



ALDI Stores

(A Limited Partnership)
ABN 90 196 565 019

60 Swann Drive, Derrimut, VIC 3030 AUSTRALIA

DERRIMUT REGION

2 February 2009

Locked Bag 2001
Sunshine
VIC 3020

Telephone: (03) 8369 3000
Facsimile: (03) 8369 3199

Retail Policy Review
Department of Planning & Community Development
GPO Box 2392
MELBOURNE VIC 3001

Dear Sir/Madam,

Submission to Retail Policy Review – Discussion Paper October 2008

The purpose of this letter is to put forward a formal submission to the Retail Policy Review.

Over the past seven years, ALDI has made a very significant financial commitment to Victoria. ALDI currently has a network of 70 stores trading very successfully across the state. This network has dramatically altered the retail landscape, bringing increased competition, significantly lowering grocery prices for millions of Victorians and creating new employment opportunities. ALDI has also located in many activity centres where there has been significant benefit to the ongoing operation and development of those centres.

ALDI has identified the opportunity to grow the network by at least another 100 stores in Victoria over the coming years, requiring significant further investment in stores and distribution centres. Our investment alone in 2008 surpassed \$160million.

Since ALDI's establishment in Victoria there have been a number of impediments within the planning scheme that have significantly reduced opportunities and added considerable time and cost to the planning process. The major planning issues that have affected the rollout of ALDI stores across the state are highlighted below:

- Insufficient provision of Business 1 zoned land.
- The rezoning process is driven and controlled by Local Government with no right of appeal, statutory timelimits or clear strategic guidance from the state.
- Very limited clarity regarding the locational criteria that should be met when developing edge-of-centre and out-of-centre locations.
- The structure planning process for activity centres delays decision-making and causes significant delays at Local Government level.

The Retail Policy Review addresses some of these issues through the proposed sequential locational approach to major retailing facilities and guidance around the role and function of existing and future activity centres through a more defined structure planning process. In ALDI's view these solutions will require further work and only partly address the issues faced by ALDI at the "coal face".

In relation to the above issues, ALDI has two clear and simple solutions that it wishes to put forward, which would address its concerns regarding the ongoing rollout of stores across Victoria. The solutions are as follows:

1. The sequential test outlined in the Retail Policy Review should be incorporated into the planning scheme under a new retail policy in the State Planning Policy Framework. Further to this, the current proposed retail sequential test in the Retail Review needs to be modified so that it relates to retail facilities with floor areas above 1000m², not 2,000m² as currently described in the Retail Policy Review. ALDI's typical floor space is around 1500m² and therefore under the current proposed solution ALDI would be excluded from benefiting from a sequential test

to edge of centre and out of centre developments. These amendments would provide a fair and flexible test to be applied to major retail developments across Victoria to ensure the achievement of a net community benefit.

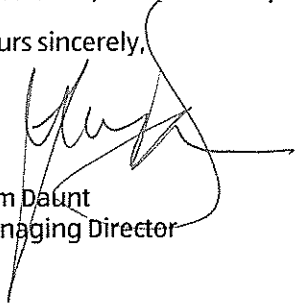
2. The planning scheme amendment process, particularly as it relates to rezoning for supermarket opportunities, needs to be amended so that it is not driven and controlled only by Councils. An improved model is for an independent strategic assessment to be carried out by the state (perhaps by a body such as the PDP) when the rezoning application is first lodged with the local council. This approach could apply for all retail facilities with a floor area of over 1,000m² where a planning scheme amendment is required. This state would assess the initial merits of a planning scheme amendment proposal, and where a proposal was deemed to have strategic policy merit at both the state and local level, the state would then request that the council process the proposal and put it on public exhibition within a reasonable timeframe. From this point, the normal processes would apply.

In Victoria, if a rezoning proposal has strategic policy merit at the state and local level, then a planning scheme amendment should always be processed and ultimately considered by an independent panel, as is normally the case. However, what very often happens at the "coal face" at Council level is that for many reasons these proposals are often not supported by Council, even though they may have strategic policy merit and meet state and local planning policy objectives. The proposed planning scheme amendment process detailed here resolves this issue, allowing for balance and consideration by all parties, while still allowing Councils to have an equal input throughout the process.

ALDI is keen to be an active contributor to the Retail Policy Review process and trusts that this submission will be given due consideration in the context of its significant and growing retailing business in the State of Victoria.

To discuss this matter or to arrange a meeting to discuss these issues, please do not hesitate to contact myself on 8369 3211, or ALDI's town planner from Urbis, Mr Jamie Govenlock, Director, on 8663 4888.

Yours sincerely,



Tom Daint
Managing Director