

## **TO: Productivity Commission**

### **Overview - Impact of the introduction of extended trading hours including Sunday trading**

#### **Introduction**

**The purpose of this paper is to provide an overview of some of the economic impacts of the introduction of Sunday trading on the community of Greater Bendigo.**

#### **Background**

**Extended weekend trading has been part of the Greater Bendigo community since 1995-96 with the introduction first of Saturday afternoon trading hours and then Sunday trading when the Victorian Government deregulated shop trading hours in November 1996.**

**In April 1998, following a petition from a group calling itself 'Save Our Sundays' the City of Greater Bendigo was obliged (in accordance with state legislation) to conduct a referendum on whether a local law should be passed which would restrict Sunday Trading. 72.5% of the registered voters turned out for the non-compulsory vote and 23% favoured the proposed ban while 77% wanted Sunday trading to continue.**

**The success of Sunday trading in Greater Bendigo, and the strong public endorsement it received at the poll, are seen as important indicators of the growing confidence of residents and businesses about the city's economic future.**

**Sunday trading is seen as having a number of impacts.**

- . Enhanced trading and marketing opportunities for existing and prospective businesses**
- . Increased levels of inquiry from businesses not represented in Greater Bendigo**
- . Increased visitor numbers**
- . Increased shopping opportunities and greater choice for local residents**
- . Enhanced positioning to:**
  - attract new industry or investment and**
  - when bidding for major sporting, cultural and social events and conferences**
- . Retention of major events**
- . Increased returns from the staging of major events**
- . Increase community and business confidence**
- . Entry of new operators into the retail mix**
- . Expansion of the municipality's retail floor space**
- . Reduced number of vacant stores**
- . Reduced period in which stores remain vacant, and**
- . Stemming the leakage of escape dollars to Melbourne and other regions**

#### **Retailing in Greater Bendigo**

**Retailing is a significant employer within the municipality. In 1996 the retail and wholesale sectors provided 6,895 jobs, comprising 21.5% of the male workforce and 23.4% of the female workforce. These sectors are the largest employment sectors in**

**Greater Bendigo.** During the referendum it was estimated that Sunday trading alone provided some 1200 jobs within Greater Bendigo.

Greater Bendigo's retail floor space is mainly centred on the following areas;

- . **Regional**
  - Bendigo central business area**
- . **Bendigo Marketplace Centre**
  
- . **Sub Regional**
  - Lansell Plaza Precinct, Kangaroo Flat**
  
- . **Community**
  - Eaglehawk**
  - Heathcote**
  
- . **Large Neighbourhood**
  - Strath Village and Strath Hill, Strathdale**
  - Kangaroo Flat**
  - Golden Square**
  
- . **Growth Area Centres**
  - Epsom/White Hills**
  - Huntly**
  - Jackass Flat**
  - Maiden Gully**
  - Myers Flat**
  - Marong**
  - Strathfieldsaye**

Due to its central geographic position, Bendigo plays an important role as the service centre for north central Victoria. Beyond its immediate population of 86,000, Greater Bendigo also services an additional, wider population of about 100,000. For this reason, retailing is an extremely important part of this municipality's region's economy.

In 1996 the City of Greater Bendigo commissioned a report into the state of retailing in Bendigo. This report found that the municipality had an overall capture of expenditure of \$80 million while it had escape expenditure (largely to Melbourne) of about \$25 million.

Other surveys by the retail sector in 1995-96 have put escape expenditure at closer to \$30 million to \$40 million per year when no opportunity existed for local weekend shopping.

#### **Impacts following deregulation and Marketing Opportunities**

Bendigo Marketplace, which has two anchor stores and 42 specialty shops, reports a steady increase in trade, exceeding budget forecasts since the centre opened in October 1995. Centre management attributes part of this continuing growth to the consistent number of people visiting the centre on Sundays. Currently almost 10% of traffic occurs on Sundays. Sunday trading is crucial to the success of the centre with all three majors and 75% of speciality shops opening.

Lansell Plaza at Kangaroo Flat, which has two anchor stores and 27 specialty shops, reports some sales growth since the Sunday Trading referendum. They consider that a period of at least 5 years is required to establish shopping habits and they predict that Sunday trading will eventually become the most popular shopping day, especially for food items. Major additions are currently being undertaken which will increase the number of shops to 58. This includes the addition of a major retailer, Bunnings. Lansell Plaza management is adamant that these major additions would not have occurred if Sunday trading had been prohibited for major retailers.

**The Strath Village Shopping Centre at Strathdale (two anchor stores and 40 specialty/utility shops) reports that since the referendum, the centre has experienced stronger support for Sunday trading. The number of people visiting the centre on Sundays has increased by about 1000 to almost double the pre-referendum figures. For example, in October the door count was up 17% on the previous year. In addition, the number of vacant shops has fallen from 10 to four.**

**Since the poll voted for Sunday trading the City Council has received inquiries from three major retail chains, with national operations. These chains are not currently represented in Greater Bendigo, but are interested in establishing themselves within the municipality.**

#### **Increased Visitor Numbers**

**In July 1998, Greater Bendigo recorded its best ever month for visitor numbers. Bendigo Tourism which monitors and promotes tourist activity within the municipality says the provision of Sunday trading has ' been a key factor in the Community's success in attracting additional visitor numbers.**

**One of the city's leading local retailers, Greg McRae Fine Furniture, reports that Sunday is the company's second busiest day of the week, behind Saturday. According to Mr McRae an important factor in his business growth has been the number of visitors making weekend purchases.**

**He reports that weekend sales to visitors have reached the point where the company now has a weekly trip to Melbourne and, to several centres south of Bendigo to deliver goods purchased by visitors.**

#### **Enhanced Opportunities to Attract Conference and Events**

**According to Bendigo Tourism the availability of Sunday trading has enhanced Bendigo's cast when bidding for major events.**

**For example Bendigo has secured a number of major conferences for 1999 and 2000 including the Rotary District Conferences for Mt Waverley next year and Sunbury the following year. Each event will attract more than 1000 visitors to the municipality for several days. In the case of at least one of these events, organisers had their choice of Bendigo under review during the referendum.**

**This was also an important ingredient in Bendigo attracting the worldwide reunion of the *Clan Maclead*. Without Sunday trading Bendigo would not have been as attractive a destination nor would Bendigo have been able to derive maximum benefit from the event**

**Bendigo Tourism conducted an information stand at the National Under 18 Basketball Titles held in Bendigo in July. The most asked question by women attending the titles was "where to shop on Sunday?"**

#### ***Enhanced Strategic Positioning***

**Greater Bendigo has stepped up its efforts to attract new industry and investment to Bendigo. One of council's objectives is to become the call centre capital of regional Australia, a project for which it is receiving strong State Government support.**

**The city recently secured a 400 job Postel Call Centre (now Vectus). It is doubtful Bendigo would have secured the support of Postel management for the selection of Bendigo without the right mix of economic and social opportunities for staff to be appointed here. An important element included the availability of weekend trading.**

**The extension of shopping to include Sundays is now highlighted in any submission to prospective investors or industry.**

## **Entry of New Retailers**

As previously stated, since the poll endorsing Sunday trading. Greater Bendigo has received a number of inquiries from prospective retailers looking to locate here. One major retailer, Bunnings, has since made a commitment to Bendigo with plans to establish a major store adjoining Lansell Plaza. During the referendum, Bunnings made it clear to the local retail industry that it would not invest in a new Bendigo store if Sunday trading was not continued.

## **Expansion of Retail Floor space**

Bendigo has increased its retail floor space significantly since Saturday afternoon trading and again when Sunday trading were introduced.

In August 1994 the municipality had some 164,517 square metres of total retail and goods floor space. Since then the amount of approved or pending space has increased by more than 32,000 square metres through the addition of a number of projects, notably:

- . Bendigo Marketplace
- . Bunnings
- . Dalgetys
- . Primac
- . Mal McGovern Furniture and Spotlight, Victoria Hill Complex
- . McDonalds, Strathdale
- . Harvey Norman, Kangaroo Flat
- . Hume & Iser, East Bendigo (service)
- . Rivers, Hargreaves Street

Planning activity in the retail core of Bendigo's central business area (including the Bendigo Marketplace) precinct has experienced a significant upturn in the period since 1994.

In 1995 the city issued Planning permits valued in excess of \$25 million. In 1996 that figure had climbed to in excess of \$43 million. In 1998 planning permits valued in excess of \$51 million had been issued. While it is not possible to separate out permits issued for retail activities, anecdotal information suggests that retailing activity comprise a significant proportion of total planning approvals.

## **Reduction in Vacant stores**

During the referendum, the Save Our Sundays Group conducted a survey of retail businesses and reported that urban Bendigo had more than 90 vacant stores. A survey by the City of Greater Bendigo found that this number had fallen to 55 in August.

Sandhurst Trustees which manages 110 properties within the Bendigo central business area reports that occupancy rates have improved considerably since the poll. For the first time in many years it has no empty shops and reports that the vacancy period for those which fall vacant has fallen considerably. The number of vacant stores at Strath Village has fallen from 10 to four during the some period.

## **Stemming the leakage of escape dollars**

As stated previously various studies put the leakage of escape dollars away from Bendigo prior to extended weekend trading at between \$30 and \$40 million per annum. The loss of Sunday trading would have meant that the leakage of retail expenditure would again be at that level. In fact the City of Ballarat made it known publicly during the referendum that it would target Bendigo with a campaign to attract Sunday shoppers if the poll had resulted in a ban within Greater Bendigo.

## **Summary**

**In conclusion it can be seen from the above that the extension of trading hours to include Saturday afternoons and Sundays has had an overall beneficial impact on the City of &rector Bendigo.**

**There is clear evidence that the introduction of Saturday afternoon and Sunday trading has played its part in the increased sales and marketing *opportunities*, increased retail activity, new investment, *increased* visitor numbers, enhanced positioning to attract investment and events, improved occupancy rates and a growing sense of confidence in the region's economic future.**

**Yours sincerely,**

**Hadley Sides  
Chief Executive Officer**