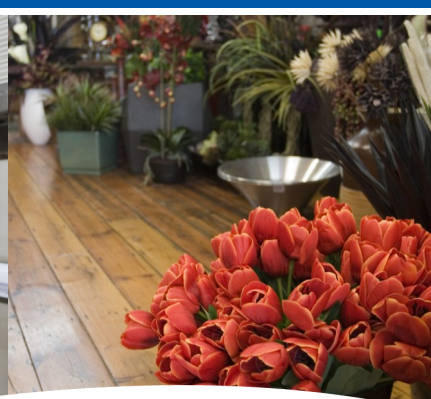




Swan Hill Retail Strategy 2014

An overview

Strengthening Swan Hill Region's Retail Industry



Contents

Overview	3
Introduction	4
Vision	4
Background.....	4
Swan Hill Region Retailing Industry (A Snapshot)	6
Swan Hill Retail Assessment	10
Swan Hill Region Digital Marketing Presence	11
Place management and events	12
Action plan	13
Indicators for monitoring process	15

Acknowledgements

This Retail Strategy was made possible through the assistance of Swan Hill Incorporated and Regional Development Victoria's Putting Locals First Program.

Overview

The retail industry is an integral part of the Swan Hill regional economy in that it generates significant employment opportunities, attracts investment to the region, supports the local tourism industry, supports the overall function of the Swan Hill CBD and other town centres, and provides essential services and merchandise for local residents and businesses.

In June 2014, Swan Hill Rural City Council, in partnership with Swan Hill Incorporated and Regional Development Victoria, commissioned Essential Economics to undertake research and prepare the Swan Hill Region Retail Strategy 2014: “Strengthening Swan Hill Region’s Retail Industry”.

The aim of the research was to examine the following factors in relation to the retail sector in the Swan Hill municipality.

Strategy aims

- To support the profitability and sustainability of retailers in the Swan Hill region.
- To ensure the region continues to have vibrant shopping precincts.
- To ensure the retail sector embraces emerging digital technologies.
- To ensure the retail sector captures and maximises the economic benefits stimulated by key events and or activities held with the municipality.

Strategy objectives

- To support Swan Hill as the pre-eminent retail location serving residents and visitors to the rural city of Swan Hill.
- To support the continued viability of existing retailers.
- To support the development of land to the south of Swan Hill as the main location for highway-based retailing.
- To improve and enhance the built environment in the Swan Hill CBD.
- To support retailers in smaller towns so that they continue to serve as important focal points for their communities.
- To promote the integration of the Swan Hill CBD with the riverfront.
- To support the retail industry through the continued development of the local and regional economy.
- To support retail through the development of ‘place management’ and an events program.

Introduction

The Swan Hill Region Retail Strategy is a comprehensive and detailed analysis of the region's retail sector and identifies actions that will assist with its future development and growth.

This document provides a summary of the Swan Hill Region Retail Strategy. For more information on the research, the methods used, or the findings, please download the Strategy at www.swanhill.vic.gov.au.

Vision

"Swan Hill will be the pre-eminent retail location serving residents and visitors to the Rural City of Swan Hill and surrounding areas. The retail sector will provide a genuine choice in merchandise and service, and will continue to make a significant contribution to the local and regional economy.

The Swan Hill retail industry will be renowned for its customer service and will use modern technologies to seek opportunities to expand its market, its employment base, and its level of service to the Swan Hill community and visitors."

Background

Swan Hill is a regional service centre with a significant catchment of over 37,000 people, stretching along the Murray Valley into the Mallee in Victoria and the Western Riverina in New South Wales, with approximately 20,870 (2013 estimate) living in the Swan Hill municipality.

The city of Swan Hill is the main location for retailing as well as providing a wide range of commercial, community, health, entertainment and civic facilities and services to the residents and visitors to the region. Smaller townships located throughout the municipality also provide a range of retail merchandise and services, mainly based on meeting the needs of the surrounding local and visitor populations. These townships include Robinvale, Manangatang, Boundary Bend, Woorinen South, Lake Boga, Nyah, Nyah West, Piangil and Ultima.

Swan Hill is situated in a relatively competitive context in terms of its proximity to other regional cities, such as Bendigo, Echuca and Mildura that provide a strong offer of retail and other facilities and services.

"To support Swan Hill as the pre-eminent retail location serving residents and visitors to the rural city of Swan Hill."

- Strategy objective



Trade Areas

Primary Trade Area (“PTA”) includes areas within a 30 to 60-minute drive from the Swan Hill township.

Secondary Trade Area (“STA”) generally includes those areas within a 60 to 90-minute drive from the Swan Hill township.

Main Trade Area (“MTA”) is the combination of PTA and STA.

- The Swan Hill MTA contains an estimated population of 37,420 persons in 2014, including 22,540 residents in the PTA and 14,880 residents in the STA.
- Over the next 20 years (2014-2034) the MTA population is forecast to increase to 38,000 people (additional 580 residents) with the growth expected to occur in urban areas of Swan Hill.

Planning

- The Swan Hill Planning Scheme (Clause 21.10-1) provides guidance to the future development of the Swan Hill CBD and seeks to encourage a precinct-based approach to development, such as Precinct 1- Retail, Precinct 2- Office and Institutional, Precinct 3 - Peripheral Sales and Precinct 4 - Tourist Accommodation and Retail.
- In addition to the above precincts, land located to the south of the Swan Hill CBD has been identified in the Swan Hill Highway Business Zones Strategy (2011) as the future location for highway-based retailing.



“We will encourage new business development and will provide support to attract new business investment and expansion in the community.”
- Swan Hill Rural City Council Plan

Swan Hill Region Retailing Industry (A Snapshot)

- Approximately 1,060 people (10.8% of the total SHRCC workforce) are employed in the retail industry within the Rural City of Swan Hill in 2012/13, illustrating the importance of the retail sector as a significant contributor to the region's economy.
- Retail sector is a significant employer of young people with an estimated 31% people employed in the municipality aged between 15 to 24 years (source NIEIR 2012/13).
- Swan Hill Inc is responsible for marketing and promoting the Swan Hill Region and is funded by a Special Rate levied on businesses located in the SHRCC (excluding Robinvale region).

Regional centres are increasingly becoming the focus for investment, including investment in commercial, retail, residential and community development. In general terms, population in the urban area surrounding regional centres is expanding, although a decline in population in more rural areas is also occurring.

- Swan Hill, compared to other regional cities in the Victoria's north and west, has experienced very limited investment in the retail sector. Between 2008/09 and 2012/13, building permits for new retail buildings in the Rural City of Swan Hill amounted to \$2.8 million and this was significantly less than that experienced in competing regional cities such as Horsham \$9.1 million and Echuca \$14.8 million.

Retail activity in this report is divided to four categories:

- **Food retailing** which comprises of household spending on take-home food, groceries and liquor
- **Food catering** such as café, restaurant and take-away outlets
- **Non-food retailing** including spending on apparel, homewares and general merchandise
- **Retail service** which comprises of services such as hairdressing, optometry.

Category	Food retailing	Food catering	Non-food retailing	Retail service	Total
Retail floorspace	11,980m ²	4,560m ²	26,040m ²	4,030m ²	46,610m ²
Average trading level	\$10,280/m ²	\$4,590/m ²	\$3,950/m ²	\$2,760/m ²	\$5,540/m ²
Total turnover	\$123.2m	\$20.9m	\$102.8m	\$11.1m	\$258.0m
<i>Share of turnover</i>	<i>48%</i>	<i>8%</i>	<i>40%</i>	<i>4%</i>	<i>100%</i>

Retail space

Swan Hill contains a total of 46,610m² of retail floorspace and 22,020m² of commercial office floorspace (including both shopfront and dedicated office floorspace). See below

	Retail floorspace			Share of floorspace		
Retail category	Swan Hill CBD	Swan Hill - Other	Total Swan Hill	Swan Hill CBD	Swan Hill - Other	Total Swan Hill
Food retailing	11,020m ²	960m ²	11,980m ²	27%	15%	26%
Food catering	4,160m ²	400m ²	4,560m ²	10%	6%	10%
Non-food retailing	21,340m ²	4,700m ²	26,040m ²	53%	74%	56%
Retail service	3,730m ²	300m ²	4,030m ²	9%	5%	9%
Total retail floorspace	40,250m²	6,360m²	46,610m²	100%	100%	100%

Source: Essential Economics

- Retail floorspace is concentrated in the CBD, with a total of 40,250m² or 86% of Swan Hill's total retail floorspace provision.
- Commercial rents in the core areas of the Swan Hill CBD are broadly in-line with similar locations in other regional cities with prices between \$200-270/ m². This is comparable to Shepparton/Horsham \$200-250/ m² and Echuca/Mildura \$250-\$300/ m².
- Commercial rates are traditionally higher in Campbell Street between McCrae and McCallum Streets ("Golden Block").

Vacancy

- At present, Swan Hill contains approximately 55,570m² of shopfront floorspace, of which 46,610m² is occupied retail, 5,130m² is occupied shopfront office and 3,830m² is vacant. This represents an overall vacancy rate for Swan Hill of 7%, which is slightly higher than the vacancy rate of between 4-6% which is typically considered consistent with a comfortable performing centre.
- The vacancy rate in the Swan Hill CBD is slightly higher at 7.3%, while in the balance of Swan Hill the vacancy rate is 4.2%.

Spending

- In 2014, total available retail spending by MTA residents is estimated at \$468.3 million, which includes: \$214.2 million on food retailing, \$35 million on food catering, \$204.7 million on non food and \$15.5 million on services
- Swan Hill retailers capture an estimated 50% or \$235 million of the \$468.3 million of available retail expenditure by MTA residents which is considerable lower than in comparison to Mildura with an estimated 58% of its MTA retail spending.
- The balance of \$234 million in MTA spending is directed to local centres and individual shops in the Rural City of Swan Hill to centres located further afield and to internet purchases.
- Total retail spending by residents in the MTA is forecast to increase to \$608.5 million by 2034, at an overall increase of 1.3% pa.
- Average per capita retail spending by MTA residents in 2014 is estimated at \$12,549 pa, which is approximately 6% below the regional Victoria average.
- Non Food Retailing accounts for 40% of the \$258 million Swan Hill region retail turnover, but only represents an average trading level of \$4,000/m².
- Disparities between the average trading level of Food Catering/Food Service and Non Food can be contributed to the strong trading performance of the three supermarkets and the relatively high number of lower trading tenancies such as bulky merchandise retailers and comparatively low number of national brand retailers.
- Non Foods and Services account for 45% of the Swan Hill Retail market share. This is relatively low in comparison to other regional centres in Victoria, which has in the order of 60% of its total retail market coming from Non Foods and Service sectors.

The total retail expenditure in Swan Hill in 2014 was estimated to be \$258 million, food retailing accounted for about half of the total turnover and combined with non-food retailing accounted for almost 88%.

Not surprisingly, food retailing accounted for more than 25% of the available floorspace and non-retailing accounted for over 55% of available floorspace.

- Research conducted by Essential Economics shows forecast growth in retail spending of MTA residents over the next 20 years will generate opportunities for both an increased level of performance for existing retailers, as well as creating new retail development opportunities.
- Under existing market share conditions, whereby Swan Hill retailers maintain their 50% market share of MTA retail spending, this would support an additional 6,000 m² of retail floorspace over the next 20 years. A significant increase in market share to 60% would see this increase of 16,000 m² of new retail floorspace.



Swan Hill Retail Assessment

Retail gaps

Discount department store

Swan Hill currently has a limited-range Target DDS of approximately 2,950m² in floorspace; this is less than half the size of a typical DDS, which generally ranges in size from approximately 5,000 to 8,000m².

Dedicated homemaker centre/precinct

Swan Hill contains a number of homemaker and bulky goods retailers selling goods including carpets, whitegoods, furniture and hardware that require large format display areas. However, these retailers tend to be scattered throughout Swan Hill.

Limited presence of national brand retailers

Swan Hill has a limited presence of national brand retailers in the non-food specialty sector, particularly in the apparel merchandise sector.

Opportunities

- Having regard for the MTA population of 37,400 in 2014 potential may exist for the development of a full-sized DDS in Swan Hill in the future. The attraction of a DDS to Swan Hill has the potential to provide positive benefits to nearby retailers, provided that such a store is appropriately located in proximity to the majority of retailers in the Swan Hill CBD.
- Swan Hill has the opportunity for the development of a homemaker or bulky goods precinct on land located to the south of the Swan Hill CBD.
- Greater representation of national brand apparel retailers would be anticipated in a centre the size of the Swan Hill. National brand apparel retailers that are located in other nearby regional centres but are not located in Swan Hill include the following;
 - Cotton-On (Echuca, Mildura, Bendigo, Shepparton and Horsham)
 - Rivers (Echuca, Mildura, Bendigo, Shepparton and Horsham)
 - Just Jeans (Echuca, Mildura, Shepparton and Bendigo)
 - Katies (Mildura, Shepparton, Horsham and Bendigo)
 - Factorie (Echuca, Mildura, Shepparton and Bendigo)
 - Pumpkin Patch (Mildura, Shepparton and Bendigo).
- The Swan Hill Riverfront Masterplan presents a significant opportunity that will enhance the region's tourism offering by providing a link between the Swan Hill CBD and the Murray River. Potential exists for new retail opportunities to leverage off any future development arising from this Masterplan.

Swan Hill Region Digital Marketing Presence

- Total internet connection by households in the Rural City of Swan Hill in 2011 was 61%, which is significantly below the national average of 79% and the average for regional Victoria of 68% (source:ABS).
- The share of households in the Rural City of Swan Hill connected via a broadband-connection (53%) was also below the average for regional Victoria (61%).
- Importantly, internet connectivity in the Rural City of Swan Hill increased significantly between 2006 and 2011, with an additional 1,320 households being connected to the internet, representing a total increase of 37% over the five-year period.

It is likely that the amount of spending by regional Victorians, including those in Swan Hill, on internet purchases will increase in the future, as more local business offer online products and as consumers become more 'trusting' of the online retail sector.

- Opportunities exist for Swan Hill retailers to improve their existing web presence, increase the overall number of retailers with a web presence, increase the use of social media, and improve the overall function of IT activities (e.g. online sales, ordering, stock control, etc).
- Swan Hill businesses have a relatively high level of internet representation; however, many of these businesses may not actually know that they have a web presence as details of their businesses are being captured through 'web crawlers'.
- Issues associated with costs and technical expertise are reasons why retailers do not have a web presence.



"Thank you so much for this workshop - helps to be with other like minded businesses in the town."

- Selling Online Workshop attendee

Place management and events

Place Management is the mechanism for managing the wide range of issues, challenges and opportunities that face a town centre every day. It is a management approach that enables issues to be pursued in an integrated, coordinated way to achieve the economic, social and environmental potential of an activity centre or town centre.

- Currently, Swan Hill does not have a Place Management Plan or Event Strategy, but it does have an annual calendar of events that is supported by Council.
- Events form a part of a town or place's identity. Many towns are strongly associated with the events they hold, particularly hallmark events such as major festivals. In some instances, major events can also have considerable social and economic benefits.
- Although Swan Hill does not have a major festival, the Swan Hill Food and Wine Festival does attract visitors from the wider region and potential may exist to further build the profile of this event.
- Need to undertake a 'think tank' to workshop ideas for new events and festivals, which may include:
 - The Big Fish Festival of Fishing
 - A Bush Poets Festival in the Pioneer Settlement
 - A Drag Racing Festival (as well as regular drag racing events) that can use the new drag racing strip
 - An Annual Film Festival based around an agreed theme that fully utilises the Swan Hill cinema.

Action and Implementation Plan

The Swan Hill Region Retail Strategy action plan is designed to be coordinated and implemented by Swan Hill Rural City Council and Swan Hill Incorporated. Based on the evidence collected through this study, the plan includes key strategic solutions, stakeholders, suitable timeframes to implement and indicators to access or monitor progress.

Conclusion

Skills and professional development, increasing profitability and sustainability of retailers, capturing and increasing foot traffic and embracing technology are all key attributes for vibrant shopping precincts and centres. The development of key initiatives derived from the Swan Hill Region Retail Strategy will ensure the municipality can attain these goals and translate the retail sales into employment opportunities and population growth for the region.

Action plan

Objective 1: To Support Swan Hill as the pre-eminent retail location servicing residents and visitors to the rural city of Swan Hill

- 1.1 Prepare a Structure Plan for the Swan Hill CBD that clearly identifies the preferred location for retail, commercial, community and civic development.**

Timeframe: Ongoing

Responsible authority: Council

- 1.2 Develop a strategy to address long-term vacant tenancies in the Swan Hill CBD, such as 'empty spaces' program or encouraging 'pop-up' shops, subsidised rents, etc..**

Timeframe: Short-term

Responsible authority: Swan Hill Inc

- 1.3 Liaise with major and national brand retailers that are not located in Swan Hill but are located in competing regional centres concerning their future intentions and their requirements for locating in Swan Hill.**

Timeframe: Ongoing

Responsible authority: Council

- 1.4 Maintain and update the 'retail' fact sheet shown on Council's website as a means of providing up-to-date information on potential opportunities for new retailers to establish in Swan Hill.**

Timeframe: Ongoing

Responsible authority: Council

- 1.5 Continue to liaise with local traders about the opportunity for a trial of extended hours on Saturday afternoons.**

Timeframe: Ongoing

Responsible authority: Swan Hill Inc

Objective 2: To support the continued viability of existing retailers

- 2.1 Continue to provide support to local traders in the form of professional development, including the provision of courses/seminars on relevant business topics.**

Timeframe: Ongoing

Responsible authority: Council/Swan Hill Inc

- 2.2 Continue to develop the "Welcome to the Heart of the Murray" App, incorporating a greater level of retail content and interaction.**

Timeframe: Short-term

Responsible authority: Swan Hill Inc

- 2.3 Continue to support local retailers in their endeavours to improve their digital marketing presence.**

Timeframe: Short-term

Responsible authority: Council / Swan Hill Inc

Objective 3: To support the development of land to the south of Swan Hill as the main location for highway-based retailing.

3.1 Assist prospective developers and tenants with planning and building applications.

Timeframe: Short-term

Responsible authority: Council

3.2 Liaise with the local business community regarding future opportunities for existing businesses to relocate to this highway-based retail precinct

Timeframe: Ongoing

Responsible authority: Council / Swan Hill Inc

Objective 4: To improve and enhance the built environment in the Swan Hill CBD

4.1 Continue to encourage property owners to invest in the appearance and amenity of buildings.

Timeframe: Ongoing

Responsible authority: Council / Swan Hill Inc

Objective 5: To support retailers in smaller towns so that they continue to service as important focal points for their communities

5.1 Assist retailers in small towns with business and professional development.

Timeframe: Ongoing

Responsible authority: Council / Swan Hill Inc

Objective 6: To promote the integration of the Swan Hill CBD with the Riverfront

6.1 Continue to support the implementation of the Swan Hill Riverfront Masterplan.

Timeframe: Ongoing

Responsible authority: Council

Objective 7: To support the retail industry through the continued development of the local economy

7.1 Continue to promote the Swan Hill region as a place to live, work and visit by implementing the Swan Hill Economic Development Strategy.

Timeframe: Ongoing

Responsible authority: Council

Objective 8: To support retail through the development of 'Place Management' and Event Strategies

- 8.1 Undertake a major survey of the Food and Wine Festival and seek input from participants regarding ideas for improving and expanding the Festival.**

Timeframe: Short-term Responsible authority: Council / Swan Hill Inc

- 8.2 Ensure that surveys are undertaken at all events in order to assess the success of the event, from both a participant's point of view and a retailer's point of view. This may involve the training of a volunteer group who can then assist with surveying.**

Timeframe: Ongoing Responsible authority: Swan Hill Inc

- 8.3 Undertake a full review of Swan Hill's Events Program, including identifying opportunities for new events and festivals**

Timeframe: Short-term Responsible authority: Council / Swan Hill Inc

- 8.4 Develop an overall Events Strategy based on agreed criteria for each event, the purpose of each event, and the outcomes that are anticipated in terms of contributions to Swan Hill's retailers and the community.**

Timeframe: Medium-term Responsible authority: Council / Swan Hill Inc

- 8.5 Seek support from Department of Transport, Planning and Local Infrastructure (DTPLI) to implement a Place Management Strategy for Swan Hill.**

Timeframe: Short-term Responsible authority: Council

Indicators for monitoring process

The following are key indicators for monitoring process of identified key objectives:

- Activity centre floorspace
- In-centre surveys
- Business survey of retailers digital market presence
- Property development proposals and projects
- Retail trading performance
- Increased floor space provision for shops and services
- Vacancy rates for retail and commercial floor space
- Changes in property values and rates
- Viewpoints on health of centre as expressed in property industry.