourists 22
 - 3.4 Summary 24
- 4 Retail Structure25**
 - 4.1 Existing and Future Retail Facilities 25
 - 4.2 Within Main Trade Area 27
 - 4.3 Beyond Main Trade Area..... 29
 - 4.4 Resident Shopping Patterns..... 30
 - 4.5 Summary 30
- 5 Expenditure Leakage31**
- 6 Retail Floorspace Requirements and Options32**
 - 6.1 Market Capacity..... 32
 - 6.2 Market Growth 32
 - 6.3 Available Land Supply 32
 - 6.3.1 Population Distribution..... 33
 - 6.3.2 Potential Sites..... 35
- 7 Conclusions38**
- Disclaimer39**

1 Introduction

This report presents a retail needs analysis for the rural township of Strathalbyn, South Australia. The key elements of this analysis are:

- an assessment of the current and future supply of retail floorspace in Strathalbyn; and
- an assessment of the market served by Strathalbyn and its historic, current and future growth patterns.

This report has been prepared for Strath Property Investments Pty Ltd following the Alexandrina Council's recent Plan Amendment Report (PAR), and is an update of a report previously prepared by Urbis JHD in 2004 for the Strath Hub Group. The purpose of this report is to consider the need for future retail floorspace growth in Strathalbyn to meet the needs of current and future residents of the local community.

The report is structured as follows:

- **Section 2 – Background:** This section presents an overview of Strathalbyn's regional and local context, Alexandrina Council's Plan Amendment Report.
- **Section 3 – Market Analysis:** This presents an analysis of the current and forecast population from which retail facilities located in Strathalbyn would draw trade, along with retail spending estimates for those residents. This analysis results in estimates of the size of the retail market, noting that 'retail' includes store types and expenditure categories that relate to the Australian and New Zealand Standard Industrial Classification System (ANZSIC), as adopted by the Australian Bureau of Statistics (ABS) and Urbis. Conclusions about the need for additional retail facilities in Strathalbyn are further informed by the analysis of the demographic characteristics of trade area residents, the locations in which residents of Strathalbyn are employed, and the number of non-resident visitors to Strathalbyn.
- **Section 4 – Competitive Environment:** An overview of the competitive environment influencing the shopping patterns of residents of the trade area is provided in this section. It includes the findings of a retail floorspace survey of Strathalbyn conducted by Urbis in July, 2013, detailing the amount of space by category and location.
- **Section 5 – Expenditure Leakage:** This section provides an assessment of the amount of spending that Strathalbyn residents currently direct outside of the Strathalbyn area to places like Mount Barker, Murray Bridge and Adelaide.
- **Section 6 – Retail Floorspace Needs and Options:** The need for additional retail facilities and services in Strathalbyn is assessed in this section, based on current provision, anticipated usage pattern and future growth. A review of opportunities for future retail development in Strathalbyn is also provided.
- **Section 7 – Conclusions:** This final section provides a summary of our conclusions, and also presents recommendations.

2 Background

This section presents an overview of Strathalbyn's regional and local context, Alexandrina Council's Plan Amendment Report.

2.1 REGIONAL CONTEXT

Strathalbyn is located in the Fleurieu region of South Australia, approximately 55 km by road south east of the centre of Adelaide, via the Princes Highway and Long Valley Road (**Map 2.1**). Situated within the Alexandrina municipality, the local economy is based on:

- agriculture, including beef, dairy, sheep, and grain farming, but particularly wine grape production;
- education and health services, including aged residential care;
- manufacturing and construction services;
- the retail and tourism sectors, with employment concentrations in cafes, restaurants, taverns and accommodation facilities, as well as retail stores catering to the area's residents; and

European settlement commenced in the area in the mid-1800s, and Strathalbyn's original heritage architecture has contributed to its renown as a destination for antique dealers, with a number of antique and collectables businesses, furniture makers, art galleries and restorers located in the town.

Strathalbyn is relatively isolated from other regional towns, with the nearest major population centres located at Mount Barker (20 km north), Murray Bridge (40 km east), and Goolwa (30 km south west). The town is therefore reliant on the local population to support the local retail economy, although tourists are also an important source of trade, including those passing through.

2.2 LOCAL CONTEXT

Traditional retailing in Strathalbyn is located around Dawson Street between the Angas River and South Terrace. The retail strip is located away from the major roads from the north that pass through the town, and as such is not clearly visible to traffic passing in that direction. However, the retail strip has good visibility to traffic passing through the southern end of town along South Terrace.

The major components of the Dawson Street retail strip include a Woolworths supermarket, located on the corner of Dawson Street and South Terrace, a 450 sq.m IGA supermarket, and around 30 retail specialty shops focussed around Dawson Street between Albyn Terrace and South Terrace.

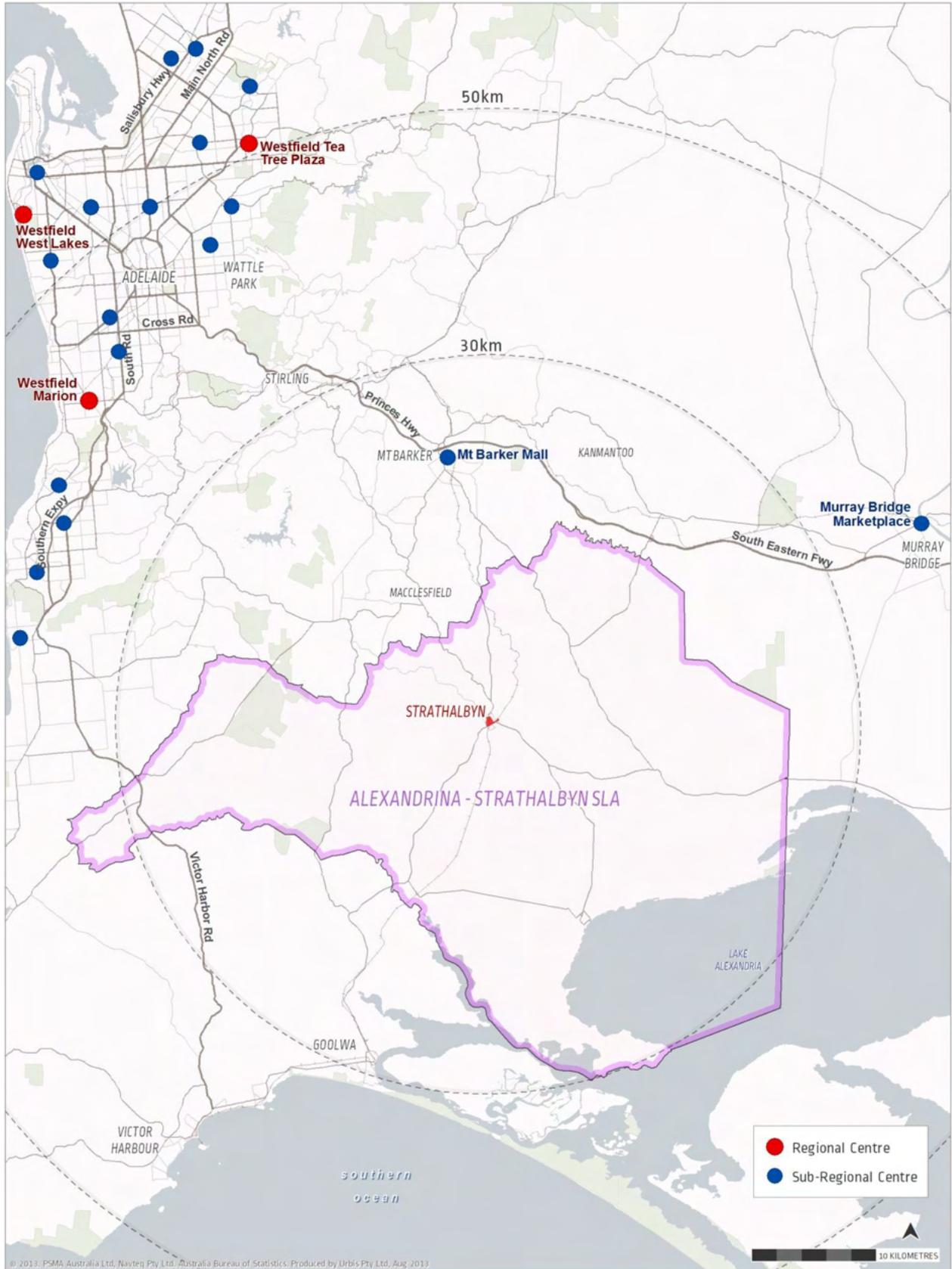
Located along High Street, on the eastern side of the Angas River, is a small retail strip which mostly comprises antique and bric-a-brac retailers and a number of cafes supporting these. The growth of this strip with other similar retailers has been encouraged. The strip is focussed on attracting tourists to the area and has little relevance for the regular shopping needs of local residents.

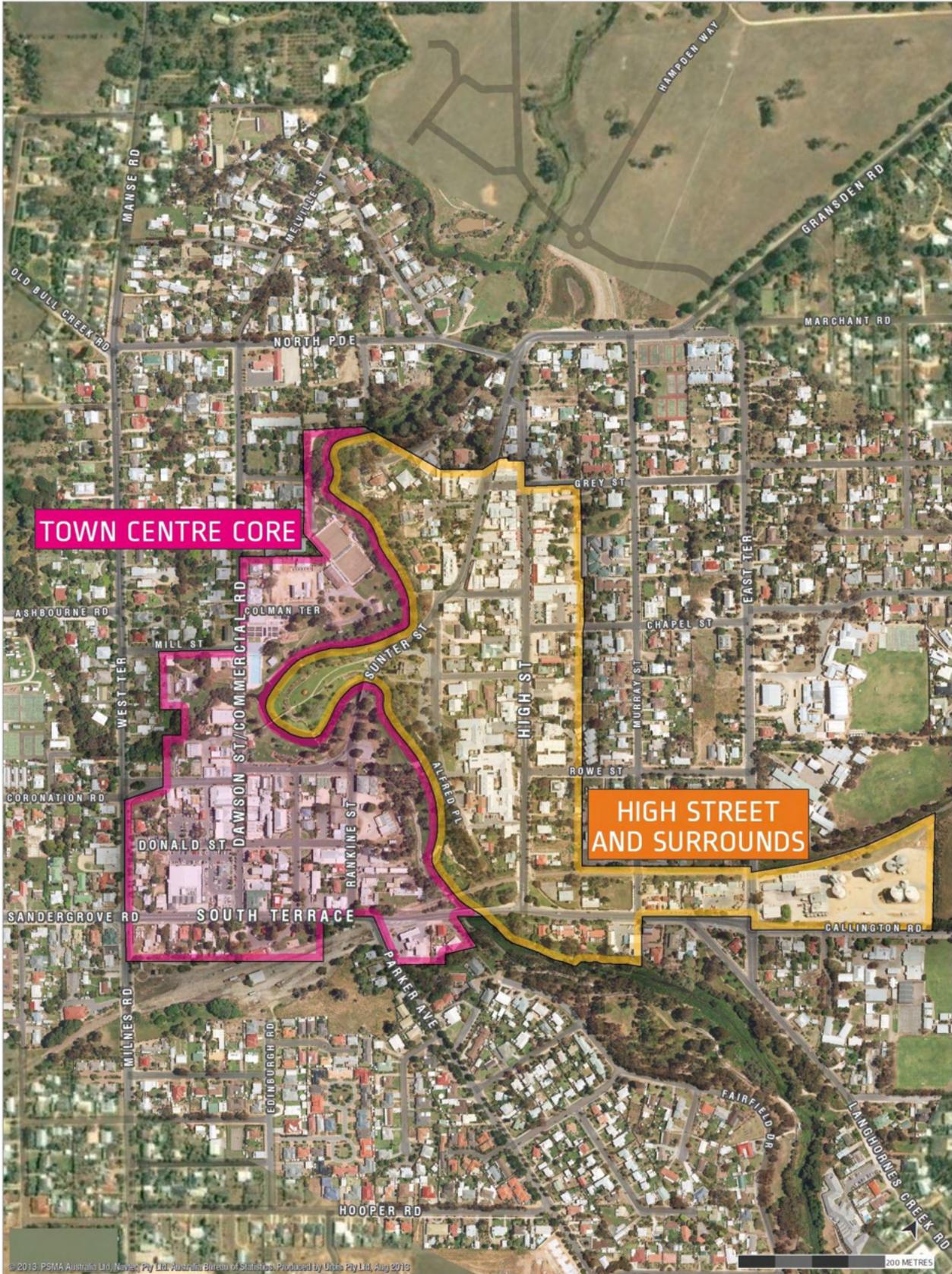
Overall, Strathalbyn currently provides around 12,700 sq.m of retail floorspace, two thirds of which is in the Town Centre Core around the Dawson Street precinct (i.e. 8,300 sq.m). This latter figure is the amount of retail floorspace that is of relevance to local residents.

Given the two very different roles played and markets served by the two separate retail areas in Strathalbyn, for the purpose of this report, we have divided the District Centre Zone into two areas:

- The conventional convenience retail along Dawson Street will be referred to as the Town Centre Core
- The remainder of the District Centre Zone will be referred to as High Street and Surrounds (**Map 2.2**).

Given that High Street serves a unique role and is not utilised in the day to day needs of trade area residents, when assessing the retail facilities servicing the Strathalbyn trade area, only the Town Centre Core will be used.





2.3 DEVELOPMENT PLAN AMENDMENT

The Alexandrina Better Development Plan and General Development Plan Amendment (DPA) has been produced in order to make the Development Plan more coherent and accessible, by restructuring Development Plan policy, consolidating duplicate zones, and removing inconsistent and repetitive policy, which originated as a consequence of the earlier amalgamation of the plans of three former Councils into one. The DPA report is currently on exhibition for consultation until 16 August, 2013.¹

In relation to District Centre Zone in Strathalbyn, the plan states:

“It is expected that each of the townships of Goolwa and Strathalbyn will serve as the principal service centres for the surrounding districts, providing both the services and facilities for the day-to-day needs of residents, as well as cater for visitors and tourists to the district. Development will reinforce the perception of small-scale development that characterises each town centre, Higher order retail uses such as department stores and discount department stores are not compatible with the historic character of the zone and are inappropriate.”² [Our underling]

The extent of the District Centre Zone in Strathalbyn is shown on the following page in **Map 2.3**. The District Centre Zone is comprised of the following precincts, shown in **Map 2.4**.³

- Precinct 5 Angas River and Soldiers Memorial Gardens, for which the desired character is:

“for an outstanding civic open space area that retains and enhances heritage values.”

- Precinct 6 Dawson Street, for which the desired character is:

“for a vibrant retail and business area that retains and enhances the heritage items with some residential/tourist accommodation uses”

- Precinct 7 High Street, for which the desired character is:

“for commercial, tourist and residential uses, especially antiques, art and food businesses that feature the retention and enhancement of heritage character and that promotes appropriate new tourist and allied business development consistent with that heritage character.”

- Precinct 8 High Street South, which is intended to accommodate:

“a range of community and professional services associated with health and well-being of residents of the Strathalbyn District.”

- Precinct 9 South Terrace, which is intended to accommodate:

“a range of retail and service premises that require a main road location. Uses such as retail showrooms and service trades premises, with a capacity to also incorporate service stations, hardware supplies, plant nurseries or car sales yards are envisaged. The Laucke Mill site has the potential for redevelopment that has the capacity to accommodate the desired uses although other activities such as office, depot or warehousing may also be appropriate. The Strathalbyn Grain Silos are to continue in operation to meet the needs of the district’s farming community.”

¹ Alexandrina Council, <http://www.alexandrina.sa.gov.au/page.aspx?u=2034&c=40816>, Accessed 17 July 2013

² Alexandrina Council, Alexandrina Better Development Plan (BDP) and General Development Plan Amendment (DPA) - For Consultation, June 2013, pg. 144

³ *Ibid.*, pg. 149-150

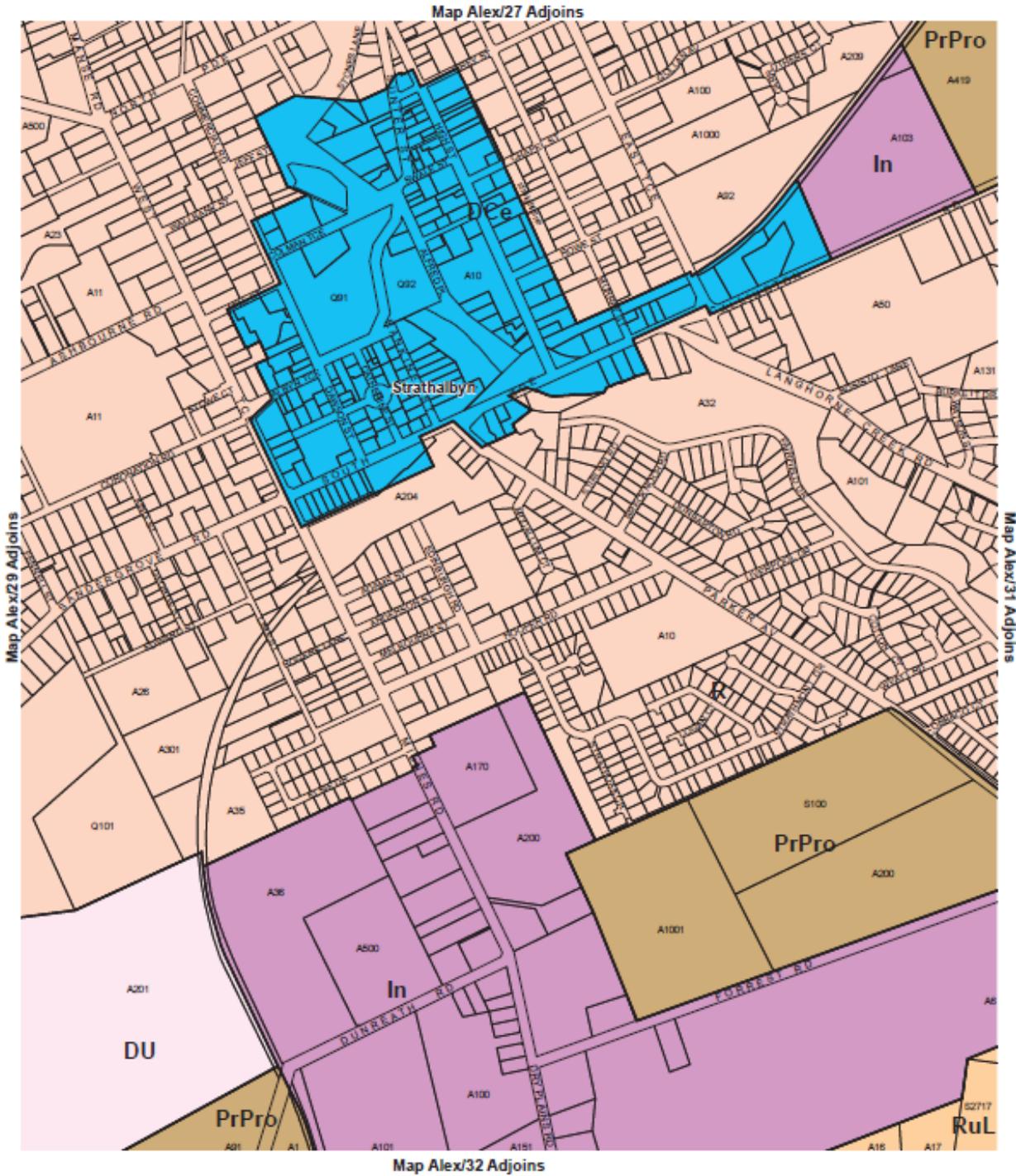
The DPA report also states, in the principles of development control for the District Centre Zone in Strathalbyn:

“A shop having a floor area exceeding 250 square metres should not be undertaken in High Street, and further large scale retail elements should be located within the area shown on Concept Plan Map Alex/6 - District Centre Expansion (Strathalbyn).”⁴

The Concept Plan Map referred to above is shown as **Map 2.5** on the following pages. It includes an area of approximately 30,000 sq.m bounded by South Terrace, Dawson Street, Albyn Terrace, and West Terrace. The site is already developed, and includes a Woolworths supermarket, an IGA supermarket, several other shops, residential homes, and includes seven buildings marked ‘building renovation/retention desired’ on the basis of their heritage character.

As such, it is unlikely that any new ‘large scale retail elements’ could be accommodated in this location; it is only likely to be able to accommodate a slight increase in supermarket floorspace.

⁴ *Ibid.*, pg. 151



Lamberts Conformal Conic Projection, GDA84

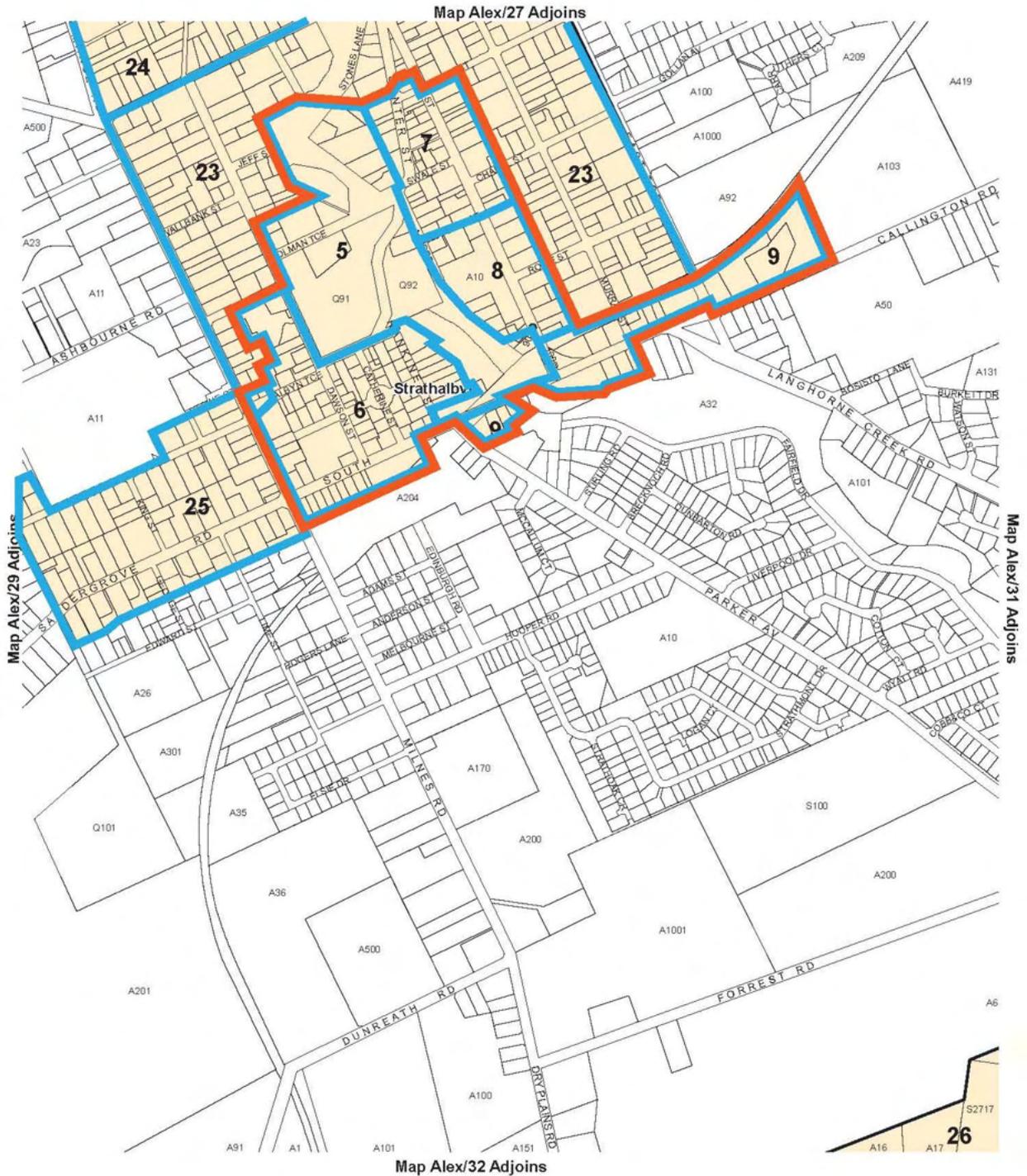


Zones

DU	Deferred Urban
DCE	District Centre
In	Industry
PrPro	Primary Production
R	Residential
RuL	Rural Living
	Zone Boundary

STRATHALBYN
Zone Map Alex/30

ALEXANDRINA COUNCIL



Lamberts Conformal Conic Projection, GDA94

- Precinct**
- 23 Strathalbyn Central
 - 24 Strathalbyn Northern
 - 25 Strathalbyn Western
 - 26 Agistment
 - 5 Angas River and Soldiers Memorial Garden
 - 6 Dawson Street
 - 7 High Street
 - 8 High Street South
 - 9 South Terrace

-  District Centre
-  Precinct Boundary



STRATHALBYN
Precinct Map Alex/30

ALEXANDRINA COUNCIL



-  Vehicular Access
-  Building Envelope
-  Carpark Envelope
-  Building Renovation/Retention Desired
-  Concept Plan Boundary



STRATHALBYN

Concept Plan Map Alex/6

DISTRICT CENTRE EXPANSION

ALEXANDRINA COUNCIL

2.4 SUMMARY

Conventional retailing in Strathalbyn is located within the **Town Centre Core**, around Dawson Street between the Angas River and South Terrace. This local retail economy is reliant on the local population, due to Strathalbyn's relative isolation from other townships. **High Street and Surrounds** comprises a small retail strip which mostly comprises antique and bric-a-brac retailers and a number of cafes, for which passing tourists are an important source of trade.

The Town Centre Core and High Street and Surrounds together make up the **District Centre Zone**. The desired character for each precinct of the District Centre Zone outlined in the DPA, in combination with the requirement for the retention and enhancement of heritage buildings; including the need to integrate any additional development into the fabric of the existing built form by limiting the height and scale of such proposals; would limit any opportunity for delivering retail floorspace in the District Centre Zone in future.

The site designated for 'district centre expansion' in the DPA is only likely to be able to accommodate a slight increase in supermarket floorspace.

A review of opportunities for future development in Strathalbyn will be discussed further in **Section 6**. The following section provides an analysis of the size of the retail market in Strathalbyn's trade area, to establish the context for estimating the future need for retail facilities.

3 Market Analysis

This section presents an analysis of the existing and forecast population from which retail facilities located in Strathalbyn would draw trade, along with retail spending estimates for those residents, to determine the size of the retail market. To further inform conclusions about the need for additional retail facilities in Strathalbyn, this section also:

- analyses the characteristics of trade area residents, and assesses any demographic changes over the past decade, using data from the ABS Census of Population and Housing;
- identifies where residents of the Strathalbyn trade area are employed, using ABS Place of Work data; and
- estimates the additional demand for retail facilities that is likely to arise from non-resident visitors to Strathalbyn (i.e. tourists and passers-by).

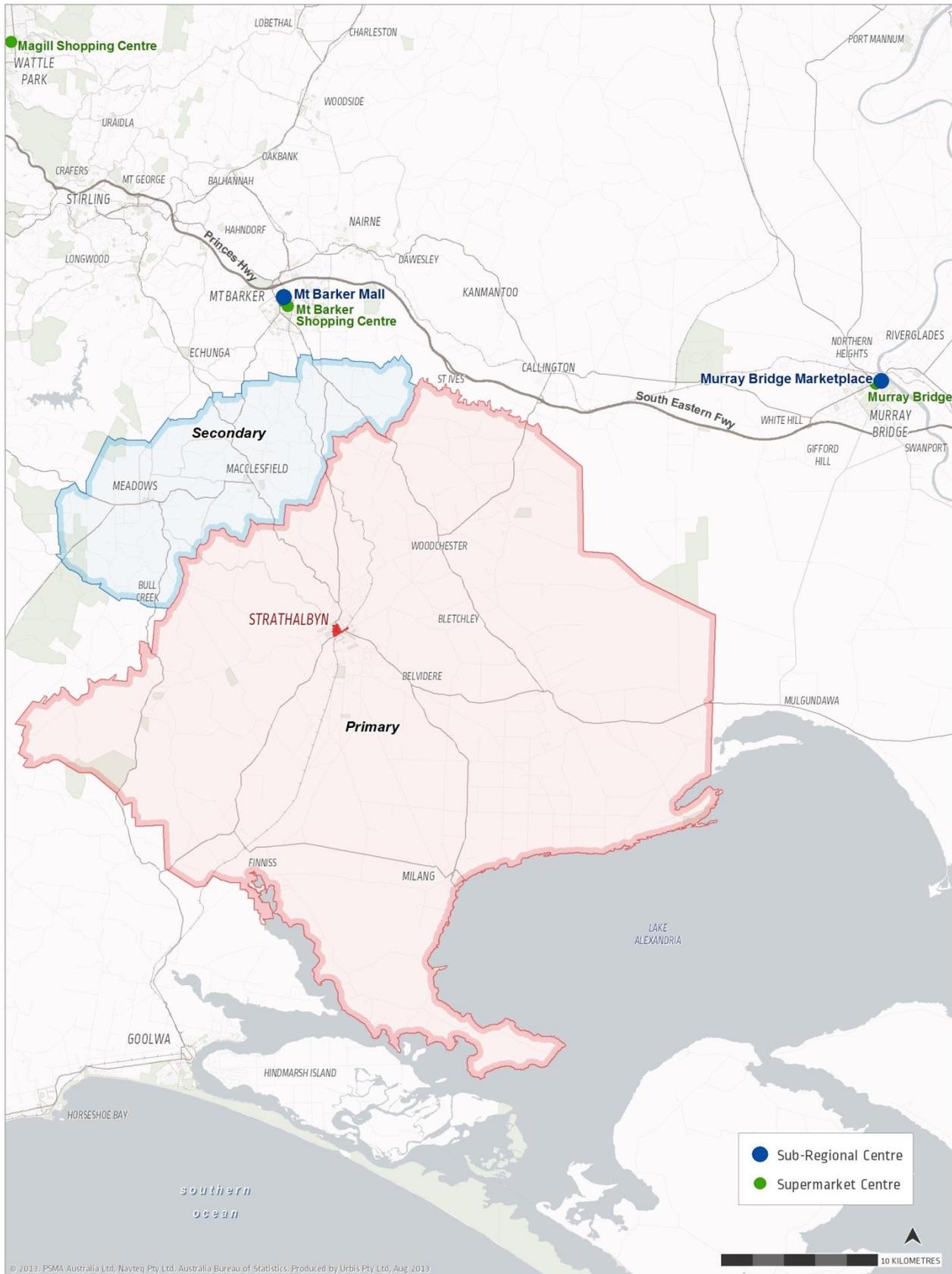
3.1 RESIDENTS

3.1.1 TRADE AREA

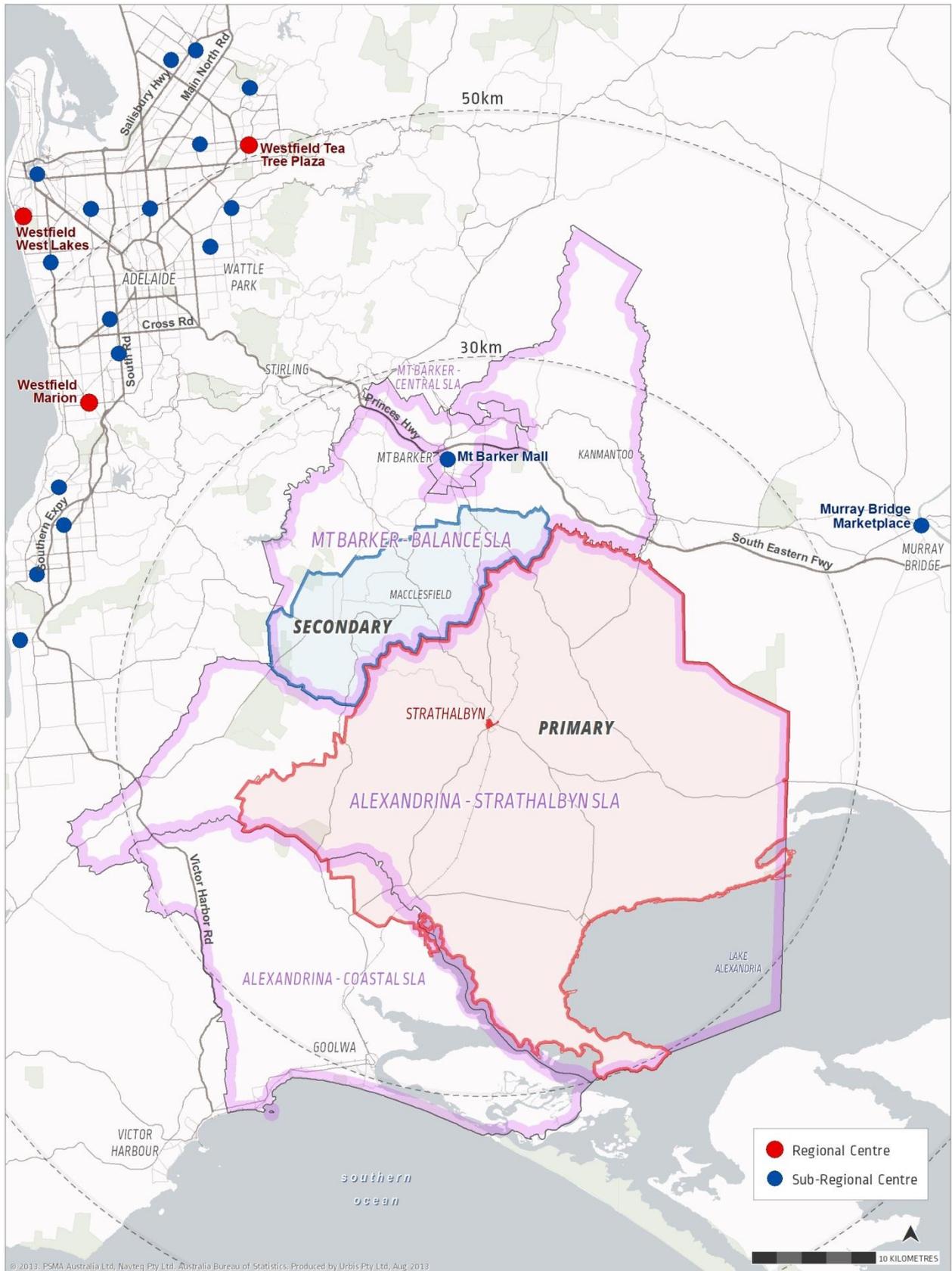
A trade area has been defined for Strathalbyn based on relevant factors including ease of access to / from the town centre, natural barriers (such as rivers, parks, industrial areas) and other competitive retail centres.

Given the regional location, Strathalbyn serves a reasonably broad trade area, which is comprised of a primary and secondary sector. The trade area, shown in **Maps 3.1** and **3.2**, is defined as follows:

- The **primary sector** extends approximately 10 km to the north and west and 20 km to the east, south and west. The sector includes the towns of Strathalbyn, Milang, Clayton Bay, Finnis, Langhorne Creek, Willyaroo, Highland Valley, Paris Creek, Ashbourne and Woodchester. The geographic extent of this trade area is to some extent determined by statistical boundaries used by the ABS.
- The **secondary sector** is located to the north-west of the primary sector, encompassing the towns of Macclefield, Wistow, Prospect Hill, Flaxley, Meadows and the Bugle Ranges. Typically secondary trade area residents would visit Strathalbyn significantly less frequently than those in the primary, and in this case would use Mount Barker as their main shopping location.



© 2013. PSMA Australia Ltd, Navteq Pty Ltd, Australia Bureau of Statistics. Produced by Urbis Pty Ltd, Aug 2013



3.1.2 REGIONAL POPULATION

Strathalbyn is located in the Alexandrina District Council Local Government Area (LGA) and specifically within the Alexandrina (DC) – Strathalbyn Statistical Local Area (SLA). The northern part of the Strathalbyn trade area also encompasses the Mount Barker (DC) Balance SLA, part of the Mount Barker Regional Council. **Table 3.1** details the growth in the population of the Alexandrina and Mount Barker LGAs from 2007 to 2012.

The Alexandrina LGA was the fastest growing LGA outside of metropolitan Adelaide in FY 2009/10. Over the 5 years from 2007 to 2012, Strathalbyn SLA experienced growth of 2.3% per annum, equating to an additional 1,200 residents. For a regional area, this growth is considered to be strong and was driven by the development of greenfield sites, which resulted in many young families moving into the area.

Alexandrina – Coastal SLA also saw strong growth with an increase of 2.1% per annum largely driven by “sea changers” retiring to the coast.

In contrast, Non-Metropolitan South Australia as a whole has experienced growth of only 0.4% per annum.

Mount Barker LGA also experienced relatively strong population growth over the 5 years to 2012. This growth is anticipated to continue into the future with the rezoning of land to the south of the suburb for new residential neighbourhoods. This new growth area is not included in the Strathalbyn trade area however.

Alexandrina and Mount Barker LGAs

POPULATION 2007 – 2012

TABLE 3.1

	Population		Annual Population
	2007	2012	Growth (%) 2007-12
Alexandrina (DC) - Coastal	12,233	13,572	2.1%
Alexandrina (DC) - Strathalbyn	9,801	10,997	2.3%
Total Alexandrina (DC)	22,034	24,569	2.2%
Mount Barker (DC) - Central	19,517	21,680	2.1%
Mount Barker (DC) Bal	8,697	9,682	2.2%
Total Mount Barker (DC)	28,214	31,362	2.1%
<i>Non-Metro SA (000's)</i>	<i>370</i>	<i>378</i>	<i>0.4%</i>

1. Year ending June.

Source : ABS; SA Department of Planning and Local Government; Urbis

3.1.3 TRADE AREA POPULATION

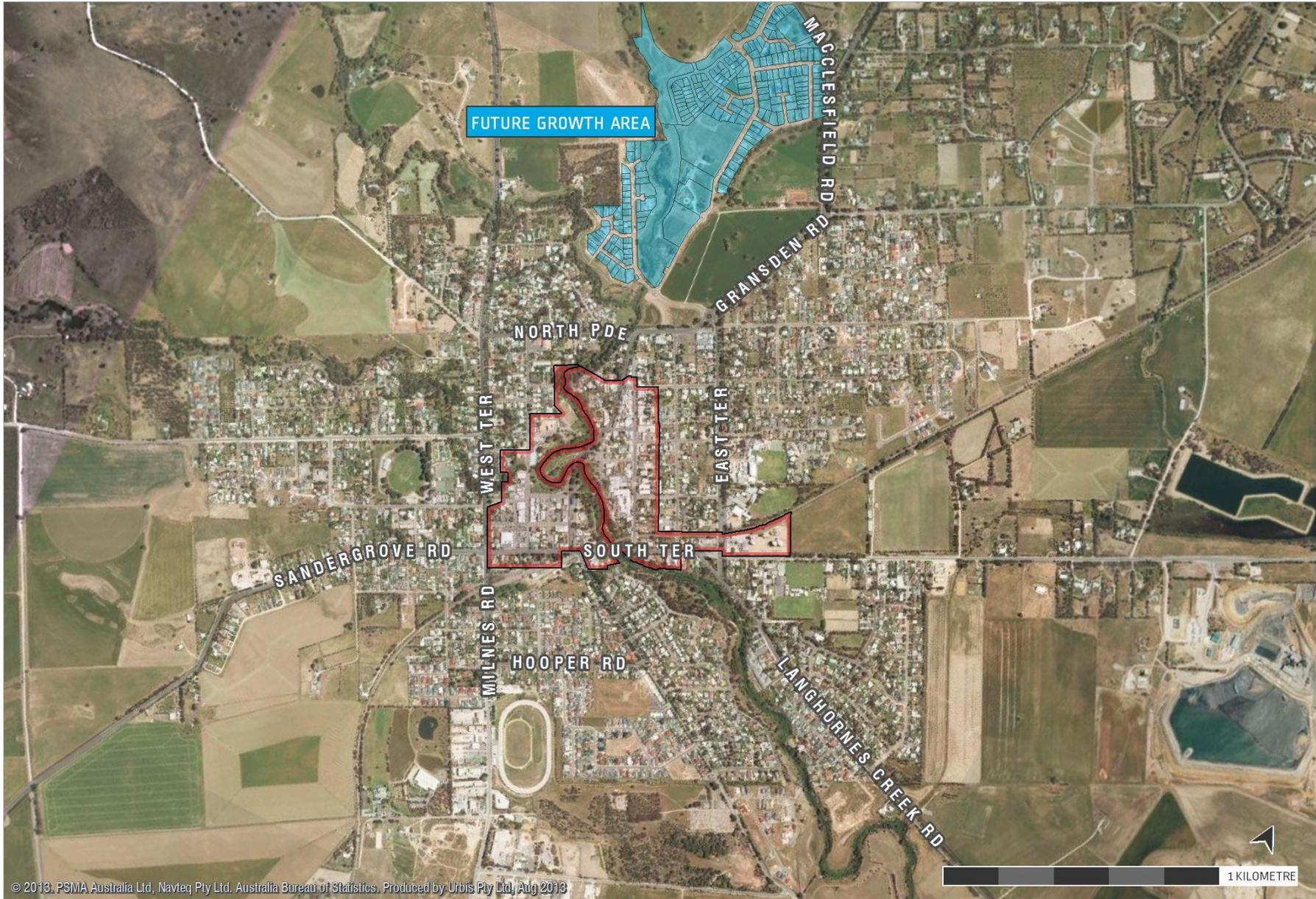
Table 3.2 details the historic and future population levels specifically for the Strathalbyn trade area. These population figures are based on Estimated Resident Population (ERP) figures released by the ABS and population forecasts produced by Planning SA in 2011 (rebased to the latest ERP).

In 2012 the main trade area was home to 13,725 residents, with 9,959 in the primary trade area. The primary has grown by 2.5% per annum over the five years from 2007, equating to an additional 1,165 people in total.

The secondary trade area has experienced lower growth in the past at 0.8% per annum from 2007 to 2012. This is anticipated to increase over the coming decade with growth around the Mount Barker area expected to filter down to south. Given the low population base however, forecast growth of 1.5% per annum equates to less than 60 additional persons per annum.

The rural lifestyle of Strathalbyn combined with its proximity to Adelaide, aided by the South Eastern Freeway, has been a strong factor in the continuing population growth in Strathalbyn. Residents are able to commute to Adelaide whilst enjoying the lifestyle of a rural area. Employment opportunities in Strathalbyn are also reasonable, as is housing affordability. The region is also attractive to retirees.

Recent population growth has been facilitated by the development of new residential estates within Strathalbyn. The estates located to the north of town provide smaller lots of new housing stock allowing residents to enjoy the rural lifestyle of the area without the need to tend to larger rural blocks. With additional lots still to be released across a number of estates, it is anticipated that this growth is set to continue for the foreseeable future (**Map 3.2**). In addition, we note that Future Urban Zones around Strathalbyn will enable growth to continue unconstrained.



© 2013, PSMA Australia Ltd, Navteq Pty Ltd, Australia Bureau of Statistics. Produced by Urbis Pty Ltd, Aug 2013

Population growth for the trade area over the period to 2021 is forecast to occur at slightly lower rates than the historical rates, at around 195 persons or 1.5% annually, continuing at around 0.9% per annum to 2026.

The trade area population is forecast to increase to 14,740 persons in 2016, and further to 15,630 persons in 2021 and 16,340 in 2026. In other words, by 2026 the trade area population is expected to be over 19% greater than current levels.

Additional facilities and services will clearly be required to cater to the needs of this larger population.

Trade Area Population

STRATHALBYN CURRENT AND FUTURE POPULATION

TABLE 3.2

	Population					Annual Population Growth (no.)				Annual Population Growth (%)			
	2007	2012	2016	2021	2026	2007-2012	2012-2016	2016-2021	2021-2026	2007-2012	2012-2016	2016-2021	2021-2026
Primary	8,794	9,959	10,739	11,364	11,817	233	195	125	91	2.5%	1.9%	1.1%	0.8%
Secondary	3,618	3,767	3,997	4,266	4,526	30	57	54	52	0.8%	1.5%	1.3%	1.2%
Main Trade Area	12,412	13,725	14,736	15,629	16,344	263	253	179	143	2.0%	1.8%	1.2%	0.9%
<i>Non-Metro SA (000's)</i>	<i>370</i>	<i>378</i>	<i>393</i>	<i>412</i>	<i>432</i>	<i>2</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>0.4%</i>	<i>1.0%</i>	<i>0.9%</i>	<i>1.0%</i>

1. Year ending June.

Source : ABS; SA Department of Planning and Local Government; Urbis

3.1.4 RETAIL SPENDING

In order to estimate the demand for additional retail facilities in the Strathalbyn area, the total retail spending market generated by trade area residents must first be established.

The retail expenditure estimates detailed in this section and throughout the report include the component of turnover attributable to Goods and Services Tax (GST) and are in constant **2012 dollars**.

3.1.4.1 MARKETINFO 2010

Retail spending per capita by trade area residents is derived using MarketInfo 2010, a micro-simulation model developed by Market Data Systems Limited (MDS). This model, based on information from the national ABS Household Expenditure Survey (HES) and the Census of Population and Housing, uses micro-simulation techniques to combine a household's propensity to spend on particular commodities with the socio-economic characteristics of individuals, to derive spending per capita estimates on a small area basis.

Consequently, the retail spending by residents living in the Strathalbyn trade area is specifically based on the characteristics of the population in Strathalbyn.

3.1.4.2 RETAIL SPENDING PER CAPITA

The variation in retail spending per capita by product group for the Strathalbyn main trade area (ie the primary and secondary sectors combined) and the Non-Metropolitan South Australia benchmark is shown in **Chart 3.1**.

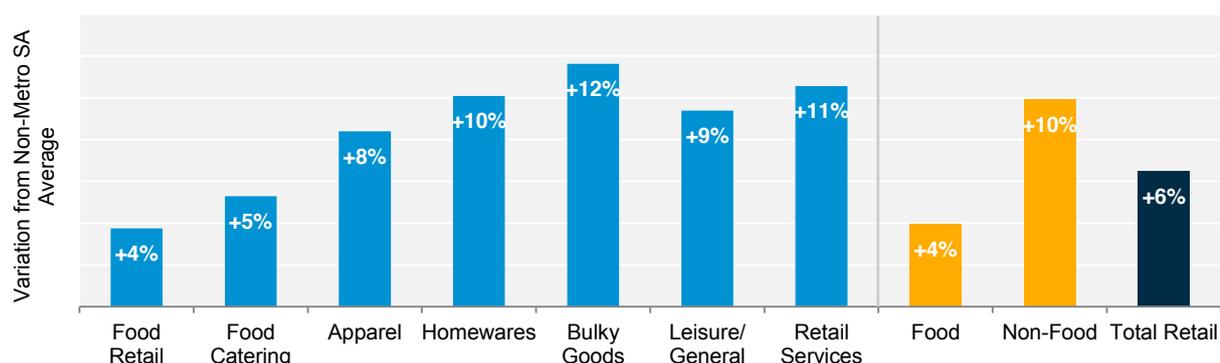
Compared to the benchmarks, trade area residents spend more on all retail goods. Spending on food related products is +4% and +5% above average for food retail (ie take home food) and food catering (ie restaurants and take away food), respectively.

Spending on homewares, retail services and bulky goods are markedly above the Non-Metropolitan South Australian benchmarks, and apparel is 8% above.

Per Capita Retail Spending vs. Non-Metropolitan South Australia

MAIN TRADE AREA CURRENT RETAIL SPENDING (\$2012)

CHART 3.1



Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

3.1.4.3 TOTAL RETAIL SPENDING MARKET

Table 3.3 details total retail spending by the Strathalbyn main trade area population at the product group level. The total retail spending for 2012 is estimated at \$177 million. This includes \$126 million (or 71%) of retail spend by residents in the primary trade area.

Strathalbyn Main Trade Area Retail Market 2012

BY PRODUCT GROUP (\$2012M, INCL. GST)

TABLE 3.3

	Food Retail	Food Catering	Apparel	Home-ware	Bulky Goods	Leisure/General	Retail Services	Total Retail
Primary	62.4	9.7	12.1	9.6	12.9	15.7	4.1	126.3
Secondary	24.2	4.1	5.2	4.1	5.5	6.4	1.7	51.1
Main Trade Area	86.5	13.7	17.3	13.7	18.3	22.2	5.7	177.4

Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

Table 3.4 details total retail spending forecasts in the Strathalbyn main trade area at the product group level in 2021. The total retail spending in 2021 is forecast to reach \$225 million.

Strathalbyn Main Trade Area Retail Market 2021

BY PRODUCT GROUP (\$2012M, INCL. GST)

TABLE 3.4

	Food Retail	Food Catering	Apparel	Home-ware	Bulky Goods	Leisure/General	Retail Services	Total Retail
Primary	73.0	12.3	15.6	14.6	17.8	21.8	5.6	160.6
Secondary	28.1	5.1	6.7	6.1	7.5	8.9	2.3	64.8
Main Trade Area	101.1	17.4	22.3	20.8	25.3	30.7	7.9	225.5

Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

This increase of \$48 million equates to growth of 27%, taking into account population growth and increases in real spending growth as shown in **Table 3.5** below. In the longer term, retail spending growth will continue to increase reaching \$254 million in 2026. A total increase of 43%.

In other words the retail market of relevance to the Strathalbyn Town Centre is forecast to grow by 27% by 2021 and 43% by 2026, which clearly points to the need for additional facilities and services over time.

	Total Retail	<i>Average Per Annum Growth</i>	=	<i>Pop Growth</i>	+	<i>Per Cap Spend Growth</i>
2012	177.4					
2016	198.4	2.8%		1.8%		1.0%
2021	225.5	2.6%		1.2%		1.5%
2026	254.2	2.4%		0.9%		1.5%

Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

3.1.5 SOCIO-DEMOGRAPHIC CHARACTERISTICS

This sub-section uses data from the Census of Population and Housing, as published by the ABS, to analyse the demographic characteristics of trade area residents, and assess any demographic changes over the past decade.

Tables 3.6 and **3.7** outline the socio-economic characteristics of trade area residents, which summarises information from the 2011 Census of Population and Housing. Key points to note are:

- Compared to the Non-Metropolitan South Australian benchmark, primary trade area residents typically have marginally higher household incomes. Personal incomes are broadly equivalent to the benchmark.
- Households in the secondary trade area have significantly higher average incomes than the benchmark; 41% of households earn in excess of \$78,000 compared with 26% across Non-Metropolitan South Australia. Average individual incomes are also higher than the benchmark.
- The age distribution is weighted towards older residents. The secondary trade area has a slightly younger age profile, with fewer residents aged over 65 years.
- The composition of households in the primary trade area is broadly similar to the benchmarks, except for a lower proportion of lone person households.
- The secondary trade area has a high proportion of families with children.
- The trade area has similar levels of home ownership as Non-Metropolitan South Australia, however the number of purchasers (that is those paying a mortgage) is significantly higher. In the primary trade area, 40% of residents are currently purchasing homes and 50% in the secondary trade area, much greater than the benchmark of 32%.
- There is a higher than average proportion of households in mortgage stress at 8% compared to the benchmark of 2% across Non-Metropolitan South Australia.
- Labour force participation in the trade area is high at 63% in the primary trade area and 73% in the secondary trade area. Benchmark labour force participation rates in Non-Metropolitan South Australia is 60%. The trade area also has low levels of unemployment, similar to the benchmark.
- The employment profile of residents in the trade area is similar to benchmark, although there is a slightly greater weighting to white collar jobs.

Socio Economic Characteristics

STRATHALBYN TRADE AREA DEMOGRAPHICS, 2011

TABLE 3.6

	Primary	Secondary	Main	Non-Metro SA
Household Income				
\$Nil	2%	2%	2%	1%
\$1-\$20,800	13%	7%	11%	17%
\$20,800-\$52,000	37%	29%	35%	38%
\$52,000-\$78,000	18%	21%	19%	18%
\$78,000 - \$130,000	21%	25%	22%	18%
\$130,000-\$208,000	8%	14%	10%	7%
\$208,000 plus	1%	2%	1%	1%
Average Household Income	\$64,430	\$79,889	\$68,379	\$60,455
<i>Var'n from Non-Metro SA Avg.</i>	+7%	+32%	+13%	<i>n.a.</i>
Average Household Size	2.4	2.6	2.5	2.3
Per Capita Income (Persons aged 15 - 64) (%)				
\$Neg/Nil	9%	9%	9%	8%
\$1 - \$20,800	28%	24%	27%	30%
\$20,800 - \$41,600	28%	28%	28%	28%
\$41,600 - \$78,000	25%	26%	26%	25%
\$78,000 +	10%	13%	11%	9%
Avg. Per Cap. Income (aged 15-64)	\$38,322	\$42,386	\$39,482	\$37,503
<i>Var'n from Non-Metro SA Avg.</i>	+2%	+13%	+5%	<i>n.a.</i>
Age Distribution				
Aged 0-14	18%	20%	19%	19%
Aged 15-19	7%	8%	7%	6%
Aged 20-34	14%	13%	13%	15%
Aged 35-49	20%	25%	22%	20%
Aged 50-64	23%	23%	23%	21%
Aged 65-79	14%	10%	13%	13%
Aged 80+	4%	2%	4%	5%
Average Age	41.2	38.7	40.5	40.8
Dependency Ratio ¹	36%	32%	35%	37%

1. Dependency ratio refers to the proportion of the population between 0-14 and over 65 years.

Source: ABS ; Urbis

Socio Economic Characteristics

STRATHALBYN TRADE AREA DEMOGRAPHICS, 2011

TABLE 3.7

	Primary	Secondary	Main	Non-Metro SA
Household Composition (%)				
Couples with no children	34%	33%	34%	32%
Family with children <15	25%	30%	27%	25%
Family with children >15	13%	16%	14%	11%
<i>Total Family (with children)</i>	<i>38%</i>	<i>47%</i>	<i>40%</i>	<i>36%</i>
Group Household	3%	2%	3%	2%
Lone Person	24%	18%	23%	29%
Other	1%	0%	1%	1%
Housing Tenure¹				
Owner	38%	37%	38%	38%
Purchaser	40%	50%	43%	32%
Renter	21%	12%	19%	28%
Housing Costs				
Loan Mortgage Repayments (monthly \$)	\$1,608	\$1,685	\$1,632	\$1,326
% Households in Mortgage Stress ²	3%	8%	4%	2%
Rent Payments (weekly \$)	\$219	\$221	\$219	\$167
% Households in Rental Stress ²	3.6%	1.5%	3.0%	4.1%
% Households in Housing Stress	7%	9%	7%	7%
Car Ownership				
% 0 Cars	3%	2%	3%	7%
% 1 Car	31%	21%	29%	36%
% 2 Cars +	66%	77%	69%	58%
Labour Force				
Labour Force Participation	63%	73%	65%	60%
% Unemployed	5%	3%	5%	5%
% Managers and Professionals	31%	34%	32%	31%
% Other White Collar	31%	31%	31%	30%
% Blue Collar Occupations	38%	35%	37%	40%
Birthplace				
Australian Born	86%	86%	86%	88%
Overseas Born	14%	14%	14%	12%
• Asia	1%	1%	1%	1%
• Europe	10%	11%	11%	8%
• Other	2%	2%	2%	3%

1. 'Other' Tenure Types have not been included.

2. The Affordable Housing Taskforce (established by the ACT government) has defined people as having difficulty in accessing affordable housing if they are in the lowest two quintiles (lowest 40 percent of income distribution) and pay 30 percent or more of their gross household income in housing costs. This group is referred to as being in housing stress.

Source: ABS ; Urbis

Since the 2006 Census was undertaken, the key demographic change of note is an increase in incomes, both household and per capita across the trade area. Per capita incomes of those aged between 15 and 64 rose by 31% in the primary trade area and by 36% in the secondary trade area, while the benchmark increased by 26%. There were also changes in the types of industries of employment driven by the development of the Angas Zinc Mine and strengthening residential development driving jobs growth in the mining and construction sectors.

This would suggest that 'real' growth in spending levels by trade area residents would be greater than the state-wide average, although for the purposes of this report we have adopted a conservative approach.

3.2 WORKERS

This sub-section utilises ABS Place of Work data to identify where residents of the Strathalbyn trade area are employed.

As shown in **Table 3.8**, just 29% of employed Strathalbyn trade area residents work within the trade area. Only 19% are employed within Alexandrina District Council (including Alexandrina – Strathalbyn SLA and Alexandrina – Coastal SLA).

Employed Strathalbyn Residents' Workplaces

JOURNEY TO WORK, 2011

TABLE 3.8

% employed residents work in:	Primary Sector	Secondary Sector	Main Trade Area
Trade Area	34%	19%	29%
Alexandrina (DC)	26%	4%	19%
Mount Barker (DC)	11%	45%	22%
Murray Bridge (RC)	3%	4%	3%
Adelaide (C)	5%	8%	6%

Source: ABS 2011 Census of Population and Housing; Urbis

With over 70% of residents travelling outside of the trade area for employment, it is likely that they are also performing other activities, including shopping. This would be partly due to the opportunities available in Adelaide and other employment locations, but also due to the lack of facilities and services in Strathalbyn. Expenditure undertaken outside of the trade area by trade area residents is known as 'escape spending'.

Conversely, 82% of people employed in Strathalbyn reside in the surrounding municipalities of Alexandrina (57%), Victor Harbour (13%) and Mount Barker (12%).

3.3 TOURISTS

In addition to the residential population of the trade area, additional demand for retail facilities is likely to arise from non-resident visitors to Strathalbyn (i.e. tourists and passers-by).

Situated in the heart of the Fleurieu Peninsula, tourism plays a key role in the Strathalbyn region's economy with almost 290,000 visitors to the region in the 12 months to March 2013. As shown in **Table 3.9**, the majority of these visitors were domestic day trippers with over 140,000 visiting Strathalbyn. Given the region's proximate location to Adelaide, the majority of visits were day trips, however there was an additional 38,000 visitor nights spent in Strathalbyn and a further 87,000 visitor nights spent in the Strathalbyn Region.

Strathalbyn Tourism

ANNUAL VISITATION STATISTICS, 2013

TABLE 3.9

	Visitors ¹				Visitor Nights ¹		
	Domestic Daytrips	Domestic Overnight	Inter-national	Total	Domestic	Inter-national	Total
Strathalbyn	141,000	14,000	1,099	156,099	30,000	8,221	38,221
Strathalbyn Region	91,000	42,000	-	133,000	87,000	-	87,000
Total	232,000	56,000	1,099	289,099	117,000	8,221	125,221

1. Year ending March 2013

Source : Tourism Research Australia ; Urbis

Using data provided by *Tourism Research Australia*, **Table 3.10** analyses the average daily spend of tourists in Adelaide and Regional SA. It is estimated that in Regional South Australia (SA) domestic day trippers spend, on average, \$85 dollars per day, domestic overnight visitors spend \$120 per day (including airfares) and international visitors spend \$54 per day.

Given these spending figures include all expenses, the proportion of each traveller's daily spend that is directed toward retail goods has been calculated and is also shown in **Table 3.10**. It is estimated that visitors spend between \$20-\$49 on retail goods per day when visiting Regional SA.

South Australian Tourism Expenditure

AVERAGE DAILY RETAIL SPEND

TABLE 3.10

	Proportion Retail (%)	Adelaide (\$)	Regional SA (\$)	Australia (\$)
Average daily spend				
Domestic Day trip		113	85	106
Domestic Overnight ²		241	120	176
International		66	54	86
Average daily retail spend				
Domestic Day trip	57%	65	49	61
Domestic Overnight	36%	86	43	63
International	37%	24	20	32

1. Year ending March 2013

2. Includes airfares

Source : *Tourism Research Australia ; Urbis*

These visitation and expenditure estimates, have been used to calculate the additional market available in Strathalbyn derived from tourism. As shown in **Table 3.11**, tourism contributes an additional \$13.7 million of retail expenditure to the Strathalbyn region each year, equating to an additional 10% on top of the resident spending market.

Additional Retail Market

ADDITIONAL MARKET DERIVED FROM TOURISM

TABLE 3.11

	Visitors (no.)	No. Vistors Per Day (no.)	Average Daily Spend ¹ (\$)	Total Daily Spend (\$)	Annual Expenditure (\$)
Domestic Day Trips	232,000	636	49	30,926	11,288,028
Domestic Overnight Trips	56,000	153	43	6,531	2,383,919
International	1,099	3	20	60	22,082
Total	289,099	792	47	37,518	13,694,029

1. Based on Regional SA estimates.

Source : *Tourism Research Australia ; Urbis*

3.4 SUMMARY

Key findings regarding the Strathalbyn trade area market are:

- The Strathalbyn Town Centre serves a broad regional catchment.
- Alexandrina District Council was the fastest growing LGA outside of metropolitan Adelaide in FY 2009/10. Over the 5 years from 2007 to 2012, Strathalbyn SLA experienced growth of 2.3% per annum.
- The Strathalbyn trade area has experienced strong population growth over the past five years and had a resident population of 13,700 in 2012. This growth is anticipated to continue over the next nine years to 2021, forecast to increase by 1.5% per annum to 15,600.
- Per capita retail spending in the trade area is 6% higher than the Non-Metropolitan South Australian average.
- Strathalbyn trade area residents generated a retail spending market of \$177 million in 2012 (\$2012 excluding GST). Through growth in population and real spending growth this market is forecast to increase by 27% to \$225 million (\$2012, excluding GST).
- The workplaces of over 70% of employed trade area residents are located outside the trade area.
- As part of the Fleurieu Peninsula, Strathalbyn is a key tourism destination in South Australia with an estimated 289,000 visitors per annum. These visitors inject an additional \$13.7 million into the Strathalbyn retail economy per year.

Given the level of growth forecast in Strathalbyn over the coming decade there will be the need and demand for additional retail facilities and services to support these new residents. There may also be a significant opportunity to 'claw back' a proportion of the retail expenditure currently escaping from the trade area.

Having established that a need and demand will exist for additional retail facilities, the following section considers the current retail facilities available to trade area residents.

4 Retail Structure

This section provides an overview of the competitive environment influencing the shopping patterns of residents of the trade area. It also includes the findings of a landuse and retail floorspace survey of Strathalbyn, conducted by Urbis, resulting in estimates of the amount of space by category and location.

4.1 EXISTING AND FUTURE RETAIL FACILITIES

The existing and likely future retail facilities in the Strathalbyn region are reviewed in this sub-section.

Table 4.1 details the major retail facilities that are likely to be used by residents of the Strathalbyn region, the locations of which are indicated on **Map 4.1**.

Strathalbyn Competition

REGIONAL COMPETITION

TABLE 4.1

Main Retail Locations	Estimate Retail GLA (sq.m)	Distance from Strathalbyn (km)	Major Tenants	
			Non-Food	Food
Within Trade Area				
<u>Strathalbyn</u>	<u>12,700</u>	-		
• Town Centre Core	8,300			Woolworths, IGA
• High Street and Surrounds	4,400			
Beyond Trade Area				
<u>Mount Barker</u>	<u>56,500</u>	21		
• Mount Barker Central	15,000		Kmart	Coles
• Barker Plaza	4,900			Rite Price
• Mount Barker Village SC	2,900			Foodland
• Mount Barker Woolworths	3,500			Woolworths
• Mount Barker Homemaker Centre	16,400		Harvey Norman	
• Other	13,800			IGA Fresh
Goolwa	14,800	30		Woolworths, Foodland
<u>Murray Bridge</u>	<u>63,600</u>	38		
• Murray Bridge Market Place	15,800		Big W	Woolworths
• Murray Bridge Green	7,800		Target Country	Woolworths
• Murray Bridge Coles	6,000			Coles
• Other	34,000			IGA, IGA Fresh

Source: Urbis



© 2013. PMSA Australia Ltd, Navteq Pty Ltd, Australia Bureau of Statistics. Produced by Urbis Pty Ltd, Jul 2013

4.2 WITHIN MAIN TRADE AREA

As discussed earlier in **Section 2** and shown in **Map 2.2**, Strathalbyn's retail facilities are in two key areas: the **Town Centre Core**; and **High Street and Surrounds**. These areas are also shown on **Map 4.2** which also shows the landuse, by block. Together the two retail areas provide a total of 12,700 sq.m of retail floorspace; yet these distinct areas cater to different markets. The information shown in **Map 4.2** will be discussed later in section 6 when reviewing future development options.

The **Town Centre Core** runs along Dawson Street, and other nearby streets, and is the conventional retail strip/town centre focussed on providing convenience based retail facilities for local residents. With approximately 8,300 sq.m of retail floorspace, the major components of the Dawson Street retail strip are:

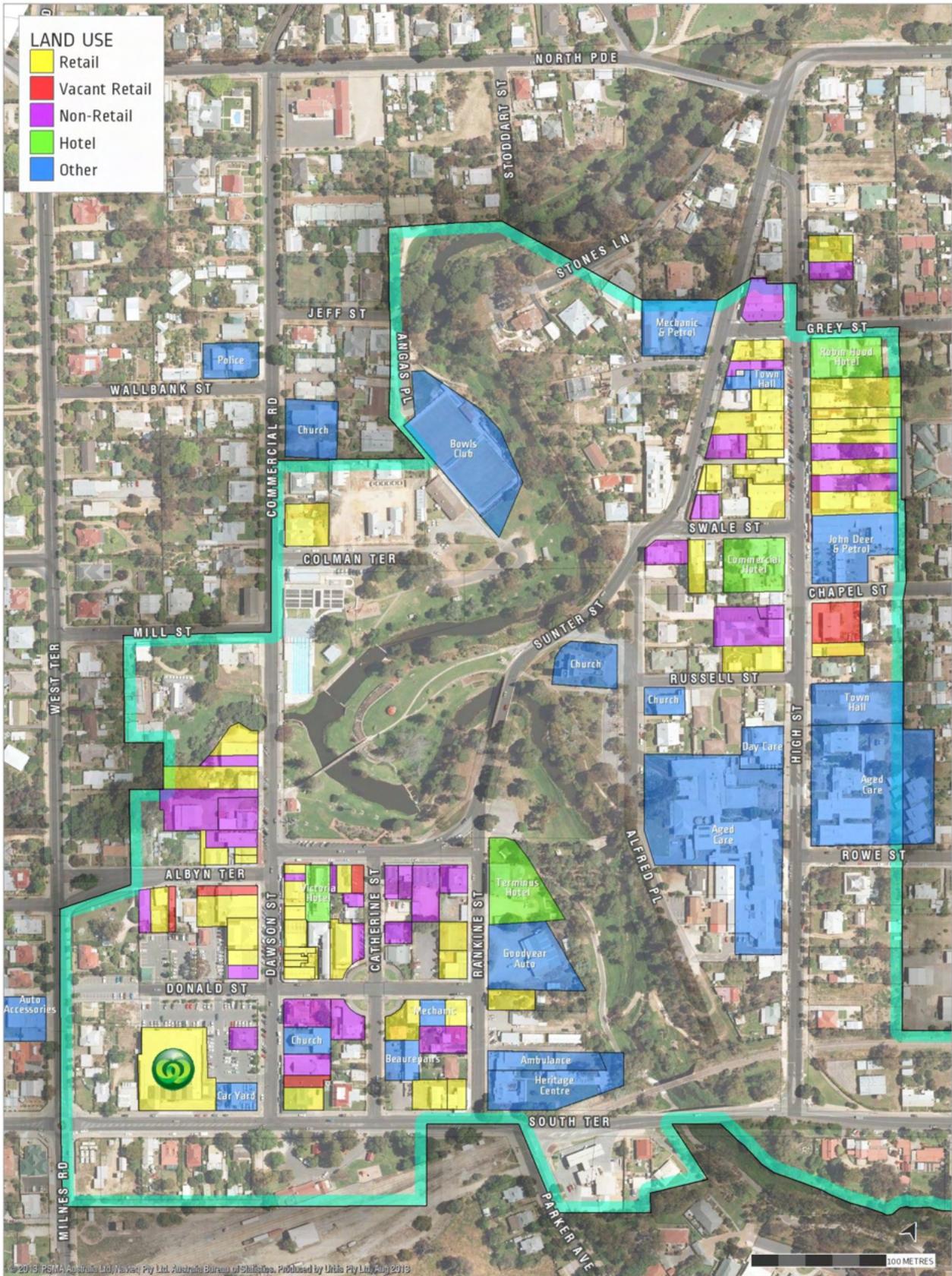
- A Woolworths supermarket located at the southern end of Dawson Street. The 2,100 sq.m store is a relatively new addition to Strathalbyn, and provides at-grade carparking.
- An IGA supermarket of around 450 sq.m is located at the intersection of Albyn Terrace and Dawson Street. The store has a poor layout, is outdated and provides limited at-grade carparking facilities at the rear (off Donald Street).
- The Dawson Street retail strip currently provides around 5,700 sq.m of specialty store space and is mostly focussed on servicing the convenience needs of the local residents. Tenants include a pharmacy, bakery, butcher, newsagent, liquor shop, post office, banks, and real estate agents, along with a limited range of other store types.

Retail facilities on **High Street** are mostly antique and bric-a-brac shops that attract spending from tourists visiting the region. Accounting for an estimated 4,400 sq.m of retail floorspace, there is a number of interesting and unique antique stores, mostly in heritage buildings, and supporting cafes and restaurants. This precinct is focussed on providing a drawing point for tourists, and provides little in the way of regular retail needs for Strathalbyn residents.

The retail facilities in Strathalbyn are currently limited. Based on the total retail space throughout the **Town Centre Core**, the provision of retail floorspace is 0.6 sq.m per person for the main trade area. This is approximately $\frac{1}{4}$ of the average provision in Australia of in excess of 2.2 sq.m per person. Although this level of floorspace would not be expected in Strathalbyn due to the size of the market, it is clear that the current provision is very low in any event.

Dispersed throughout the trade area are several small towns, such as Meadows and Macclesfield that are serviced by their own small bakeries, post offices, general stores and pubs. In order to fulfil their main convenience shopping needs, residents of these smaller towns would travel to Strathalbyn or elsewhere.

Within Strathalbyn, there is a distinct lack of higher order retail facilities catering to discretionary shopping needs. In order for residents of the Strathalbyn trade area to make these types of purchases, they must travel outside of the trade area to locations such as Mount Barker and Murray Bridge.



4.3 BEYOND MAIN TRADE AREA

Beyond the main trade area there are a number of larger retail centres which are utilised by the residents of Strathalbyn. These include:

- The township of **Mount Barker** provides approximately 56,500 sq.m of retail space and is located 21 km north of Strathalbyn. Given the lack of retail facilities in Strathalbyn, main trade area residents are likely to conduct a large proportion of both their non-food and food spending at Mount Barker. The major components of Mount Barker are as follows:
 - Mount Barker Central is a single Discount Department Store (DDS) centre anchored by Kmart and a Coles supermarket. The centre is approximately 15,000 sq.m in size and comprises a mix of specialty retailers including national brands such as Cotton On and Strandbags. The centre provides a mix of convenience and higher order shopping facilities.
 - Barker Plaza is located at the intersection of Morphett Street and Hutchison Street with linkages to the main retail strip on Gawler Street. Barker Plaza is anchored by a Rite Price discount supermarket of approximately 1,700 sq.m as well as seven specialty stores.
 - Mount Barker Village Shopping Centre is located at the intersection of Hutchinson Street and Victoria Crescent and is approximately 3,000 sq.m in size. The supermarket based centre is anchored by a Foodland supermarket of 1,300 sq.m as well as 10 specialty stores.
 - Mount Barker Homemaker Centre opened in December 2011 providing a consolidated bulky goods precinct servicing in the Adelaide Hills and Fleurieu. The centre comprises 16,400 sq.m of retail floorspace across 15 retail tenants, including Harvey Norman, and a café.
 - Mount Barker also includes extensive strip retailing with over 17,000 sq.m of floorspace, including a Woolworths supermarket. The retail strip includes a number of retail and non-retail facilities including cafés, fashion, fresh food, banks and the like.
- The township of **Goolwa** is located approximately 30 km south of Strathalbyn. The town currently provides around 14,800 sq.m of retail floorspace. The main retail centre in the town is a double supermarket centre anchored by a Woolworths and small Foodland supermarket. Goolwa's retail is mainly focused on convenience with a small portion of discretionary retail targeted at tourism (e.g. giftware).
- **Murray Bridge** is located 38 km north west of Strathalbyn. Retail facilities include:
 - Murray Bridge Market Place a recently opened single DDS centre anchored by Big W and Woolworths. The centre is located a street back from the "main street" of Murray Bridge and comprises 15,800 sq.m of retail floorspace with a strong apparel focus. The centre is serviced by underground carparking and is integrated with community uses in the town centre.
 - Murray Bridge Green is a supermarket centre anchored by a Woolworths and a small Country Target. The centre occupies a high visibility location on the corner of Princes Highway and Swanport Road, but it is very tired in appearance and in need of redevelopment. The owners of the property are currently seeking planning approval to upgrade the premises to include a Coles supermarket and full-line Target. The development proposed is believed to include an additional 4,200 sq.m of retail floorspace.
 - A small supermarket centre anchored by Coles is located on Mannum Road. The centre is poorly presented and plagued by vacancies. The centre's carparking, while ample, is sloping; creating difficulty for customers with trolleys. The future of the centre is uncertain, particularly if a Coles supermarket is developed less than 500 m away at Murray Bridge Green as proposed.
 - Murray Bridge has an extensive retail strip focussed around Mannum Road, providing a mix of retailing and personal and business services.

4.4 RESIDENT SHOPPING PATTERNS

In December 2002, the South Australian Centre for Economic Studies at the Adelaide and Flinders University published a report entitled *Strathalbyn District Study: Keeping Pace* for the Strathalbyn District Commerce Association, in conjunction with the Fleurieu Regional Development and Alexandrina Council. The report aimed to assist with planning for the Strathalbyn region, including for commercial activity, tourism, the development of Strathalbyn as an antique centre, and industry development. After surveying 1,000 permanent and non-permanent residents of Strathalbyn, the report determined that:

“shopping facilities are not adequate for current residents. They do not lend support to high tourism activity and weekend stays. Supermarket facilities need to be improved and there appears to be strong demand for basic clothing items. Expenditure on food and non food household items will continue to drift to Mount Barker without specific action to address this.”⁵

The survey asked residents of Strathalbyn to indicate the location where they conducted their main shop for food and groceries. Multiple responses were given to this question. The results from permanent residents of Strathalbyn indicated that around two thirds of respondents shopped for food and groceries at their local supermarket, whilst one quarter of respondents shopped at other retail facilities in the local area (i.e. specialty shops).

A large proportion of residents mainly conducted their food and grocery shopping at retail facilities beyond Strathalbyn. In particular 40% of residents travelled to Mount Barker to conduct food and grocery shopping. Other popular locations are as follows:

- Adelaide (7% of respondents)
- Murray Bridge (6% of respondents)
- Westfield Marion (5% of respondents)
- Goolwa/Victor Harbour (3% of respondents)

The results for non-food shopping indicated that even more spending on non-food household goods and clothing was being conducted beyond Strathalbyn. Only 25% of respondents shopped for non-food household goods and clothing in their local area. Around 43% of residents travelled to Adelaide, 32% travelled to Mount Barker and 23% travelled to Westfield Marion to purchase these items.

When residents were questioned about the major failings of the retail provision in Strathalbyn, residents quoted the lack of supermarket facilities and basic clothing items. Since that time, a Woolworths supermarket has been developed in Strathalbyn, however opportunities to perform any higher order shopping in the town are still very limited, despite the added attraction of a major supermarket.

4.5 SUMMARY

Residents of Strathalbyn and the main trade area at present are disadvantaged by the relatively limited retail offer provided at Strathalbyn. This necessitates local residents having to travel outside the area to satisfy most of their shopping needs.

The current retail deficiencies, together with the opportunity to reduce escape spending and provide for growth, presents a clear need and opportunity to improve the retail offer in Strathalbyn.

The following section quantifies the volume of retail expenditure leaking from the trade area as a result of the lack of local retail facilities.

⁵ South Australian Centre for Economic Studies, *Strathalbyn District Study: Keeping Pace*, 2002, Page (i)

5 Expenditure Leakage

This section provides an assessment of the amount of spending that Strathalbyn trade area residents currently direct outside Strathalbyn.

To assess the level of 'escape' retail expenditure from the trade area (i.e. expenditure by trade area residents directed outside the trade area), the retail turnover for the Strathalbyn Town Centre Core has been estimated for 2013. This excludes spending at pubs, markets, other non-traditional retail facilities and disparate uses outside the Town Centre Core.

Table 5.1 indicates that total retail turnover capture within the Town Centre Core is probably around \$46 million. The proportion of this turnover accounted for by non-residents (i.e. tourists and passers-by) is estimated at 13%, suggesting that the retail turnover from trade area residents is around \$40 million.

As shown previously in **Table 3.3**, total retail expenditure by trade area residents currently equates to \$177 million, including both food and non-food expenditure generated by households (i.e. not businesses).

The volume of retail expenditure leaking from the trade area is therefore estimated at around \$138 million in 2013, or approximately 78% of total retail expenditure. This would be even higher for non-food categories, probably in excess of 85%.

Strathalbyn Trade Area Expenditure Leakage

RESIDENT RETAIL SPENDING DIRECTED OUTSIDE OF TRADE AREA

TABLE 5.1

	Unit	Total Retail
Retail floorspace	sq.m	8,285
Average trading level	\$/sq.m	5,536
Total retail turnover	\$M	45.9
Turnover from beyond trade area	%	13.0%
Turnover from trade area residents	\$M	39.9
Trade area total retail spending market	\$M	177.4
Escape spending	\$M	137.5
Escape spending	%	77.5%
Market Share Captured	%	22.5%

Source: Urbis

This is an extremely high level of retail expenditure leakage and highlights the insufficient provision of retail goods and services in Strathalbyn, not only for Strathalbyn trade area residents but also for tourists. In order for residents to fulfil their basic retail needs, they must travel outside to places such as Mount Barker, Murray Bridge and greater Adelaide.

Based on the preceding analysis of the retail market, the prevailing retail environment in the Town Centre Core, resident shopping patterns, and the amount of escape expenditure leaking from the trade area, the following section considers options for delivering future retail floorspace requirements in Strathalbyn.

6 Retail Floorspace Requirements and Options

This section summarises the need for additional retail facilities and services in Strathalbyn, based on the current level of under-provision as well as future growth, and reviews some opportunities for future retail development in Strathalbyn.

6.1 MARKET CAPACITY

The previous sections of this report have clearly concluded that there is a significant under-provision of retail floorspace in Strathalbyn to serve the needs of local residents and tourists. The market is relatively strong, leading to solid expenditure levels, but the provision of suitable retail floorspace is limited; as a result, escape spending is extremely high.

Although high levels of escape spending should be expected for Strathalbyn, given its size and the greater range available in the regional towns of Goolwa, Mount Barker and Murray Bridge, the fact that a high proportion of food spending and arguably around 85% of non-food expenditure is being directed elsewhere, clearly suggests that there is capacity in the Strathalbyn market to provide a greater range.

As previously indicated it is likely that around \$138 million of retail expenditure is leaking from the trade area. This is sufficient to support approximately 25,000-30,000 sq.m in a provincial regional location, not all of which could accrue to Strathalbyn. It is relevant to note, however, that if as little as a 10% share could be retained, this would result in a need for 2,500-3,000 sq.m.

We suggest that this could be viewed as a minimum to cater for immediate needs, but that further retail floorspace could be supported in the future given the growth expected.

6.2 MARKET GROWTH

In addition to the current deficiencies, **sub-section 3.1.3** indicated that the trade area is growing and that this is expected to continue over the forecast period. **Table 3.2** showed that future growth is forecast at 1.5% per annum, resulting in a population of 16,300 by 2026, some 19% greater than today.

Clearly Strathalbyn needs to plan for this growth, including, amongst other uses, the additional retail facilities and services that will be required.

In total, growth in the market of relevance to Strathalbyn will generate demand for 8,000-10,500 sq.m of retail floorspace by 2021 and 14,000-17,000 sq.m by 2026, depending on the composition of retail realised. Once again, although a large proportion of this would be catered for in places like Mount Barker, it is also clear that an opportunity exists for Strathalbyn to improve the range of retail facilities available to local residents and tourists whilst also providing much needed local employment opportunities. As above, if as little as a 20% share could be retained in Strathalbyn, noting that new residents will have a requirement for convenience facilities – which account for more than 50% of retail spending - this would result in a need for around 1,500-2,100 sq.m of additional retail floorspace by 2021 and 2,600-3,400 sq.m of additional retail floorspace by 2026.

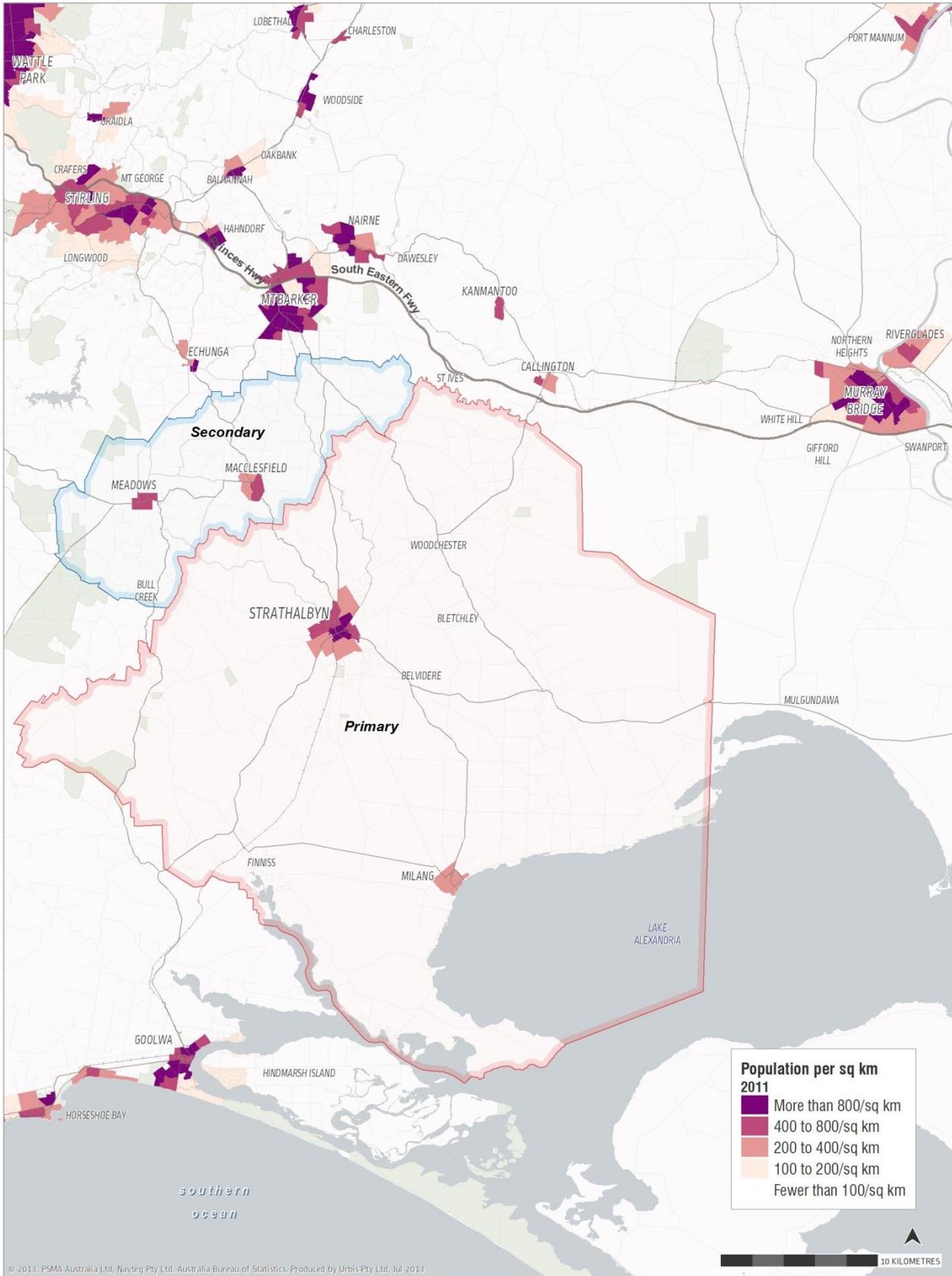
As shown previously in **sub-section 3.1.3** most of the population growth in Strathalbyn is occurring in new residential estates, including Pipers Crest and Aberdeen Park, in the northern part of the township. These are high quality residential environments, suggesting that the socio-economic profile and spending potential of the market is arguably improving, albeit from an already strong foundation. In addition, the new residential areas which, as shown in **Map 3.2**, are predominantly to the north of the Town Centre, could be earmarked for local convenience-based retail facilities as well as local services.

6.3 AVAILABLE LAND SUPPLY

With the current deficiency in retail floorspace set to increase in line with future growth in the trade area market, there is a need to explore where this additional floorspace could be located. This sub-section will evaluate potential sites within the District Centre, having regard to population density and distribution, and existing land uses.

6.3.1 POPULATION DISTRIBUTION

Within the Strathalbyn trade area, the population is quite dispersed, although, as would be expected, the highest concentration of population is located in and around the Strathalbyn township (see **Map 6.1**). The population in other areas of the trade area is too lean for any other town to be considered appropriate for the range of additional facilities required, indicating that sites within the Strathalbyn township are really the only option.



6.3.2 POTENTIAL SITES

The next stage, therefore, is to determine where, if any, are the appropriate sites to accommodate retail floorspace growth opportunities in Strathalbyn. Indeed, it should also be expected that non-retail facilities and services, including personal, business and community services, will also be required, but this report focuses on retail needs.

In order to ascertain the availability of suitable sites, as previously indicated, for the purposes of this assessment we have conducted a Town Centre landuse survey in July 2013. In doing so we considered the **Town Centre Core** and **High Street and Surrounds** as two quite separate components, although we note that both are part of the overall District Centre. The results of the survey were shown earlier on **Map 4.2**. This map is repeated for ease of reference as **Map 6.2**.

Within the Town Centre Core, retail uses are housed in 6 blocks, interspersed with non-retail uses of various types. Two of these blocks also accommodate at-grade carparking areas, mainly concentrated around the supermarkets. These carparking areas are obviously essential for the operation of the supermarkets and adjoining uses and would therefore not be available for further retail or related development. In all likelihood this would be written into the Woolworths lease so as to ensure that customer convenience is preserved.

On the eastern side of Rankine Street there are reasonably large scale uses of a non-retail type occupying large sites.

It is also readily apparent that the attractive parks and waterways, which form a focal point for the pleasant environs of the District Centre, act as significant constraints to the expansion prospects of the Town Centre Core.

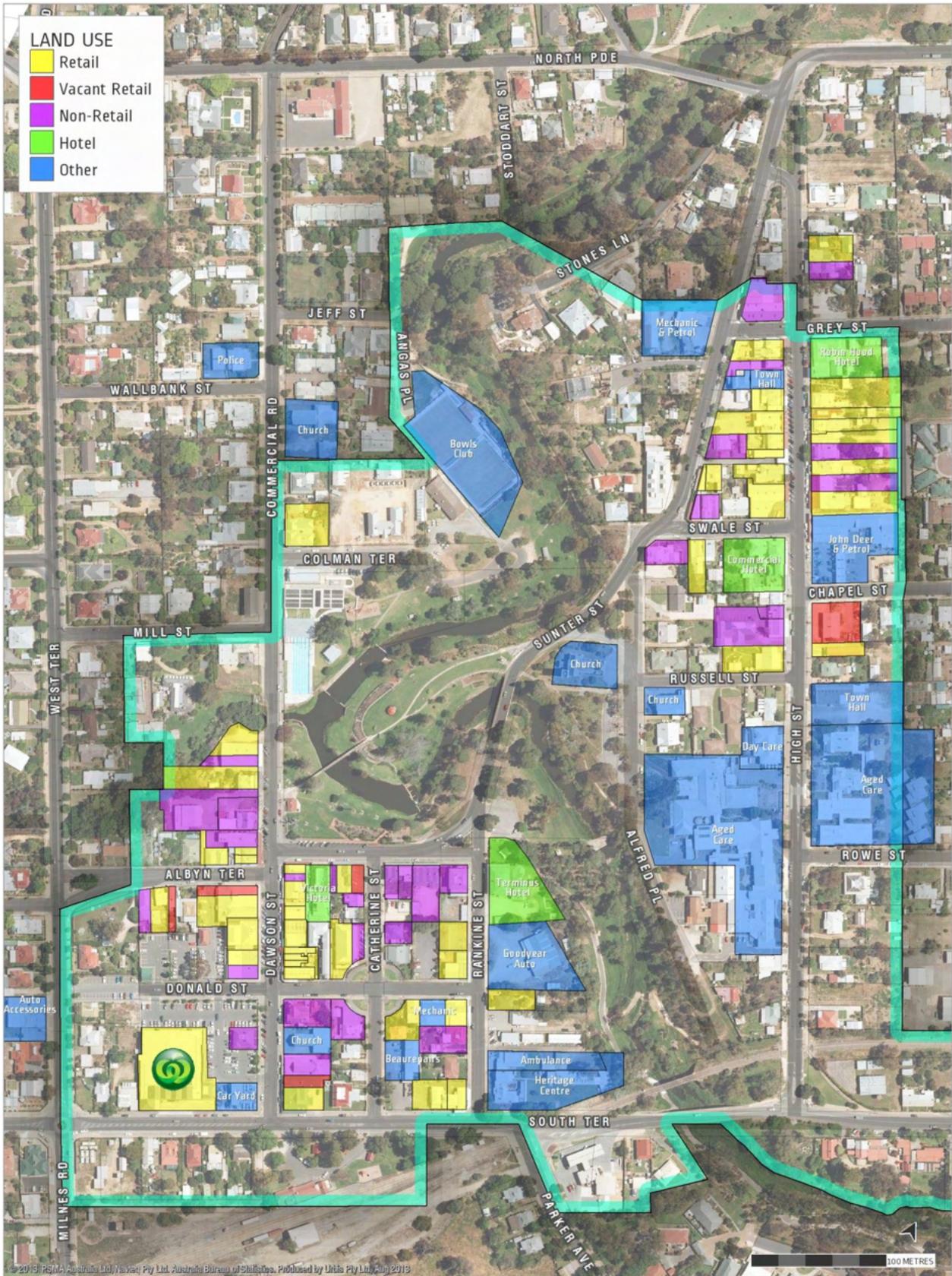
With the possible exception of one or two relatively small parcels in, at best, fringe positions, it is clear from **Map 6.2** that the existing Town Centre Core has limited, if any, capacity to accommodate further retail or related development without compromising existing uses of a non-retail nature within the District Centre (i.e. replacing non-retail with retail uses). This is unlikely to be a desirable outcome.

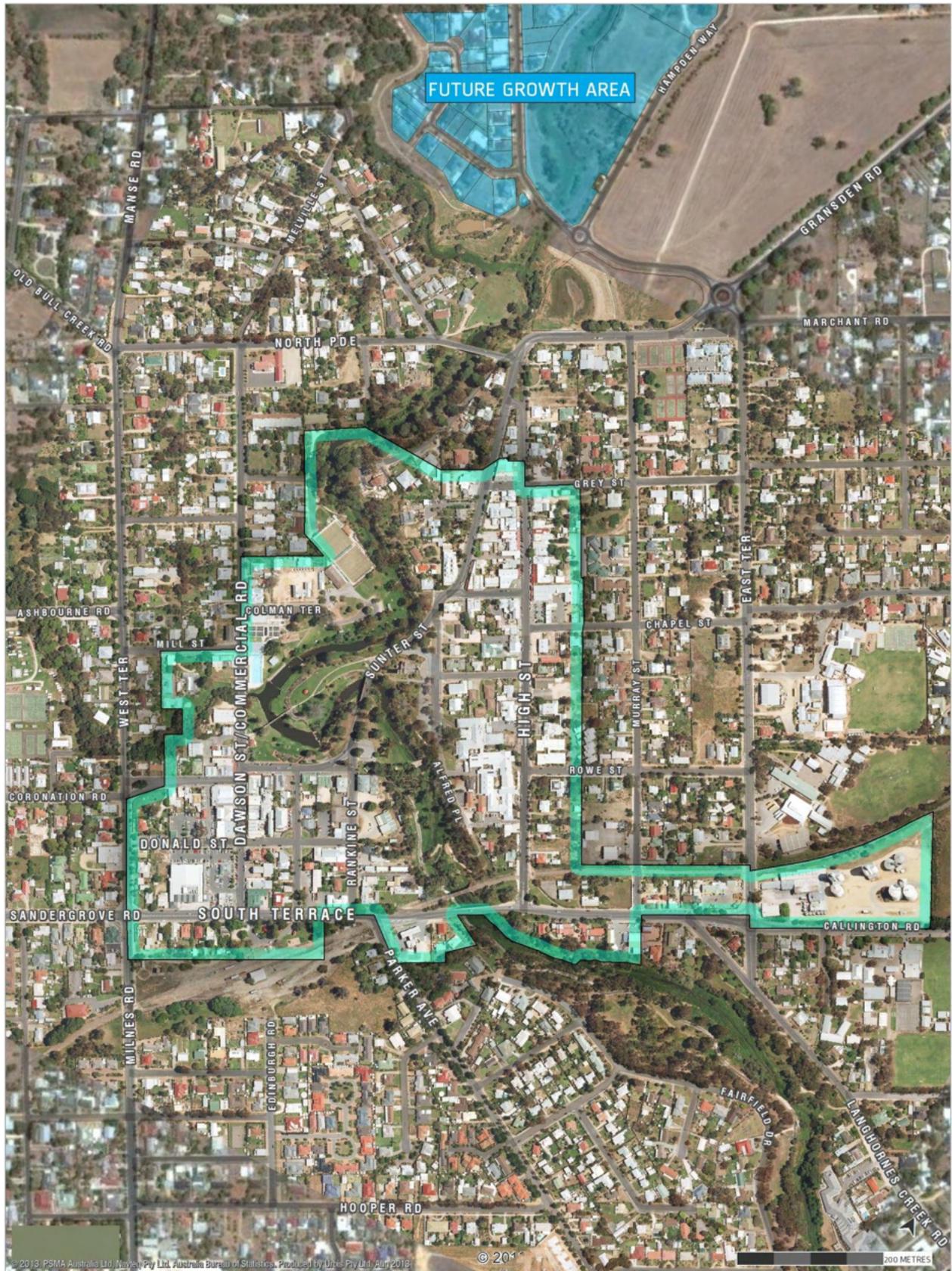
The question then arises as to whether the High Street and Surrounds area is a suitable location. **Map 6.2** also shows the range of uses within this area. Clearly the area between Chapel and Grey Streets is occupied by antique and like retailers, mostly in buildings with historic character. These two factors, the type of use and the buildings, enable the High Street and Surrounds area to serve a special purpose and a highly specialised niche market. This area is undoubtedly a tourist attraction.

South of Chapel Street the High Street and Surrounds area lacks strength as a traditional retail location by virtue of the current uses (i.e. community facilities and services such as aged care), niche role of the street, topography, and a breakdown in continuity.

There are multiple land uses within the Town Centre Core that are non-retail. It is theoretically possible to convert these to retail areas, however in reality, there are significant practical difficulties in doing this, including displacement of the current occupants. For this reason, other areas of suitable available land must be explored to accommodate the current and future demand for retail space.

As shown in **Map 6.3**, the growth area to the north of the Town Centre Core, which is the location of the new residential estates, clearly has parcels of land with major road frontages and of a sufficient scale, which are well placed for suitable development.





7 Conclusions

The key conclusions presented in this report are summarised as follows:

- Our assessment of the size of the market and the provision of retail floorspace is based on ANZSIC definitions, as outlined in the introduction to this report. This ensures internal consistency and relevance.
- The Strathalbyn trade area accommodates 13,725 people and this is forecast to increase to 15,630 people by 2021 and further to 16,300 people by 2026 (a total increase of 19%).
- Total retail expenditure by trade area residents currently amounts to \$177 million (2012). With population growth and 'real' growth in spending levels this is forecast to increase by 27% or \$48 million to \$225 million (\$2012) by 2021 and \$254 million by 2026. At least 50% of this expenditure relates to food and convenience needs.
- The estimated turnover volume accruing to retailers in the Town Centre Core, focussed around Dawson Street, is \$46 million in 2012, with almost \$40 million attributable to residents and the remainder to tourists and passers-by. This market share capture in Strathalbyn represents just 22% of total resident retail spending.
- This means that escape spending from the Strathalbyn catchment is approximately \$138 million or 78% overall, with non-food expenditure leakage likely to be in excess of 85%. This is extremely high and suggests that the current range of facilities and services in Strathalbyn are not adequately serving local needs, and there is potential to 'claw back' some of this leakage. As little as 10% clawback would support 2,500-3,000 sq.m of additional retail floorspace in Strathalbyn, regardless of future growth. Further analysis may indicate a larger requirement, but suffice it to say that local needs are not being met locally, and there is an existing need for a better range of facilities and services.
- Clearly Strathalbyn also needs to plan for growth, including, amongst other uses, the additional retail facilities and services that will be required to support a 14% increase in population and a 27% increase in the spending market.
- In our view this growth is likely to support a need for in excess of 1,500-2,100 sq.m of additional retail floorspace in Strathalbyn by 2021 and 2,600-3,400 sq.m by 2026, in addition to the floorspace that can be supported by retaining some escape spending.
- We suggest that a minimum requirement to cater for immediate needs and foreseeable growth should include provision for between 4,000 sq.m-6,500 sq.m of additional retail floorspace over time. The land requirement for 6,500 sq.m of retail floorspace alone is around 2 hectares. Allowance should also be made for non-retail uses.
- In terms of possible locations it seems clear that the Town Centre Core is constrained by both physical features and heritage buildings. Some minor sites that could be potentially available are unlikely to be suitable due to the displacement of existing uses, site areas and locations, and the issue of retail continuity.
- The High Street precinct is a specialised niche precinct with a unique character and mix. The tourist credentials of this location, together with the existing aged care facilities, are unlikely to make High Street a suitable location for locally orientated retail expansion.

Disclaimer

This report is dated 28 August 2013 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Strath Property Investments Pty Ltd (Instructing Party) for the purpose of Retail Needs Assessment (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events including wars, civil unrest, economic disruption, financial market disruption, business cycles, industrial disputes, labour difficulties, political action and changes of government or law, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

In preparing this report, Urbis may rely on or refer to documents in a language other than English which Urbis will procure the translation of into English. Urbis is not responsible for the accuracy or completeness of such translations and to the extent that the inaccurate or incomplete translation of any document results in any statement or opinion made in this report being inaccurate or incomplete, Urbis expressly disclaims any liability for that inaccuracy or incompleteness.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading bearing in mind the necessary limitations noted in the previous paragraphs. Further, no responsibility is accepted by Urbis or any of its officers or employees for any errors, including errors in data which is either supplied by the Instructing Party, supplied by a third party to Urbis, or which Urbis is required to estimate, or omissions howsoever arising in the preparation of this report, provided that this will not absolve Urbis from liability arising from an opinion expressed recklessly or in bad faith.

Sydney

Tower 2, Level 23, Darling Park
201 Sussex Street Sydney, NSW 2000
t +02 8233 9900
f +02 8233 9966

Brisbane

Level 7, 123 Albert Street
Brisbane, QLD 4000
t +07 3007 3800
f +07 3007 3811

Melbourne

Level 12, 120 Collins Street
Melbourne, VIC 3000
t +03 8663 4888
f +03 8663 4999

Perth

Level 1, 55 St Georges Terrace
Perth, WA 6000
t +08 9346 0500
f +08 9221 1779

Australia • Asia • Middle East
w urbis.com.au e info@urbis.com.au



Retail Needs Assessment

Strathalbyn, South Australia

29 August 2013

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Ian Shimmin
Associate Director	Jo-Anne King
Consultant	Jessica Collins
Job Code	MPE1-2019

© Urbis Pty Ltd
ABN 50 105 256 228

All Rights Reserved. No material may be reproduced without prior permission.

You must read the important disclaimer appearing within the body of this report.

URBIS
Australia Asia Middle East
urbis.com.au

TABLE OF CONTENTS

- 1 Introduction.....1**
- 2 Background.....2**
 - 2.1 Regional Context2
 - 2.2 Local Context.....2
 - 2.3 Development Plan Amendment.....5
 - 2.4 Summary 10
- 3 Market Analysis11**
 - 3.1 Residents..... 11
 - 3.1.1 Trade Area..... 11
 - 3.1.2 Regional Population 14
 - 3.1.3 Trade Area Population..... 14
 - 3.1.4 Retail Spending 17
 - 3.1.5 Socio-Demographic Characteristics 19
 - 3.2 Workers 22
 - 3.3 Tourists 22
 - 3.4 Summary 24
- 4 Retail Structure25**
 - 4.1 Existing and Future Retail Facilities 25
 - 4.2 Within Main Trade Area 27
 - 4.3 Beyond Main Trade Area..... 29
 - 4.4 Resident Shopping Patterns..... 30
 - 4.5 Summary 30
- 5 Expenditure Leakage31**
- 6 Retail Floorspace Requirements and Options32**
 - 6.1 Market Capacity..... 32
 - 6.2 Market Growth 32
 - 6.3 Available Land Supply 32
 - 6.3.1 Population Distribution..... 33
 - 6.3.2 Potential Sites..... 35
- 7 Conclusions38**
- Disclaimer39**

1 Introduction

This report presents a retail needs analysis for the rural township of Strathalbyn, South Australia. The key elements of this analysis are:

- an assessment of the current and future supply of retail floorspace in Strathalbyn; and
- an assessment of the market served by Strathalbyn and its historic, current and future growth patterns.

This report has been prepared for Strath Property Investments Pty Ltd following the Alexandrina Council's recent Plan Amendment Report (PAR), and is an update of a report previously prepared by Urbis JHD in 2004 for the Strath Hub Group. The purpose of this report is to consider the need for future retail floorspace growth in Strathalbyn to meet the needs of current and future residents of the local community.

The report is structured as follows:

- **Section 2 – Background:** This section presents an overview of Strathalbyn's regional and local context, Alexandrina Council's Plan Amendment Report.
- **Section 3 – Market Analysis:** This presents an analysis of the current and forecast population from which retail facilities located in Strathalbyn would draw trade, along with retail spending estimates for those residents. This analysis results in estimates of the size of the retail market, noting that 'retail' includes store types and expenditure categories that relate to the Australian and New Zealand Standard Industrial Classification System (ANZSIC), as adopted by the Australian Bureau of Statistics (ABS) and Urbis. Conclusions about the need for additional retail facilities in Strathalbyn are further informed by the analysis of the demographic characteristics of trade area residents, the locations in which residents of Strathalbyn are employed, and the number of non-resident visitors to Strathalbyn.
- **Section 4 – Competitive Environment:** An overview of the competitive environment influencing the shopping patterns of residents of the trade area is provided in this section. It includes the findings of a retail floorspace survey of Strathalbyn conducted by Urbis in July, 2013, detailing the amount of space by category and location.
- **Section 5 – Expenditure Leakage:** This section provides an assessment of the amount of spending that Strathalbyn residents currently direct outside of the Strathalbyn area to places like Mount Barker, Murray Bridge and Adelaide.
- **Section 6 – Retail Floorspace Needs and Options:** The need for additional retail facilities and services in Strathalbyn is assessed in this section, based on current provision, anticipated usage pattern and future growth. A review of opportunities for future retail development in Strathalbyn is also provided.
- **Section 7 – Conclusions:** This final section provides a summary of our conclusions, and also presents recommendations.

2 Background

This section presents an overview of Strathalbyn's regional and local context, Alexandrina Council's Plan Amendment Report.

2.1 REGIONAL CONTEXT

Strathalbyn is located in the Fleurieu region of South Australia, approximately 55 km by road south east of the centre of Adelaide, via the Princes Highway and Long Valley Road (**Map 2.1**). Situated within the Alexandrina municipality, the local economy is based on:

- agriculture, including beef, dairy, sheep, and grain farming, but particularly wine grape production;
- education and health services, including aged residential care;
- manufacturing and construction services;
- the retail and tourism sectors, with employment concentrations in cafes, restaurants, taverns and accommodation facilities, as well as retail stores catering to the area's residents; and

European settlement commenced in the area in the mid-1800s, and Strathalbyn's original heritage architecture has contributed to its renown as a destination for antique dealers, with a number of antique and collectables businesses, furniture makers, art galleries and restorers located in the town.

Strathalbyn is relatively isolated from other regional towns, with the nearest major population centres located at Mount Barker (20 km north), Murray Bridge (40 km east), and Goolwa (30 km south west). The town is therefore reliant on the local population to support the local retail economy, although tourists are also an important source of trade, including those passing through.

2.2 LOCAL CONTEXT

Traditional retailing in Strathalbyn is located around Dawson Street between the Angas River and South Terrace. The retail strip is located away from the major roads from the north that pass through the town, and as such is not clearly visible to traffic passing in that direction. However, the retail strip has good visibility to traffic passing through the southern end of town along South Terrace.

The major components of the Dawson Street retail strip include a Woolworths supermarket, located on the corner of Dawson Street and South Terrace, a 450 sq.m IGA supermarket, and around 30 retail specialty shops focussed around Dawson Street between Albyn Terrace and South Terrace.

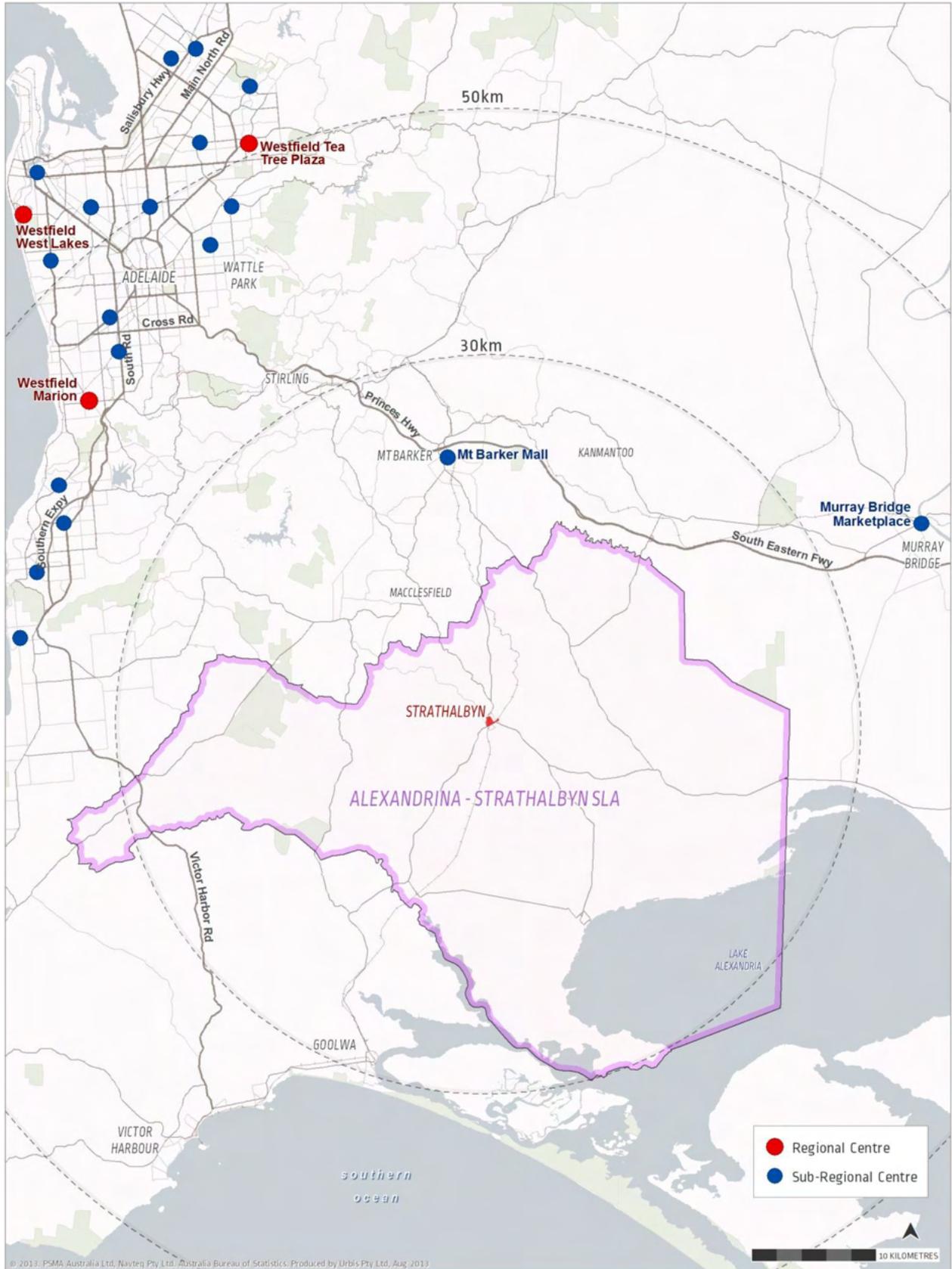
Located along High Street, on the eastern side of the Angas River, is a small retail strip which mostly comprises antique and bric-a-brac retailers and a number of cafes supporting these. The growth of this strip with other similar retailers has been encouraged. The strip is focussed on attracting tourists to the area and has little relevance for the regular shopping needs of local residents.

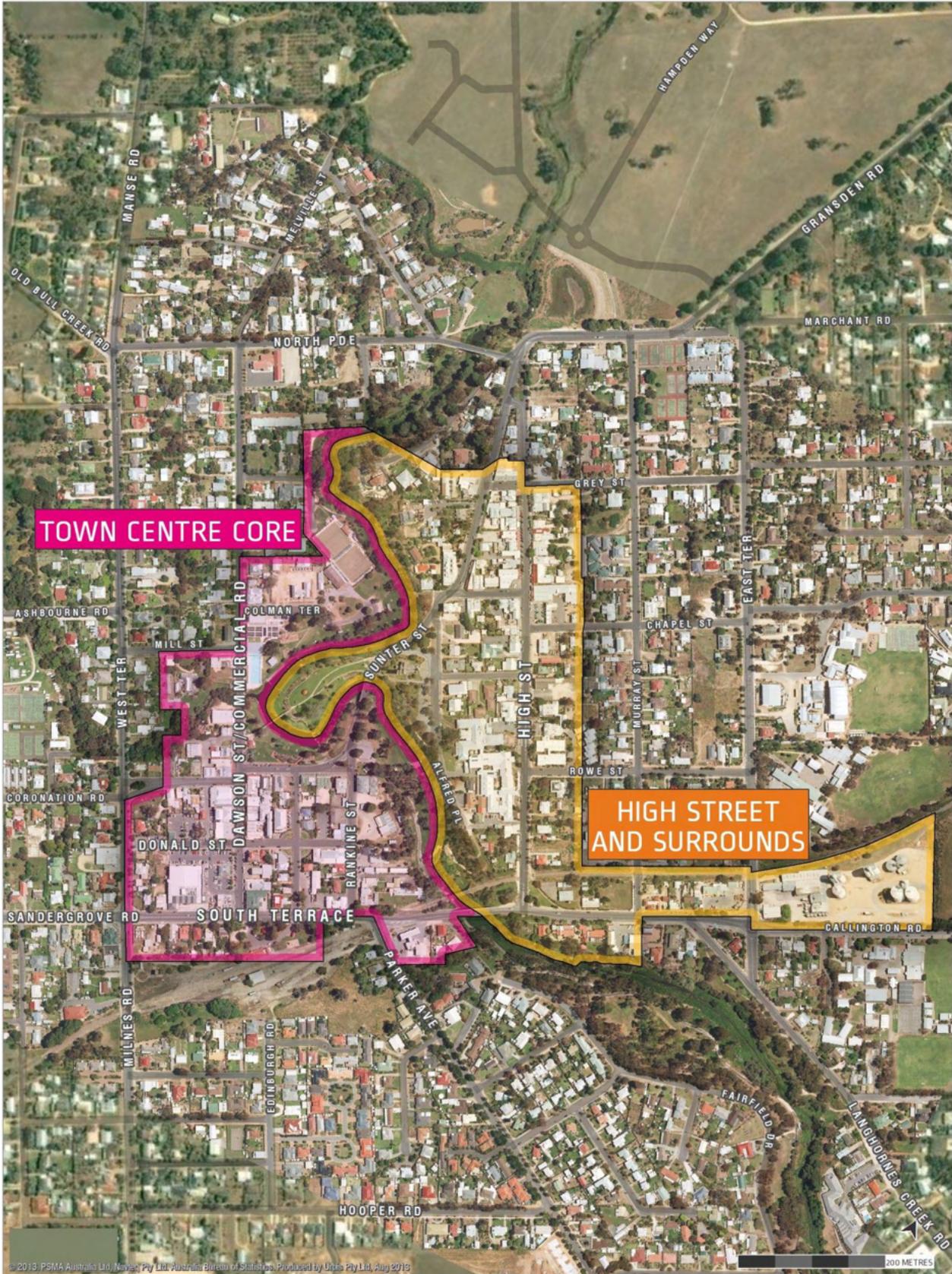
Overall, Strathalbyn currently provides around 12,700 sq.m of retail floorspace, two thirds of which is in the Town Centre Core around the Dawson Street precinct (i.e. 8,300 sq.m). This latter figure is the amount of retail floorspace that is of relevance to local residents.

Given the two very different roles played and markets served by the two separate retail areas in Strathalbyn, for the purpose of this report, we have divided the District Centre Zone into two areas:

- The conventional convenience retail along Dawson Street will be referred to as the Town Centre Core
- The remainder of the District Centre Zone will be referred to as High Street and Surrounds (**Map 2.2**).

Given that High Street serves a unique role and is not utilised in the day to day needs of trade area residents, when assessing the retail facilities servicing the Strathalbyn trade area, only the Town Centre Core will be used.





2.3 DEVELOPMENT PLAN AMENDMENT

The Alexandrina Better Development Plan and General Development Plan Amendment (DPA) has been produced in order to make the Development Plan more coherent and accessible, by restructuring Development Plan policy, consolidating duplicate zones, and removing inconsistent and repetitive policy, which originated as a consequence of the earlier amalgamation of the plans of three former Councils into one. The DPA report is currently on exhibition for consultation until 16 August, 2013.¹

In relation to District Centre Zone in Strathalbyn, the plan states:

“It is expected that each of the townships of Goolwa and Strathalbyn will serve as the principal service centres for the surrounding districts, providing both the services and facilities for the day-to-day needs of residents, as well as cater for visitors and tourists to the district. Development will reinforce the perception of small-scale development that characterises each town centre, Higher order retail uses such as department stores and discount department stores are not compatible with the historic character of the zone and are inappropriate.”² [Our underling]

The extent of the District Centre Zone in Strathalbyn is shown on the following page in **Map 2.3**. The District Centre Zone is comprised of the following precincts, shown in **Map 2.4**.³

- Precinct 5 Angas River and Soldiers Memorial Gardens, for which the desired character is:

“for an outstanding civic open space area that retains and enhances heritage values.”

- Precinct 6 Dawson Street, for which the desired character is:

“for a vibrant retail and business area that retains and enhances the heritage items with some residential/tourist accommodation uses”

- Precinct 7 High Street, for which the desired character is:

“for commercial, tourist and residential uses, especially antiques, art and food businesses that feature the retention and enhancement of heritage character and that promotes appropriate new tourist and allied business development consistent with that heritage character.”

- Precinct 8 High Street South, which is intended to accommodate:

“a range of community and professional services associated with health and well-being of residents of the Strathalbyn District.”

- Precinct 9 South Terrace, which is intended to accommodate:

“a range of retail and service premises that require a main road location. Uses such as retail showrooms and service trades premises, with a capacity to also incorporate service stations, hardware supplies, plant nurseries or car sales yards are envisaged. The Laucke Mill site has the potential for redevelopment that has the capacity to accommodate the desired uses although other activities such as office, depot or warehousing may also be appropriate. The Strathalbyn Grain Silos are to continue in operation to meet the needs of the district’s farming community.”

¹ Alexandrina Council, <http://www.alexandrina.sa.gov.au/page.aspx?u=2034&c=40816>, Accessed 17 July 2013

² Alexandrina Council, Alexandrina Better Development Plan (BDP) and General Development Plan Amendment (DPA) - For Consultation, June 2013, pg. 144

³ *Ibid.*, pg. 149-150

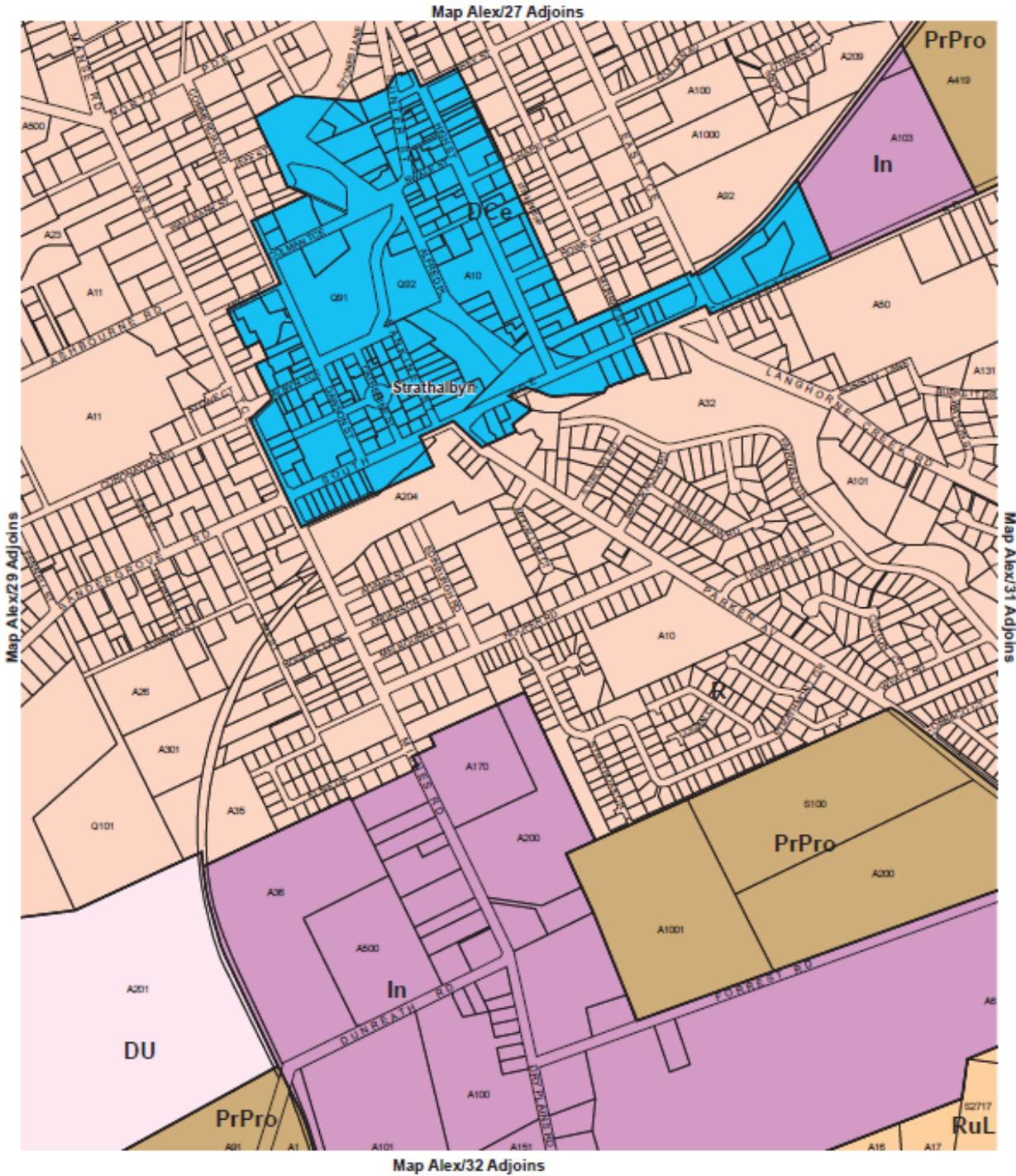
The DPA report also states, in the principles of development control for the District Centre Zone in Strathalbyn:

“A shop having a floor area exceeding 250 square metres should not be undertaken in High Street, and further large scale retail elements should be located within the area shown on Concept Plan Map Alex/6 - District Centre Expansion (Strathalbyn).”⁴

The Concept Plan Map referred to above is shown as **Map 2.5** on the following pages. It includes an area of approximately 30,000 sq.m bounded by South Terrace, Dawson Street, Albyn Terrace, and West Terrace. The site is already developed, and includes a Woolworths supermarket, an IGA supermarket, several other shops, residential homes, and includes seven buildings marked ‘building renovation/retention desired’ on the basis of their heritage character.

As such, it is unlikely that any new ‘large scale retail elements’ could be accommodated in this location; it is only likely to be able to accommodate a slight increase in supermarket floorspace.

⁴ *Ibid.*, pg. 151



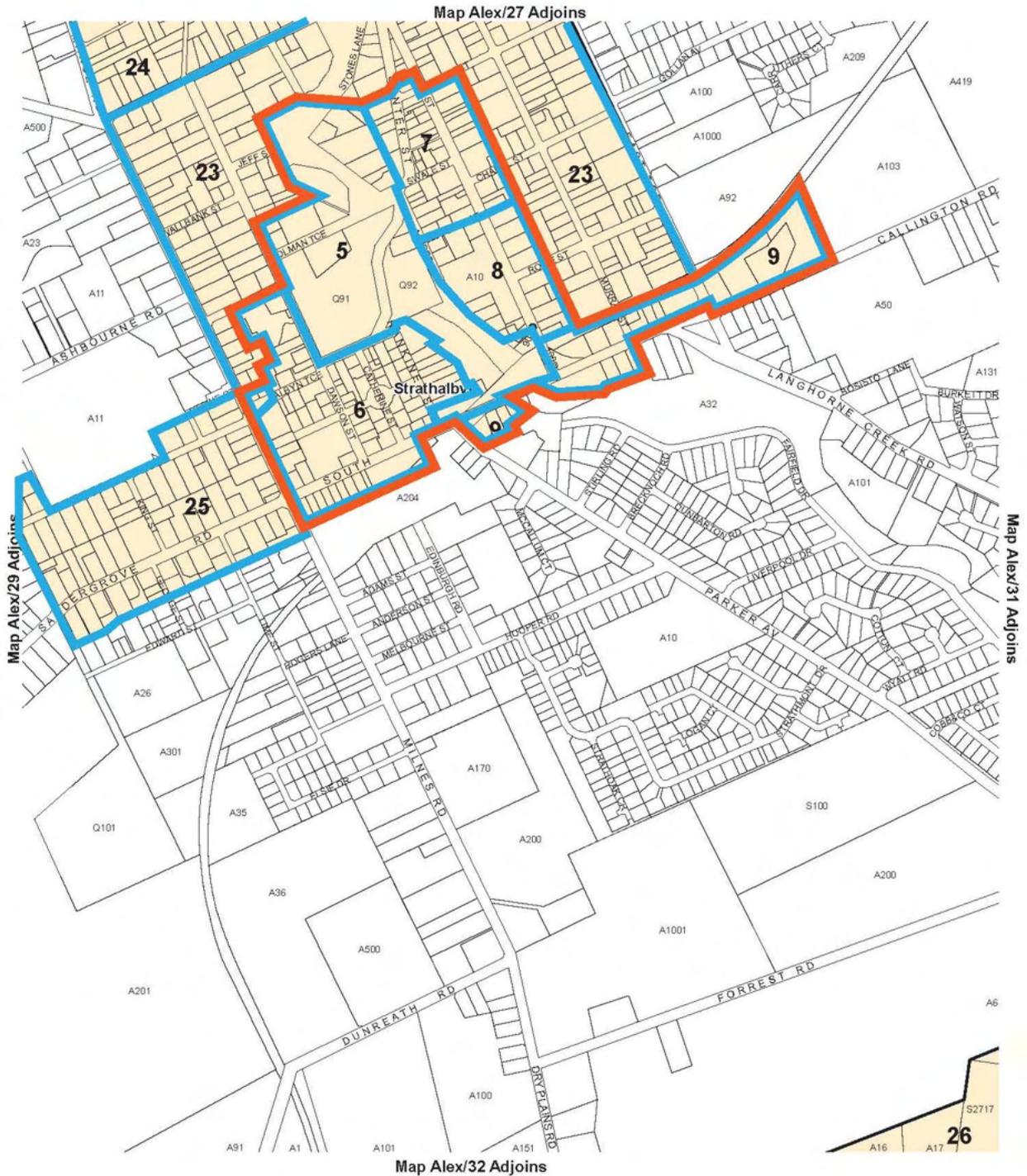
Lambert Conformal Conic Projection, GDA84



- Zones**
- DU Deferred Urban
 - DCe District Centre
 - In Industry
 - PrPro Primary Production
 - R Residential
 - RuL Rural Living
 - Zone Boundary

STRATHALBYN
Zone Map Alex/30

ALEXANDRINA COUNCIL



Lamberts Conformal Conic Projection, GDA94

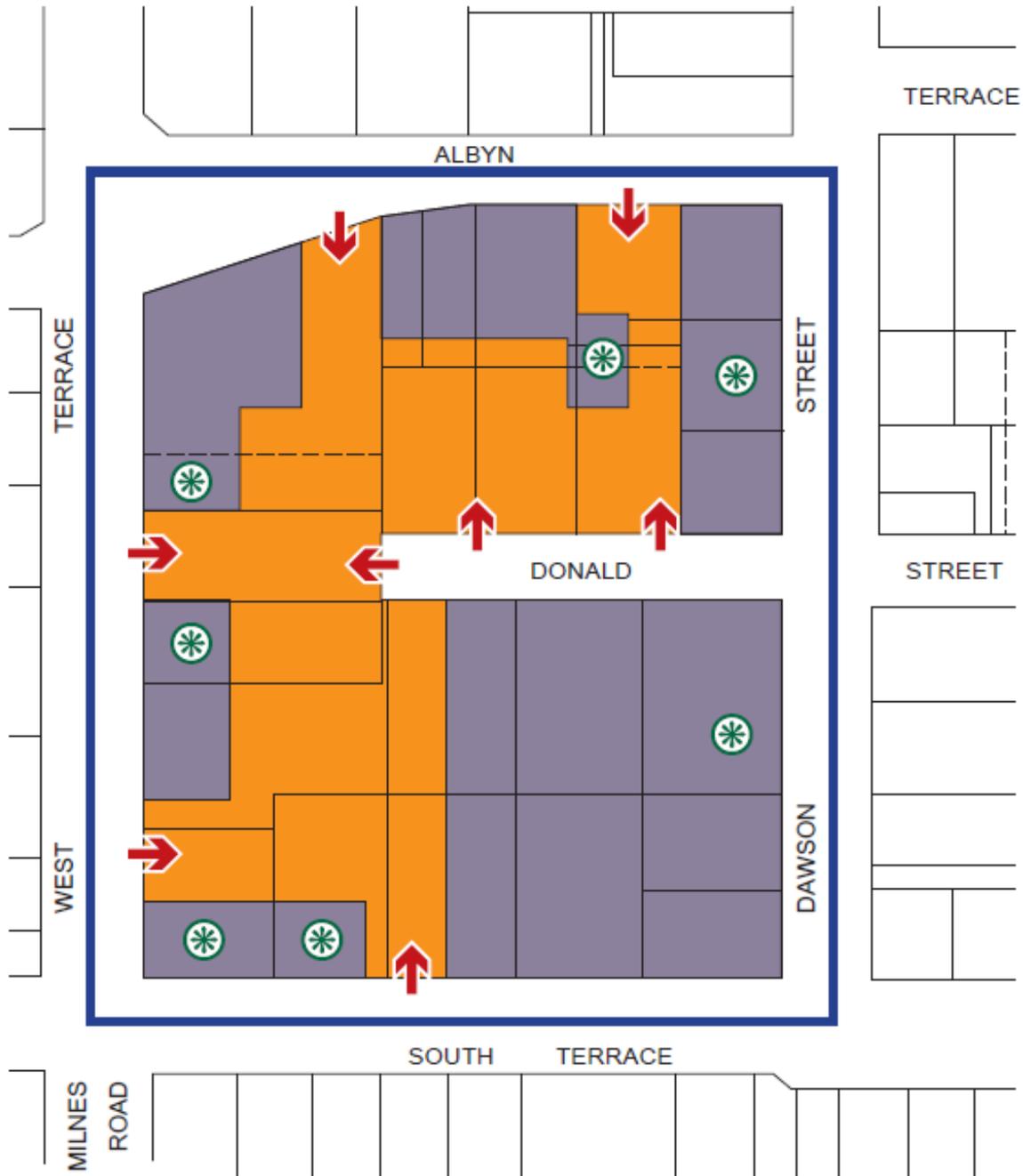
- Precinct**
- 23 Strathalbyn Central
 - 24 Strathalbyn Northern
 - 25 Strathalbyn Western
 - 26 Agistment
 - 5 Angas River and Soldiers Memorial Garden
 - 6 Dawson Street
 - 7 High Street
 - 8 High Street South
 - 9 South Terrace

-  District Centre
-  Precinct Boundary



STRATHALBYN
Precinct Map Alex/30

ALEXANDRINA COUNCIL



-  Vehicular Access
-  Building Envelope
-  Carpark Envelope
-  Building Renovation/Retention Desired
-  Concept Plan Boundary



STRATHALBYN

Concept Plan Map Alex/6

DISTRICT CENTRE EXPANSION

ALEXANDRINA COUNCIL

2.4 SUMMARY

Conventional retailing in Strathalbyn is located within the **Town Centre Core**, around Dawson Street between the Angas River and South Terrace. This local retail economy is reliant on the local population, due to Strathalbyn's relative isolation from other townships. **High Street and Surrounds** comprises a small retail strip which mostly comprises antique and bric-a-brac retailers and a number of cafes, for which passing tourists are an important source of trade.

The Town Centre Core and High Street and Surrounds together make up the **District Centre Zone**. The desired character for each precinct of the District Centre Zone outlined in the DPA, in combination with the requirement for the retention and enhancement of heritage buildings; including the need to integrate any additional development into the fabric of the existing built form by limiting the height and scale of such proposals; would limit any opportunity for delivering retail floorspace in the District Centre Zone in future.

The site designated for 'district centre expansion' in the DPA is only likely to be able to accommodate a slight increase in supermarket floorspace.

A review of opportunities for future development in Strathalbyn will be discussed further in **Section 6**. The following section provides an analysis of the size of the retail market in Strathalbyn's trade area, to establish the context for estimating the future need for retail facilities.

3 Market Analysis

This section presents an analysis of the existing and forecast population from which retail facilities located in Strathalbyn would draw trade, along with retail spending estimates for those residents, to determine the size of the retail market. To further inform conclusions about the need for additional retail facilities in Strathalbyn, this section also:

- analyses the characteristics of trade area residents, and assesses any demographic changes over the past decade, using data from the ABS Census of Population and Housing;
- identifies where residents of the Strathalbyn trade area are employed, using ABS Place of Work data; and
- estimates the additional demand for retail facilities that is likely to arise from non-resident visitors to Strathalbyn (i.e. tourists and passers-by).

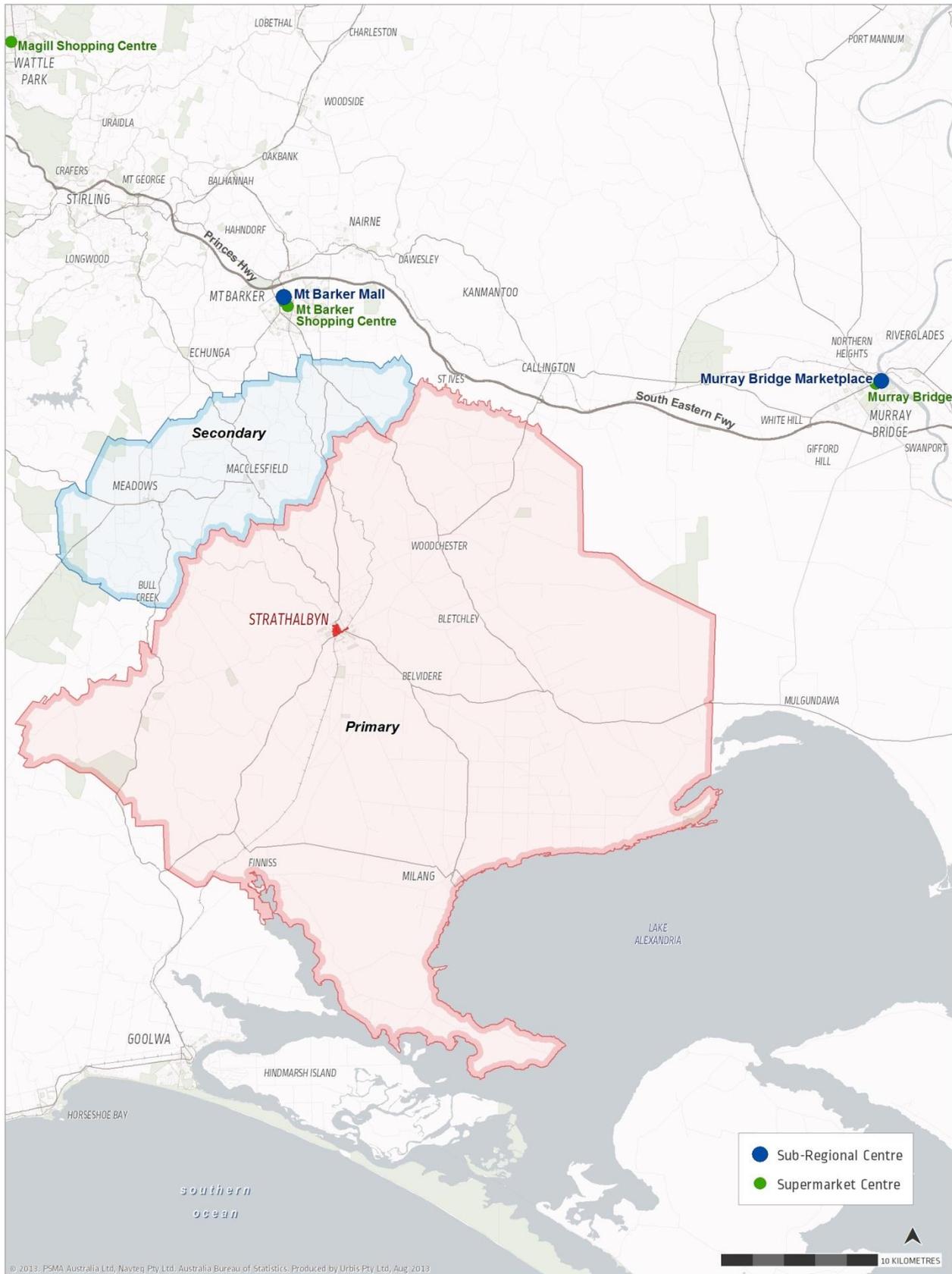
3.1 RESIDENTS

3.1.1 TRADE AREA

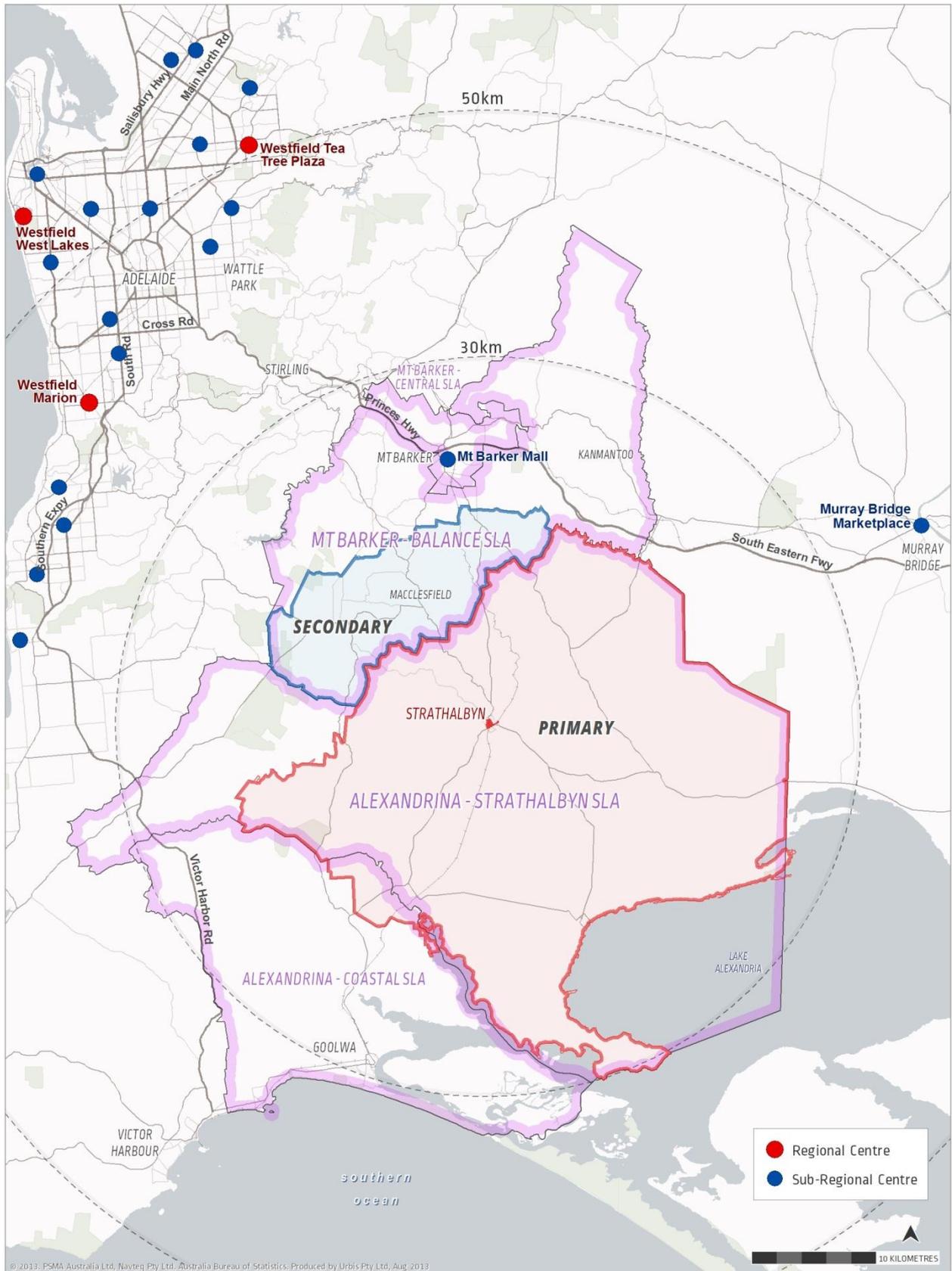
A trade area has been defined for Strathalbyn based on relevant factors including ease of access to / from the town centre, natural barriers (such as rivers, parks, industrial areas) and other competitive retail centres.

Given the regional location, Strathalbyn serves a reasonably broad trade area, which is comprised of a primary and secondary sector. The trade area, shown in **Maps 3.1** and **3.2**, is defined as follows:

- The **primary sector** extends approximately 10 km to the north and west and 20 km to the east, south and west. The sector includes the towns of Strathalbyn, Milang, Clayton Bay, Finnis, Langhorne Creek, Willyaroo, Highland Valley, Paris Creek, Ashbourne and Woodchester. The geographic extent of this trade area is to some extent determined by statistical boundaries used by the ABS.
- The **secondary sector** is located to the north-west of the primary sector, encompassing the towns of Macclefield, Wistow, Prospect Hill, Flaxley, Meadows and the Bugle Ranges. Typically secondary trade area residents would visit Strathalbyn significantly less frequently than those in the primary, and in this case would use Mount Barker as their main shopping location.



© 2013. PSMA Australia Ltd, Navteq Pty Ltd, Australia Bureau of Statistics. Produced by Urbis Pty Ltd, Aug 2013



3.1.2 REGIONAL POPULATION

Strathalbyn is located in the Alexandrina District Council Local Government Area (LGA) and specifically within the Alexandrina (DC) – Strathalbyn Statistical Local Area (SLA). The northern part of the Strathalbyn trade area also encompasses the Mount Barker (DC) Balance SLA, part of the Mount Barker Regional Council. **Table 3.1** details the growth in the population of the Alexandrina and Mount Barker LGAs from 2007 to 2012.

The Alexandrina LGA was the fastest growing LGA outside of metropolitan Adelaide in FY 2009/10. Over the 5 years from 2007 to 2012, Strathalbyn SLA experienced growth of 2.3% per annum, equating to an additional 1,200 residents. For a regional area, this growth is considered to be strong and was driven by the development of greenfield sites, which resulted in many young families moving into the area.

Alexandrina – Coastal SLA also saw strong growth with an increase of 2.1% per annum largely driven by “sea changers” retiring to the coast.

In contrast, Non-Metropolitan South Australia as a whole has experienced growth of only 0.4% per annum.

Mount Barker LGA also experienced relatively strong population growth over the 5 years to 2012. This growth is anticipated to continue into the future with the rezoning of land to the south of the suburb for new residential neighbourhoods. This new growth area is not included in the Strathalbyn trade area however.

Alexandrina and Mount Barker LGAs

POPULATION 2007 – 2012

TABLE 3.1

	Population		Annual Population
	2007	2012	Growth (%) 2007-12
Alexandrina (DC) - Coastal	12,233	13,572	2.1%
Alexandrina (DC) - Strathalbyn	9,801	10,997	2.3%
Total Alexandrina (DC)	22,034	24,569	2.2%
Mount Barker (DC) - Central	19,517	21,680	2.1%
Mount Barker (DC) Bal	8,697	9,682	2.2%
Total Mount Barker (DC)	28,214	31,362	2.1%
<i>Non-Metro SA (000's)</i>	<i>370</i>	<i>378</i>	<i>0.4%</i>

1. Year ending June.

Source : ABS; SA Department of Planning and Local Government; Urbis

3.1.3 TRADE AREA POPULATION

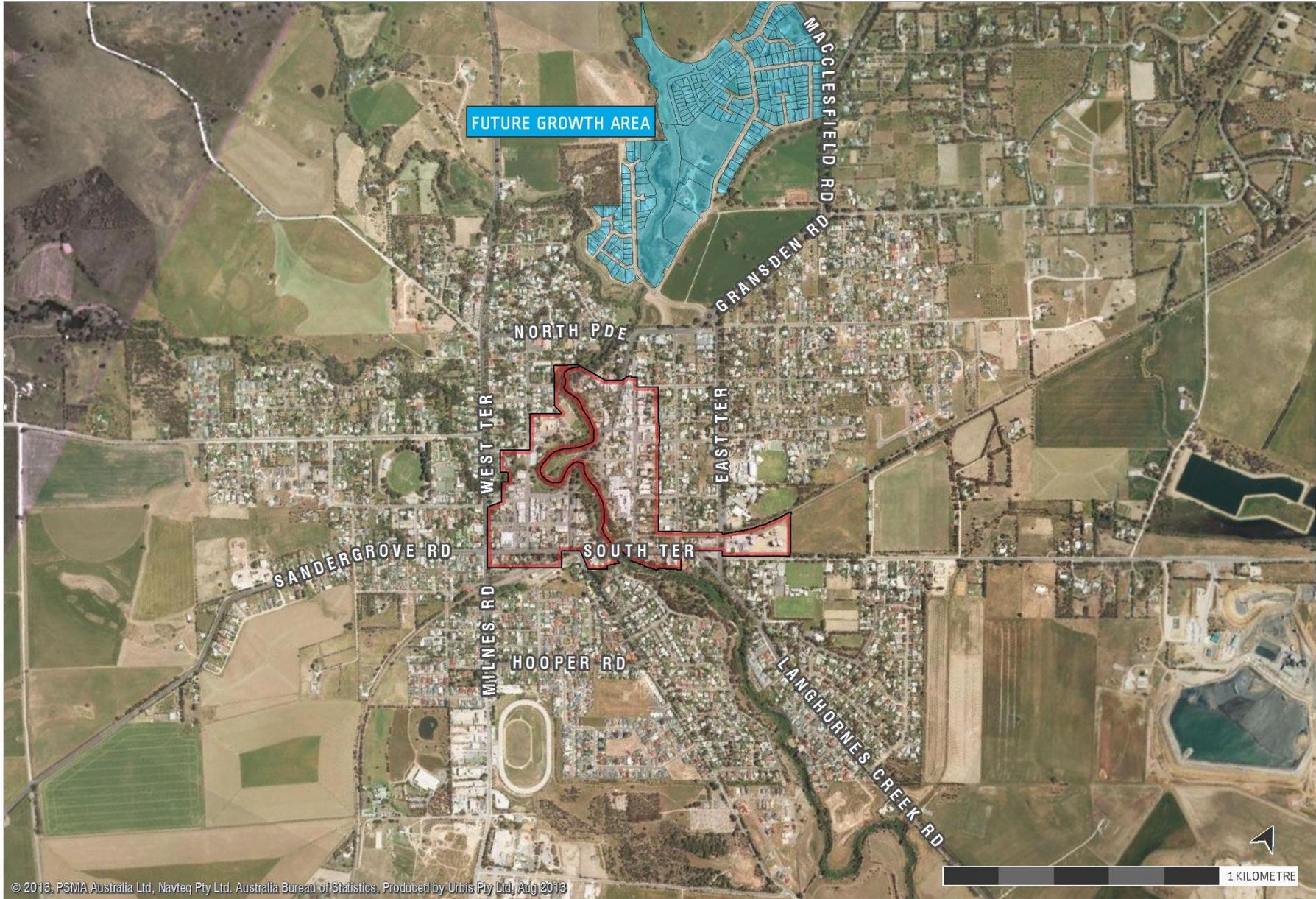
Table 3.2 details the historic and future population levels specifically for the Strathalbyn trade area. These population figures are based on Estimated Resident Population (ERP) figures released by the ABS and population forecasts produced by Planning SA in 2011 (rebased to the latest ERP).

In 2012 the main trade area was home to 13,725 residents, with 9,959 in the primary trade area. The primary has grown by 2.5% per annum over the five years from 2007, equating to an additional 1,165 people in total.

The secondary trade area has experienced lower growth in the past at 0.8% per annum from 2007 to 2012. This is anticipated to increase over the coming decade with growth around the Mount Barker area expected to filter down to south. Given the low population base however, forecast growth of 1.5% per annum equates to less than 60 additional persons per annum.

The rural lifestyle of Strathalbyn combined with its proximity to Adelaide, aided by the South Eastern Freeway, has been a strong factor in the continuing population growth in Strathalbyn. Residents are able to commute to Adelaide whilst enjoying the lifestyle of a rural area. Employment opportunities in Strathalbyn are also reasonable, as is housing affordability. The region is also attractive to retirees.

Recent population growth has been facilitated by the development of new residential estates within Strathalbyn. The estates located to the north of town provide smaller lots of new housing stock allowing residents to enjoy the rural lifestyle of the area without the need to tend to larger rural blocks. With additional lots still to be released across a number of estates, it is anticipated that this growth is set to continue for the foreseeable future (**Map 3.2**). In addition, we note that Future Urban Zones around Strathalbyn will enable growth to continue unconstrained.



© 2013, PSMA Australia Ltd, Navteq Pty Ltd, Australia Bureau of Statistics. Produced by Urbis Pty Ltd, Aug 2013

Population growth for the trade area over the period to 2021 is forecast to occur at slightly lower rates than the historical rates, at around 195 persons or 1.5% annually, continuing at around 0.9% per annum to 2026.

The trade area population is forecast to increase to 14,740 persons in 2016, and further to 15,630 persons in 2021 and 16,340 in 2026. In other words, by 2026 the trade area population is expected to be over 19% greater than current levels.

Additional facilities and services will clearly be required to cater to the needs of this larger population.

Trade Area Population

STRATHALBYN CURRENT AND FUTURE POPULATION

TABLE 3.2

	Population					Annual Population Growth (no.)				Annual Population Growth (%)			
	2007	2012	2016	2021	2026	2007-2012	2012-2016	2016-2021	2021-2026	2007-2012	2012-2016	2016-2021	2021-2026
Primary	8,794	9,959	10,739	11,364	11,817	233	195	125	91	2.5%	1.9%	1.1%	0.8%
Secondary	3,618	3,767	3,997	4,266	4,526	30	57	54	52	0.8%	1.5%	1.3%	1.2%
Main Trade Area	12,412	13,725	14,736	15,629	16,344	263	253	179	143	2.0%	1.8%	1.2%	0.9%
<i>Non-Metro SA (000's)</i>	<i>370</i>	<i>378</i>	<i>393</i>	<i>412</i>	<i>432</i>	<i>2</i>	<i>4</i>	<i>4</i>	<i>4</i>	<i>0.4%</i>	<i>1.0%</i>	<i>0.9%</i>	<i>1.0%</i>

1. Year ending June.

Source : ABS; SA Department of Planning and Local Government; Urbis

3.1.4 RETAIL SPENDING

In order to estimate the demand for additional retail facilities in the Strathalbyn area, the total retail spending market generated by trade area residents must first be established.

The retail expenditure estimates detailed in this section and throughout the report include the component of turnover attributable to Goods and Services Tax (GST) and are in constant **2012 dollars**.

3.1.4.1 MARKETINFO 2010

Retail spending per capita by trade area residents is derived using MarketInfo 2010, a micro-simulation model developed by Market Data Systems Limited (MDS). This model, based on information from the national ABS Household Expenditure Survey (HES) and the Census of Population and Housing, uses micro-simulation techniques to combine a household's propensity to spend on particular commodities with the socio-economic characteristics of individuals, to derive spending per capita estimates on a small area basis.

Consequently, the retail spending by residents living in the Strathalbyn trade area is specifically based on the characteristics of the population in Strathalbyn.

3.1.4.2 RETAIL SPENDING PER CAPITA

The variation in retail spending per capita by product group for the Strathalbyn main trade area (ie the primary and secondary sectors combined) and the Non-Metropolitan South Australia benchmark is shown in **Chart 3.1**.

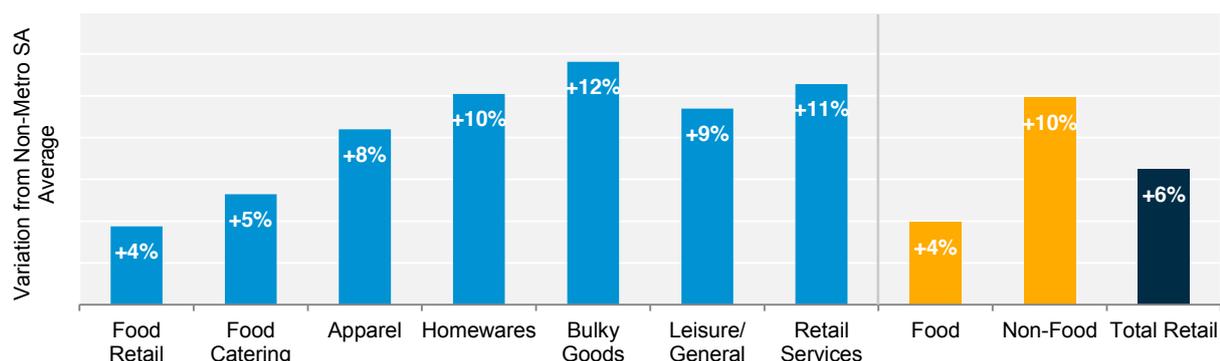
Compared to the benchmarks, trade area residents spend more on all retail goods. Spending on food related products is +4% and +5% above average for food retail (ie take home food) and food catering (ie restaurants and take away food), respectively.

Spending on homewares, retail services and bulky goods are markedly above the Non-Metropolitan South Australian benchmarks, and apparel is 8% above.

Per Capita Retail Spending vs. Non-Metropolitan South Australia

MAIN TRADE AREA CURRENT RETAIL SPENDING (\$2012)

CHART 3.1



Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

3.1.4.3 TOTAL RETAIL SPENDING MARKET

Table 3.3 details total retail spending by the Strathalbyn main trade area population at the product group level. The total retail spending for 2012 is estimated at \$177 million. This includes \$126 million (or 71%) of retail spend by residents in the primary trade area.

Strathalbyn Main Trade Area Retail Market 2012

BY PRODUCT GROUP (\$2012M, INCL. GST)

TABLE 3.3

	Food Retail	Food Catering	Apparel	Home-ware	Bulky Goods	Leisure/General	Retail Services	Total Retail
Primary	62.4	9.7	12.1	9.6	12.9	15.7	4.1	126.3
Secondary	24.2	4.1	5.2	4.1	5.5	6.4	1.7	51.1
Main Trade Area	86.5	13.7	17.3	13.7	18.3	22.2	5.7	177.4

Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

Table 3.4 details total retail spending forecasts in the Strathalbyn main trade area at the product group level in 2021. The total retail spending in 2021 is forecast to reach \$225 million.

Strathalbyn Main Trade Area Retail Market 2021

BY PRODUCT GROUP (\$2012M, INCL. GST)

TABLE 3.4

	Food Retail	Food Catering	Apparel	Home-ware	Bulky Goods	Leisure/General	Retail Services	Total Retail
Primary	73.0	12.3	15.6	14.6	17.8	21.8	5.6	160.6
Secondary	28.1	5.1	6.7	6.1	7.5	8.9	2.3	64.8
Main Trade Area	101.1	17.4	22.3	20.8	25.3	30.7	7.9	225.5

Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

This increase of \$48 million equates to growth of 27%, taking into account population growth and increases in real spending growth as shown in **Table 3.5** below. In the longer term, retail spending growth will continue to increase reaching \$254 million in 2026. A total increase of 43%.

In other words the retail market of relevance to the Strathalbyn Town Centre is forecast to grow by 27% by 2021 and 43% by 2026, which clearly points to the need for additional facilities and services over time.

	Total Retail	<i>Average Per Annum Growth</i>	=	<i>Pop Growth</i>	+	<i>Per Cap Spend Growth</i>
2012	177.4					
2016	198.4	2.8%		1.8%		1.0%
2021	225.5	2.6%		1.2%		1.5%
2026	254.2	2.4%		0.9%		1.5%

Source: MDS, MarketInfo 2010; ABS, Australian National Accounts: National Income, Expenditure and Product Accounts (5206.0); Urbis

3.1.5 SOCIO-DEMOGRAPHIC CHARACTERISTICS

This sub-section uses data from the Census of Population and Housing, as published by the ABS, to analyse the demographic characteristics of trade area residents, and assess any demographic changes over the past decade.

Tables 3.6 and **3.7** outline the socio-economic characteristics of trade area residents, which summarises information from the 2011 Census of Population and Housing. Key points to note are:

- Compared to the Non-Metropolitan South Australian benchmark, primary trade area residents typically have marginally higher household incomes. Personal incomes are broadly equivalent to the benchmark.
- Households in the secondary trade area have significantly higher average incomes than the benchmark; 41% of households earn in excess of \$78,000 compared with 26% across Non-Metropolitan South Australia. Average individual incomes are also higher than the benchmark.
- The age distribution is weighted towards older residents. The secondary trade area has a slightly younger age profile, with fewer residents aged over 65 years.
- The composition of households in the primary trade area is broadly similar to the benchmarks, except for a lower proportion of lone person households.
- The secondary trade area has a high proportion of families with children.
- The trade area has similar levels of home ownership as Non-Metropolitan South Australia, however the number of purchasers (that is those paying a mortgage) is significantly higher. In the primary trade area, 40% of residents are currently purchasing homes and 50% in the secondary trade area, much greater than the benchmark of 32%.
- There is a higher than average proportion of households in mortgage stress at 8% compared to the benchmark of 2% across Non-Metropolitan South Australia.
- Labour force participation in the trade area is high at 63% in the primary trade area and 73% in the secondary trade area. Benchmark labour force participation rates in Non-Metropolitan South Australia is 60%. The trade area also has low levels of unemployment, similar to the benchmark.
- The employment profile of residents in the trade area is similar to benchmark, although there is a slightly greater weighting to white collar jobs.

Socio Economic Characteristics

STRATHALBYN TRADE AREA DEMOGRAPHICS, 2011

TABLE 3.6

	Primary	Secondary	Main	Non-Metro SA
Household Income				
\$Nil	2%	2%	2%	1%
\$1-\$20,800	13%	7%	11%	17%
\$20,800-\$52,000	37%	29%	35%	38%
\$52,000-\$78,000	18%	21%	19%	18%
\$78,000 - \$130,000	21%	25%	22%	18%
\$130,000-\$208,000	8%	14%	10%	7%
\$208,000 plus	1%	2%	1%	1%
Average Household Income	\$64,430	\$79,889	\$68,379	\$60,455
<i>Var'n from Non-Metro SA Avg.</i>	+7%	+32%	+13%	<i>n.a.</i>
Average Household Size	2.4	2.6	2.5	2.3
Per Capita Income (Persons aged 15 - 64) (%)				
\$Neg/Nil	9%	9%	9%	8%
\$1 - \$20,800	28%	24%	27%	30%
\$20,800 - \$41,600	28%	28%	28%	28%
\$41,600 - \$78,000	25%	26%	26%	25%
\$78,000 +	10%	13%	11%	9%
Avg. Per Cap. Income (aged 15-64)	\$38,322	\$42,386	\$39,482	\$37,503
<i>Var'n from Non-Metro SA Avg.</i>	+2%	+13%	+5%	<i>n.a.</i>
Age Distribution				
Aged 0-14	18%	20%	19%	19%
Aged 15-19	7%	8%	7%	6%
Aged 20-34	14%	13%	13%	15%
Aged 35-49	20%	25%	22%	20%
Aged 50-64	23%	23%	23%	21%
Aged 65-79	14%	10%	13%	13%
Aged 80+	4%	2%	4%	5%
Average Age	41.2	38.7	40.5	40.8
Dependency Ratio ¹	36%	32%	35%	37%

1. Dependency ratio refers to the proportion of the population between 0-14 and over 65 years.

Source: ABS ; Urbis

Socio Economic Characteristics

STRATHALBYN TRADE AREA DEMOGRAPHICS, 2011

TABLE 3.7

	Primary	Secondary	Main	Non-Metro SA
Household Composition (%)				
Couples with no children	34%	33%	34%	32%
Family with children <15	25%	30%	27%	25%
Family with children >15	13%	16%	14%	11%
<i>Total Family (with children)</i>	38%	47%	40%	36%
Group Household	3%	2%	3%	2%
Lone Person	24%	18%	23%	29%
Other	1%	0%	1%	1%
Housing Tenure¹				
Owner	38%	37%	38%	38%
Purchaser	40%	50%	43%	32%
Renter	21%	12%	19%	28%
Housing Costs				
Loan Mortgage Repayments (monthly \$)	\$1,608	\$1,685	\$1,632	\$1,326
% Households in Mortgage Stress ²	3%	8%	4%	2%
Rent Payments (weekly \$)	\$219	\$221	\$219	\$167
% Households in Rental Stress ²	3.6%	1.5%	3.0%	4.1%
% Households in Housing Stress	7%	9%	7%	7%
Car Ownership				
% 0 Cars	3%	2%	3%	7%
% 1 Car	31%	21%	29%	36%
% 2 Cars +	66%	77%	69%	58%
Labour Force				
Labour Force Participation	63%	73%	65%	60%
% Unemployed	5%	3%	5%	5%
% Managers and Professionals	31%	34%	32%	31%
% Other White Collar	31%	31%	31%	30%
% Blue Collar Occupations	38%	35%	37%	40%
Birthplace				
Australian Born	86%	86%	86%	88%
Overseas Born	14%	14%	14%	12%
• Asia	1%	1%	1%	1%
• Europe	10%	11%	11%	8%
• Other	2%	2%	2%	3%

1. 'Other' Tenure Types have not been included.

2. The Affordable Housing Taskforce (established by the ACT government) has defined people as having difficulty in accessing affordable housing if they are in the lowest two quintiles (lowest 40 percent of income distribution) and pay 30 percent or more of their gross household income in housing costs. This group is referred to as being in housing stress.

Source: ABS ; Urbis

Since the 2006 Census was undertaken, the key demographic change of note is an increase in incomes, both household and per capita across the trade area. Per capita incomes of those aged between 15 and 64 rose by 31% in the primary trade area and by 36% in the secondary trade area, while the benchmark increased by 26%. There were also changes in the types of industries of employment driven by the development of the Angas Zinc Mine and strengthening residential development driving jobs growth in the mining and construction sectors.

This would suggest that 'real' growth in spending levels by trade area residents would be greater than the state-wide average, although for the purposes of this report we have adopted a conservative approach.

3.2 WORKERS

This sub-section utilises ABS Place of Work data to identify where residents of the Strathalbyn trade area are employed.

As shown in **Table 3.8**, just 29% of employed Strathalbyn trade area residents work within the trade area. Only 19% are employed within Alexandrina District Council (including Alexandrina – Strathalbyn SLA and Alexandrina – Coastal SLA).

Employed Strathalbyn Residents' Workplaces

JOURNEY TO WORK, 2011

TABLE 3.8

% employed residents work in:	Primary Sector	Secondary Sector	Main Trade Area
Trade Area	34%	19%	29%
Alexandrina (DC)	26%	4%	19%
Mount Barker (DC)	11%	45%	22%
Murray Bridge (RC)	3%	4%	3%
Adelaide (C)	5%	8%	6%

Source: ABS 2011 Census of Population and Housing; Urbis

With over 70% of residents travelling outside of the trade area for employment, it is likely that they are also performing other activities, including shopping. This would be partly due to the opportunities available in Adelaide and other employment locations, but also due to the lack of facilities and services in Strathalbyn. Expenditure undertaken outside of the trade area by trade area residents is known as 'escape spending'.

Conversely, 82% of people employed in Strathalbyn reside in the surrounding municipalities of Alexandrina (57%), Victor Harbour (13%) and Mount Barker (12%).

3.3 TOURISTS

In addition to the residential population of the trade area, additional demand for retail facilities is likely to arise from non-resident visitors to Strathalbyn (i.e. tourists and passers-by).

Situated in the heart of the Fleurieu Peninsula, tourism plays a key role in the Strathalbyn region's economy with almost 290,000 visitors to the region in the 12 months to March 2013. As shown in **Table 3.9**, the majority of these visitors were domestic day trippers with over 140,000 visiting Strathalbyn. Given the region's proximate location to Adelaide, the majority of visits were day trips, however there was an additional 38,000 visitor nights spent in Strathalbyn and a further 87,000 visitor nights spent in the Strathalbyn Region.

Strathalbyn Tourism

ANNUAL VISITATION STATISTICS, 2013

TABLE 3.9

	Visitors ¹				Visitor Nights ¹		
	Domestic Daytrips	Domestic Overnight	Inter-national	Total	Domestic	Inter-national	Total
Strathalbyn	141,000	14,000	1,099	156,099	30,000	8,221	38,221
Strathalbyn Region	91,000	42,000	-	133,000	87,000	-	87,000
Total	232,000	56,000	1,099	289,099	117,000	8,221	125,221

1. Year ending March 2013

Source : Tourism Research Australia ; Urbis

Using data provided by *Tourism Research Australia*, **Table 3.10** analyses the average daily spend of tourists in Adelaide and Regional SA. It is estimated that in Regional South Australia (SA) domestic day trippers spend, on average, \$85 dollars per day, domestic overnight visitors spend \$120 per day (including airfares) and international visitors spend \$54 per day.

Given these spending figures include all expenses, the proportion of each traveller's daily spend that is directed toward retail goods has been calculated and is also shown in **Table 3.10**. It is estimated that visitors spend between \$20-\$49 on retail goods per day when visiting Regional SA.

South Australian Tourism Expenditure

AVERAGE DAILY RETAIL SPEND

TABLE 3.10

	Proportion Retail (%)	Adelaide (\$)	Regional SA (\$)	Australia (\$)
Average daily spend				
Domestic Day trip		113	85	106
Domestic Overnight ²		241	120	176
International		66	54	86
Average daily retail spend				
Domestic Day trip	57%	65	49	61
Domestic Overnight	36%	86	43	63
International	37%	24	20	32

1. Year ending March 2013

2. Includes airfares

Source : *Tourism Research Australia ; Urbis*

These visitation and expenditure estimates, have been used to calculate the additional market available in Strathalbyn derived from tourism. As shown in **Table 3.11**, tourism contributes an additional \$13.7 million of retail expenditure to the Strathalbyn region each year, equating to an additional 10% on top of the resident spending market.

Additional Retail Market

ADDITIONAL MARKET DERIVED FROM TOURISM

TABLE 3.11

	Visitors (no.)	No. Vistors Per Day (no.)	Average Daily Spend ¹ (\$)	Total Daily Spend (\$)	Annual Expenditure (\$)
Domestic Day Trips	232,000	636	49	30,926	11,288,028
Domestic Overnight Trips	56,000	153	43	6,531	2,383,919
International	1,099	3	20	60	22,082
Total	289,099	792	47	37,518	13,694,029

1. Based on Regional SA estimates.

Source : *Tourism Research Australia ; Urbis*

3.4 SUMMARY

Key findings regarding the Strathalbyn trade area market are:

- The Strathalbyn Town Centre serves a broad regional catchment.
- Alexandrina District Council was the fastest growing LGA outside of metropolitan Adelaide in FY 2009/10. Over the 5 years from 2007 to 2012, Strathalbyn SLA experienced growth of 2.3% per annum.
- The Strathalbyn trade area has experienced strong population growth over the past five years and had a resident population of 13,700 in 2012. This growth is anticipated to continue over the next nine years to 2021, forecast to increase by 1.5% per annum to 15,600.
- Per capita retail spending in the trade area is 6% higher than the Non-Metropolitan South Australian average.
- Strathalbyn trade area residents generated a retail spending market of \$177 million in 2012 (\$2012 excluding GST). Through growth in population and real spending growth this market is forecast to increase by 27% to \$225 million (\$2012, excluding GST).
- The workplaces of over 70% of employed trade area residents are located outside the trade area.
- As part of the Fleurieu Peninsula, Strathalbyn is a key tourism destination in South Australia with an estimated 289,000 visitors per annum. These visitors inject an additional \$13.7 million into the Strathalbyn retail economy per year.

Given the level of growth forecast in Strathalbyn over the coming decade there will be the need and demand for additional retail facilities and services to support these new residents. There may also be a significant opportunity to 'claw back' a proportion of the retail expenditure currently escaping from the trade area.

Having established that a need and demand will exist for additional retail facilities, the following section considers the current retail facilities available to trade area residents.

4 Retail Structure

This section provides an overview of the competitive environment influencing the shopping patterns of residents of the trade area. It also includes the findings of a landuse and retail floorspace survey of Strathalbyn, conducted by Urbis, resulting in estimates of the amount of space by category and location.

4.1 EXISTING AND FUTURE RETAIL FACILITIES

The existing and likely future retail facilities in the Strathalbyn region are reviewed in this sub-section.

Table 4.1 details the major retail facilities that are likely to be used by residents of the Strathalbyn region, the locations of which are indicated on **Map 4.1**.

Strathalbyn Competition

REGIONAL COMPETITION

TABLE 4.1

Main Retail Locations	Estimate		Major Tenants	
	Retail GLA	Distance from Strathalbyn	Non-Food	Food
	(sq.m)	(km)		
Within Trade Area				
<u>Strathalbyn</u>	<u>12,700</u>	-		
• Town Centre Core	8,300			Woolworths, IGA
• High Street and Surrounds	4,400			
Beyond Trade Area				
<u>Mount Barker</u>	<u>56,500</u>	21		
• Mount Barker Central	15,000		Kmart	Coles
• Barker Plaza	4,900			Rite Price
• Mount Barker Village SC	2,900			Foodland
• Mount Barker Woolworths	3,500			Woolworths
• Mount Barker Homemaker Centre	16,400		Harvey Norman	
• Other	13,800			IGA Fresh
Goolwa	14,800	30		Woolworths, Foodland
<u>Murray Bridge</u>	<u>63,600</u>	38		
• Murray Bridge Market Place	15,800		Big W	Woolworths
• Murray Bridge Green	7,800		Target Country	Woolworths
• Murray Bridge Coles	6,000			Coles
• Other	34,000			IGA, IGA Fresh

Source: Urbis



© 2013. PMSA Australia Ltd, Navteq Pty Ltd, Australia Bureau of Statistics. Produced by Urbis Pty Ltd, Jul 2013

4.2 WITHIN MAIN TRADE AREA

As discussed earlier in **Section 2** and shown in **Map 2.2**, Strathalbyn's retail facilities are in two key areas: the **Town Centre Core**; and **High Street and Surrounds**. These areas are also shown on **Map 4.2** which also shows the landuse, by block. Together the two retail areas provide a total of 12,700 sq.m of retail floorspace; yet these distinct areas cater to different markets. The information shown in **Map 4.2** will be discussed later in section 6 when reviewing future development options.

The **Town Centre Core** runs along Dawson Street, and other nearby streets, and is the conventional retail strip/town centre focussed on providing convenience based retail facilities for local residents. With approximately 8,300 sq.m of retail floorspace, the major components of the Dawson Street retail strip are:

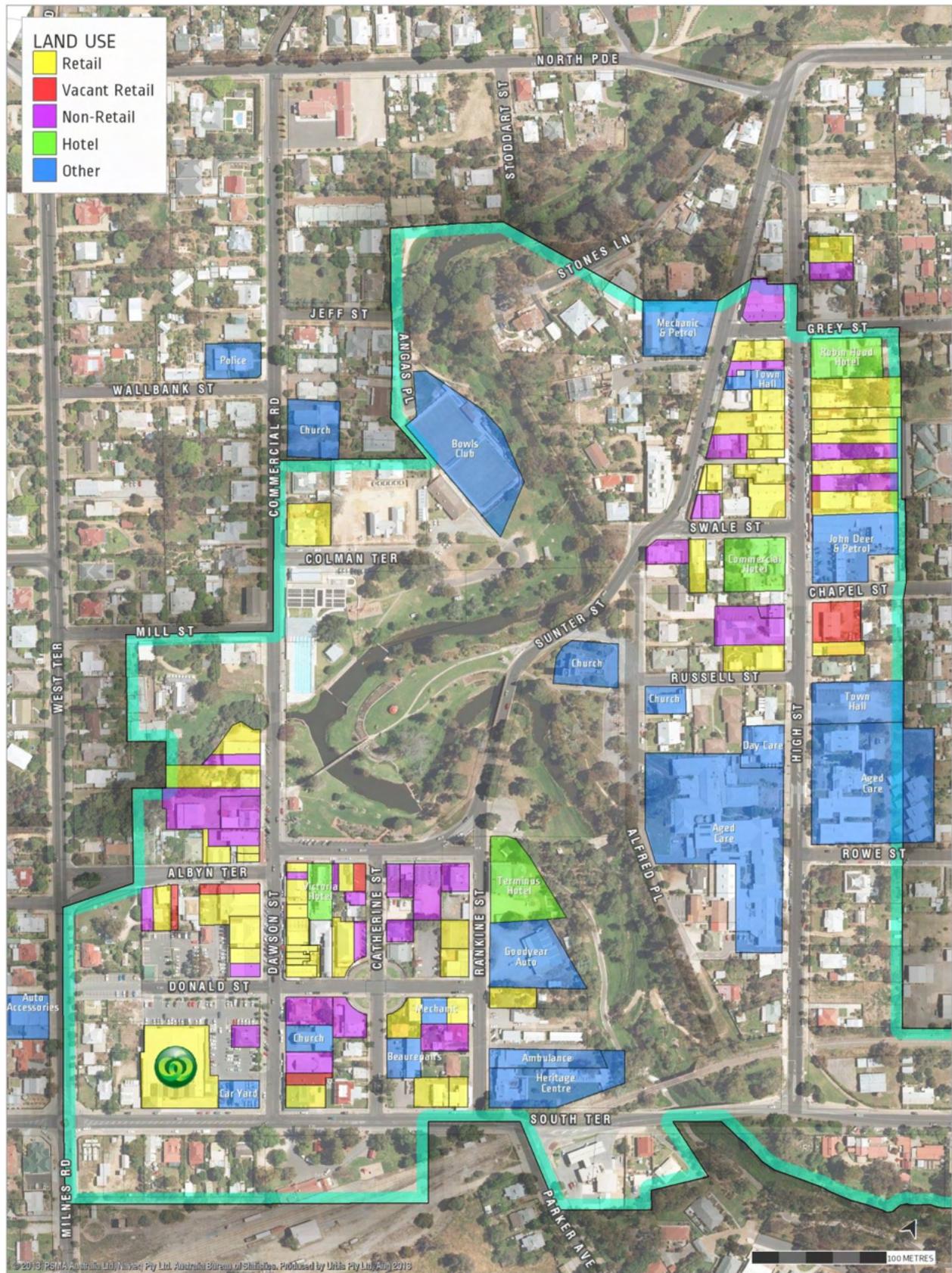
- A Woolworths supermarket located at the southern end of Dawson Street. The 2,100 sq.m store is a relatively new addition to Strathalbyn, and provides at-grade carparking.
- An IGA supermarket of around 450 sq.m is located at the intersection of Albyn Terrace and Dawson Street. The store has a poor layout, is outdated and provides limited at-grade carparking facilities at the rear (off Donald Street).
- The Dawson Street retail strip currently provides around 5,700 sq.m of specialty store space and is mostly focussed on servicing the convenience needs of the local residents. Tenants include a pharmacy, bakery, butcher, newsagent, liquor shop, post office, banks, and real estate agents, along with a limited range of other store types.

Retail facilities on **High Street** are mostly antique and bric-a-brac shops that attract spending from tourists visiting the region. Accounting for an estimated 4,400 sq.m of retail floorspace, there is a number of interesting and unique antique stores, mostly in heritage buildings, and supporting cafes and restaurants. This precinct is focussed on providing a drawing point for tourists, and provides little in the way of regular retail needs for Strathalbyn residents.

The retail facilities in Strathalbyn are currently limited. Based on the total retail space throughout the **Town Centre Core**, the provision of retail floorspace is 0.6 sq.m per person for the main trade area. This is approximately $\frac{1}{4}$ of the average provision in Australia of in excess of 2.2 sq.m per person. Although this level of floorspace would not be expected in Strathalbyn due to the size of the market, it is clear that the current provision is very low in any event.

Dispersed throughout the trade area are several small towns, such as Meadows and Macclesfield that are serviced by their own small bakeries, post offices, general stores and pubs. In order to fulfil their main convenience shopping needs, residents of these smaller towns would travel to Strathalbyn or elsewhere.

Within Strathalbyn, there is a distinct lack of higher order retail facilities catering to discretionary shopping needs. In order for residents of the Strathalbyn trade area to make these types of purchases, they must travel outside of the trade area to locations such as Mount Barker and Murray Bridge.



4.3 BEYOND MAIN TRADE AREA

Beyond the main trade area there are a number of larger retail centres which are utilised by the residents of Strathalbyn. These include:

- The township of **Mount Barker** provides approximately 56,500 sq.m of retail space and is located 21 km north of Strathalbyn. Given the lack of retail facilities in Strathalbyn, main trade area residents are likely to conduct a large proportion of both their non-food and food spending at Mount Barker. The major components of Mount Barker are as follows:
 - Mount Barker Central is a single Discount Department Store (DDS) centre anchored by Kmart and a Coles supermarket. The centre is approximately 15,000 sq.m in size and comprises a mix of specialty retailers including national brands such as Cotton On and Strandbags. The centre provides a mix of convenience and higher order shopping facilities.
 - Barker Plaza is located at the intersection of Morphett Street and Hutchison Street with linkages to the main retail strip on Gawler Street. Barker Plaza is anchored by a Rite Price discount supermarket of approximately 1,700 sq.m as well as seven specialty stores.
 - Mount Barker Village Shopping Centre is located at the intersection of Hutchinson Street and Victoria Crescent and is approximately 3,000 sq.m in size. The supermarket based centre is anchored by a Foodland supermarket of 1,300 sq.m as well as 10 specialty stores.
 - Mount Barker Homemaker Centre opened in December 2011 providing a consolidated bulky goods precinct servicing in the Adelaide Hills and Fleurieu. The centre comprises 16,400 sq.m of retail floorspace across 15 retail tenants, including Harvey Norman, and a café.
 - Mount Barker also includes extensive strip retailing with over 17,000 sq.m of floorspace, including a Woolworths supermarket. The retail strip includes a number of retail and non-retail facilities including cafés, fashion, fresh food, banks and the like.
- The township of **Goolwa** is located approximately 30 km south of Strathalbyn. The town currently provides around 14,800 sq.m of retail floorspace. The main retail centre in the town is a double supermarket centre anchored by a Woolworths and small Foodland supermarket. Goolwa's retail is mainly focused on convenience with a small portion of discretionary retail targeted at tourism (e.g. giftware).
- **Murray Bridge** is located 38 km north west of Strathalbyn. Retail facilities include:
 - Murray Bridge Market Place a recently opened single DDS centre anchored by Big W and Woolworths. The centre is located a street back from the "main street" of Murray Bridge and comprises 15,800 sq.m of retail floorspace with a strong apparel focus. The centre is serviced by underground carparking and is integrated with community uses in the town centre.
 - Murray Bridge Green is a supermarket centre anchored by a Woolworths and a small Country Target. The centre occupies a high visibility location on the corner of Princes Highway and Swanport Road, but it is very tired in appearance and in need of redevelopment. The owners of the property are currently seeking planning approval to upgrade the premises to include a Coles supermarket and full-line Target. The development proposed is believed to include an additional 4,200 sq.m of retail floorspace.
 - A small supermarket centre anchored by Coles is located on Mannum Road. The centre is poorly presented and plagued by vacancies. The centre's carparking, while ample, is sloping; creating difficulty for customers with trolleys. The future of the centre is uncertain, particularly if a Coles supermarket is developed less than 500 m away at Murray Bridge Green as proposed.
 - Murray Bridge has an extensive retail strip focussed around Mannum Road, providing a mix of retailing and personal and business services.

4.4 RESIDENT SHOPPING PATTERNS

In December 2002, the South Australian Centre for Economic Studies at the Adelaide and Flinders University published a report entitled *Strathalbyn District Study: Keeping Pace* for the Strathalbyn District Commerce Association, in conjunction with the Fleurieu Regional Development and Alexandrina Council. The report aimed to assist with planning for the Strathalbyn region, including for commercial activity, tourism, the development of Strathalbyn as an antique centre, and industry development. After surveying 1,000 permanent and non-permanent residents of Strathalbyn, the report determined that:

“shopping facilities are not adequate for current residents. They do not lend support to high tourism activity and weekend stays. Supermarket facilities need to be improved and there appears to be strong demand for basic clothing items. Expenditure on food and non food household items will continue to drift to Mount Barker without specific action to address this.”⁵

The survey asked residents of Strathalbyn to indicate the location where they conducted their main shop for food and groceries. Multiple responses were given to this question. The results from permanent residents of Strathalbyn indicated that around two thirds of respondents shopped for food and groceries at their local supermarket, whilst one quarter of respondents shopped at other retail facilities in the local area (i.e. specialty shops).

A large proportion of residents mainly conducted their food and grocery shopping at retail facilities beyond Strathalbyn. In particular 40% of residents travelled to Mount Barker to conduct food and grocery shopping. Other popular locations are as follows:

- Adelaide (7% of respondents)
- Murray Bridge (6% of respondents)
- Westfield Marion (5% of respondents)
- Goolwa/Victor Harbour (3% of respondents)

The results for non-food shopping indicated that even more spending on non-food household goods and clothing was being conducted beyond Strathalbyn. Only 25% of respondents shopped for non-food household goods and clothing in their local area. Around 43% of residents travelled to Adelaide, 32% travelled to Mount Barker and 23% travelled to Westfield Marion to purchase these items.

When residents were questioned about the major failings of the retail provision in Strathalbyn, residents quoted the lack of supermarket facilities and basic clothing items. Since that time, a Woolworths supermarket has been developed in Strathalbyn, however opportunities to perform any higher order shopping in the town are still very limited, despite the added attraction of a major supermarket.

4.5 SUMMARY

Residents of Strathalbyn and the main trade area at present are disadvantaged by the relatively limited retail offer provided at Strathalbyn. This necessitates local residents having to travel outside the area to satisfy most of their shopping needs.

The current retail deficiencies, together with the opportunity to reduce escape spending and provide for growth, presents a clear need and opportunity to improve the retail offer in Strathalbyn.

The following section quantifies the volume of retail expenditure leaking from the trade area as a result of the lack of local retail facilities.

⁵ South Australian Centre for Economic Studies, *Strathalbyn District Study: Keeping Pace*, 2002, Page (i)

5 Expenditure Leakage

This section provides an assessment of the amount of spending that Strathalbyn trade area residents currently direct outside Strathalbyn.

To assess the level of 'escape' retail expenditure from the trade area (i.e. expenditure by trade area residents directed outside the trade area), the retail turnover for the Strathalbyn Town Centre Core has been estimated for 2013. This excludes spending at pubs, markets, other non-traditional retail facilities and disparate uses outside the Town Centre Core.

Table 5.1 indicates that total retail turnover capture within the Town Centre Core is probably around \$46 million. The proportion of this turnover accounted for by non-residents (i.e. tourists and passers-by) is estimated at 13%, suggesting that the retail turnover from trade area residents is around \$40 million.

As shown previously in **Table 3.3**, total retail expenditure by trade area residents currently equates to \$177 million, including both food and non-food expenditure generated by households (i.e. not businesses).

The volume of retail expenditure leaking from the trade area is therefore estimated at around \$138 million in 2013, or approximately 78% of total retail expenditure. This would be even higher for non-food categories, probably in excess of 85%.

Strathalbyn Trade Area Expenditure Leakage

RESIDENT RETAIL SPENDING DIRECTED OUTSIDE OF TRADE AREA

TABLE 5.1

	Unit	Total Retail
Retail floorspace	sq.m	8,285
Average trading level	\$/sq.m	5,536
Total retail turnover	\$M	45.9
Turnover from beyond trade area	%	13.0%
Turnover from trade area residents	\$M	39.9
Trade area total retail spending market	\$M	177.4
Escape spending	\$M	137.5
Escape spending	%	77.5%
Market Share Captured	%	22.5%

Source: Urbis

This is an extremely high level of retail expenditure leakage and highlights the insufficient provision of retail goods and services in Strathalbyn, not only for Strathalbyn trade area residents but also for tourists. In order for residents to fulfil their basic retail needs, they must travel outside to places such as Mount Barker, Murray Bridge and greater Adelaide.

Based on the preceding analysis of the retail market, the prevailing retail environment in the Town Centre Core, resident shopping patterns, and the amount of escape expenditure leaking from the trade area, the following section considers options for delivering future retail floorspace requirements in Strathalbyn.

6 Retail Floorspace Requirements and Options

This section summarises the need for additional retail facilities and services in Strathalbyn, based on the current level of under-provision as well as future growth, and reviews some opportunities for future retail development in Strathalbyn.

6.1 MARKET CAPACITY

The previous sections of this report have clearly concluded that there is a significant under-provision of retail floorspace in Strathalbyn to serve the needs of local residents and tourists. The market is relatively strong, leading to solid expenditure levels, but the provision of suitable retail floorspace is limited; as a result, escape spending is extremely high.

Although high levels of escape spending should be expected for Strathalbyn, given its size and the greater range available in the regional towns of Goolwa, Mount Barker and Murray Bridge, the fact that a high proportion of food spending and arguably around 85% of non-food expenditure is being directed elsewhere, clearly suggests that there is capacity in the Strathalbyn market to provide a greater range.

As previously indicated it is likely that around \$138 million of retail expenditure is leaking from the trade area. This is sufficient to support approximately 25,000-30,000 sq.m in a provincial regional location, not all of which could accrue to Strathalbyn. It is relevant to note, however, that if as little as a 10% share could be retained, this would result in a need for 2,500-3,000 sq.m.

We suggest that this could be viewed as a minimum to cater for immediate needs, but that further retail floorspace could be supported in the future given the growth expected.

6.2 MARKET GROWTH

In addition to the current deficiencies, **sub-section 3.1.3** indicated that the trade area is growing and that this is expected to continue over the forecast period. **Table 3.2** showed that future growth is forecast at 1.5% per annum, resulting in a population of 16,300 by 2026, some 19% greater than today.

Clearly Strathalbyn needs to plan for this growth, including, amongst other uses, the additional retail facilities and services that will be required.

In total, growth in the market of relevance to Strathalbyn will generate demand for 8,000-10,500 sq.m of retail floorspace by 2021 and 14,000-17,000 sq.m by 2026, depending on the composition of retail realised. Once again, although a large proportion of this would be catered for in places like Mount Barker, it is also clear that an opportunity exists for Strathalbyn to improve the range of retail facilities available to local residents and tourists whilst also providing much needed local employment opportunities. As above, if as little as a 20% share could be retained in Strathalbyn, noting that new residents will have a requirement for convenience facilities – which account for more than 50% of retail spending - this would result in a need for around 1,500-2,100 sq.m of additional retail floorspace by 2021 and 2,600-3,400 sq.m of additional retail floorspace by 2026.

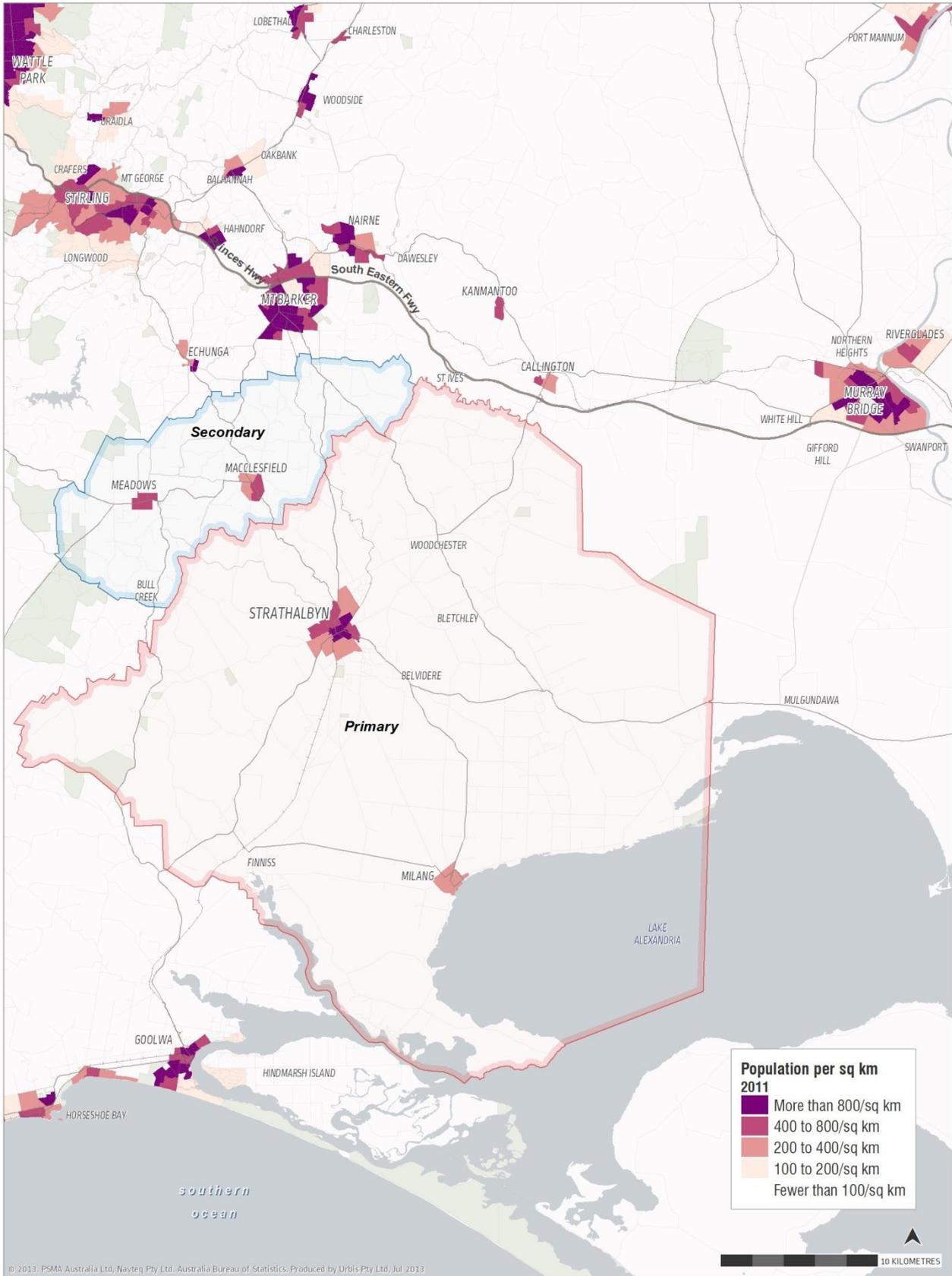
As shown previously in **sub-section 3.1.3** most of the population growth in Strathalbyn is occurring in new residential estates, including Pipers Crest and Aberdeen Park, in the northern part of the township. These are high quality residential environments, suggesting that the socio-economic profile and spending potential of the market is arguably improving, albeit from an already strong foundation. In addition, the new residential areas which, as shown in **Map 3.2**, are predominantly to the north of the Town Centre, could be earmarked for local convenience-based retail facilities as well as local services.

6.3 AVAILABLE LAND SUPPLY

With the current deficiency in retail floorspace set to increase in line with future growth in the trade area market, there is a need to explore where this additional floorspace could be located. This sub-section will evaluate potential sites within the District Centre, having regard to population density and distribution, and existing land uses.

6.3.1 POPULATION DISTRIBUTION

Within the Strathalbyn trade area, the population is quite dispersed, although, as would be expected, the highest concentration of population is located in and around the Strathalbyn township (see **Map 6.1**). The population in other areas of the trade area is too lean for any other town to be considered appropriate for the range of additional facilities required, indicating that sites within the Strathalbyn township are really the only option.



6.3.2 POTENTIAL SITES

The next stage, therefore, is to determine where, if any, are the appropriate sites to accommodate retail floorspace growth opportunities in Strathalbyn. Indeed, it should also be expected that non-retail facilities and services, including personal, business and community services, will also be required, but this report focuses on retail needs.

In order to ascertain the availability of suitable sites, as previously indicated, for the purposes of this assessment we have conducted a Town Centre landuse survey in July 2013. In doing so we considered the **Town Centre Core** and **High Street and Surrounds** as two quite separate components, although we note that both are part of the overall District Centre. The results of the survey were shown earlier on **Map 4.2**. This map is repeated for ease of reference as **Map 6.2**.

Within the Town Centre Core, retail uses are housed in 6 blocks, interspersed with non-retail uses of various types. Two of these blocks also accommodate at-grade carparking areas, mainly concentrated around the supermarkets. These carparking areas are obviously essential for the operation of the supermarkets and adjoining uses and would therefore not be available for further retail or related development. In all likelihood this would be written into the Woolworths lease so as to ensure that customer convenience is preserved.

On the eastern side of Rankine Street there are reasonably large scale uses of a non-retail type occupying large sites.

It is also readily apparent that the attractive parks and waterways, which form a focal point for the pleasant environs of the District Centre, act as significant constraints to the expansion prospects of the Town Centre Core.

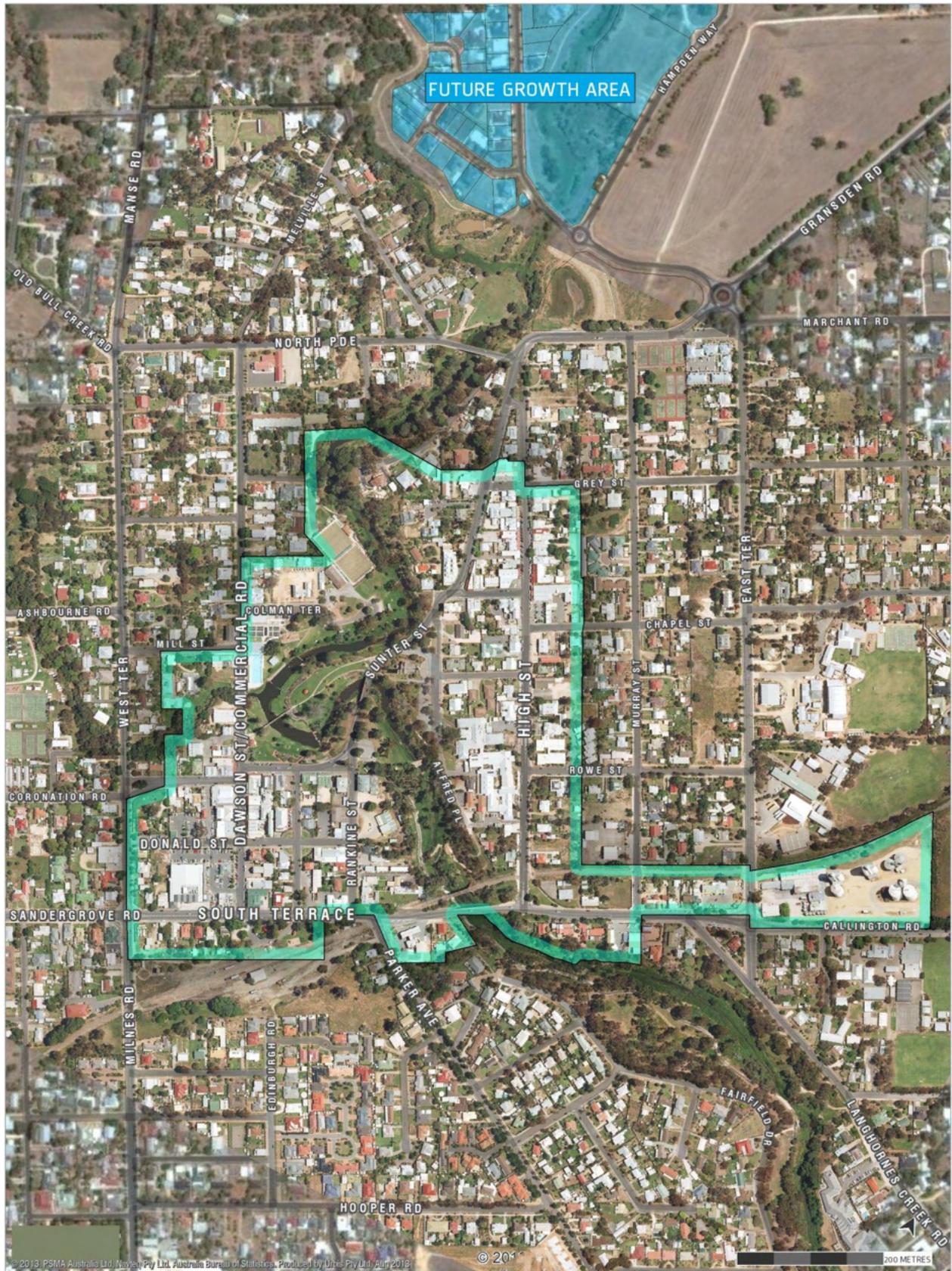
With the possible exception of one or two relatively small parcels in, at best, fringe positions, it is clear from **Map 6.2** that the existing Town Centre Core has limited, if any, capacity to accommodate further retail or related development without compromising existing uses of a non-retail nature within the District Centre (i.e. replacing non-retail with retail uses). This is unlikely to be a desirable outcome.

The question then arises as to whether the High Street and Surrounds area is a suitable location. **Map 6.2** also shows the range of uses within this area. Clearly the area between Chapel and Grey Streets is occupied by antique and like retailers, mostly in buildings with historic character. These two factors, the type of use and the buildings, enable the High Street and Surrounds area to serve a special purpose and a highly specialised niche market. This area is undoubtedly a tourist attraction.

South of Chapel Street the High Street and Surrounds area lacks strength as a traditional retail location by virtue of the current uses (i.e. community facilities and services such as aged care), niche role of the street, topography, and a breakdown in continuity.

There are multiple land uses within the Town Centre Core that are non-retail. It is theoretically possible to convert these to retail areas, however in reality, there are significant practical difficulties in doing this, including displacement of the current occupants. For this reason, other areas of suitable available land must be explored to accommodate the current and future demand for retail space.

As shown in **Map 6.3**, the growth area to the north of the Town Centre Core, which is the location of the new residential estates, clearly has parcels of land with major road frontages and of a sufficient scale, which are well placed for suitable development.



7 Conclusions

The key conclusions presented in this report are summarised as follows:

- Our assessment of the size of the market and the provision of retail floorspace is based on ANZSIC definitions, as outlined in the introduction to this report. This ensures internal consistency and relevance.
- The Strathalbyn trade area accommodates 13,725 people and this is forecast to increase to 15,630 people by 2021 and further to 16,300 people by 2026 (a total increase of 19%).
- Total retail expenditure by trade area residents currently amounts to \$177 million (2012). With population growth and 'real' growth in spending levels this is forecast to increase by 27% or \$48 million to \$225 million (\$2012) by 2021 and \$254 million by 2026. At least 50% of this expenditure relates to food and convenience needs.
- The estimated turnover volume accruing to retailers in the Town Centre Core, focussed around Dawson Street, is \$46 million in 2012, with almost \$40 million attributable to residents and the remainder to tourists and passers-by. This market share capture in Strathalbyn represents just 22% of total resident retail spending.
- This means that escape spending from the Strathalbyn catchment is approximately \$138 million or 78% overall, with non-food expenditure leakage likely to be in excess of 85%. This is extremely high and suggests that the current range of facilities and services in Strathalbyn are not adequately serving local needs, and there is potential to 'claw back' some of this leakage. As little as 10% clawback would support 2,500-3,000 sq.m of additional retail floorspace in Strathalbyn, regardless of future growth. Further analysis may indicate a larger requirement, but suffice it to say that local needs are not being met locally, and there is an existing need for a better range of facilities and services.
- Clearly Strathalbyn also needs to plan for growth, including, amongst other uses, the additional retail facilities and services that will be required to support a 14% increase in population and a 27% increase in the spending market.
- In our view this growth is likely to support a need for in excess of 1,500-2,100 sq.m of additional retail floorspace in Strathalbyn by 2021 and 2,600-3,400 sq.m by 2026, in addition to the floorspace that can be supported by retaining some escape spending.
- We suggest that a minimum requirement to cater for immediate needs and foreseeable growth should include provision for between 4,000 sq.m-6,500 sq.m of additional retail floorspace over time. The land requirement for 6,500 sq.m of retail floorspace alone is around 2 hectares. Allowance should also be made for non-retail uses.
- In terms of possible locations it seems clear that the Town Centre Core is constrained by both physical features and heritage buildings. Some minor sites that could be potentially available are unlikely to be suitable due to the displacement of existing uses, site areas and locations, and the issue of retail continuity.
- The High Street precinct is a specialised niche precinct with a unique character and mix. The tourist credentials of this location, together with the existing aged care facilities, are unlikely to make High Street a suitable location for locally orientated retail expansion.

Disclaimer

This report is dated 28 August 2013 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (Urbis) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Strath Property Investments Pty Ltd (Instructing Party) for the purpose of Retail Needs Assessment (Purpose) and not for any other purpose or use. Urbis expressly disclaims any liability to the Instructing Party who relies or purports to rely on this report for any purpose other than the Purpose and to any party other than the Instructing Party who relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events including wars, civil unrest, economic disruption, financial market disruption, business cycles, industrial disputes, labour difficulties, political action and changes of government or law, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or made in relation to or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

Urbis has made all reasonable inquiries that it believes is necessary in preparing this report but it cannot be certain that all information material to the preparation of this report has been provided to it as there may be information that is not publicly available at the time of its inquiry.

In preparing this report, Urbis may rely on or refer to documents in a language other than English which Urbis will procure the translation of into English. Urbis is not responsible for the accuracy or completeness of such translations and to the extent that the inaccurate or incomplete translation of any document results in any statement or opinion made in this report being inaccurate or incomplete, Urbis expressly disclaims any liability for that inaccuracy or incompleteness.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading bearing in mind the necessary limitations noted in the previous paragraphs. Further, no responsibility is accepted by Urbis or any of its officers or employees for any errors, including errors in data which is either supplied by the Instructing Party, supplied by a third party to Urbis, or which Urbis is required to estimate, or omissions howsoever arising in the preparation of this report, provided that this will not absolve Urbis from liability arising from an opinion expressed recklessly or in bad faith.

Sydney

Tower 2, Level 23, Darling Park
201 Sussex Street Sydney, NSW 2000
t +02 8233 9900
f +02 8233 9966

Brisbane

Level 7, 123 Albert Street
Brisbane, QLD 4000
t +07 3007 3800
f +07 3007 3811

Melbourne

Level 12, 120 Collins Street
Melbourne, VIC 3000
t +03 8663 4888
f +03 8663 4999

Perth

Level 1, 55 St Georges Terrace
Perth, WA 6000
t +08 9346 0500
f +08 9221 1779

Australia • Asia • Middle East
w urbis.com.au e info@urbis.com.au



ESSENTIAL ECONOMICS

Strathalbyn

Retail Peer Review and Assessment

Prepared for

Department of Planning, Transport and Infrastructure

By

Essential Economics Pty Ltd

March 2015

Authorship

Report stage	Author	Date	Review	Date
Final report	Nick Brisbane	2 March 2015	John Henshall	3 March 2015

Disclaimer

Although every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented herein, Essential Economics Pty Ltd accepts no liability for any actions taken on the basis of the contents of this report.

The information in this report has been prepared specifically for the stated client. This document should not be used or replicated in any way by any other party without first receiving written consent from Essential Economics Pty Ltd.

Contact details

For further details please contact Essential Economics Pty Ltd at one of our offices:

96 Pelham Street

Carlton

Victoria 3053

Australia

PH +61 3 9347 5255

FAX +61 3 9347 5355

Level 26 / 44 Market Street

Sydney

New South Wales 2000

Australia

PH +61 2 9089 8654

EMAIL mail@essentialeconomics.com

WEB www.essentialeconomics.com

ABN 92 079 850 427

Our Reference: 15013

Contents

Introduction	1
1 Context Analysis	4
1.1 Regional Location	4
1.2 Project Background	4
1.3 Strathalbyn District Centre	6
1.4 Proposed Retail Development	8
1.5 Summary	8
2 Peer Reviews of Previous Retail Economic Assessments	10
2.1 Peer Review of Property & Advisory Report (April, 2013)	10
2.2 Peer Review of Urbis Report (August, 2013)	14
2.3 Implications of the Peer Review for Essential Economics' Independent Assessment	17
3 Retail Economic Assessment	18
3.1 Strathalbyn District Centre	18
3.2 Competitive Context	21
3.3 Retail Trade Area	21
3.4 Population Trends and Forecasts	24
3.5 Trade Area Resident Retail Spending	25
3.6 Retail Turnover and Market Share Analysis	27
3.7 Issues, Opportunities and Other Considerations	30
3.8 Supermarket Development Opportunities	31
3.9 Forecast Retail Floorspace Requirements	33
3.10 Potential Locations for Retail Development	34
3.11 Conclusion	36
4 Implications for Proposed New Centre	37
4.1 Recommended Size of the Neighbourhood Centre	37
4.2 Potential for Bulky Goods Development	37
4.3 Opportunity for an Integrated Service Station	38
4.4 General Trading Impact of Proposed Retail Development	39
4.5 Potential Initiatives to Support Existing Businesses	40
4.6 Conclusion	41
5 Conclusions	43

INTRODUCTION

Background

Strathalbyn is a local service centre situated in Alexandrina Council, 45km (direct distance) to the south of Adelaide, on South Australia's Fleurieu Peninsula. The centre provides a variety of services to the population in the surrounding township and beyond.

Alexandrina Council have commenced the process of planning for the future development of the Strathalbyn centre. As input to this process, a number of retail economic assessments have been prepared – with reports by Property & Advisory (for Council) and Urbis (for a private client) – which assess the future need for additional retail floorspace in the centre.

The Department of Planning, Transport and Infrastructure (DPTI) have commissioned Essential Economics Pty Ltd to undertake an independent peer review of these reports and provide independent advice in relation to the following:

- Does Strathalbyn warrant a second retail area, and if yes, what size and balance of retail types is considered appropriate?
- What impacts (both positive and negative) would a second retail area have on the established Strathalbyn district centre?
- What possible initiatives can the Government, Council or the proponent consider to help enliven the existing main street and / or mitigate any adverse impacts on established retail?
- What is the appropriateness of locating an integrated service station near the intersection of Braemer Drive and North Parade?

The above advice will assist DPTI in forming a view on the appropriateness of a proposed centre located to the north of the existing Strathalbyn town centre.

Objectives

The main objectives for this project are as follows:

- 1 To undertake a peer review of the following reports, with a particular focus on the methodology employed by the consultant and their conclusions:
 - Property & Advisory, *Strathalbyn Retail Review*, April 2013
 - Urbis, *Retail Needs Assessment, Strathalbyn*, 29 August 2013
 - Urbis, *Peer Review of the Property & Advisory Strathalbyn Retail Review*, October 2013.
- 2 To independently assess the future retail requirements in Strathalbyn and provide advice on the need for a second retail area, including how much land is required, what

types of uses would be appropriate and what (if any) impact it would have on the existing town centre.

- 3 To provide advice on the possible initiatives that Government, Council or land owners could undertake to promote the existing town centre and mitigate any potential adverse impacts.
- 4 To assess the appropriateness of an integrated service station near the intersection of Braemer Drive and North Parade.

This Report

This report contains the following chapters:

- 1 **Context Analysis**: Provides an overview of the regional location, the existing commercial areas in Strathalbyn and the proposed development located to the north of the town.
- 2 **Peer Review of Previous Retail Economic Reports**: Provides a peer review of previous reports prepared by Property & Advisory and by Urbis.
- 3 **Retail Economic Assessment**: Assesses the existing retail market for Strathalbyn and provides estimates of future demand for retail development in the town centre.
- 4 **Implications for Proposed New Centre**: Includes recommendations on the size of the centre and its tenants, and an overview of the potential impacts that may arise from the proposed development.
- 5 **Conclusions**: Summarises the main findings of the research and analysis presented in this report.

Terms and Definitions

Retail Activity

Retail activity is defined in this report according to the industry classifications used by the Australian Bureau of Statistics (ABS) in the preparation of the 1991/92 Retail and Services Census, but modified to exclude garden supplies, marine equipment and motor vehicle and related trade. The classification broadly follows the latest Australia and New Zealand Standard Industry Classification (ANZSIC) for 2006.

The definition used in this report is consistent with other approaches in undertaking retail-economic analysis in Australia.

A range of non-retail uses often operate in conjunction with and/or adjacent to many retail traders, including cinemas, offices, travel agencies, lotto and gaming outlets, banks and other financial institutions, equipment hire and garden supplies, and so on. For the purposes of this report, these non-retail functions are not explicitly assessed; however, their presence and association with the retail sector is recognised where appropriate in the analysis and recommendations.

Retail Categories

In the report, retail floorspace and retail expenditure is divided into three broad product categories and a number of sub-categories. These categories and sub-categories are defined as follows:

- **Food retailing**, including the following sub-categories:
 - Food, liquor and groceries (FLG), which comprises household spending on take-home food, groceries and liquor. This type of spending is usually directed to retail stores including supermarkets, fresh food stores, bakeries, butchers, etc.
 - Food catering, which includes household spending at cafes, restaurants and take-away food outlets.
- **Non-food retailing**, including the household spending on apparel, leisure and general merchandise, bulky merchandise and homewares.
- **Retail services**, which comprises household spending on services such as hair dressing, dry cleaning, video hire, and optometry.

Retail spending and turnover figures in this report are presented in 2015 dollars and are inclusive of GST.

1 CONTEXT ANALYSIS

This Chapter provides a brief overview of the context within which this project has been commissioned, including the regional location of Strathalbyn, background to the project, and an overview of the Strathalbyn centre and the proposed centre.

1.1 Regional Location

Strathalbyn is a local service centre situated in Alexandrina Council, 45km (direct distance) to the south of Adelaide, on South Australia's Fleurieu Peninsula, as shown in Figure 1.1. The centre provides a variety of services to the population in the surrounding township and beyond. As with most town centres, retailing performs an important role in supporting the vitality of the centre.

Other centres in the broader region which provide a level of competition to the Strathalbyn include Victor Harbor, Goolwa, Mount Barker and Murray Bridge.

1.2 Project Background

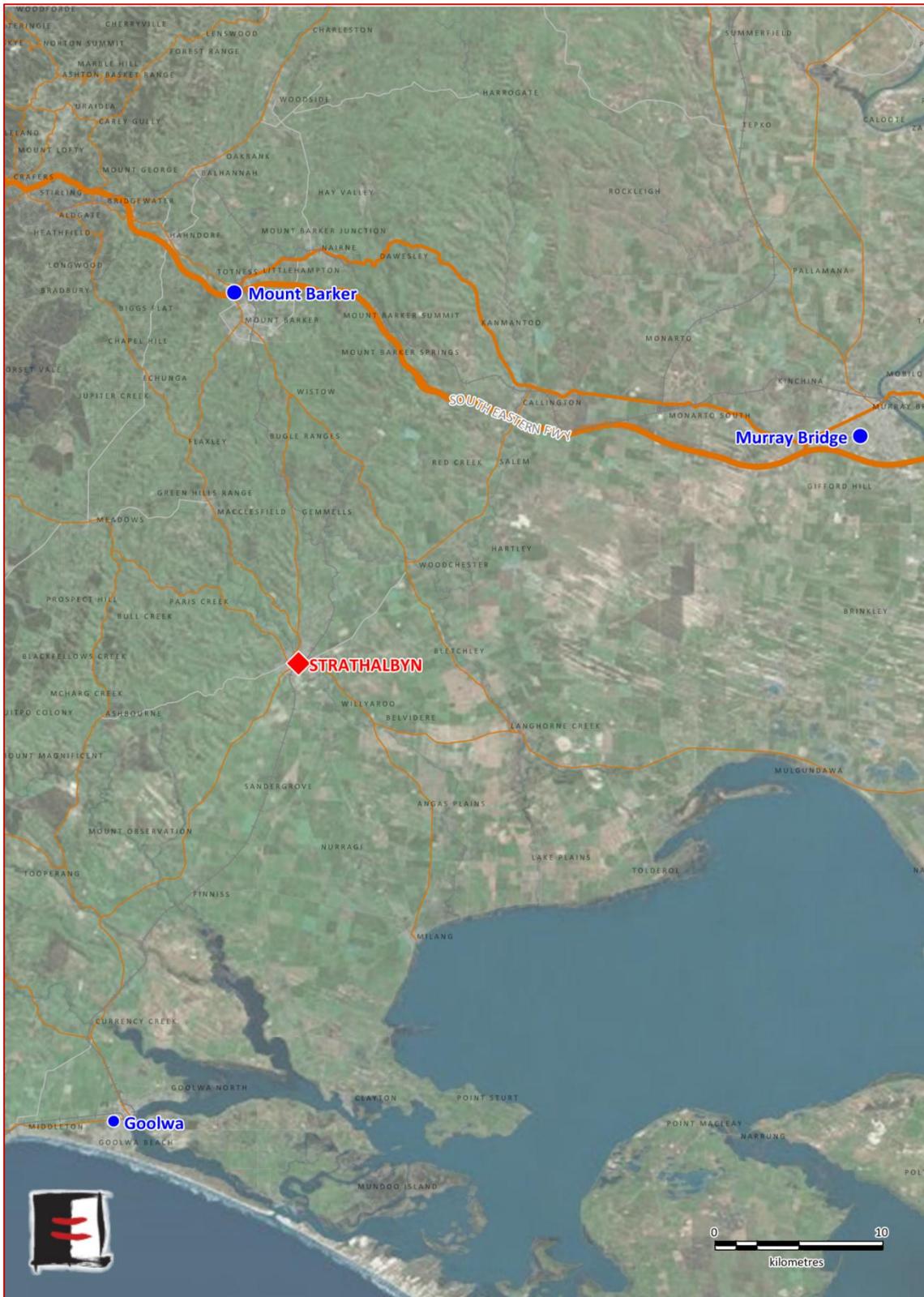
Alexandrina Council have commenced the process of planning for the future development of the Strathalbyn centre, following the implementation of many of the actions from previous plans for the centre.

As part of this process, Council commissioned *Property & Advisory* to prepare a retail needs analysis (*Property & Advisory, Strathalbyn Retail Review, April 2013*) which used a retail-gravity model to forecast future retail floorspace requirements in the centre. *Property & Advisory* recommended to Council that only a modest forecast demand for additional retail floorspace could be identified of approximately 3,500m² by 2026, and that this would not require any new retail areas within or beyond the centre.

Subsequent to the *Property & Advisory* report, *Urbis* was commissioned by Strath Property Investments Pty Ltd to undertake a separate assessment on the retail needs for Strathalbyn (*Urbis, Retail Needs Assessment, Strathalbyn, 29 August 2013*). *Urbis* concluded that demand will exist for up to an additional 6,500m² of retail floorspace by 2026 and that limited opportunity to accommodate this future retail demand exists within the town centre. *Urbis* concluded that there is a need to explore alternative locations for future retail development in Strathalbyn in order to provide an adequate level of retailing for trade area residents.

Subsequently, *Urbis* were commissioned to undertake a peer review of the *Property & Advisory* report (*Urbis, Peer Review of the Property & Advisory Strathalbyn Retail Review, October 2013*).

Figure 1.1: Strathalbyn – Regional Location



Produced by Essential Economics using MapInfo, StreetPro and Bing

A rezoning proposal is now under consideration and DPTI are seeking an independent peer review of the Property & Advisory report and the Urbis reports. Independent advice is also sought in relation to the following:

- Does Strathalbyn warrant a second retail area, and if yes, what size and balance of retail types do you consider to be appropriate?
- What impacts (both positive and negative) would a second retail area have on the established Strathalbyn district centre?
- What possible initiatives can the Government, Council or the proponent consider to help enliven the existing main street and / or mitigate any adverse impacts on established retail?

In addition, a proposal exists for an integrated service station to be sited near the intersection of Braemer Drive and North Parade (refer Figure 1.2). DPTI are also seeking advice as to the appropriateness of this proposal.

1.3 Strathalbyn District Centre

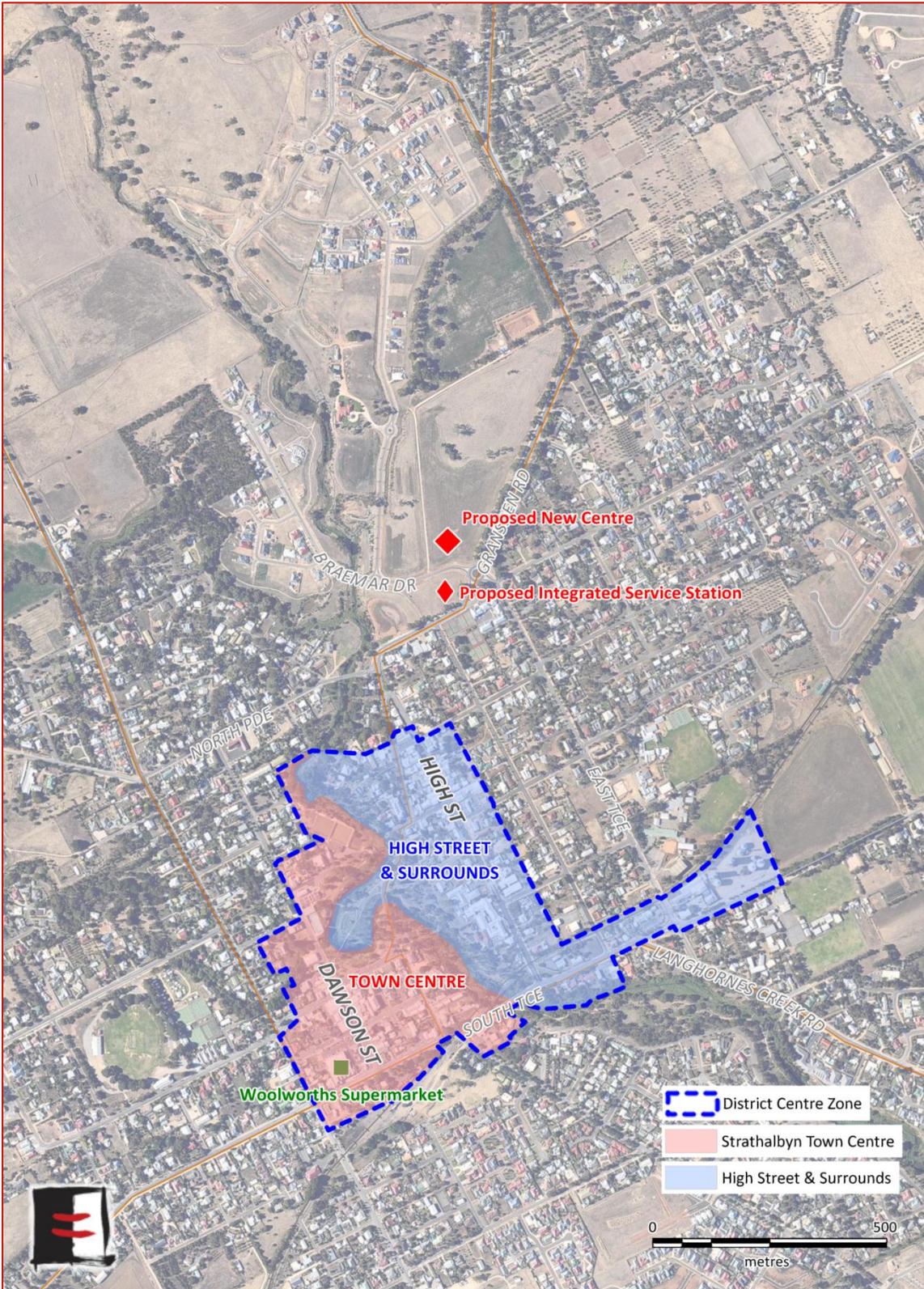
Strathalbyn is classified as a District Centre in the Alexandria Council Development Plan, with the centre being defined by the area within the District Centre Zone. This area is shown in Figure 1.2.

The centre comprises two distinct retail and commercial areas. The 'core retailing' area is centred along Dawson Street and is anchored by a Woolworths supermarket. This area serves the convenience retailing needs of the residents of Strathalbyn and the surrounding region.

A smaller retail strip is located to the east of the Angas River, along High Street. This part of the centre is valued for its heritage and has a tourism focus, and has a number of antiques shops, cafes and niche retailers.

The location of these two retailing areas is shown in Figure 1.2. A more detailed description of the land uses and the function of these two separate areas is provided Chapter 3.

Figure 1.2: Strathalbyn District Centre



Produced by Essential Economics using MapInfo, StreetPro and NearMap

1.4 Proposed Retail Development

DPTI are assessing a rezoning request for land located to the north of the Strathalbyn Town Centre, as shown in Figure 1.2, while Figure 1.3 presents the latest masterplan for the site. The proposed location is within the residential growth area for Strathalbyn as identified in the Alexandrina Development Plan.

Based on the masterplan shown in Figure 1.3, the key elements relevant to this study include the following:

- **Proposed Neighbourhood Centre Zone**, which is planned to contain the following:
 - A maximum of 5,000m² of retail floorspace
 - Gym
 - Medical facilities
 - Open-air community market site
 - Car parking.
- **Proposed Mixed Use Zone (Other)**, which is planned to contain a maximum of 4,000m² of hardware/bulky good floorspace and an integrated service station. This area is also proposed for residential development and a community garden.

It is understood through discussions with DPTI that *Foodland* is likely to be the supermarket operator at the proposed neighbourhood centre, while *On The Run* is likely to operate the integrated service station.

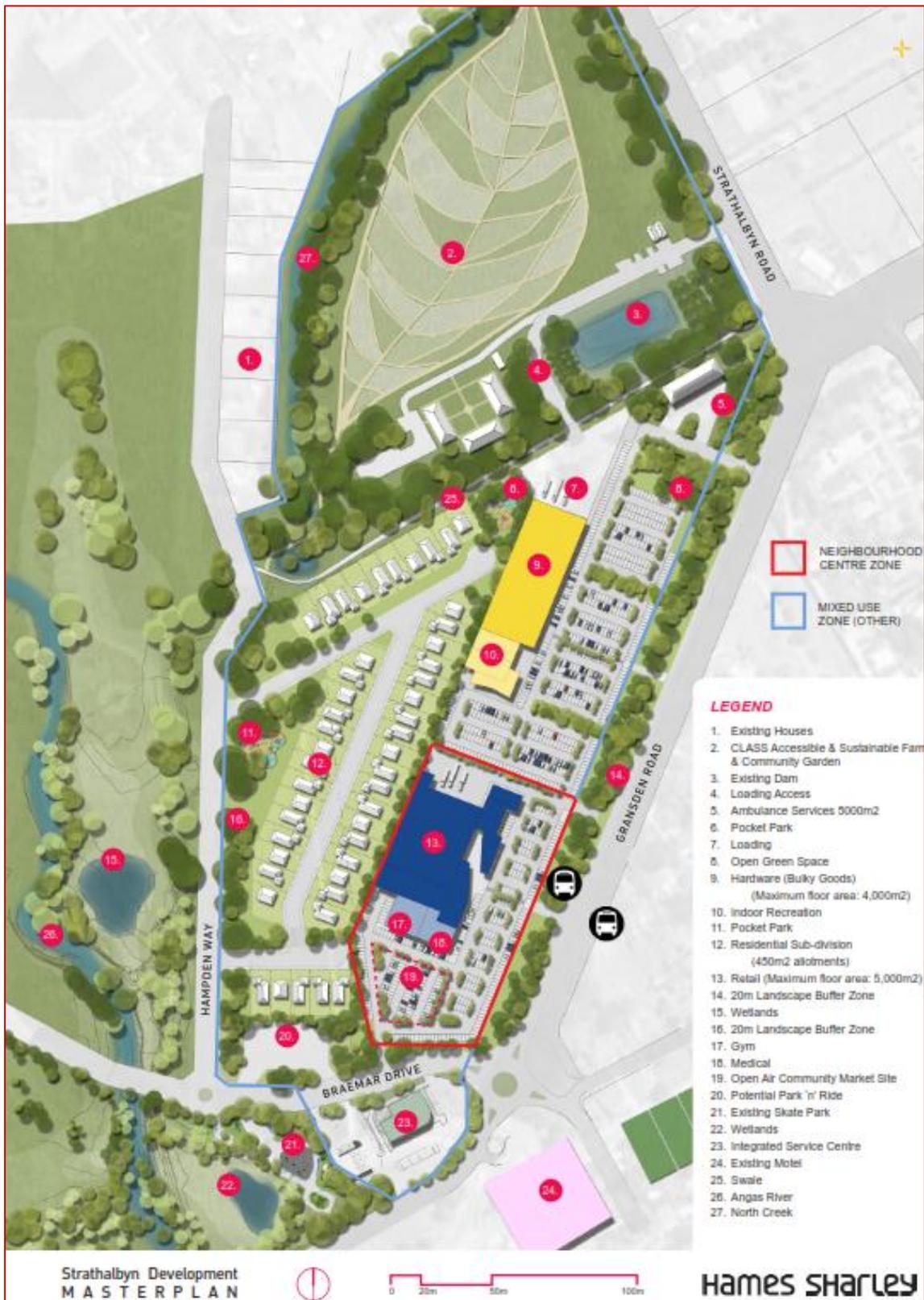
1.5 Summary

Strathalbyn is categorised as a District Centre in the Alexandrina Council Development Plan and provides a variety of retail and commercial facilities and services to surrounding residents and to visitors.

A number of retail economic assessments have been prepared as input to the future planning for retail areas in Strathalbyn, with these assessments providing different conclusions. DPTI are now assessing a rezoning proposal for a new neighbourhood centre and integrated service station in Strathalbyn.

A peer review of previous retail economic assessment is presented in the following Chapter.

Figure 1.3: Strathalbyn Development Masterplan



Source: Hames Sharley

2 PEER REVIEWS OF PREVIOUS RETAIL ECONOMIC ASSESSMENTS

This Chapter provides an independent peer review of the following reports:

- Property & Advisory, *Strathalbyn Retail Review*, April 2013
- Urbis, *Retail Needs Assessment, Strathalbyn*, 29 August 2013.

The reviews focus on the methodologies used by both consultants. Commentary on Urbis' peer review of the Property & Advisory report is also provided.

2.1 Peer Review of Property & Advisory Report (April, 2013)

Property & Advisory were commissioned by Alexandrina Council to prepare the *Strathalbyn Retail Review* (April, 2013), which sought to address the following:

- Identification of retail facilities and floorspace located in the town centre and what retail facilities the centre is lacking
- The future retail floorspace requirements
- The need, if any, for additional land for retail development.

In order to address the above, the Property & Advisory Report provides the following:

- **Introduction (Chapter 1)** provides an introduction to the report.
- **Situation Analysis (Chapter 2)** includes details on the floorspace of competing centres, and information on the population and demographics of residents and households in Strathalbyn and the surrounding region. Limited discussion and analysis is provided on retail expenditure by income quintile groups for South Australia, although no retail expenditure estimates for the catchment served by the centre are provided.
- **Retail Analysis (Chapter 3)** provides an assessment of the potential impact of changes in retail floorspace at Strathalbyn on average turnover per square metre in other nearby centres. The analysis is based on 'retail gravity modelling' (refer later in this Section) and compares average retail turnover of nearby centres under a number of scenarios.

The modelling and analysis concluded that an additional of 1,000m² of food retail floorspace and 2,500m² of non-food floorspace could be provided at Strathalbyn without significant adverse effect on centres at Mount Barker, Goolwa, Hahndorf, Victor Harbour and Murray Bridge.

- **A Retail Strategy for Strathalbyn (Chapter 4)** provides commentary on the potential location and types of retailing that may be accommodated in Strathalbyn in the future. The key finding of this Chapter is that no requirement for additional land for retail development is required and that consolidation of the existing retail areas is recommended.

“Much of the expansion should take the form of consolidation of the core retail area around the intersections of Dawson Street with Albyn Terrace and Donald Street” (p20). A number of potential redevelopment sites are identified. Local service and tourism-related retailing were identified as potential opportunities for new retailing in the town.

- **Conclusion (Chapter 5)** summarises the key conclusion of the analysis. Property & Advisory conclude that the retail gravity modelling indicates that an increase of 1,000m² in food and 2,500m² of non-food floorspace is *“the optimum formula for the immediate future”*. They conclude that *“no compelling case”* exists for retail development in the near term and that any future retail development should occur in the existing centre, i.e. there is no requirement for a new retail location in Strathalbyn.

In general terms, we have reservations regarding the methodology used by Property & Advisory for the purpose of assessing the Strathalbyn retail market as input to strategic planning for the centre.

Property & Advisory’s assessment is based on a retail gravity model (refer p15 of the Property & Advisory report) to estimate existing turnover at retail centres in the surrounding region and the likely effect that changes in retail floorspace in Strathalbyn would have on these centres.

Retail gravity models are sometimes useful tools in retail analysis, particularly in large-scale projects which involve many centres spread over a large geographic area. The use of retail gravity models in these circumstances enables a cost-effective way of assessing retail markets where ‘ground-truething’ and gathering specific data and information on how individual centres operate would be a comparatively expensive exercise. The collection of specific data for numerous individual centres can be well beyond the budget provided for these larger-scale retail assessments, and therefore the use of a retail gravity model that uses existing data provides an opportunity to assess these retail markets in a cost-effective and timely manner.

However, not many retail economic firms in Australia use retail gravity models when assessing the local impacts of retail developments. Rather, the strong preference is to gather information regarding the individual characteristics of retail centres and their catchments, and to use this information (along with other forms of analysis and experience) to provide a professional assessment of the local retail market. Having regard for the localised nature of these assessments, the gathering of information on individual centres (which usually involves visiting each centre) is considered both a viable and valuable input to the analysis.

Three major issues with retail gravity modelling include the following:

- 1 Retail gravity models rely on quality and up-to-date data
- 2 Retail gravity models are based on a set of assumptions that do not necessarily reflect the ‘real-world’ situation
- 3 Retail gravity models lack transparency.

The above issues are discussed below.

The first issue relates to the quality of the data inputs. Models, regardless of the type, rely on quality data. Without good data inputs, the outputs of the model are flawed.

The quality of the data is a particular issue with the retail gravity model used in the Property & Advisory. Many of their data inputs reflect old datasets which have since been updated. The basic inputs to their model are described on p15 of the Property & Advisory Report. These datasets are shown in Table 2.1, together with the current up-to-date information sources.

Table 2.1: Datasets Used in the Property & Advisory Retail Gravity Model

Dataset used in Property & Advisory Model	Latest Version of Dataset/Comment
ABS 2006 Census data for number of households	ABS 2011 Census data is now available <i>Data in P&A is 9 years old</i>
Planning SA population/household projections for 2011, based on ABS 2006 Census data	ABS 2011 Census data <i>Actual data is now available for population and households in 2011; therefore, no reason for P&A to use forecasts which rely on old data (i.e. ABS 2006 Census)</i>
ABS 2006 Census data for household income	ABS 2011 Census data is now available <i>Data in P&A is 9 years old</i>
ABS 2003-04 Household Expenditure Survey adjusted to 2011 dollars	ABS 2009-10 Household Expenditure Survey <i>Data in P&A is 11 years old. Unsure why data has been updated by P&A to 2011 dollars, rather than current dollars at the time of reporting (i.e. 2013 dollars).</i>
2007 Adelaide Retail Database (Planning SA, 2008) for retail floorspace. P&A report states that data has been updated in December 2012.	2007 Adelaide Retail Database (Planning SA, 2008) <i>The 2007 Adelaide Retail Database is useful as a basis for collecting or updating retail floorspace. While P&A state that the data has been updated, this does not appear to be the situation for Mount Barker (refer p 9 of P&A report).</i>

Source: Property & Advisory; Essential Economics

As shown in Table 2.1, key datasets used in the Property & Advisory model are old datasets. While their model may have had some relevance five or six years ago, when it relied on current information at the time, it appears that their model has not been updated to reflect the latest available information. This raises queries as to the relevance of the outputs produced by the model for assessing current and future retail markets.

The second major issue with Property & Advisory retail gravity model is reflected in the following extract from the report:

“It is important to note that the model assumes that all retail floorspace is of equal ‘quality’ and equally served by appropriate ancillary facilities such as car parking” (p15)

However, centres are clearly not all the same in terms of 'quality' and 'ancillary services'. The Property & Advisory model assumes customer shopping patterns are influenced by the proximity of a centre to their place of residence and the amount of floorspace (or size) in the centres. While these two features have some influence on customers' shopping patterns, many other features of retail centres influence how and where people shop, but these are not considered in the Property & Advisory model. Such features include at least the following:

- The tenancy mix. For instance, some customers may prefer Coles, while others prefer Woolworths, Foodland or ALDI.
- Access to the centre, including roads and public transport. While some residents may be closer to a centre when measured 'as-the-crow-flies', this does not mean that the particular centre is the most easily accessible centre.
- Level of customer amenity, including availability of car parking close to the shops, shade, cleanliness, etc.
- The retail and other roles performed by the centre in the wider hierarchy of centres.
- The level and quality of other facilities, including entertainment, civic and community facilities.
- Proximity to a customer's place of work.

Importantly, the level of turnover generated by retail floorspace differs. For example, a supermarket may achieve turnover in the order of \$10,000/m² of floorspace and this is significantly higher than a furniture store which may achieve turnover of say, \$3,000/m². When assessing the flows of retail expenditures by residents, it is incorrect to treat these two examples of retail floorspace as the same.

The third major issue with retail gravity modelling is that it lacks transparency. The assumptions underpinning the model are not always clearly stated or explained. Therefore, it is often very difficult to undertake a review of how the model is administered. This lack of information is particularly important when the outputs of the model are being used as a basis for decision-making by governing bodies.

Urbis prepared a very thorough peer review of the Property & Advisory report in October 2013, subsequent to their own analysis of retail development opportunities in Strathalbyn (refer Section 2.2). The issues with retail gravity models discussed above were also identified by Urbis.

Urbis also identified the following issues regarding the assumptions used in the Property & Advisory model, which Essential Economics also agree with:

- Property & Advisory’s definition of ‘retail’ includes uses not typically defined as ‘retail’ for the purpose of retail analysis (refer p3 of Urbis, Peer Review, October 2013).
- Estimates of retail spending by Property & Advisory are based on old data sets. Urbis (and Essential Economics) use *MarketInfo* which is an industry-accepted model for estimating retail spending at a small area level based on various data sets, including ABS Census, ABS Household Expenditure Survey and National Accounts data.
- Property & Advisory analysis does not appear to take into consideration real-growth in retail spending (that is, actual growth in spending, quite apart from price inflation).
- The influence of tourism and visitors to Strathalbyn does not appear to be reflected in the Property & Advisory model.

Having regard for the above discussion, it is clearly evident that retail gravity modelling is not the preferred method for assessing local retail markets for the purpose of informing the strategic planning for Strathalbyn.

2.2 Peer Review of Urbis Report (August, 2013)

Urbis were commissioned by Strath Property Investments Pty Ltd to prepare the *Retail Needs Assessment - Strathalbyn* (29 August, 2013) following the release of the Alexandrina Council’s Plan Amendment Report. The purpose of the Urbis report was:

“...to consider the need for future retail floorspace growth in Strathalbyn to meet the needs of current and future residents of the local community.”
(Urbis, p1)

It is understood that Strath Property Investments Pty Ltd have an interest land located to the north of the Strathalbyn Town Centre and which is the subject of the proposed new retail centre (refer Section 1.4).

The Urbis report provides the following information:

- **Introduction (Chapter 1)** comprises an introduction to the report.
- **Background (Chapter 2)** presents an overview of Strathalbyn’s regional and local context, including a review of Alexandrina Council’s Plan Amendment Report.
- **Market Analysis (Chapter 3)** identifies a trade area served by Strathalbyn and provides analysis of the population, socio-economic characteristics and retail spending trends and

forecasts. Estimates of visitation and visitor spending directed to Strathalbyn are also provided, based on Tourism Research Australia data.

- **Retail Structure (Chapter 4)** provides an overview of existing and future retail facilities that serve the needs of trade area residents. It is noted that significant differences exist in retail floorspace estimated between Urbis and Property & Advisory. Differences in the definition of 'retail floorspace' are likely to be the main reason for these differences. An overview of resident shopping patterns is also provided, based on a survey conducted in December 2002.

Urbis conclude that Strathalbyn provides only a limited retail offer and that residents are required to travel elsewhere for a significant proportion of their retail needs. This current deficiency in retail floorspace and the opportunity to provide for future growth in the retail market, "*presents a clear need and opportunity to improve the retail offer in Strathalbyn*" (Urbis, p30).

- **Expenditure Leakage (Chapter 5)** assesses the level of retail spending that is captured by the 'Town Centre Core' (that part of the centre focused around Dawson Street) and the extent of spending that 'escapes' the trade area to other centres (refer comments below).

The analysis found that the Town Centre Core captures a market share of 22.5% of main trade area retail spending, and infers that the balance of 77.5% of spending escapes the trade area to other centres. However, the analysis does not take into account the High Street Precinct or retail located elsewhere in the main trade area (e.g. Meadows and Macclesfield), despite a proportion, albeit a small proportion, of retail turnover from these locations being collected from local residents.

- **Retail Floorspace Requirements and Options (Chapter 6)** provides a brief analysis of the opportunity to retail development in Strathalbyn and an assessment of the potential locations for this development.
- **Conclusions (Chapter 7)** summarises the key conclusions of the analysis, which include the following:
 - A minimum demand for an additional 4,000-6,500m² of retail floorspace exists in Strathalbyn to meet the immediate and future needs local residents and visitors.
 - The Town Centre Core is constrained and is unlikely to be able to accommodate this level of floorspace growth.
 - The tourism role of the High Street Precinct, together with the existing provision of aged care facilities, "*are unlikely to make High Street a suitable location for locally orientated retail expansion*". (Urbis, p38).

Although not included in Chapter 7, Urbis state in Chapter 6 (p35) that the growth area land to the north of the Town Centre Core is an appropriate location for retail development, having regard for the availability of sufficient-sized land parcels and the area's proximity to the future growth areas of Strathalbyn. This land is the subject of the proposed retail development described earlier in Chapter 1.4 of this report.

The methodology for assessing local retail demand employed by Urbis more closely reflects the methodology that we employ in our own independent assessment (refer Chapter 3) of future retail opportunities for Strathalbyn. Importantly, the methodology used by Urbis takes into account the following:

- The local retail market characteristics
- Identifies a trade area from which retailers in Strathalbyn are expected to generate a larger proportion of their trade
- The influences of visitors and their spending on retailing in Strathalbyn
- The individual characteristics of competing centres and how they influence shopping behaviour
- The latest data and statistics available at the time of reporting.

While the broad methodology used by Urbis is sound, a number of aspects of the analysis may need further consideration, as discussed below:

- 1 **The exclusion of High Street in the escape spending analysis:** While it is acknowledged that the High Street Precinct serves an important tourism role for the town, a small proportion of the turnover generated from the retailers in the High Street Precinct will be derived from residents in the trade area. Turnover in Strathalbyn shops derived from customers coming to Strathalbyn from other small centres in the trade are also excluded from the analysis.

Consequently, the 'escape spending' analysis presented by Urbis does not truly reflect the level of retail spending that 'escapes' the Strathalbyn trade area. However, it is unlikely the inclusion of these additional retail areas in the analysis would change Urbis' overall view that Strathalbyn provides only a very limited retail offer.

The High Street Precinct is an important component of the retail market in Strathalbyn and should be included in any assessment of the future retail opportunities.

- 2 **Limited transparency in the assessment of future retail demand:** Urbis forecast the need for 4,000-6,500m² of additional retail floorspace on the basis of retaining a 10% share of retail floorspace demand that currently escapes the town centre, and a 20% share of future demand for retail floorspace generated by the Strathalbyn market. The analysis of future retail demand is not presented in the report, and therefore it is difficult to review the analysis and its assumptions.
- 3 **Limited guidance on the type of retail floorspace required:** Urbis forecast the need for 4,000-6,500m² of additional retail floorspace; however, little guidance is provided on the type of retailing that is required. In the context of the proposed retail development (refer our Chapter 1.4), it is important to understand the future demand for additional supermarket facilities, as it is envisaged a new supermarket would anchor a neighbourhood centre at the proposed location.

- 4 **Reference to a survey conducted in 2002:** Urbis reference a survey of resident shopping patterns undertaken in December 2002, prior to the development of the Woolworths supermarket in Strathalbyn. The development of the Woolworths supermarket subsequent to 2002 would have dramatically changed the way Strathalbyn residents now shop, particularly for food and grocery items.

2.3 Implications of the Peer Review for Essential Economics’ Independent Assessment

The methodologies and findings of both the Urbis assessment and the Property & Advisory assessment of future retail opportunities in Strathalbyn vary significantly. The methodology used by Urbis is a more robust assessment of retail development opportunities and does not contain the negative aspects associated with the gravity model approach adopted by Property & Advisory. However, a number of aspects associated with the Urbis report need further examination.

Having regard for this situation, the following Chapter provides our independent assessment of the future retail opportunities for Strathalbyn. Our assessment uses the latest available information and takes into consideration the implications of the proposed retail development on a site to the north of the Town Centre.

3 RETAIL ECONOMIC ASSESSMENT

This Chapter provides our independent retail economic assessment of the future retail floorspace requirements in Strathalbyn.

3.1 Strathalbyn District Centre

The Strathalbyn District Centre provides convenience retail and other services to the surrounding trade area and visitors. As described in previous retail economic reports, Strathalbyn contains two separate retail areas which predominantly serve different roles, as shown in Figure 3.1 and described below:

- Strathalbyn Town Centre is the core retail component of the centre that provides the day-to-day and weekly retail and other services to surrounding residents. This part of the centre is focused along Dawson Street and adjoining streets. A Woolworths supermarket (approximately 2,300m²) and a small IGA supermarket (approximately 550m²) are the major tenants.

In total, the Town Centre contains approximately 7,870m² of retail floorspace and a further 2,050m² of non-retail shopfront commercial floorspace (and which includes a number of real estate agents, health practitioners, banks and other offices).

- High Street and surrounds includes retail and commercial uses located along the historic High Street and the eastern parts of South Terrace. High Street has a particular tourism focus and is renowned for its collection of antique stores and historical buildings. In total, High Street and surrounds contains 3,580m² of retail floorspace, with the majority contained in the non-food retail category.

Combined, the above two precincts contain a total of 11,450m² of retail floorspace, 3,070m² of non-retail shopfront commercial floorspace, and approximately 1,010m² of vacant floorspace. The floorspace vacancy rate of 6.5% is mainly located in poorly-located or older buildings. The lack of vacant shopfronts, particularly along Dawson Street and High Street, reflects a demand for shopfronts in the centre.

Table 3.1 summarises the result of a retail and shopfront floorspace survey undertaken by Essential Economics in February 2015.

Table 3.1: Strathalbyn District Centre Retail and Non-retail Floorspace, February 2015

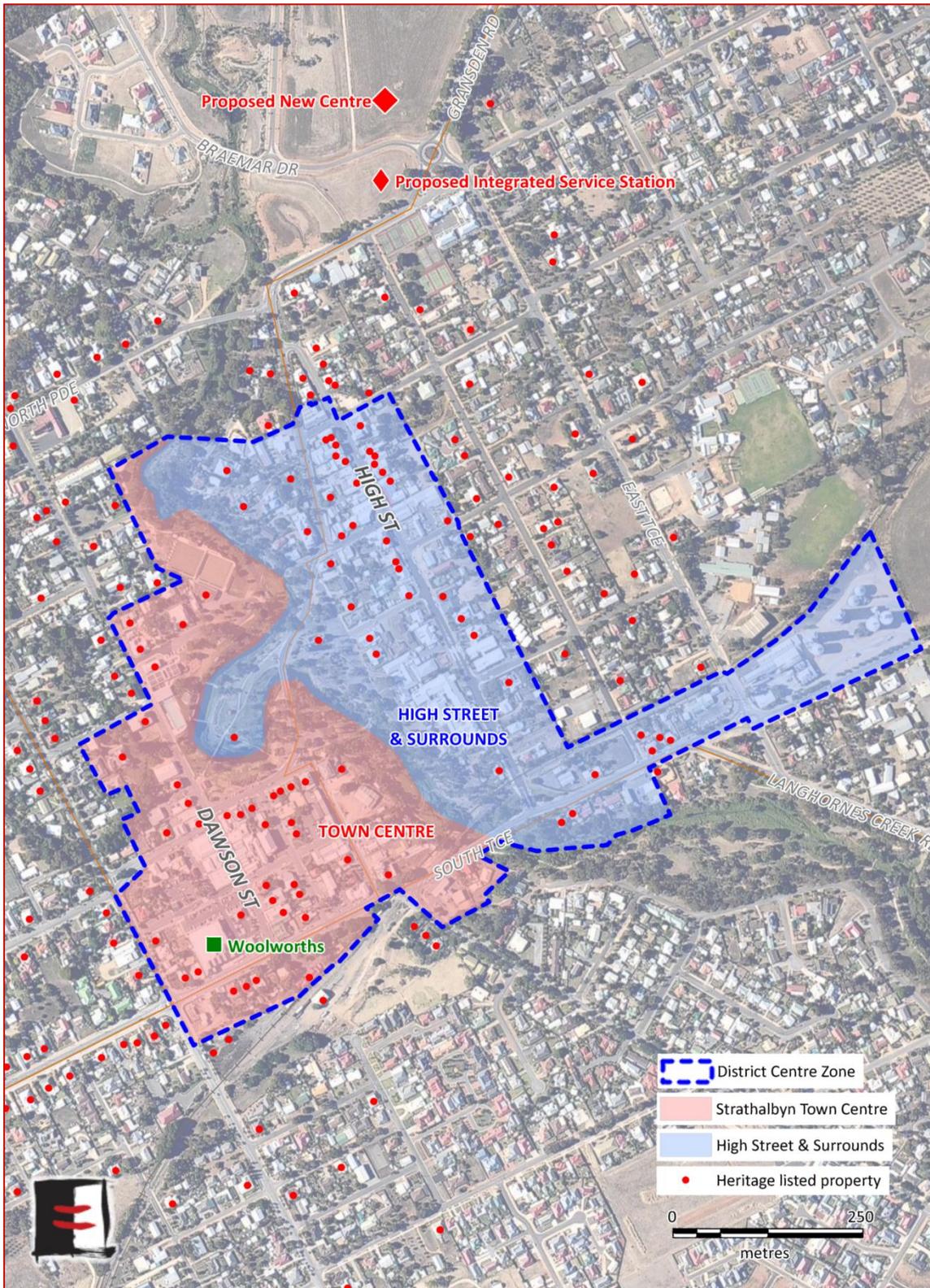
Category	Town Centre	High Street and Surrounds	Total Strathalbyn
<u>Retail</u>			
FLG	3,760m ²	140m ²	3,900m ²
Food Catering	600m ²	770m ²	1,370m ²
Non-food	2,660m ²	2,500m ²	5,160m ²
Services	850m ²	170m ²	1,020m ²
Total retail	7,870m²	3,580m²	11,450m²
Non-retail shopfront	2,050m ²	1,020m ²	3,070m ²
Vacant	350m ²	660m ²	1,010m ²
Total Retail and Non-retail	10,270m²	5,260m²	15,530m²

Source: Essential Economics

Key observations of the centre, based on a recent field visit by the consultant, include the following:

- The Woolworths supermarket appears to be a strongly-performing store for its size (approximately 2,300m²) and benefits from limited competition, with a small IGA supermarket the only other supermarket located in Strathalbyn. A number of existing speciality food stores (e.g. fruit and vegetable, butcher, bakery, etc) also provide a level of competition in the centre.
- Strathalbyn contains a number of pubs which provide residents and visitors with dining and entertainment options. Apart from these pubs, Strathalbyn contains only 1,370m² of food catering floorspace, including restaurants, cafés and takeaway food outlets.
- Strathalbyn contains only a very limited non-food retail offer and, as a result, surrounding residents are required to travel to other centres (particularly Mount Barker) to undertake a large proportion of their higher-order retail needs (such as clothing, homewares, furniture, etc). Although this is common with centres in regional towns the size of Strathalbyn, an opportunity to provide an improved non-food retail offer may exist (as assessed later in this Chapter).
- The historical relevance of Strathalbyn is evident throughout both the Town Centre and High Street. The extent of buildings with heritage values is shown in Figure 3.1. The heritage buildings contribute to the overall character of Strathalbyn; however, they do present constraints to future expansion of existing retail and commercial areas.

Figure 3.1: Strathalbyn Retail and Commercial Areas, and Heritage Buildings



Produced by Essential Economics using MapInfo, StreetPro, NearMap and information provided by DPTI

3.2 Competitive Context

The main centres that compete with Strathalbyn include the following:

- **Regional and Sub-regional Centres**, namely:
 - Mount Barker, located approximately 23km (or a 20-minute drive) to the north of Strathalbyn and includes major tenants, namely Kmart, Woolworths, Coles, Foodland, Harvey Norman, etc. Urbis estimate that more than 56,000m² of retail floorspace is located in Mount Barker. It is also understood that a new neighbourhood centre containing a supermarket is proposed for a location in the southern growth area of Mount Barker.
 - Murray Bridge, located approximately 37km (or a 35-minute drive) to the north-east of Strathalbyn and includes major tenants in Big W, Target Country, Woolworths, Coles and IGA. Urbis estimate that more than 63,000m² of retail floorspace is located in Murray Bridge.
 - Adelaide, which includes the CBD and other major shopping centres such as Westfield Marion. The Adelaide CBD is less than a one-hour drive to the north-west of Strathalbyn.

The above centres serve large regional-sized trade areas which support the significant extent of retail floorspace within the centres, including major non-food retailers. In contrast, Strathalbyn serves the convenience needs of residents and visitors and is unlikely to compete significantly with the above centres for non-food and higher order retailing. Consequently, a significant share of Strathalbyn trade area residents will continue to shop at the above centres, particularly for non-food merchandise and specialty services.

- **Neighbourhood or Town Centres**, namely:
 - Goolwa, which is located approximately 30km to the south of Strathalbyn. Goolwa contains a significant main street shopping strip and the Goolwa Shopping Centre which includes a full-line Woolworths supermarket and a Foodland supermarket.

In addition to the above, limited retail facilities serving the immediate surrounding populations and visitors are located at Meadows (15km from Strathalbyn) and Macclesfield (12km).

The above centres will influence the trade area for retailers in Strathalbyn, as described in the following section. The locations of the above centres are shown in Figure 3.2.

3.3 Retail Trade Area

A trade area is the geographic area from which a centre generates a high share of its sales and visitation. The extent of a trade area is influenced by a number of factors, including:

- The range and nature of retail and other facilities in the centre (refer Section 3.2)
- The location and composition of competing centres (refer Section 3.2)

- Accessibility to the centre via the surrounding road network, including consideration of travel times
- Presence of physical barriers such as National Parks, rivers and lakes
- The location of nearby towns and residential areas.

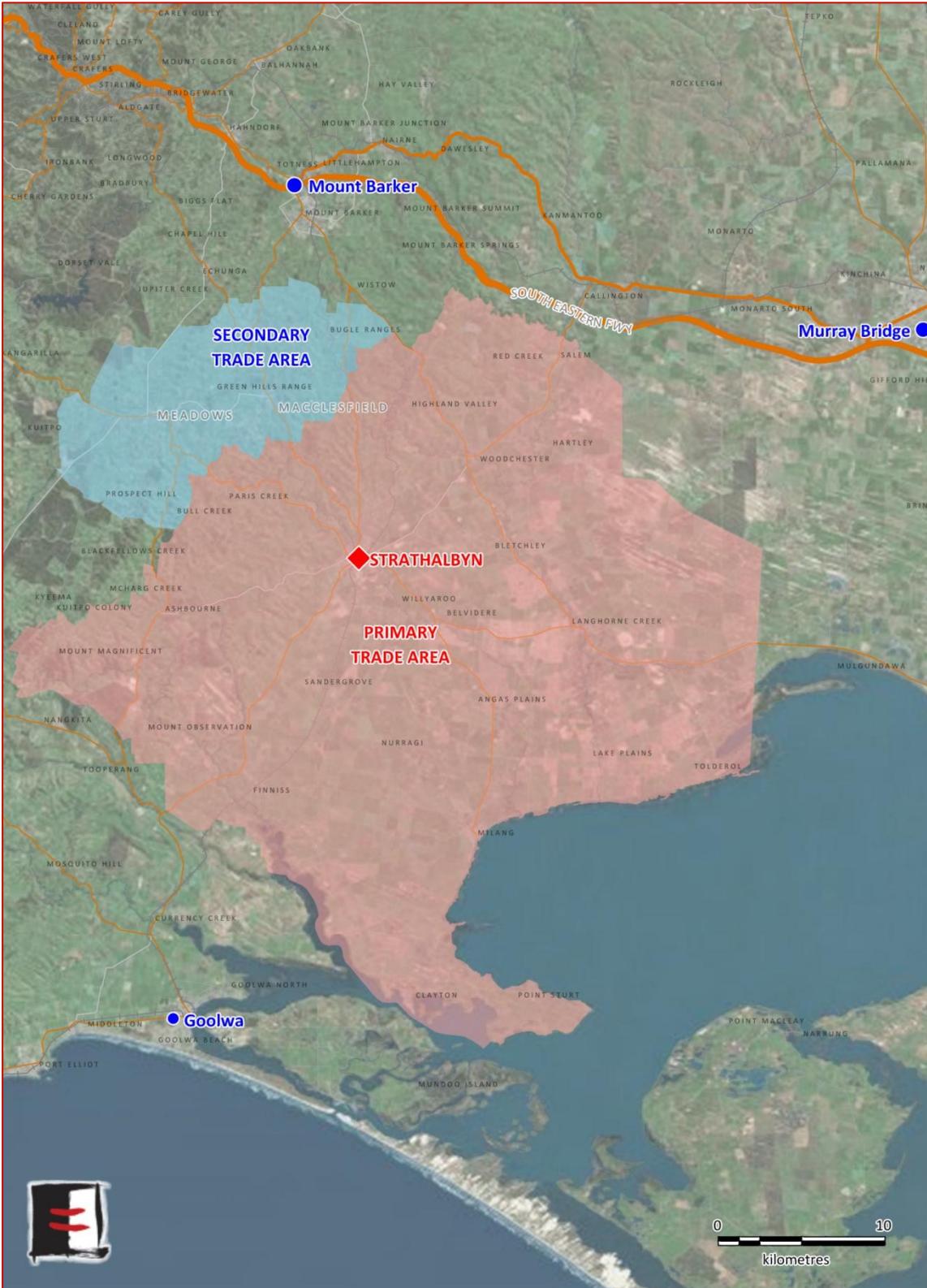
Based on these aspects, a trade area for Strathalbyn has been defined, as shown in Figure 3.2 and it comprises the following components:

- **Primary Trade Area (PTA)**, which contains the township of Strathalbyn and the surrounding rural areas and small townships, including Milang and Clayton. The PTA broadly reflects the PTA identified by Urbis.
- **Secondary Trade Area (STA)**, which includes the townships of Meadows and Macclesfield and the surrounding areas. These townships contain only limited retail facilities, and residents would have the choice of shopping at Strathalbyn to the south or the larger Mount Barker centre to the north. Having regard for the extent of facilities at Mount Barker, it is envisaged Strathalbyn would only capture a comparatively lower share of retail spending by STA residents compared to the spending captured by Mount Barker.

The STA shown in Figure 3.2 is slightly smaller than the STA identified by Urbis.

Together, these areas constitute the Main Trade Area (MTA). The MTA is particularly important from an analytical point of view as it represents the geographic region in which the Strathalbyn competes for a share of retail spending by residents and visitors.

Figure 3.2: Strathalbyn Trade Area



Produced by Essential Economics using MapInfo, StreetPro and Bing

3.4 Population Trends and Forecasts

The Strathalbyn MTA contains an estimated population of 14,040 persons in 2015, and this includes 10,500 persons in the PTA and 3,540 persons in the STA.

Over the period 2006 to 2015, the MTA experienced population growth of 1,960 persons, which occurred at an average rate 1.7% pa. The majority (96%) of this population growth occurred in the PTA around Strathalbyn.

Over the next 10 years (2015-2025) the MTA population is forecast to increase by a total of 2,520 persons, increasing from 14,040 persons in 2015 to 16,560 persons by 2025. Similar to recent trends, the majority of this growth is anticipated to occur in the PTA, in particular, in Strathalbyn.

Estimates of current and forecast population are shown in Table 3.2 and have been prepared with regard to population forecasts prepared by id Consulting (commissioned by Alexandrina and Mount Barker District Councils) based on the 2011 Census results and which represent the latest population forecasts prepared at the local area level.

By comparison, the latest population projections prepared by the South Australian State Government (Department of Planning and Local Government) in 2011 are based on 2006 ABS Census data.

Table 3.2: Strathalbyn Trade Area Population Trends and Population

Category	2001	2006	2011	2015	2020	2025
Estimated Resident Population						
Primary Trade Area	7,540	8,610	9,870	10,500	11,410	12,520
Secondary Trade Area	3,470	3,470	3,410	3,540	3,690	4,040
Main Trade Area	11,010	12,080	13,280	14,040	15,100	16,560
Average Annual Growth (No.)						
Primary Trade Area	-	210	250	160	180	220
Secondary Trade Area	-	0	-10	30	30	70
Main Trade Area	-	210	240	190	210	290
Average Annual Growth (%)						
Primary Trade Area	-	2.7%	2.8%	1.6%	1.7%	1.9%
Secondary Trade Area	-	0.0%	-0.3%	0.9%	0.8%	1.8%
Main Trade Area	-	1.9%	1.9%	1.4%	1.5%	1.9%
<i>Non-metropolitan SA</i>	-	<i>0.4%</i>	<i>0.7%</i>	<i>0.7%</i>	<i>0.9%</i>	<i>1.0%</i>

Source: Essential Economics; id Consulting; SA Department of Planning and Local Government

3.5 Trade Area Resident Retail Spending

Average Per Capita Retail Spending

Estimates of per capita retail spending by trade area residents have been prepared with reference to the *MarketInfo* retail spending model. *MarketInfo* is a micro-simulation model which uses data from the ABS Household Expenditure Survey, the ABS Census of Population and Housing, ABS Australian National Accounts, and other relevant official sources.

Table 3.3 presents estimates of average per capita retail spending in 2015 for trade area residents, and compares these with the non-metropolitan South Australian average. A detailed breakdown of the average per capita retail spending by PTA and STA residents is also shown.

Average per capita retail spending by MTA residents in 2015 is estimated at \$14,580 pa, which is approximately +6% above the non-metropolitan South Australian average, and comprises:

- \$6,490 pa on Food, Liquor and Grocery (FLG)
- \$1,070 pa on food catering
- \$6,350 pa on non-food merchandise
- \$670 on retail services.

Table 3.3: Average Per Capita Retail Spending, 2015 (2015 dollars)

Retail Category	PTA	STA	MTA	Non-metropolitan SA
<u>Average Per Capita Retail Spending (\$2015)</u>				
FLG	\$6,440	\$6,620	\$6,490	\$6,270
Food Catering	\$1,040	\$1,160	\$1,070	\$1,020
Non-food	\$6,180	\$6,860	\$6,350	\$5,810
Services	\$650	\$720	\$670	\$610
Total Retail	\$14,310	\$15,360	\$14,580	\$13,710
<u>Variation from Non-metropolitan SA</u>				
FLG	2.7%	5.6%	3.5%	-
Food Catering	2.0%	13.7%	4.9%	-
Non-food	6.4%	18.1%	9.3%	-
Services	6.6%	18.0%	9.8%	-
Total Retail	4.4%	12.0%	6.3%	-

Source: MarketInfo; Essential Economics. Figures rounded

Total Retail Spending, 2015 to 2025

In 2015, total available retail spending by MTA residents is estimated at \$204.6 million, which includes:

- Food, Liquor and Groceries: \$91.1 million
- Food catering: \$15.0 million
- Non-food: \$89.1 million
- Services: \$9.4 million.

A total of \$150.2 million or 73% of available retail spending by the MTA residents in 2015 is generated by people living in the PTA.

Forecasts of spending have been prepared for the period to 2025, with the application of real growth in spending per capita based on historical growth rates in retail spending over the past 20 years, as derived from ABS Australian National Accounts data and which reflect an average growth rate of 1.1% pa. Therefore, the amount of retail spending generated by trade area residents and which is available to retailers in Strathalbyn will increase as a result of growth in both population and real spending per capita.

Total retail spending by residents in the MTA is forecast to increase to \$269.0 million by 2025, at an overall increase of 2.8% pa. In 2025, total retail spending by MTA residents is forecast to comprise \$199.7 million from PTA residents and \$69.3 million from STA residents (all expressed in constant 2015 prices).

As described above and shown in Table 3.4, in 2025 total available retail spending by MTA residents is estimated at \$269.0 million, consisting of the following:

- Food, Liquor and Groceries: \$111.0 million
- Food catering: \$18.9 million
- Non-food: \$126.0 million
- Services: \$13.0 million.

All figures are represented in constant 2015 dollars and therefore the effects of price inflation are excluded from the analysis.

Table 3.4: Total Retail Spending, Main Trade Area, 2015 to 2025 (constant 2015 dollars)

Category	2015	2020	2025	Ave. Annual Growth, 2015-2025
<u>Primary Trade Area</u>				
FLG	\$67.6m	\$74.9m	\$83.4m	2.1%
Food Catering	\$10.9m	\$12.2m	\$13.9m	2.4%
Non-food	\$64.8m	\$77.0m	\$92.8m	3.7%
Services	\$6.9m	\$8.0m	\$9.6m	3.4%
Total Retail	\$150.2m	\$172.1m	\$199.7m	2.9%
<u>Secondary Trade Area</u>				
FLG	\$23.4m	\$24.9m	\$27.6m	1.7%
Food Catering	\$4.1m	\$4.4m	\$5.0m	2.0%
Non-food	\$24.3m	\$27.6m	\$33.2m	3.2%
Services	\$2.6m	\$2.9m	\$3.4m	3.0%
Total Retail	\$54.4m	\$59.8m	\$69.3m	2.5%
<u>Main Trade Area</u>				
FLG	\$91.1m	\$99.8m	\$111.0m	2.0%
Food Catering	\$15.0m	\$16.6m	\$18.9m	2.3%
Non-food	\$89.1m	\$104.6m	\$126.0m	3.5%
Services	\$9.4m	\$10.9m	\$13.0m	3.3%
Total Retail	\$204.6m	\$231.9m	\$269.0m	2.8%

Source: MarketInfo; Essential Economics. Figures rounded

In addition to retail spending of trade area residents, retailers in Strathalbyn are also supported by the retail spending of visitors.

The Urbis report presents information on visitor numbers to Strathalbyn, which is likely to be sourced from data purchased from Tourism Research Australia. This information indicates an estimated \$13.7 million annually (in constant 2012 dollars) is generated by the spending of visitors to Strathalbyn.

The retail analysis presented in the following Sections takes into consideration the potential for retail turnover to be derived from visitors to the town and the wider region.

3.6 Retail Turnover and Market Share Analysis

Estimates of retail turnover and market share for Strathalbyn retailers are provided below. This analysis provides background in regard to the market share that Strathalbyn retailers capture (ie, the share of available spending of MTA residents) and assists in identifying existing gaps in the provision of particular types of retail.

Retail Turnover

Retail turnover for Strathalbyn in 2015 is estimated at \$69 million and this represented an average trading level of approximately \$6,010/m² (expressed in 2015 dollars and inclusive of GST).

Estimates of turnover by retail category are shown in Table 3.5, which shows that FLG accounts for an estimated 63% of total turnover and achieves an average trading level of \$11,050/m²; this level of turnover reflects the strong trading performance of the Woolworths supermarket located in the Town Centre.

Conversely, Non-Food retailing accounts for just 25% of turnover and is estimated to generate a much lower average trading level of \$3,290/m². This lower level of turnover reflects a strong presence of antique dealers, who typically achieve lower turnover per square metre of floorspace, in the both the Town Centre and in High Street.

The turnover estimates shown in Table 3.5 have been prepared with the application of appropriate average trading levels (turnover per square metre) to the retail floorspace estimates presented in Section 3.1. The turnover estimates are based on published sales data (where available) and on information on likely trading performance gathered from the floorspace survey conducted by the consultant. The retail turnover figures should therefore be regarded as a fair and reasonable approximation of existing trading conditions for retailers in Strathalbyn.

Importantly, these estimates refer to total retail turnover in Strathalbyn, including turnover that is attributable to MTA residents, tourists, workers and other visitors.

Table 3.5: Estimated Retail Turnover in Strathalbyn, 2015 (constant 2015 dollars)

Category	Food, Liquor and Groceries	Food Catering	Non-Food	Services	Total
Retail floorspace	3,900m ²	1,370m ²	5,160m ²	1,020m ²	11,450m ²
Average trading level	\$11,050/m ²	\$4,260/m ²	\$3,290/m ²	\$2,880/m ²	\$6,010/m ²
Total turnover	\$43.1m	\$5.8m	\$17.0m	\$2.9m	\$68.8m
Share of turnover	63%	8%	25%	4%	100%

Source: Essential Economics

Table 3.6 compares estimated retail turnover from retailers in the Town Centre and in the High Street and Surrounds area. The Town Centre achieves an estimated annual retail turnover of approximately \$58 million in 2015, with a large proportion of this turnover in the FLG category and driven by the strong performance of the Woolworths supermarket.

This level of turnover is slightly higher than that estimated by Urbis in their 2013 report, after taking into account inflation and anticipated growth in retail sales generated by growth in population and real spending between 2013 and 2015.

Table 3.6: Estimated Retail Turnover in Strathalbyn by Location, 2015 (constant 2015 dollars)

Category	Food, Liquor and Groceries	Food Catering	Non-Food	Services	Total	Share of Turnover
Town Centre	\$42.5m	\$2.8m	\$10.7m	\$2.5m	\$58.5m	85%
High Street and Surrounds	\$0.6m	\$3.1m	\$6.3m	\$0.5m	\$10.4m	15%
Strathalbyn - Total	\$43.1m	\$5.8m	\$17.0m	\$2.9m	\$68.8m	100%

Source: Essential Economics

Market Share Analysis

In 2015, an estimated 83% of retail turnover in Strathalbyn is captured from MTA residents, with the balance of 17% derived from non-residents, including tourists and other visitors to the centre, and purchases by trades and businesses. These sales account for an estimated \$11.8 million in 2015.

Based on retail turnover estimates (refer Table 3.5) and the above distribution of retail turnover, retailers in Strathalbyn capture an estimated market share of 28% of available retail spending by MTA residents in 2015, including 33% of PTA resident spending and 14% of STA resident spending.

The balance of MTA retail spending (72%) is directed to other centres, including Mount Barker, other centres in metropolitan Adelaide, Murray Bridge and smaller centres within the trade area at Macclesfield and Meadows. Having regard for the share of retail spending directed to other centres, an opportunity exists for Strathalbyn retailers to capture a greater market share (ie, retaining a higher share of the available spending of MTA residents).

The market shares for all retail categories, as shown in Table 3.7, are considered to be low and consequently present as an opportunity to increase the amount of retail spending captured locally. Having regard for the convenience role performed by the Strathalbyn centre, opportunities exist to increase market shares in the FLG, Food Catering and Services categories in the future.

Opportunities may also exist to increase the market share in the Non-food category, although it is likely that a significant share of MTA non-food retail spending will continue be directed to larger centres located further afield.

Future increases in market share for Strathalbyn retailers could occur through both an improved performance of existing retailers and/or development of additional retail floorspace.

Table 3.7 shows the following:

- The share of turnover at retail facilities in Strathalbyn that are attributable to trade area residents by retail category
- The market share of available retail spending by trade area residents that is captured by Strathalbyn retailers by retail category.

Table 3.7: Retail Market Share Analysis, 2015

Category	FLG	Food Catering	Non-Food	Services	Total
Estimated retail turnover (\$m)	\$43.1m	\$5.8m	\$17.0m	\$2.9m	\$68.8m
<u>Share of turnover to:</u>					
PTA	79%	50%	57%	82%	71%
STA	10%	21%	12%	7%	11%
MTA	90%	72%	68%	88%	83%
Beyond	10%	28%	32%	12%	17%
Total	100%	100%	100%	100%	100%
<u>Retail Market Shares</u>					
PTA	51%	27%	15%	35%	33%
STA	19%	31%	8%	8%	12%
MTA	42%	28%	13%	28%	28%

Source: Essential Economics

3.7 Issues, Opportunities and Other Considerations

This Section presents a list of issues, opportunities and other factors that need consideration when planning for future retailing and development in Strathalbyn. The following are based on the preceding analysis and observations from the consultant's field visit to Strathalbyn:

- Low retail market shares:** Having regard for Strathalbyn's local and convenience role, the centre achieves relatively low retail market shares in the categories of FLG, food catering and retail services. The implications of these low market shares include the following:
 - A large share of trade area resident spending on these categories is being directed to other centres located further afield
 - Residents have a limited choice in local convenience retailing in Strathalbyn
 - Opportunities exist to expand the retail offer in the categories of FLG, food catering and retail services.
- Limited choice in supermarket offer:** Strathalbyn residents' choice in supermarkets is currently restricted to a limited-sized Woolworths supermarket and a small IGA supermarket. The next closest supermarket is located in Mount Barker, more than a 20-minute drive from Strathalbyn.
- Existing non-food offer:** Strathalbyn's non-food retail offer largely comprises antique stores, and these retailers tend to cater for visitors to the town. Apart from two hardware retailers and a limited number of apparel, sport and discount variety stores, Strathalbyn residents have limited local choice in non-food retailing and are required to travel to other (usually larger) centres for a significant proportion of their non-food retail needs.

- **Future non-food retail role:** Strathalbyn's MTA population is forecast to increase to 16,560 persons by 2025, but a resident population of this magnitude is unlikely to be of sufficient size to attract major big box retailers in the form of Discount Department Stores and major/national brand hardware and homemaker retailers. Therefore, it is likely that a large proportion of non-food retail spending will continue to be directed to other, larger centres.
- **Buildings with heritage values:** The Town Centre and High Street both contain a significant number of buildings with identified heritage values, which limits the opportunity to both amalgamate and develop sites for commercial purposes.

The above factors are taken into consideration in the following Sections, which assess the future retail development opportunities in Strathalbyn.

3.8 Supermarket Development Opportunities

In the context of assessing future retail development opportunities in Strathalbyn, and in particular the merits of a new neighbourhood shopping centre, it is important to understand the future opportunities for supermarket development in the township.

The limited choice and local competition in the supermarket retail sector has been identified in the preceding sections, while the new centre (refer Section 1.4) will be anchored by a supermarket. It is understood that Foodland are the likely future tenant; however, the size of the proposed supermarket is unknown at this stage.

Table 3.8 presents a supermarket capacity assessment for 2025 and compares this to the existing situation in 2015. The analysis takes into consideration the following factors:

- Typically, between 65-75% of FLG spending is directed to supermarkets. The analysis in Table 3.8 assumes this share to 70%; therefore, in 2025, an estimated \$77.7 million of the \$111.0 million in available FLG spending by MTA residents is directed to supermarkets (figures in constant 2015 dollars).
- 10% of supermarket turnover is derived from non-MTA residents, including visitors and businesses.
- 4% of supermarket turnover is from the sale of non-FLG merchandise.
- \$10,000/m² reflects the base level of average turnover in 2025 that would be considered 'supportable' by supermarket operators.

Currently, the two supermarkets in Strathalbyn account for a total of 2,830m² of supermarket floorspace and generate estimated turnover of approximately \$37.4 million. This represents an average turnover level of \$13,220/m², which is well-above industry benchmarks and reflects the situation of limited local competition. Currently, these two supermarkets capture an estimated 51% of FLG spending by MTA residents at supermarkets.

Potential exists to increase the supermarket market share to 55-60%, noting that residents in the STA will still have access to supermarkets in Mount Barker and that a share of supermarket

based spending will always be directed towards other centres. Based on these market shares and the factors identified above, Strathalbyn could support approximately 4,950m² to 5,400m² of supermarket floorspace, or an increase of 2,100m² to 2,600m² over the next 10 years (figures rounded).

Table 3.8 summarises the above analysis.

Table 3.8: Supermarket Development Opportunities, 2015-2025 (in constant 2015 dollars)

Category	Existing Situation (2015)	2025
FLG Spending, MTA	\$91.1m	\$111.0m
FLG spending directed to supermarket (@70%), MTA	\$63.7m	\$77.7m
Potential share retained by Strathalbyn supermarkets, MTA	51%	55-60%
FLG spending retained by Strathalbyn supermarkets	\$32.3m	\$42.7m - \$46.6m
Turnover from beyond the MTA	10%	10%
Estimated FLG turnover at supermarkets	\$35.9m	\$47.5m - \$51.8m
Share of turnover in non-FLG merchandise	4%	4%
Total supermarket turnover	\$37.4m	\$49.5m - \$54.0m
Average trading level	\$13,220/m ²	\$10,000/m ²
Supportable supermarket floorspace	2,830m ²	4,950m ² - 5,400m ²
Additional supermarket floorspace requirements, 2015-2025	-	2,120m² - 2,570m² (rounded: 2,100m² - 2,600m²)

Source: Essential Economics

Note: Figures are rounded

The desirable supermarket offering for Strathalbyn needs to consider the following:

1 The potential to expand the existing Woolworths supermarket in Dawson Street and therefore strengthen the role of the Town Centre.

Potential exists to expand the Woolworths on land to the immediate west of the store; however, the likelihood and the extent of any expansion is currently unknown. Having regard for the primacy of the Town Centre, further expansion of the Woolworths store should be encouraged where possible.

Furthermore, no sites exist in the Town Centre that are large enough to accommodate a supermarket and that are not encumbered by buildings with heritage values (refer Section 3.11).

2 The opportunity for a large full-line supermarket offering in Strathalbyn.

Theoretically, the population within the MTA of Strathalbyn could support a large full-line supermarket in the order of 4,000m² or more. However, having regard for the existence of a limited-sized Woolworths store of approximately 2,300m², a small IGA of 550m², and forecast demand for 4,950-5,400m² of supermarket floorspace (including

existing supermarket floorspace), it is unlikely that a large full-line supermarket could be supported elsewhere in Strathalbyn without potentially impacting the viability of at least one of the existing stores, mostly likely the IGA. Furthermore, the potential for the Woolworths to be expanded to reflect a modern full-line store is not known.

3 The positive benefits of competition in the supermarket sector.

Competition in the local supermarket offering typically contributes to a range of benefits for local residents, including additional choice, improved customer service, lower prices, and continued improvements in customer amenity and comfort as stores strive to be the leader in the local market and to retain or expand their market share.

Having regard for the above analysis, and assuming the Woolworths and IGA continue to operate from their existing premises (i.e. no expansion or closures occur), potential exists for a limited-sized supermarket in the order of 2,100-2,600m² at the proposed centre on Strathalbyn Road. This supermarket would serve as the 'anchor' tenant for the proposed neighbourhood centre.

3.9 Forecast Retail Floorspace Requirements

Forecast growth in retail spending of MTA residents over the next 10 years will generate opportunities for both an increased level of performance for existing retailers, as well as creating new retail development opportunities in Strathalbyn.

Table 3.9 provides an 'indicative' analysis of the demand for retail development in Strathalbyn over the period 2015 to 2025, and takes into consideration the following:

- Forecast MTA retail spending, as shown in Table 3.4.
- Potential for Strathalbyn retailers to increase their combined retail market share of MTA retail spending from the current level of 28% to 33%, which reflects a market share typical of retail centres serving convenience retail roles, such as Strathalbyn.
- Although the *share* of turnover derived from beyond the MTA is forecast to decline from 17% to 14%, the *amount* of turnover derived from beyond the MTA is forecast to increase at approximately 2% per annum.
- Forecast retail turnover in 2025 of \$103.2m, representing an increase of turnover of approximately 4% per annum on 2015 levels of \$68.8m.
- An average supportable retail turnover level of \$6,000/m², which takes into account a decline in average turnover of supermarkets (refer Table 3.8) and an increase in the average turnover of other retailers, thus reflecting the opportunity for improved performance of existing and new retailers.

The analysis indicates the potential for approximately 5,750m² of new retail floorspace in Strathalbyn over the next 10 years. This estimate of retail floorspace demand is similar to the Urbis forecast requirement for between 4,000m² and 6,500m² of additional floorspace to cater for the immediate needs and for growth.

Table 3.9: 'Indicative' Retail Floorspace Requirements, 2015-2025

Category	Value
Existing retail floorspace	11,450m ²
Assumed market share of MTA retail spending	33%
MTA retail spending, 2025	\$269.0m
Turnover retained, 2025	\$88.8m
Share from beyond	14%
Estimated total turnover (including turnover from beyond the MTA)	\$103.2m
Supportable average trading level (includes both shops and supermarkets)	\$6,000/m ²
Supportable retail floorspace	17,200m ²
Indicative demand for new retail floorspace	+5,750m²

Source: Essential Economics

Note: Figures are rounded

3.10 Potential Locations for Retail Development

Limited opportunities for any large-scale retail or commercial development exist in the Town Centre and in the High Street area, based on observations from our field visit and information provided by DPTI on the location of buildings with heritage values. Properties with identified heritage values present a significant constraint to the expansion of retail facilities within the existing commercial areas.

Potential locations in the Town Centre that may be able to accommodate retail development include the previously-identified areas adjoining the Woolworths supermarket and which could accommodate a future expansion of the Woolworth supermarket. The District Centre Expansion area referred to in Concept Plan Map Alex/6 in the Alexandrina Council Development Plan comprises the Woolworths and adjoining areas. This area, which is shown in Figure 3.3, contains various property parcels, properties with heritage values, and a recently-developed Woolworths store which would make it difficult (but not impossible) to redevelop in the future. Having regard for the various constraints that would need to be overcome in order for a redevelopment to occur, it is likely any future development of this area would occur in the longer-term.

Another potential development site in the Town Centre is the Goodyear Autocare site on Rankin Street, which is also within the District Centre Zone. The Goodyear site is approximately 2,860m² in size, which is not large enough to accommodate a supermarket development, having regard for on-site car parking requirements.

Figure 3.3 shows properties throughout the centre that have been identified as having heritage values and the two sites identified in the above paragraphs.

Figure 3.3: Strathalbyn Heritage Constraints and Potential Development Sites



Produced by Essential Economics using MapInfo, StreetPro, NearMap and information provided by DPTI

While it would be preferable to locate any new supermarket development within the existing retail areas, unfortunately, limited opportunity exists to do so. Therefore, to enable a greater level of retail services and competition for Strathalbyn residents, potential exists for the development of a new retail area in Strathalbyn.

The proposed location for a new retail centre near the intersection of Breamar Drive and Gransden Road is well-located in terms of its access to residents in the future growth area of Strathalbyn, as well as being accessible to existing residents.

3.11 Conclusion

Strathalbyn currently provides residents of the trade area with a limited convenience and higher-order retail offer. While it is unlikely that Strathalbyn will become a major non-food retail location in the foreseeable future, potential exists for an improved convenience retail offering.

Based on the analysis presented in this Chapter, potential exists for up to an additional 2,600m² of supermarket floorspace over the next 10 years. A proportion of this may be accommodated in an expansion of the existing Woolworths supermarket; however, the likelihood and extent of such an expansion is not known. Therefore, potential for a new mid-sized supermarket of up to 2,600m² exists.

Due to fragmented land ownership patterns and the presence of many buildings with historical values, only a limited number of sites exist in the existing commercial areas to accommodate a new supermarket. Having regard for this situation, the proposed location of a new supermarket to the north of the Town Centre is appropriate, noting its accessibility to existing and future residents of Strathalbyn.

In total, forecast demand exists for approximately 5,750m² of additional retail floorspace over the next 10 years, a proportion of which could be incorporated in a new centre located to the north of the Town Centre.

4 IMPLICATIONS FOR PROPOSED NEW CENTRE

This Chapter assesses the potential implications for the proposed new centre, including a recommendation on the size of the centre, the potential for a bulky goods development, the opportunity for an integrated service station, and the impact any new retail development may have on the existing centre.

4.1 Recommended Size of the Neighbourhood Centre

The analysis presented in Section 3.8 indicates that up to approximately 2,600m² of additional supermarket floorspace could be developed over the next 10 years in Strathalbyn, while maintaining an average turnover level that reflects that of viable supermarkets.

As no obvious sites are available in the existing retail areas of Strathalbyn that could accommodate a new supermarket and associated car parking, the proposed new neighbourhood centre presents as a reasonable location for a new supermarket.

The development of a new supermarket would provide an opportunity for additional speciality retail floorspace. Typically, a supermarket in a neighbourhood centre would support speciality retail floorspace of between 50-60% of the size of the supermarket. Assuming the development a 2,600m² supermarket, this could support up to approximately 1,600m² (rounded) of speciality floorspace and approximately 4,200m² of retail floorspace in total.

On this basis, it would be reasonable to plan for a new neighbourhood centre containing in the order of 4,000-4,500m² of retail floorspace. A centre of this size is sufficiently large to provide a reasonable level of convenience retail facilities and services to surrounding residents, while also maintaining the primacy of the Town Centre as the main location for retailing, business and services location in Strathalbyn.

The analysis presented in Section 3.9 indicates potential demand for 5,750m² of additional retail floorspace over the next 10 years, with the new neighbourhood centre accommodating the majority of this floorspace. The balance of this demand could be accommodated via smaller redevelopments of sites in the existing retail areas, or minor retail developments elsewhere in Strathalbyn (such as the proposed integrated service station, refer Section 4.3).

4.2 Potential for Bulky Goods Development

The analysis of future retail demand presented in Chapter 3 indicates that only limited opportunity for a dedicated 4,000m² hardware/bulky goods centre in Strathalbyn. In particular, the forecast MTA population of approximately 16,600 residents in 2025 is unlikely to attract a major hardware operator in the form of a Bunnings Warehouse or a Masters Home Improvement store, or national brand furniture or other homemaker-type tenants.

Potential may develop for the existing Mitre 10 store to relocate to the proposed new centre which would, depending on the size of the store, anchor a bulky goods development at this

site. Potential for this to occur is not known, and would depend on the intentions of Mitre 10 (and which are not known at this stage).

Should demand eventuate for a bulky goods development in the future, the proposed new development site presents as a reasonable location, having regard for the site's exposure to Gransden Road which is main access road to Strathalbyn from the north. No assessment of potential alternative locations for any future bulky good development has been undertaken in this project.

4.3 Opportunity for an Integrated Service Station

The essential role of a service station is to provide fuel for motor vehicles, as well as providing a range of other services. In terms of fuel consumption, trends in the number of registered vehicles is of paramount importance when assessing commercial viability for a service station.

Put simply, demand for fuel increases as more vehicles use the roads. In this context, the total number of registered motor vehicles in Australia has increased over the past five years and is expected to continue to increase in the coming years. In South Australia, the total number of registered vehicles increased from 1.21 million in 2009 to 1.33 million vehicles in 2014, representing an average growth rate of 1.9%pa.

Revenue in the fuel retailing industry is highly reliant on the price of crude oil. The demand for fuel is relatively inelastic and therefore changes in crude oil dramatically impact industry revenues. In general terms, service stations operate with relatively low profit margins, generating only a few cents of profit for each litre of fuel sold. Consequently, service stations tend to earn a large share of profit from the sale of non-fuel items, such as food, drinks, confectionary and tobacco.

Over the past decade or so, major retailers – including Coles, Woolworths and 7-Eleven – have entered into the service station market. In South Australia, the 'On The Run' (OTR) chain of stores has made a significant impact on the fuel and convenience retailing landscape, and it is understood that OTR is the potential operator of the proposed integrated services station. OTR provides a significant non-fuel retail offer, with stores in the order of say 300m² in size and offering a variety of fast-food and convenience items, including the following:

- Subway
- EAT
- Wendys
- Oporto
- Brumby's
- Wokinabox
- OTR Supermarket.

The proposed site presents as a good location for an integrated service station, having regard for the site's exposure and access to Grandsen Road which is the main entrance to Strathalbyn from the north. The United Service Station on South Terrace is the only other service station located in Strathalbyn.

4.4 General Trading Impact of Proposed Retail Development

Without knowing the exact nature of the proposed development, it is difficult to accurately estimate retail trading impacts. Therefore, general trading impacts have been assessed on the following basis:

- The development of a neighbourhood centre comprising a 2,600m² supermarket, 1,600m² of speciality floorspace, and an integrated service station containing 300m² of floorspace.
- Combined, these retail components would be expected to generate retail turnover of approximately \$36.8m in 2025 at an average trading level of approximately \$8,180/m². This assumes the following average trading levels:
 - Supermarket: \$10,000/m²
 - Speciality retail: \$5,5000/m²
 - Service station: \$6,670/m² (excluding fuel sales).
- A total of \$32.8m in turnover would be expected to be derived from the MTA, representing 89% of turnover at the development. The balance would be derived from visitors to Strathalbyn.

In broad terms, the competitive trading impacts arising from the proposed retail development would adversely affect those existing centres from which the retail spending of consumers would be diverted, including existing retail areas in Strathalbyn and other prominent centres further afield, particularly Mount Barker.

In particular, the impacts associated with the development of a new supermarket-based centre in Strathalbyn would largely be experienced by the existing Woolworths and IGA supermarkets. The analysis presented in Chapter 3 indicates that these supermarkets, when combined, are likely to be trading at levels significantly above industry benchmarks. While the new supermarket would redirect some sales away from the existing supermarkets, it will also assist in 'capturing' some of the trade area spending that is currently being lost to other supermarkets located further afield, and this escape expenditure is currently estimated at 49% of supermarket-based spending.

Although a retail trading impact would be experienced by some businesses, the extent of these impacts would depend to a large degree on the circumstances of individual businesses, and their response to the introduction of competition.

The analysis in Chapter 3 shows that an additional 2,600m² of supermarket floorspace could be supported, with supermarkets in Strathalbyn achieving an average turnover of \$10,000/m² which is considered a viable level of turnover.

Table 4.1 provides an assessment of the likely regional impact of the proposed retail developments. The analysis is broad level in nature and is based on the expected turnover levels in 2025 as described above.

Table 4.1: General Impacts, 2015 to 2025 (\$2015)

Category	2015	2025	Change, 2015-2025
Proposed development retail turnover from MTA	-	\$32.8m	+\$32.8m
MTA retail spending	\$204.6m	\$269.0m	+\$64.4m
MTA retail spending to other retailers	\$204.6m	\$236.1m	+\$31.6m

Source: MarketInfo; Essential Economics

Note: Figures are rounded; Figures in constant 2015 dollars

This analysis shows how the development is expected to affect the distribution of retail spending by MTA residents.

MTA residents will generate approximately \$204.6m in retail spending in 2015, all of which is spent at a range of existing retailers and retail centres, including those in Strathalbyn.

Over the period to 2025, spending by MTA residents is forecast to increase to \$269.0m, an increase of +\$64.4m. However, the proposed retail development is forecast to attract \$32.8m of MTA retail spending. As a result, the spending by MTA residents available to all other retailers in 2025 would be expected to be in the order of \$236.1m or +\$31.6m more than that which is currently available to retailers.

This analysis is indicative only, and more detailed analysis would be required in order to assess specific centre-on-centre, or store-on-store retail trading impacts.

Note, figures are in constant 2015 dollars.

4.5 Potential Initiatives to Support Existing Businesses

As indicated above, the development of a new centre would be expected to lead to a redistribution of spending away from existing centres, including Strathalbyn but also centres located further afield such as Mount Barker. Consequently, an adverse retail trading impact may be felt by some businesses; however, the extent of these impacts will depend to a large degree on the circumstances of individual businesses, and their response to the introduction of competition.

The following provides a number of examples of initiatives for State and Local Government and for local businesses that could assist in supporting the existing retail areas and businesses in Strathalbyn:

State and Local Government Initiatives

- Local and State Government should continue to support the 'primacy' of the Town Centre as the main convenience retail and commercial location in Strathalbyn.

- Support the expansion of the existing Woolworths supermarket.
- Liaise with property owners and businesses to gain a strong understanding of the availability of individual land holding for possible future redevelopment.
- Continue to promote and support the tourism role of Strathalbyn.
- Continue to support urban design and streetscape works that improve the shopper experience and that help to attract more custom.
- Support the retail industry through the continued development of the local and regional economy: economic development generates jobs, incomes and spending.
- Support retailers through the development of 'place management' and an events program that attracts residents and visitors and their spending.
- Consider the provision of business events and workshops that improve the knowledge of local retailers and businesses, and that enhances business operations and profitability.

Private Property Owners and Business Initiatives

- Consider forming an active business or traders group that promotes business growth in Strathalbyn and provides training and educational opportunities for individual businesses.
- Businesses should review customer service and marketing processes to ensure their businesses are considered in a positive light by customers prior to the potential introduction of any new competing stores.
- Businesses and property owners should consider opportunities to reinvest in buildings and store-fit outs, having regard for the potential for the development of new and modern retail premises.

4.6 Conclusion

The main conclusions arising from the analysis and discussion presented in this Chapter include the following:

- Potential exists for a new neighbourhood centre comprising the following:
 - Total retail floorspace: 4,000m² to 4,500m²
 - Supermarket floorspace: Up to 2,600m² (included in above total)
- Only limited potential exists for a dedicated bulky goods development at the proposed location at present; however, the proposed site is a suitable location for such a development if demand eventuates in the future.
- The proposed development of an integrated service station is reasonable in market terms, having regard for the site's exposure and access to Grandsen Road, which is the main entrance to Strathalbyn from the north, and the limited competition from other service stations.

- The development of a new centre will lead to the redistribution of retail spending away from existing centres, including Strathalbyn. However, the development will also assist in capturing a share of spending that currently is directed to other centres located further afield, including Mount Barker. Forecast growth in retail spending in the MTA will continue to support existing and new businesses.

5 CONCLUSIONS

The main conclusions arising from the peer reviews of previous retail economic assessments; the independent analysis of the future retail opportunities in Strathalbyn; and an assessment of the proposed new centre in Strathalbyn are provided below:

- 1 Peer review of previous retail economic assessments: Property & Advisory and Urbis have each prepared retail economic assessments in relation to the future retail opportunities in Strathalbyn. Based on a peer review of these two reports and our independent analysis, our findings are more closely aligned to those identified in the Urbis report. We do not support the use of gravity modelling for retail assessments of the nature involved in Strathalbyn
- 2 Supermarket development opportunities in Strathalbyn: In the context of assessing future retail development opportunities in Strathalbyn, and in particular the merits of a new neighbourhood shopping centre, it is important to understand the future opportunities for supermarket development in the township.

Based on the analysis presented in this report, potential exists for up to an additional 2,600m² of supermarket floorspace in Strathalbyn over the next 10 years. A proportion of this floorspace may be accommodated in an expansion of the existing Woolworths supermarket; however, the likelihood and extent of such an expansion is not known. Therefore, potential will develop for a new mid-sized supermarket of up to 2,600m² by 2025.

- 3 Total retail floorspace demand, 2015-2025: Forecast demand for approximately 5,750m² of new retail floorspace in Strathalbyn will exist over the next 10 years. This demand could support the development of a new neighbourhood centre (refer below) and limited expansion of retail facilities within the existing retail areas of Strathalbyn. This estimate of retail floorspace demand is similar to the Urbis forecast requirement for between 4,000m² and 6,500m² of additional floorspace to cater for the immediate needs and foreseeable growth.
- 4 Potential locations for new retail development: Only limited opportunities exist for any large-scale retail or commercial development in the Town Centre or in the High Street area, based on observations from our field visit and information provided by DPTI on the location of buildings with heritage values. Consequently, the proposed location for a new centre presents as a reasonable location for the expansion of retail facilities in Strathalbyn.
- 5 Implication for the proposed new centre: Potential exists for a neighbourhood centre comprising the following:
 - Total retail floorspace: 4,000m² to 4,500m²
 - Supermarket floorspace: Up to 2,600m² (included in above total)
 - An integrated service station.

Only limited potential exists for a dedicated bulky goods development at the proposed location. Nevertheless, the proposed site is a sensible location for such a development if demand eventuates in the future.

ATTACHMENT D

Preliminary Engagement with Alexandrina Council

10 August 2021

REF No.: 01094-003

Mr Glenn Rappensberg
Chief Executive Officer
Alexandrina Council
11 Cadell Street,
GOOLWA SA 5214

Attention: Mr Matt Grant – General Manager Growth

By Email: alex@alexandrina.sa.gov.au

Dear Mr Rappensberg,

RE: NOTIFICATION OF INTENT TO INITIATE A CODE AMENDMENT (REZONING) IN RELATION TO LAND AT LOT 5 AND LOT 508 HAMPDEN WAY, STRATHALBYN

We represent 'Strath Property Investments Pty Ltd' (SPI), who own and control land at Lot 5 and Lot 508 Hampden Way, Strathalbyn (the 'land'). SPI are seeking to initiate and undertake an 'proponent initiated' Code Amendment which ultimately seeks to a rezone the land, in order to facilitate future development of small-scale commercial and convenience retail uses.

The land proposed to be rezoned through this Code Amendment process is represented spatially in **Figure 1.1** below and is more particularly described as:

- Certificate of Title Volume 6247 Folio 344 (Allotment 5 Deposited Plan 125134); and
- Certificate of Title Volume 5975 Folio 704 (Allotment 508 Deposited Plan 72267).

As you are aware, on Tuesday 3rd August 2021 representatives from Ekistics and SPI met with Council officers at the Strathalbyn Library, Strathalbyn, to discuss the history of the land, the current status of a number of projects in and around the land, and to provide confirmation to Council's administration of SPI's intention to commence a 'proponent initiated' Code Amendment to rezone the land under the *Planning, Development and Infrastructure Act 2016* (PDI Act).

Pursuant to Section 73 of the PDI Act, and *Practice Direction 2: Preparation and Amendment of a Designated Instrument*, in order to initiate a Code Amendment the proponent must provide a proposal to the State Planning Commission (SPC). The proposal must cover a number of items, including demonstration that the proponent has discussed the proposal with the relevant Council.

Def: E-KIS-TICS [noun] : The Science of Human Settlements ...

Figure 1.1 Land the subject of a proposed Proponent Initiated Code Amendment



Importantly, confirmation that Council administration have discussed the proposed rezoning with the proponent and do not object to the initiation of a Code Amendment does not constitute a form of advocacy for the rezoning nor does it imply that Council will ultimately support the rezoning of the land.

It is recognised that if/when a Code Amendment is initiated, detailed investigations will be undertaken including preparation of the Code amendment and associated drafting instructions for Code policy that is proposed to be introduced to the land. Community consultation and engagement would then occur (in accordance with the 'Community Engagement Charter' including the preparation of an agreed 'Engagement Plan'), which would include consultation with Alexandrina Council. Through this process Council administration and elected representatives could then form an opinion and position on the proposed Code Amendment, informed by the detailed investigations and selected policy framework proposed to apply to the land.

As you are aware there is a long history of previous investigations that have occurred in relation to this land including investigations undertaken in association with the recent 'Strathalbyn Townships and Environs DPA'. These investigations included specialist independent retail and economic analysis commissioned by Council, the Minister and SPI as well as other specialist investigations including traffic and transport, stormwater management and civil infrastructure investigations.

It is anticipated that a suite of new and updated investigations will need to be undertaken in association with the proposed Code Amendment and subject to the agreement of the Minister for Planning and Local Government, we envisage that the following investigations would be required:

- Retail and Economic Development investigations including:
 - » An analysis of the demand and required land supply for retail and other commercial floor space and employment generating uses;
 - » Assessment of the suitability of the land for future retail and commercial uses; and
 - » Assessment of the net economic impact / benefit arising from the proposed Code Amendment (assuming a probable development scenario including generation of and access to employment for the region);
- Traffic and Transport Impact Assessment including:
 - » Investigation of the traffic and transport implications of the proposed Code Amendment, including a 'Traffic Impact Study' to determine the impact of the proposed Code Amendment on the surrounding transport network and to determine any infrastructure improvements that may be required (including timing and costs); and
 - » Investigate/demonstrate how the proposed rezoning will support walkable neighbourhoods including potential pedestrian and cycling linkages;
- Land Use Interface Investigations including:
 - » Investigate potential interface issues relating to noise and consider policy response required to minimise such risks;
- Flooding, Hydrology and Stormwater Investigations;
- Civil Infrastructure Investigations including:
 - » Potable Water,
 - » Recycled Water;
 - » Wastewater;
 - » Electrical;
 - » Gas; and
 - » Communications;
- Preparation of a spatial 'Concept Plan' to assist to guide the future development including key transport connections, open space networks and the strategic provision of infrastructure within the Affected Area.

To assist SPI with the preparation of a '*Proposal to Initiate a Planning and Design Code Amendment*' for submission to the Minister for Planning and Local Government, we would welcome feedback from Council's administration on the nature of investigations that are proposed to be undertaken in association with this Code Amendment including any additional investigations or analysis that may be recommended by Council in support of the proposed Code Amendment. We would also welcome advice on any existing investigations, strategies or reports that may have already been undertaken by Council (or that are proposed or scheduled to be undertaken by Council) that should be taken into consideration when initiating and preparing the proposed Code Amendment.

We thank you in anticipation of your confirmation of our recent discussions with Council's Administration in relation to this Code Amendment, confirmation that Council administration do not object to the 'initiation' of a Code Amendment and to any advice Council may offer with respect to any existing or proposed investigations, strategies or reports to inform the Code Amendment.

Please don't hesitate to contact the undersigned direct on 0402 344 401 should you have any questions or queries or should you wish to discuss this matter further.

Yours Sincerely



Richard Dwyer
Managing Director

cc *Ms Sally Roberts – Manager Strategic Development*
Mr Matthew Atkinson – Manager Development Assessment

Ref: E2021104522
File: 3.36.004
EW:sr

7 September 2021

Mr Richard Dwyer
Managing Director
Ekistics
Level 1/16 Vardon Avenue
ADELAIDE SA 5000

Via email: rdwyer@ekistics.com.au

Dear Richard

Proposal to Initiate a Code Amendment for Lot 5 and Lot 508 Hampden Way, Strathalbyn

I acknowledge receipt of your email dated 10 August 2021 providing details of a Proposal to Initiate a Code Amendment for the rezoning of Lot 5 and Lot 508 Hampden Way, Strathalbyn to facilitate development of the land for small scale commercial and convenience retail uses.

In accordance with Section 73 of the *Planning, Development and Infrastructure Act 2016* and Practice Direction 2, I acknowledge that a private proponent must provide evidence of undertaking preliminary consultation with the Chief Executive Officer of Council on the Proposal to Initiate a Code Amendment and detail any matters that are raised as a result.

I confirm your meeting on Tuesday 3 August 2021 with Council staff to discuss the proposal and offer the following preliminary feedback regarding matters requiring consideration, largely consistent with those outlined in your letter, should a Proposal to Initiate be accepted:

Investigations/Considerations

- Strathalbyn Township and Environs Development Plan Amendment (DPA)
 - Endorsed in late 2018
 - Retail development in this locality was not supported by the Alexandrina Council and was met with considerable community opposition through the DPA process.
- Justification for retail/commercial land uses in proximity to existing Township Main Street Zone (for example independent commercial/retail demand and supply analysis)
- Interface with surrounding residential land uses
- Provision of, interface with, and proposed connectivity with Open Space
- Stormwater management and civil infrastructure impacts
- Traffic management.

Engagement Plan

- Council would consider that a minimum of 8 weeks would be required to provide for meaningful consultation and to provide the ability for Council to review the documentation, obtain Council's position and prepare a submission
- A presentation to Council undertaken prior to the commencement of the consultation period is also recommended to ensure early engagement with the elected members
- The following entities are recommended for Stakeholder and community analysis
 - Adjoining land owners and the broader community
 - Strathalbyn & District Tourist Association
- A 'drop in' or similar informal face to face information opportunity should be incorporated into the engagement process.

Council administration do not object to the initiation of the Code Amendment, however this does not suggest that Council support will be obtained for the final proposed Code Amendment, as a full assessment of the proposed investigations that relate to the rezoning will need to be undertaken and considered.

I trust that this information will assist you in finalising the relevant documentation to enable the Proposal to Initiate a Code Amendment for Lot 5 and Lot 508 Hampden Way, Strathalbyn to be lodged with the Attorney General's Department

Should you require any clarification please contact either Sally Roberts, Manager Planning and Development on 8555 7002 or my office on 8555 7000

Yours sincerely



Elizabeth Williams
Acting Chief Executive Officer

Ryan Moyle

From: Ryan Moyle
Sent: Wednesday, 13 October 2021 9:45 AM
To: alex@alexandrina.sa.gov.au
Cc: matt.atkinson@alexandrina.sa.gov.au; sally.roberts@alexandrina.sa.gov.au; Richard Dwyer
Subject: ATTN Mr Glenn Rappensberg - Modification to Affected Area - Intent to Initiate a Code Amendment (Rezoning) - Lot 5 Hampden Way, Strathalbyn

Dear Mr Rappensberg,

We acknowledge receipt of Council's formal letter dated 7 September 2021 (via Elizabeth Williams – as Acting CEO) and thank you for Council's response to our previous correspondence (issued on 10 August 2021), which outlined the details around the intention to prepare and submit, the 'Proposal to Initiate a Code Amendment' for Lot 5 and Lot 508 Hampden Way, Strathalbyn.

The purpose of this subsequent correspondence is to update Council in relation to a proposed change to the 'Affected Area' for the proposed Code Amendment.

As you are aware, we act for 'Strath Property Investments Pty Ltd' (SPI), who currently own and control the land at Lot 5 Hampden Way, Strathalbyn, and who are the proposed 'Designated Entity' for the Code Amendment.

Following the recent approval of a 'Retail Fuel Outlet' at Lot 508 Hampden Way, Strathalbyn (Application ID. 21003380) by the Fleurieu Regional Assessment Panel on 17th August 2021, SPI have sold the land Parcel at Lot 508 Hampden Way, Strathalbyn and therefore no longer having an 'interest' in this land parcel.

On this basis, given they will no longer continue to have an 'interest' in this land parcel they would be unable to amend a 'designated instrument' in relation to this parcel (rezone this land) pursuant to section 73(2)(b)(vii) of the *Planning, Development and Infrastructure Act, 2016*.

On review of the amended Affected Area, we are of the opinion that the removal of Lot 508 Hampden Way parcel continues to represent a logical rezoning, and therefore will not have a fundamental or material impact on the strategic justification and merits of the proposed Code Amendment.

We therefore propose to remove Lot 508 Hampden Way, Strathalbyn from the 'Affected Area' of the proposed Code Amendment, as demonstrated in Figure 1 below. Notably, this will not impact on the identified future investigations and considerations outlined in our initial letter to you.

Figure 1 – Proposed Affected Area Lot 5 Hampden Way, Strathalbyn



Accordingly, it is the intention of SPI to lodge a request for a 'Proponent Initiated Code Amendment' with the Minister for Planning and Local Government over the modified 'Affected Area' recognised as Lot 5 Hampden Way, Strathalbyn. This document will include a record of discussions and correspondence with Alexandrina Council, including the change to the proposed 'Affected Area' following the sale of Lot 508 Hampden Way, Strathalbyn by SPI. It will also include a copy of this correspondence confirming SPI's intention to modify the 'Affected Area' of the proposed Code Amendment to only include land over which they have an 'Interest'.

Should you require any further information or clarification please don't hesitate to contact the undersigned on 08 7231 0286.

Kind regards,

Ryan Moyle
Associate

ekistics

Level 1, 16 Vardon Avenue, Adelaide SA 5000

P 08 7231 0286
M 0431 312 737
W ekistics.com.au

The information contained in this e-mail message may be confidential, and may also be the subject of privileged or public interest immunity. If you have received this e-mail in error please telephone Ekistics on 08 7231 0286. This e-mail and any attached files is subject to copyright. However, unless it has been expressly forbidden in this e-mail, recipients are permitted to forward or circulate this e-mail (unaltered and with this disclaimer) to any other party. No liability for loss or damage resulting from any action taken or not taken on reliance on this e-mail and any attached files is accepted. This e-mail and any attached files should be scanned to detect viruses.

The Hon Rob Lucas MLC



**Government
of South Australia**

**Minister for Planning
and Local Government**

GPO Exchange
10 Franklin Street
Adelaide SA 5000

GPO Box 464
Adelaide SA 5001
DX 336

Tel 08 8207 1723
Fax 08 8207 1736

2021/16407/01
21MPL2276

Mr Richard Dwyer
Managing Director
Ekistics

By email: rdwyer@ekistics.com.au

Attention: Mr Ryan Moyle, Associate

Dear Mr Dwyer

I write to advise that I have considered, as the delegated decision maker for the Lot 5 Hampden Way, Strathalbyn, Code Amendment (the Code Amendment), the advice of the State Planning Commission (the Commission) and have approved the Proposal to Initiate the Code Amendment, pursuant to section 73(2)(b)(vii) of the *Planning, Development and Infrastructure Act 2016* (the Act).

The initiation approval is on the basis that, under section 73(4)(a) of the Act, Strath Property Investments Pty Ltd will be the Designated Entity responsible for undertaking the Code Amendment process.

Pursuant to section 73(5) of the Act, the approval is also subject to the following conditions:

- The scope of the proposed Code Amendment does not include the creation of new planning rules, and is limited to the spatial application of zones, subzones, overlays, or technical and numerical variations provided for under the published Planning and Design Code, on the date the Amendment is released for consultation.
- The Code Amendment is prepared by a person with qualifications and experience that is equivalent to an Accredited Professional—Planning Level 1 under the Act.

In addition, the Commission has specified, under section 73(6)(e) of the Act, that the Designated Entity must consult with the following stakeholders:

- Strathalbyn and District Tourist Association
- Landowners located within the Concept Plan Boundary identified on the Planning and Design Code Concept Plan 113 Strathalbyn North
- Utility providers including SA Power Networks, ElectraNet Pty Ltd, APA Group, SA Water, EPIC Energy, NBN and other telecommunications providers
- State Members of Parliament for the electorates in which the proposed Code Amendment applies.

OFFICIAL

Further, the Commission has, under section 73(6)(f) of the Act, resolved to specify the following further investigations or information requirements in addition to that outlined in the Proposal to Initiate:

- Undertake high-level investigations to identify potential environmental impacts and mitigation measures, having consideration to native vegetation, flora, fauna and the adjacent Angas River and tributary.
- Conduct a search of the Aboriginal Heritage Registers to identify relevant Aboriginal heritage considerations, including any identified cultural sites and objects.
- Prior to engagement commencing, undertake a retail and economic assessment to the satisfaction of the Department.

In addition, it should be noted that further investigations may be required in response to feedback or advice received through the engagement process.

In accordance with sections 44(6) & 73(6)(d) of the Act, consultation in writing must be undertaken with:

- The Alexandrina Council
- Owners or occupiers of the land and adjacent land in accordance with Regulation 20 of the *Planning, Development and Infrastructure (General) Regulations 2017*.

Further, engagement must meet the Community Engagement Charter as guided by the Community Engagement Charter toolkit at: https://plan.sa.gov.au/resources/learning_and_toolkits/community_engagement_charter_toolkit/overview.

I will make a determination on whether to approve the proposed amendments at the completion of the Code Amendment process.

For further information, please contact Ms Nadia Gencarelli, Team Leader, Code Amendments, within the Attorney-General's Department on (08) 7109 7036 or via email Nadia.Gencarelli@sa.gov.au.

Yours sincerely

Hon Rob Lucas MLC

Treasurer

As delegate of the Minister for Planning and Local Government

February 2022

The Hon Rob Lucas MLC



**Government
of South Australia**

**Minister for Planning
and Local Government**

GPO Exchange
10 Franklin Street
Adelaide SA 5000

GPO Box 464
Adelaide SA 5001
DX 336

Tel 08 8207 1723
Fax 08 8207 1736

2021/16407/01

Mr Glenn Rappensberg
Chief Executive Officer
Alexandrina Council

By email: [REDACTED]

Attention: Ms Sally Roberts, Manager, Planning and Development

Dear Mr Rappensberg

I write to advise that I have considered, as the delegated decision maker for the Lot 5 Hampden Way, Strathalbyn, Code Amendment (the Code Amendment), the advice of the State Planning Commission (the Commission) and have approved the Proposal to Initiate the Code Amendment, pursuant to section 73(2)(b)(vii) of the Planning, Development and Infrastructure Act 2016 (the Act).

The initiation approval is on the basis that, under section 73(4)(a) of the Act, Strath Property Investments Pty Ltd will be the Designated Entity responsible for undertaking the Code Amendment process.

Pursuant to section 73(5) of the Act, the approval is also subject to the following conditions:

- The scope of the proposed Code Amendment does not include the creation of new planning rules, and is limited to the spatial application of zones, subzones, overlays, or technical and numerical variations provided for under the published Planning and Design Code, on the date the Amendment is released for consultation.
- The Code Amendment is prepared by a person with qualifications and experience that is equivalent to an Accredited Professional—Planning Level 1 under the Act.

In addition, the Commission has specified, under section 73(6)(e) of the Act, that the Designated Entity must consult with the following stakeholders:

- Strathalbyn and District Tourist Association
- Landowners located within the Concept Plan Boundary identified on the Planning and Design Code Concept Plan 113 Strathalbyn North
- Utility providers including SA Power Networks, ElectraNet Pty Ltd, APA Group, SA Water, EPIC Energy, NBN, and other telecommunications providers
- State Members of Parliament for the electorates in which the proposed Code Amendment applies.

Further, the Commission has, under section 73(6)(f) of the Act, resolved to specify the following further investigations or information requirements in addition to that outlined in the Proposal to Initiate:

- Undertake high-level investigations to identify potential environmental impacts and mitigation measures, having consideration to native vegetation, flora, fauna and the adjacent Angas River and tributary.
- Conduct a search of the Aboriginal Heritage Registers to identify relevant Aboriginal heritage considerations, including any identified cultural sites and objects.
- Prior to engagement commencing, undertake a retail and economic assessment to the satisfaction of the Department.

In addition, it should be noted that further investigations may be required in response to feedback or advice received through the engagement process.

In accordance with sections 44(6) & 73(6)(d) of the Act, consultation in writing must be undertaken with:

- The Alexandrina Council
- Owners or occupiers of the land and adjacent land in accordance with Regulation 20 of the *Planning, Development and Infrastructure (General) Regulations 2017*.

Further, engagement must meet the Community Engagement Charter as guided by the Community Engagement Charter toolkit at: https://plan.sa.gov.au/resources/learning_and_toolkits/community_engagement_charter_toolkit/overview.

I will make a determination on whether to approve the proposed amendments at the completion of the Code Amendment process.

For further information, please contact Ms Nadia Gencarelli, Team Leader, Code Amendments, within the Attorney-General's Department on (08) 7109 7036 or via email Nadia.Gencarelli@sa.gov.au.

Yours sincerely

Hon Rob Lucas MLC
Treasurer
As delegate of the Minister for Planning and Local Government

February 2022



TO: TREASURER

RE: PROPOSAL TO INITIATE A CODE AMENDMENT BY STRATH PROPERTY INVESTMENTS PTY LTD

PURPOSE

To recommend that you approve, with conditions, the Proposal to Initiate the Lot 5 Hampden Way, Strathalbyn Code Amendment (the Proposal).

The Minister for Planning and Local Government (the Minister) has declared a conflict of interest, and has delegated to you to consider the Proposal (refer to appendices).

BACKGROUND

Section 73(2)(b) of the *Planning, Development and Infrastructure Act 2016* (the Act) provides:

73 – Preparation and amendment

(2) A proposal to amend a designated instrument may be initiated by—

(b) with the approval of the Minister, acting on the advice of the Commission—

(vii) in relation to the Planning and Design Code or a design standard— a person who has an interest in land and who is seeking to alter the way in which the Planning and Design Code or a design standard affects that land.

Strath Property Investments Pty Ltd has lodged a Proposal to Initiate the Lot 5 Hampden Way, Strathalbyn, Code Amendment to amend the Planning and Design Code (the Code) as it relates to the affected area (**Attachment 1**).

The State Planning Commission (the Commission) considered the Proposal to Initiate at its meeting of 25 November 2021 and resolved to support the Code Amendment, subject to conditions.

A summary of the roles and responsibilities for you, as delegate of the Minister, and the Commission in regard to the Code Amendment is provided in **Appendix A**.

A flowchart of the Code Amendment process is provided in **Appendix B**.

DISCUSSION

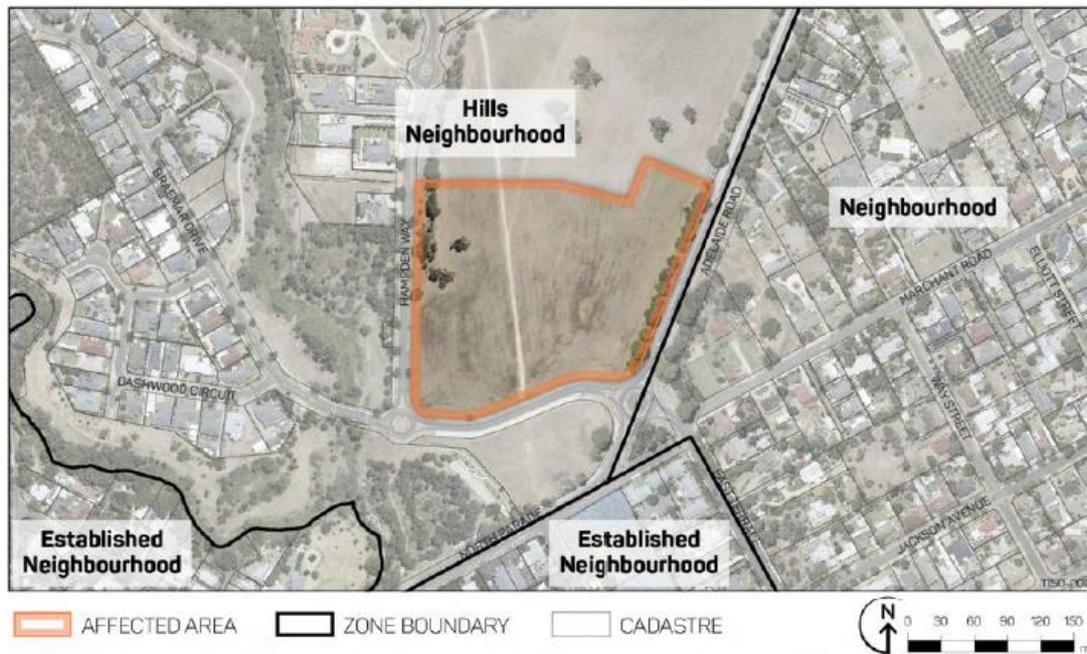
The following sets out the strategic, policy and procedural considerations in relation to the Proposal to Initiate, including conditions that are recommended should you agree to initiate the Code Amendment.

Proposal

The Proposal to Initiate seeks to rezone approximately 4.6 hectares of vacant land located in the township of Strathalbyn from the Hills Neighbourhood Zone to the Local Activity Centre Zone. The affected area is surrounded by residential uses, with high street type retail facilities located 1km south of the affected area.

Previous investigations indicate that the northern growth area of Strathalbyn is underserved, with retail expenditure being lost to neighbouring Mount Barker. The Proponent proposes to supplement the existing services in the central township by facilitating further small-scale retail, speciality shops, a bulky goods outlet, preschool, consulting rooms, and personal or domestic services establishments. The Proposal also includes an update to Concept Plan 113 Strathalbyn North to incorporate changes to road, pedestrian and cycling linkages, open space, landscape buffers and infrastructure.

The affected area and current zoning is shown in the figure below.



Planning and Design Code Zoning

The affected area is located within the Hills Neighbourhood Zone.

The following Overlays apply to the land:

- Affordable Housing
- Hazards (Bushfire – Urban Interface)
- Hazards (Flooding – Evidence Required)
- Murray Darling Basin
- Native Vegetation
- Prescribed Water Resources Area
- River Murray Tributaries Protection Area
- Traffic Generating Development
- Urban Transport Routes
- Water Resources.

Land surrounding the affected area is within the Neighbourhood Zone, Hills Neighbourhood Zone and Established Neighbourhood Zone.

Strategic Considerations

The following sets out the strategic considerations relating to this proposal and rationale for the Commission recommending support for the Code Amendment.

More details of the Commission's strategic priorities are provided in **Appendix C**.

An assessment against the State Planning Policies (SPPs) and relevant Regional Plan are provided in **Appendix D**.

Strategic Advice

The Proposal seeks to rezone an area within the Hills Neighbourhood Zone to a Local Activity Centre Zone for the purposes for increasing the number of commercial and retail offerings in the town, and to support the growing population in the northern growth area. Further specific reasons are provided below:

- Previous retail analysis suggests that there is a current under-provision of retail floor space in Strathalbyn, and a high-level of retail expenditure leaking from the trade area into larger regional centres such as Goolwa, Mount Barker and Murray Bridge.
- Population growth is likely to further increase demand for retail floor space. While this could be accommodated in larger retail centres, such as Mount Barker, new retail could increase the share of spending and local employment opportunities in Strathalbyn, and also improve convenient access to goods and services.
- The subject site is located close to both the established areas and growth areas in the Strathalbyn Township. The Proposal will provide residents living in the northern growth areas of the township access to additional retail and services within 800m of their home; supporting a walkable, healthy and active lifestyle.

Retail Analysis

There have been a number of previous retail studies undertaken for Strathalbyn between 2015 and 2018. Generally, they indicate demand for additional retail floor area, but express varying opinions as to the extent of demand and most appropriate response to accommodate this.

The most recent study commissioned by the Department indicates:

- Potential for a new retail centre and limited demand for bulky goods development.
- Limited opportunities for any large scale retail or commercial development in the existing town centre or high street; however, some demand could be accommodated through a redevelopment of the existing supermarket.
- A new centre would lead to some redistribution of retail expenditure away from existing centres (including Strathalbyn), but would also increase the share of spending captured that is currently directed to centres further afield (eg Mount Barker).

It is noted that in 2018 the Alexandrina Council (the Council) did not support retail development in this location and there was considerable community opposition to establishing an additional centre in this location.

Opinions offered in retail studies can vary depending on the type of analysis being undertaken and information /data used in the analysis.

In this context, the study should consider whether the Code Amendment aligns with State Planning Policies (SPPs) that relate to Activity Centres. The SPPs are generally focused on achieving a balance between a form or pattern of development that enables convenient and equitable access to shopping and services while maintaining healthy competition and investment. A condition has been recommended to ensure that the study be undertaken to the satisfaction of the Department, and prior to engagement commencing.

In addition, the Proposal to Initiate identifies the land being zoned Local Centre Zone to facilitate local convenience retail and services. However, the extent of land identified for a local centre is significant (approximately 4.6 hectares), which is more akin to the size of a Suburban Activity Centre with a district level catchment – for example, Burnside covers approximately 5 hectares, and Kurralta Park approximately 3.5 hectares. The Local Centre Zone does not contain a retail floor cap and this, coupled with the significant extent of the affected area, could result in a scale of retail development which is inappropriate in this location.

The Proposal to Initiate indicates that the intent to deliver small scale convenience retail (supermarket less than 3,000sqm), as well as bulky goods and local services. This being the case, it is recommended that, following the completion of a retail and economic analysis (discussed further below), consideration be given to the application of a range of zones which will facilitate the intended development outcomes and reduce the risk of future development undermining the existing retail centre in Strathalbyn. For example, consideration could be given to the Employment Zone to facilitate bulky goods development whilst limiting the extent of retail. Conditions in this regard are recommended below.

Residential Land Supply

The subject land is located on the Fleurieu Peninsula within the Outer South Region of the Greater Adelaide Planning Region (GAPR). The recently completed Land Supply Reports (LSRs) for Greater Adelaide indicate the following:

- By 2030, the region is projected to grow by between 7,200 (medium) and 9,700 (high) persons – this translates to an estimated demand for an additional 3,700 (medium) and 4,700 (high) dwellings.
- Whilst the Proposal seeks to rezone residential land to facilitate commercial/retail development, the 'Part 1 – Greenfield Land Supply' LSR identifies the township has sufficient supply of zoned and unzoned land to accommodate projected growth, based on current trends, for the next 15+ years.

- Provision of new employment land to support projected growth is critical, and appears to be something that has been missing from previous land releases.

Land use characteristics

The affected area is vacant of any structures and buildings. The land is flat to gently undulating, with a general slope down toward the Angas River from the north-east to the south-west of the site. It is noted that planning consent was recently issued by the Council for the construction of a mixed-use development comprising consulting rooms, an indoor recreation facility (gym) and shop on a portion of the affected area.

The land immediately north of the site is also owned by the Proponent, and planning consent has recently been issued for a land division to create 63 additional allotments for residential purposes.

The land to the east of the site, on the opposite side of Adelaide Road, and the land to the west, on the opposite side of Hampden Way, comprises predominantly single storey detached dwellings. Approval has recently been granted to develop a Retail Fuel Outlet on land to the south of the site, on the opposite side of Braemar Drive.

Transport and Access

The affected area is bound by three arterial roads: Hampden Way, Adelaide Road and Braemar Drive. The Proposal seeks to leverage these main roads to capture passing trade whilst providing walkable conveniences to local residents in the immediate vicinity, who would otherwise have to drive into town or up to Mount Barker. The Proposal notes that built form outcomes will seek to activate primary road corridors.

Procedural Considerations

The following sets out the key procedural considerations that satisfy the legislative requirements. Pursuant to section 73(5) of the Act, approval for a Proposal to Initiate may be given on conditions prescribed by the regulations (there are none at this time), or as specified by you, as Minister. As such, a number of conditions are recommended by the Commission as set out below.

Information Requirements

Practice Direction 2 – Preparation of Amendment of Designated Instruments outlines the information requirements for a Proposal to Initiate (**Appendix E**).

The mandatory information requirements have been met and therefore the Proposal is of a suitable form to be considered by you.

Consistent with State Planning Policies and Regional Plan

The Code must be consistent with the principles of the SPPs and should be consistent with the directions of the relevant Regional Plan, which in this instance is *The 30-Year Plan for Greater Adelaide: 2017 Update* (the Regional Plan). The former Minister for Planning and Local Government, the Hon Vickie Chapman MP, previously sought the Commission's advice in this regard.

This assessment is provided in the appendices. A more detailed analysis is also located in the Proposal to Initiate.

In summary, the Proposal to Initiate is considered to be consistent with the SPPs and Regional Plan.

Designated Entity

As this proposal is by a private proponent, under section 73(4) of the Act, you may decide to enable the Proponent to be the Designated Entity and conduct the Code Amendment processes, or alternatively, you can give the Chief Executive of the Attorney-General's Department the responsibility for undertaking the processes.

The Commission has resolved to recommend that proponents should prepare and lead their own Code Amendments for the 12-month period following the implementation of the Phase Three Code. This is to ensure State resources are not diverted from strategic matters of importance as the new planning and development system is implemented.

The documentation should, however, be prepared by a suitably qualified person to ensure statutory procedures and good planning outcomes are addressed.

Recommendation(s)

That Strath Property Investments Pty Ltd be the Designated Entity responsible for undertaking the Code Amendment process.

A suggested letter to the Proponent is at **Attachment 2**, and a suggested letter to the Council is at **Attachment 3**.

The Code Amendment is prepared by a person with qualifications and experience that is equivalent to an Accredited Professional—Planning Level 1 under the Act.

Investigations to support the Amendment

The investigations undertaken to date are outlined in the Proposal to Initiate (**Attachment 1**). The Proponent has identified further investigations to support the Code Amendment, including:

- A Retail and Economic Assessment
- A Traffic and Transport Impact Assessment
- Flooding, Hydrology and Stormwater Investigations
- Land Use Interface Investigations

- Civil Infrastructure Investigations
- Spatial Concept Plan.

As the affected area is undeveloped with mature vegetation and lies within the River Murray Tributaries Protection Area, it is recommended that high-level environmental, and flora and fauna investigations be undertaken. Due to the proximity of the site to the Angas River and location of the remnant creek, it is also advised that a search of the Register of Aboriginal Sites and Objects (Taa wika) be conducted.

Recommendation(s)

That the following further investigations be undertaken by the Designated Entity, in addition to that outlined in the Proposal to Initiate, under section 73(6)(f) of the Act:

- Undertake high-level investigations to identify potential environmental impacts and mitigation measures, having consideration to native vegetation, flora, fauna and the adjacent Angas River and tributary.
- Conduct a search of the Aboriginal Heritage Registers to identify relevant Aboriginal heritage considerations, including any identified cultural sites and objects.
- Undertake a retail and economic assessment to the satisfaction of the Attorney-General's Department – Planning and Land Use Services (AGD-PLUS).
- Based on the outcomes of the retail and economic assessment, determine an appropriate zoning framework having consideration to the Code suite of activity centre and employment zones to accommodate the intended land use outcomes (eg local centre and bulky goods).

That pursuant to section 73(5) of the Act, the following condition be placed on the initiation:

- The Designated Entity must obtain the approval of the Commission to undertake public consultation following preliminary consultation with AGD-PLUS.

Application of the Code

The Proposal seeks to rezone land from the Neighbourhood Hills Zone to the Local Activity Centre Zone to facilitate the development of additional small-scale commercial and convenience retail uses in the town of Strathalbyn. Relevant updates to Concept Plan 113 Strathalbyn North will also be required, and consideration will be given to all of the applicable Overlays.

Recommendation(s)

That a condition be placed on the Proposal to Initiate that limits the scope of the proposed Code Amendment to exclude the creation of new planning rules, and to be limited to the spatial application of zones, subzones, overlays, or technical and numerical variations provided for under the published Code (on the date the Amendment is released for consultation).

Consultation

The Proponent has undertaken preliminary consultation with Council who have advised that although they do not object to the initiation of the Code Amendment, this does not suggest that Council support will be obtained for the final proposed Code Amendment. Council consider that a minimum of eight weeks would be required to provide for meaningful consultation, and request preliminary engagement with elected members be undertaken prior to the commencement of public consultation. Council seek consideration of the following matters:

- justification for retail/commercial land uses in proximity to existing Township Main Street Zone, such as through an independent retail/commercial demand and supply analysis
- interfaces with adjacent residential land uses
- connectivity to open space
- stormwater management
- capacity and provision of infrastructure and services
- impact on, and connectivity to, the surrounding movement network, including roads, cycling and pedestrian routes
- ensure meaningful consultation is undertaken with Council and elected members, adjoining landowners and occupiers, key community groups (such as the Strathalbyn and District Tourist Association) and the broader community.

In accordance with the Community Engagement Charter, the Designated Entity is required to prepare an Engagement Plan that will outline how, when and with whom it engages with regarding the proposed Code Amendment. Consultation is scheduled to commence in early 2022. However, in light of the above recommendations for further investigations and consultation approval, it is not possible to identify an exact consultation commencement date. The Department will ensure this is clearly explained on the PlanSA website to minimise the risk of confusion in the community.

The Commission has determined to specify the following further persons or bodies that the Designated Entity must consult with in relation to the proposed Code Amendment, as permitted under section 73(6)(e) of the Act:

- Attorney-General's Department – Planning and Land Use Services
- Strathalbyn and District Tourist Association
- Landowners located within the Concept Plan Boundary identified on the Planning and Design Code Concept Plan 113 Strathalbyn North
- Utility providers including SA Power Networks, ElectraNet Pty Ltd, APA Group, SA Water, EPIC Energy, NBN, and other telecommunications providers
- State Members of Parliament for the electorates in which the proposed Code Amendment applies.

In addition, in accordance with sections 44(6) & 73(6)(d) of the Act, the consultation must be undertaken with:

- The Alexandrina Council
- Owners or occupiers of the land and adjacent land in accordance with the *Planning Development and Infrastructure (General) Regulations 2017*.

Recommendation(s)

Advise the Designated Entity of the required consultation with the entities and bodies specified by the Commission.

RECOMMENDATIONS

1. Note the advice of the Commission provided to you as required under section 73(2)(b) of the Act. NOTED / NOT NOTED
2. Note that the Commission has, under section 73(6)(e) of the Act, specified that the Designated Entity must consult with the following nominated individuals and entities (and advise the Designated Entity accordingly): NOTED / NOT NOTED
 - Attorney-General's Department – Planning and Land Use Services
 - Alexandrina Council
 - Strathalbyn and District Tourist Association
 - Landowners located within the Concept Plan Boundary identified on the Planning and Design Code Concept Plan 113 Strathalbyn North
 - Utility providers including SA Power Networks, ElectraNet Pty Ltd, APA Group, SA Water, EPIC Energy, NBN, and other telecommunications providers
 - State Members of Parliament for the electorates in which the proposed Code Amendment applies.
3. Note that the Commission has, under section 73(6)(f) of the Act, resolved to specify the following further investigations to that outlined in the Proposal to Initiate (and advise the Designated Entity accordingly): NOTED / NOT NOTED

- Undertake high-level investigations to identify potential environmental impacts and mitigation measures, having consideration to native vegetation, flora, fauna and the adjacent Angas River and tributary.
- Conduct a search of the Aboriginal Heritage Registers to identify relevant Aboriginal heritage considerations, including any identified cultural sites and objects.
- Undertake a retail and economic assessment to the satisfaction of AGD-PLUS.
- Based on the outcomes of the retail and economic assessment, determine an appropriate zoning framework having consideration to the Code suite of activity centre and employment zones to accommodate the intended land use outcomes (eg local centre and bulky goods).

4. Approve initiation under section 73(2)(b) of the Act, subject to the following conditions (under section 73(5)) of the Act):

APPROVED / NOT APPROVED

- a) The scope of the proposed Code Amendment does not include the creation of new planning rules, and is limited to the spatial application of zones, subzones, overlays, or technical and numerical variations provided for under the published Planning and Design Code, on the date the Amendment is released for consultation.
- b) The Code Amendment is prepared by a person with qualifications and experience that is equivalent to an Accredited Professional—Planning Level 1 under the Act.
- c) The Designated Entity must obtain the approval of the Commission to undertake public consultation following preliminary consultation with AGD-PLUS.

5. Under section 73(4)(a) of the Act, approve the initiation of the Code Amendment on the basis that Strath Property Investments Pty Ltd will undertake the Code Amendment processes (as the Designated Entity) required under the Act.

APPROVED / NOT APPROVED

6. Agree to sign the Proposal to Initiate the Code Amendment (**Attachment 1**). AGREED / NOT AGREED
7. Agree to sign the attached letters to the Proponent (**Attachment 2**) and the Alexandrina Council (**Attachment 3**) advising of your approval and conditions. AGREED / NOT AGREED

HON ROB LUCAS MLC
as delegate for the Minister for
Planning and Local Government
/ / 2022



Craig Holden
CHAIR, STATE PLANNING COMMISSION
04 / 02 / 2022

Attachments:

1. Proposal to Initiate the Lot 5 Hampden Way, Strathalbyn, Code Amendment (#17861468).
2. Suggested letter to the Proponent (#17998520).
3. Suggested letter to the Alexandrina Council (#17998800).

Appendices:

- A. Summary of Roles and Responsibilities in Code Amendment Process (#17861540).
- B. Process Flowchart – Code Amendments Initiated by Proponents (#17861582).
- C. State Planning Commission’s Strategic Priorities (#17861611).
- D. Assessment against the State Planning Policies and Regional Plan (#17861627).
- E. Extract from *Practice Direction 2 – Preparation of Amendment of Designated Instruments* (#17861631).
- F. Delegation Advice – Minute from Minister Teague to the Treasurer (#18300237).

Contact: Jason Bailey
Tel No: 08 7109 7161

Procedural Matters for the State Planning Commission (the Commission)

The Commission's role at Initiation, when the Commission is not the Proponent, is to:

- Provide advice to the Minister for her consideration in making a decision on initiation pursuant to section 73(2)(b) of the Act.
- Specify any person or body the Designated Entity must consult with under section 73(6)(e) of the Act, noting that the designated entity will also need to prepare an engagement plan in accordance with the Community Engagement Charter prior to consultation.
- Specify any investigations to be carried out and/or information to be obtained by the Designated Entity, in accordance with section 73(6)(f) of the Act.

The importance of the initiation process is two-fold:

- Firstly, it enables proposals considered to be significantly at odds with the State Planning Policies (SPPs) and relevant Regional Plan to be refused early in the process, minimising risk. This is because the decision to proceed is based on an assessment against these documents.

To that end, the Commission may also advise the Minister on how the proposal fits with its stated priorities, including:

- Technical amendments that enhance the operation of the Code.
- Bushfire policy in response to the Royal Commission and improved bushfire mapping data.
- Support land supply, including infill, master planned neighbourhoods and growth areas consistent with the Growth Management Programme.
- Support economic clusters such as agribusiness and value adding, defence industries, energy and resources, health and medical industries and knowledge and creative industries.
- Provide state-wide strategic benefit such as protection against environmental hazards.
- Secondly, the initiation process is the point at which the scope of the Code Amendment process, investigations and information requirements and the amendments are determined. This provides clarity and certainty for the proponents.

Approval of the Proposal to Initiate may be given on conditions prescribed by the regulations (there are none at this time) or as specified by the Minister. As such, conditions have been recommended by the Commission, to be made by the Minister.

The Commission has previously determined that (where possible) Code Amendments should be prepared and led by proponents themselves for the first 12 months following implementation of the Phase Three Code.

Code Amendments Initiated by Proponents

Section 73(2)(b) of the *Planning, Development and Infrastructure Act 2016*

