## Living Streets Hamilton submission to 'Market study into the retail grocery sector'

By Peter H Bos

Submission to 'Market study into the retail grocery sector'

**Submitter**: Peter H Bos with support from Judy McDonald on behalf of **Living Streets Kirikiriroa** (Hamilton). Living Streets Kirikiriroa is the local branch of <u>Living Streets Aotearoa</u>

'There is only one way to eat an elephant: a bite at a time'

We are asking the Commerce Commission to recommend that:

- (1) 'Dairy' is a permitted activity in all District Plan zones.
- (2) 'Produce stall' be a permitted activity in all District Plan residential zones.
- (3) The minimum parking requirements for local dairies are removed.

Link to Hamilton District Plan Chapter 4 rule 4.3

**Desired outcome:** To have consumers able to reach small grocery retailers located within a 10 minute walk from their homes, to enable top-up shopping.

## History of what used to be allowed:

In March 1962 an article on 'Town and Country Planning' stated that 'until recently, if you owned some land you could do what you liked with it. You could build a house, a factory, a shop, and it was nobody's business but your own'. The Encyclopaedia of New Zealand website has the following statement about dairies: 'Dairies offer an independent way to own your own business, and the older dairies were often based on people building a room onto the front of their houses and set up a shop selling a few grocery items, confectionery or other easily handled goods'.

## Example of the outcome of what used to be allowed:



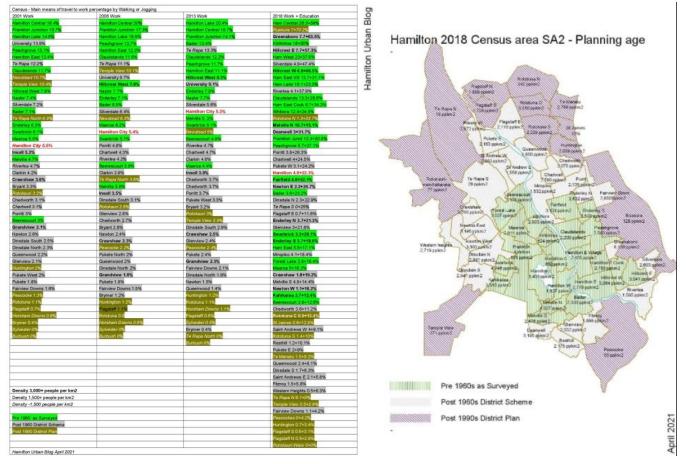
Dusseldorf, Loricker Street: 16m2 kiosk in front room of Irene

Massey Street Hamilton

Mokau 36m2 dairy

Link to more on 'Irene Velton Kiosk' and 'Massey St Dairy' and 'Mokau Dairy'

**Our concern** is that with each update of the Hamilton District Plan, the outcome is less walkable neighbourhoods.



Example: Image shows main means of travel to work by walking, as a percentage, for Hamilton: ranking by census unit areas, colour by district plan ( $\underline{Link}$ )

Our interest is also linked to the fact that "Planning laws and their implementation by territorial local authorities can also affect the potential for competition in the grocery sector" (p15\*).

**Our focus** is that "Consumers tend to use other grocery retailers mostly for smaller, secondary or top-up shopping missions" ... "major grocery retailers have a combined market share of ... more than 80% for top-up shop" ... "on average consumers in major towns and cities travel less than 10 minutes to their main store" (p11\* of Market-study-into-the-retail-grocery-sector-Draft-report-Executive-summary).

**Desired outcome:** To have consumers travel for less than 10 minutes on foot to use smaller grocery retailers for top-up shopping.

## Living Streets Kirikiriroa (Hamilton) supports the removal of minimum parking requirements.

In Hamilton it appears that minimum parking requirements are a barrier to entry-level businesses. Before the 1960s there were no minimum parking requirements for local shops. By the 1980s more land was needed for parking than for the shop, and today land value is so high that opening a new local dairy is not a possibility as an entry-level business.



History of minimum parking requirements for local shop

Is it possible that Hamilton District Plan rules have been over-influenced by large suppliers such as Foodstuffs?

'Discussions were held with a representative from Foodstuffs (NZ) Ltd. In the light of these discussions the following alteration has been made: dairy groceries having a gross floor area not more than  $150\text{m}^2$  have been included as a predominant use in the Commercial 1 Zone. The representative of Foodstuffs (NZ) Ltd suggested that an upper gross floor-space limited of  $80\text{m}^2$  for a dairy grocery would not present an economic proposition. Present development by that company of dairy grocery units requires a gross floor-space in excess of  $120\text{m}^2$ . The upper limit of  $150\text{m}^2$  is considered reasonable and practical'.

Hamilton City District Scheme (Section 1 & 2) first review – Report on Commercial areas Dec 1975 – ref s 711 552 209 931 151 Ham

Of particular interest, given the rapidly ageing population in New Zealand and the accompanying issues of loneliness and isolation, is the following comment from Ludo Campbell-Reid (<a href="https://theregister.co.nz/2019/04/16/local-dairy-going-extinct/">https://theregister.co.nz/2019/04/16/local-dairy-going-extinct/</a>), which emphasises the need for local connections and relationships. The contribution of local mobility to the maintenance of communities is a major part of the philosophy of Living Streets: "The corner dairy is an integral part of the community that has filled the gap of quick and convenient for a very long time. Most dairy owners operate 365 days a year, and with that comes a personal touch with their clientele. Owners are personally involved with their customer base, giving them an unmatchable advantage over supermarkets and other convenience forms of business, including gas stations."

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