

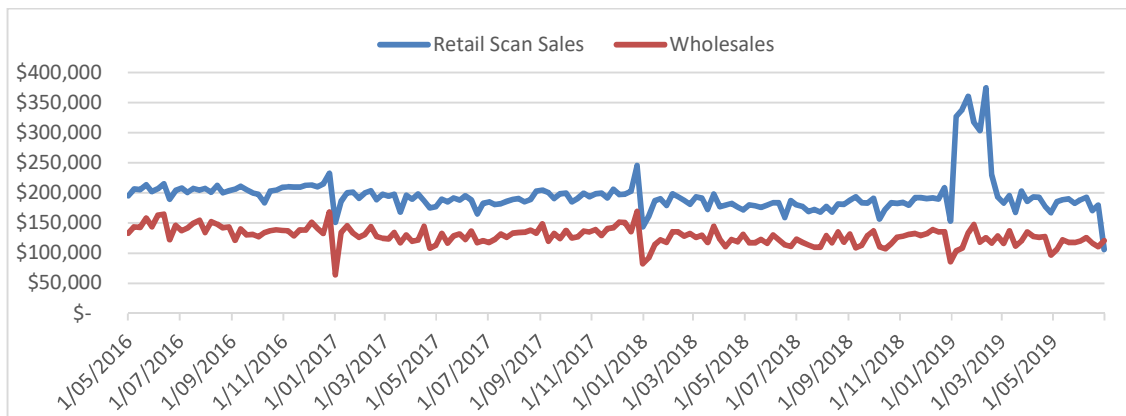
**INFRASTRUCTURE SA
 SUBMISSION RE STATE INFRASTRUCTURE PLAN**

Dear Sirs

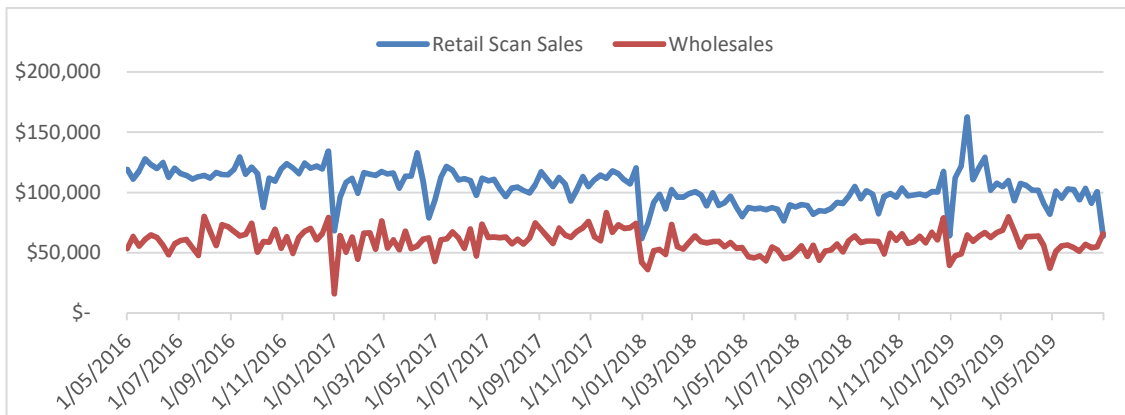
Metcash Food and Grocery is a supplier of groceries to the Independent sector. We supply and provide support to all Independent Retailers including Foodland, IGA, Friendly Grocer, On the Run, X Convenience and hundreds of other independent owners such as Delis, Hotels, Restaurants and the like.

The Infrastructure plan while focusing on the requirements of the state does little to review or understand the impact on the service industry whether it be a Supermarket, Restaurant or Hairdresser. There have been numerous occasions where work undertaken by the State Government and Local Councils have resulted in businesses losing substantial sales and quite often closing the doors. Inevitably major works on roads or services infrastructure results and impacts upon businesses that are very poorly supported by the process.

Below are two graphs of the effect upon two Foodland's in SA. The below being one that was involved in substantial Roadworks over a 2.5 year period where sales were \$210k pw average and were reduced to a low of \$175k average. This store some 12 months after the works has not recovered and we believe will not get back to its original sales for several years. The total impact over those three and a half years resulted in lost retail sales in the vicinity of \$6.4mill.



The graph below is a store where the secondary road was closed for 8 months while underground services were replaced and trees removed to widen the road and allow for car parking. Again sales were average \$110k pw and dropped to \$93k pw average and again some 8 months later they have not recovered. The total impact over the sixteen months resulted in lost retail sales in the vicinity of \$1.1mill.



Our experience shows that when work is done on major roads or infrastructure there is a down turn in sales in the vicinity of 25% and substantially more in cases where roadworks are substantive (e.g, South Road Torrens project and the Darlington Redevelopment). History has shown that none of the stores affected by those works recovered nor did they return to their original sales resulting in undue pressure being placed on the business and families.

While it is not expected that the Government should refund or subsidize the losses there is a need for more than the token support offered to Independent operators that find themselves in these situations. Contractors undertaking these works have provided token gestures of signage, alternate entrances to carparks or front doors etc. This does little to maintain a customer base. While these gestures are appreciated and necessary we believe further support after the completion of the works should be allowed for to assist the retailer in recouping lost sales. Some form of Marketing support, inclusive of leaflet drops should be provided for, as part of the infrastructure costs. The extent of the support we imagine would be reflective of the time taken to undertake the Infrastructure works.



The Independent sector is the largest private employer in SA, (some 13%), and as a collective group maintain 31% market share in the supermarket sector. Supporting and maintaining these businesses ensures that employment not only continues but that those who have suffered through these works can regroup, regain sales and move to open new businesses to create more employment in the state.

To this end we propose that the government provide some funding within the cost of the relevant infrastructure project to provide marketing support for those retailers directly affected by those works

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Championing Independent Retailers

