



Sydney2030/Green/Global/Connected

CITY OF SYDNEY 

Retail Action Plan

December 2013

city of villages



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01

Executive summary

Value of retail

This Retail Action Plan sets a course to position Sydney as Australia's premier retail destination with a shopping experience in the city centre and thriving main streets in each of the villages that match those found in comparable global cities.

A vibrant retail sector in Sydney services the local community – residents as well as those working or passing through the city each day. It is an attractor for visitors; contributing to the every day cultural and social fabric of the city. It contributes to the liveability of Sydney, an important factor in attracting global businesses and their highly skilled workers who seek a high-quality lifestyle and work environment.

Economically, the sector represents more than 7,800 of the approximately 21,500 businesses in the city and is a major employer.

The retail sector is a key component of the City of Sydney's economy, comprising of over 7,800 businesses. The sector provides vital services to our residents and contributes to the livability of the city.

Challenges and opportunities

The retail sector is undergoing structural change.

Consumers are changing their patterns of behaviour – saving more of their income and spending less, placing greater focus on services and experiences rather than retail goods, and spending money online more than ever before.

Economic conditions such as the rise in the Australian dollar and the weakening of overseas economies have resulted in a reduction in spending by international visitors.

There are a range of local issues influencing the sector – congestion and poor pedestrian amenity in the centre of Sydney, transport and car parking, the high cost of retail property and high vacancy rates in some sectors of the city.

There are also opportunities – in recent years there have been record levels of investment in high quality property and public spaces around Pitt Street Mall. The city's major event calendar is attracting large numbers of people to Sydney even in traditionally quiet months. Savvy retailers are finding new ways to reach consumers and to distinguish themselves from their competitors by providing unique experiences for shoppers.



Our focus for action

The City of Sydney has a role to play, contributing to the development of the sector as it responds to the issues, challenges and opportunities that lie ahead.

The four areas of focus for the City are:

- **Create great experiences** for city workers, residents and visitors to Sydney to ensure they choose to shop in central Sydney and its villages;
- **Build capacity and resilience** to ensure the city has a diverse range of sustainable, innovative retail businesses;
- **Remove barriers**, clarify regulatory processes and assist, in particular, new retailers and small businesses to more efficiently and effectively interact with council and other levels of government; and
- **Engage with the sector** to encourage closer cooperation between retailers and more efficient interaction with the regulatory processes of government.

Some of the key projects we intend to undertake to grow, diversify and sustain the retail sector include:

- In conjunction the NSW Government, transforming George Street into a pedestrian, retail and light rail boulevard, linked to major public squares at Circular Quay, Sydney Town Hall and Central. Thus reducing congestion for pedestrians and providing opportunities for outdoor dining and seating, public art and activation;
- Positioning Sydney as a global city retail destination and a place to experience Christmas in the Southern Hemisphere;
- Activating laneways and finegrain retail spaces to encourage their take-up by diverse and bespoke businesses;

- Developing an ongoing program of retail campaigns in all villages to take advantage of the annual city-wide calendar of events, to encourage residents to support their local businesses;
- Exploring ways to work in partnership with property and business owners to improve the perception and performance of retail precincts through temporary or longer term interventions. Initial programs will focus on Oxford Street, King Street, Glebe Point Road and Redfern;
- Developing and promoting information kits, resources and programs that assist the growth and longevity of start-up and small retail businesses;
- Working with retail businesses to establish a boundary and baseline of environmental performance on which to focus improvement and develop and implement strategies and programs to reduce the consumption of water, waste and energy;
- Continuing to work with and support the Retail Advisory Panel; and
- Delivering an annual program of seminars and forums for retailers that provide advice, share information, promote business development opportunities and discuss strategic issues.

Progress on all the identified projects and the achievement of targets or the identification of trends will be reported on a regular basis. This will inform our assessment of future priorities and needs of the sector. A major review will be undertaken to coincide with the end of the first five years of the plan.

02 Introduction



Background

During 2007-2008 the City undertook the most comprehensive community consultation in its history. We spoke to residents, workers, students, business operators, industry associations, community organisations and visitors about their vision, goals and aspirations for the future of the city. The result is Sustainable Sydney 2030 – a comprehensive plan for the development of the city to 2030 and beyond. The plan sets out a series of actions to achieve a green, global and connected city and identifies synergies between the various streams, such as the linkage between community, liveability, creativity, innovation and productivity outcomes.

The City of Sydney Economic Development Strategy 2013 has built on and updated the broad economic themes in Sustainable Sydney 2030. It provides an overarching framework that guides the City's economic development initiatives. It sets out the City's economic development aspirations, role, priorities and approach.

The Economic Development Strategy is intended to be read in conjunction with the detailed action plans prepared for priority sectors and places, one of which is this Retail Action Plan.

Retail Action Plan

Representing more than 7,800 of the approximately 21,500 businesses in the City, the retail sector is a major employer that makes an important contribution to the economy. It is the foundation of our village main streets and has a major presence as an attractor in central Sydney.

The challenges facing the sector affect the traditional “bricks and mortar” retailers, large and small, and point to a need for strategies and actions to enhance their competitiveness in an era of ever increasing competition.

The focus of the City's actions will be directed to the maintenance and growth of retailers with an on-street presence in central Sydney and in the City's villages. Their economic contribution to the city is significant, as is their input into the liveability of Sydney more generally.

Many of the initiatives set out in this plan focus on the development of the places in which retailers operate, ensuring the diversity of Sydney's retail offer, supporting business operators and finding new ways to work together.

The City's actions will also deliver support to online retail businesses, particularly through programs for small and new businesses.



Evidence-based research

This plan responds to the findings of an extensive research and consultation program undertaken by the City. This program captured the views and perspectives of city residents, workers, visitors to Sydney and the business community, including the Retail Advisory Panel.

The City of Sydney also commissioned a number of studies to inform the Retail Action Plan. These include:

- Global Cities Retail Study, September 2011, SGS Economics & Planning.
- Perceptions of the City Retail Environment 2011, Sweeney Research.
- City of Sydney Retail Survey 2011 and 2012, Savills Research.

Sydney's retail environment was compared with that of other global retail cities and major trends and issues affecting the sector were identified. This helped to establish baselines for many of the indicators that will be used to monitor change over time.

Pertinent findings from the 2011 Australian Government Productivity Commission Retail Industry inquiry report have also been addressed.

A dynamic plan

This plan is intended to be flexible and evolve as the needs and priorities of the sector change.

Progress towards the achievement of targets or the identification of trends will be reported on a regular basis and data will be refreshed frequently.

Priorities will be assessed annually based on the outcomes achieved and as new information on the needs of the sector becomes available.

A major review will be undertaken to coincide with the end of the first five years of the plan.

A partnership approach

In delivering on this plan, the City cannot act alone.

At all times, we will seek to create strong partnerships and networks with industry, government and other stakeholders so that through our combined efforts more can be achieved.

We also expect industry and government to initiate their own actions. Where they involve the City, they will be presented in future versions of this plan.

03

Retail in Sydney

Defining retail

Retail is a diverse industry encompassing goods and services that range from those that are essential to those that are entirely discretionary.

Retail formats differ and include department stores, big-box shopping centres, warehouse centres, supermarkets and main street or street-edge stores. The range and type of online retail business formats is also growing.

Retail businesses may be defined according to the segment of the market they target – from high-end, mid-range, niche and tourist retailing, to hospitality businesses and retailing for the day-to-day needs of city residents and workers.

Similarly, businesses may be defined according to their market reach, whether it is local, national or international.

Classification systems, for example, the Australian and New Zealand Standard Industry Classification (ANZSIC) or the City Based Industry Classification (CBI), which distinguish retail types (for example, food and drink, clothing, footwear and personal accessories), can be used to define the sector for statistical reporting purposes.

References to the retail sector in this plan are intended to be broad and encompass the various ways the sector can be classified.

Retail is the foundation of our village main streets and has a major presence as an attractor in central Sydney.

Economic contribution

National

The 2011 Productivity Commission Inquiry reported that across Australia there are almost 140,000 retail businesses employing approximately 1.2 million people or 10.7 per cent of the total working population.

The industry makes a significant contribution to economic output, generating \$60 billion or 4.4 per cent of Australia's GDP in 2011–12.²

Local

The retail sector is a direct contributor to Sydney's economy.

At last count (2012), there were over 21,500 unique businesses within the City of Sydney Local Government Area (LGA)³. These businesses spanned a wide spectrum of industries and employed more than 437,000 workers.

In 2012 there were 7,867 retail-related businesses in the LGA representing, 36 per cent of all business establishments in the LGA. Retail businesses employed 66,169 workers which represents 15.14 per cent of the city's workforce, above the national average of 10.7 per cent.

The retail workforce comprises a higher proportion of part-time and casual workers when compared with other industries. In the City of Sydney LGA, 45.3 per cent of retail workers are part-time or casual, compared with 16.4 per cent across all industries.

The industry makes a significant contribution to economic output, generating \$60 billion or 4.4 per cent of Australia's GDP in 2011–12.



Indirect

Recent research⁴ revealed that the retail sector also has an indirect impact on Sydney's prosperity because of its role as an attractor for global businesses and their employees who seek a high-quality lifestyle and work environment.

Retailing is part of the "everyday cultural infrastructure", contributing to the essence and authentic fabric of a city such as Sydney. It has the capacity to enhance the city's attractiveness and liveability which, in turn, attracts skilled labour, students and visitors.

A sound retail base is also essential for Sydney to attract mutually supportive residential development.

Retail precincts that are popular with residents and workers are also likely to be popular with domestic and international visitors who are looking for an authentic experience.

A high-quality retail experience plays a role in the social interaction of Sydney's population, provides a focus for events that enliven the city, and is a source of employment for people from across the socio-economic spectrum.





04

Contemporary challenges

Consumers are changing their patterns of behaviour – saving more of their income and spending less, placing greater focus on services and experiences rather than retail goods, and spending money online more than ever before.

Global and national economic conditions

One of the key drivers of growth in retail spending is the size of the disposable income of households and individuals - influenced by employment and salary growth, debt levels, interest rates and an increase in population size in general⁵.

According to a recent report; “the rate of growth of real household reputable annual income fell dramatically with the onset of the global credit crisis from a rate of 6 per cent annual growth to just 1.8 per cent and has subsequently recovered to 3.9 per cent”⁶.

Structural changes in the economy and changes in consumer behaviour also influence the growth in retail sales. Nationally, the past two decades have seen a downward trend in growth in sales attributed to:⁷

- A shift in consumer spending from retail goods to services (e.g. financial services, property and accommodation, education, travel and hospitality). In the early 1980s, retail spending represented approximately 35 per cent of overall consumer spending. Currently, this figure stands at just under 30 per cent;
- A decline in the price of retail goods, influenced by the recent rise in the value of the Australian dollar, which has placed further downward pressure on the price of imported goods. Consumers may be purchasing more goods but at lower prices; and
- Growth in the rate of household savings in recent years, reversing the previous trend of consumers being willing to fund their increasing levels of consumption with personal debt.

Global business cycles also influence the level of retail spending. During a global downturn, retailers are likely to reduce stock levels and expansion plans while consumers are likely to constrain their spending. The reverse is likely to occur during periods of global growth⁸.

Macro-economic conditions of particular local importance are⁹:

- The convergence of the rise in the Australian dollar and the emergence of weak overseas economies has resulted in a reduction in expenditure from international tourists and a decline in international student numbers;
- The impact of the global credit crisis on the finance and business services sector – a significant contributor to Sydney’s economy; and
- Lower immigration levels which influence education, the housing market and related industries.

While sales data at a local level is not available, it can be reasonably assumed that Sydney city retailers experience the impact of these broad macro-economic conditions.



Changing nature of retail

Retail is changing. Competition has increased from regional and suburban centres that now cater for much of the retail demand from the residential population¹⁰. The growth of an affluent and mobile population in suburban areas, development of strong corporate chains now represented in all centres, demand for larger stores and associated parking, comfort, familiarity, convenience, family friendly facilities and a range of shops under one roof – are just some of the factors that continue to drive consumers to these centres¹¹.

There has been a growing shift toward online shopping. It is estimated that approximately 4 per cent of domestic retail sales are transacted online; the actual percentage of sales varies between categories. Online sales of books, for example, are estimated to represent 9–12 per cent of the market; CDs, DVDs and hi-fi accessories 12 per cent, and groceries and alcohol only 1 per cent¹².

It is reported consumers are drawn to online shopping due to lower prices, convenience and a wider range of goods and services¹³. With further technological change and consumers who become accustomed to this mode of shopping, further growth in online retailing is likely.

There has been an increasing emphasis on discounting and group purchasing. Websites such as Groupon Australia utilise the principles of collective buying in a new way, negotiating substantial discounts with businesses and reaching consumers through their inbox¹⁴. While it may be an opportunity to be explored by small retailers, it is also training consumers to purchase only when merchandise is discounted.

The increasing awareness of consumers towards safeguarding the environment is leading to a rise in demand for environmentally friendly goods, locally made products and organic foods¹⁵. New products are emerging; including fashion, food and household goods. This trend is likely to continue as is the increase in the number of green retailers as sustainability considerations take on more importance for consumers.

Sustainable consumption

A long-term challenge faced by the retail sector is sustainable consumption. That is the reduction of the impact on the environment through changes to the retail supply chain, including production, consumption, sale and disposal of goods.

Local conditions in Sydney

Research shows that crowds of people on footpaths, traffic congestion, expensive parking and the cost of public transport (to and from central Sydney and within central Sydney destinations) are all issues that deter people from choosing central Sydney as their shopping destination¹⁶.

Perceptions about day and night safety in central Sydney were also identified as of concern to some occasional visitors to the area¹⁷.

Within the villages, businesses have also identified concerns with transport and car parking as barriers for shoppers and those servicing their business.

Property-related issues feature heavily in discussions with retailers: the cost of rental in central Sydney and the villages, adequate supply of property in the right locations, vacant and underutilised property in underperforming areas, and the right mix of tenants for particular areas, are all identified as issues that affect the success of the retail sector across the LGA.

05

Focus and outcomes

Role of the City

The role of the City of Sydney is to work with industry and government partners to help create the environment for retail businesses to flourish.

In identifying the issues of concern to the retail sector and the actions to mitigate their effect, this plan has a focus on projects that are within the control of the City.

Other actions identified address issues of concern to the City, but are not within its control. For these actions, the City will advocate for change and where appropriate support the lead agency or organisation.

There are, of course, issues not articulated in this plan, but which are of great concern to the retail sector. The collection of GST on imported goods is one such example. While the actions pertaining to this and similar issues are of concern to the City, they are neither within the City's control or ability to influence the desired outcome; thus not addressed in the plan.



As set out in the Economic Development Strategy, the City has identified three strategic priorities that collectively chart a course to achieve the vision for Sydney's future economy:

- **Strengthen Sydney's competitiveness:** through the creation of a city that encourages business investment, attracts visitors and has the amenity and liveliness sought by current and future residents;
- **Improve productivity and capacity:** through investment in the productive, transformative and social infrastructure needed to unlock the city from congestion, to keep people and goods moving, increase knowledge and capital flows, to enable full participation in the workplace, and workers at all levels to live close to their work; and
- **Promote opportunity:** build on strong regional, national and global links, and cross-sector networks, to support the continued development of strong industry clusters. Encourage partnerships and collaboration to strengthen the established sectors as well as the entrepreneurial and small business community within the city.



Focus for action

Within that framework, this plan sets out four areas on which the City will focus its activities to support the retail sector. Projects grouped in these areas respond to the issues, challenges and opportunities identified by the research and consultation undertaken by the City. The four areas of focus are:

- **Create great experiences** for city workers, residents and visitors to Sydney to ensure they choose to shop in central Sydney and its villages;
- **Build capacity and resilience** to ensure the city has a diverse range of sustainable, innovative retail businesses;
- **Remove barriers** to clarify regulatory processes and assist, in particular, new retailers and small businesses to more efficiently and effectively interact with Council and other levels of government; and
- **Engage with the sector** to encourage closer cooperation between retailers and more efficient interaction with the regulatory processes of government.

The City's Economic Development Strategy identifies a number of themes that are common to each of the sector action plans. Actions for these themes will be developed, including:

- Sustainability;
- Aboriginal employment and enterprise;
- Small business and entrepreneurs;
- Knowledge and innovation; and
- Connections to Asia.

Outcomes

A desired outcome from this action plan is the recognition of Sydney as Australia's premier retail destination. This includes a retail experience in the city centre that matches that of similar global cities and sees the villages' main streets develop unique identities that both service their local communities and offer an authentic experience for visitors.

Another desired outcome is a retail sector that encompasses a diverse range of businesses that span all stages of the lifecycle, from start-up through to growth and maturity and which provides employment opportunities that range across all skill levels, from the untrained through to the highest professional levels.

Also sought is a sector with businesses that are sustainable and innovative and which contribute to Sydney being an attractive and desirable place to live and visit as well as to work and do business.

06

Create great experiences

Why we need to act

Retail is changing and to remain competitive, retailers in the City of Sydney LGA must offer a retail “experience” comparable to those found in other cities around the world.

A memorable experience is particularly critical to distinguish retailers in the City Centre and Main Streets from online competitors.

Retailers around the world are responding to the challenge of “experience” through initiatives such as interactive retailing, curated retailing and investment in unique and bespoke products and services. Sydney retailers will need to be early adopters in order to maintain their competitiveness¹⁸.

It will take more than a quality in-store experience to encourage consumers to increasingly choose central Sydney or the villages for shopping.

Recent research reveals that all aspects of a visit to a retail destination matter, including: travel to the destination; finding your way around; the right amenities and services; plenty of seats; the level of congestion on footpaths; a walkable city centre; convenience; cleanliness; a desirable mix of shops; trading hours that suit; entertainment; active and interesting shopfronts; a sense of excitement – all of these factors and more influence consumer choices about where they'll spend their time.

The City will continue to deliver major events that contribute to the liveliness of the city – New Year's Eve, Art and About, Christmas and Chinese New Year.

What we'll do

The City has a role to play in delivering a great experience for residents and visitors to the city. The focus will be on the quality of the public domain and the level of activity within it.

The City has an extensive capital works program planned or in progress that includes public domain master planning and development; the creation of pedestrian and cycling networks; traffic-calming initiatives; the creation of new public squares and public places; the revitalisation of laneways and finegrain spaces; public art; and improvements to recreational and community facilities.

The amenity of the city's public places is delivered through investment in new and refurbished assets, including street furniture and paving as well as programs such as the “Living Colour” floral displays. The City is committed to delivering a strategic and well resourced program of maintenance and upgrade works as well as the daily cleaning and servicing at a standard comparable to other global cities.

The City will use its planning controls to improve the aesthetic quality of the city, to ensure the diverse supply of retail property, and to encourage active street frontages and on-street activity in central Sydney. In doing so, the City will seek to always balance the often conflicting needs of the business sector as well as those of adjacent residents.

We will continue to deliver existing programs as well as develop new ones that catalyse development in underutilised spaces; encourage entrepreneurs; support increased levels of activation; and changes to trading hours.

The City supports the activation of laneways and finegrain retail spaces to encourage their take-up by diverse and bespoke businesses.



The City will continue to deliver major events that contribute to the liveliness of the city with an investment of more than \$12 million annually in events such as New Year's Eve, Art and About, Christmas and Chinese New Year. As well, the City is a major supporter of festivals, events, celebrations and other community activities, which contribute to the cultural and street life of Sydney.

We will also work to promote Sydney as a shopping destination locally, nationally and to our international visitors.

Where action is needed from other levels of government or from business, the City will be an advocate for change and provide appropriate support.

Our work will continue with the Retail Advisory Panel and with retailers across the city to promote Sydney and encourage collaboration.

We will work with the business community to gather and share research and information to plan changes on a precinct wide basis.

In conjunction with property and business owners, we will work on short and long term solutions to activate underutilised property, to attract and retain the right mix of tenants and to implement sustainability programs.

We will continue to work closely with the NSW Government, which has a significant contribution to make through the provision of public transport services to meet the needs of business and consumers.

Major projects

Major initiatives to support the retail environment in Sydney include:

- Working with the NSW Government to transform George Street into a pedestrian, retail and light rail boulevard, linked to major public squares at Circular Quay, Sydney Town Hall and Central, and connected via light rail to Barangaroo via Circular Quay; thus reducing congestion for pedestrians and providing opportunities for outdoor dining and seating, public art and activation;
- Investing \$1.5 million during 2014–2016 and working with Business Events Sydney to secure conferences and business events for Sydney. A program will be developed; building on this investment to promote Sydney retail to business visitors.
- Advocating for improvements to transport and access in the City as set out in *Connecting our City: Transport Strategy and Action Plan*;
- The development and implementation of a legible way-finding system for central Sydney;
- Positioning Sydney as a global city retail destination and a place to experience Christmas in the Southern Hemisphere;
- The activation of laneways and finegrain retail spaces to encourage their take-up by diverse and bespoke businesses; and
- Development of an ongoing program of retail campaigns in all villages to take advantage of the annual city-wide calendar of events, and to encourage residents to support their local businesses.

Details of all the projects and programs can be found at Appendix 1.

07

Build capacity and resilience

Why we need to act

Strong local economies are vital to meet the social, economic and employment needs of residents. Main-street retailers are important contributors to every local community. With a continuing shift to decentralised regional shopping centres and increasing competition from online retailers, the independent main street retailer is at risk.

At last count¹⁹, more than 93 per cent of retail businesses in the city are classified as being small businesses with fewer than 20 employees. The benefits from having a large number of small businesses include the variety of products and services, unique and bespoke businesses and businesses that occupy the finegrain of the city as well as the diverse employment opportunities these bring. It also comes with the challenge for small businesses to maintain viability in a sometimes tight retail market.

Through the course of any economic cycle, some areas of the city will be performing better than others. Across the LGA, businesses have asked the City to work with them to look for ways to activate and improve their area and encourage new businesses to open there.

The City has a commitment to driving down our environmental footprint, including reducing greenhouse gas emissions by 70 per cent by 2030 (based on 2006 levels). This commitment extends to assisting business to reduce their ecological footprint in a manner that enables the transparent reporting of progress against measurable and accountable targets.

Supporting the development of an innovative and progressive retail sector has the potential to put Sydney at the forefront of low-environmental-impact retail on the global stage.

Strong local economies are vital to meet the social, economic and employment needs of residents.

What we'll do

The City will look for opportunities within its own property portfolio as well as find opportunities to bring groups of property owners and retailers together, to work collectively to improve their area and businesses.

Changes, particularly those that need major investment or the cooperation of other parties, will be underpinned by good data. The City will work with businesses and business associations in targeted areas to gather and promote the evidence that is needed and develop plans to respond to the unique conditions in each area.

Where change is needed immediately, the City will look for ways to temporarily activate an area while longer-term solutions are being worked on. Where appropriate, the City will deliver programs that catalyse new initiatives by the business community.

The City will continue to support village business associations to deliver programs for their local business communities.

In delivering programs for the small business community, the City will work with the NSW Government, education partners and other parties to ensure a coordinated suite of information and resources is available.

The City will work with the retail sector to understand their ecological footprint, establish baseline data, develop emission reduction strategies, report and monitor on these strategies, foster and promote innovation and encourage a best practice commitment to sustainable practices.



Major projects

Major projects to develop the capacity and resilience of retail businesses include:

- Develop and implement an ongoing program to collect, analyse and monitor data that indicates the performance and trends occurring in retail areas and share the findings with the business community;
- Explore ways to work in partnership with property and business owners to improve the perception and performance of retail areas through temporary or longer term interventions. Initial programs will focus on Oxford Street, King Street, Glebe Point Road and Redfern;
- Develop and promote information kits, resources and programs that assist the growth and longevity of start-up and small retail businesses;
- Facilitate partnerships between vocational and higher education organisations and the retail sector to pursue research, knowledge and skills development and employment opportunities;
- Work with retail businesses to establish a boundary and baseline of environmental performance on which to focus improvement and develop and implement strategies and programs to reduce the consumption of water, waste and energy; and
- Foster and promote innovation in sustainable retail practices in order to position Sydney as a leader in this field.

Details of all the projects and programs can be found at Appendix 1.

Supporting the development of an innovative and progressive retail sector has the potential to put Sydney at the forefront of low-environmental-impact retail on the global stage.

08

Remove barriers

Why we need to act

Business, particularly small business has told us that they find it difficult to navigate government procedures and the approvals needed to operate. It can be expensive, inefficient and a deterrent to those trying to start a new business or make changes to their existing business.

The Productivity Commission's inquiry into the retail sector²⁰ identified that planning and zoning regulation can make it difficult for new retailers to find suitable sites and for existing businesses to expand or change their operations.

The inquiry also identified that the regulation of trading hours is inconsistent between and within jurisdictions and it is imperative, in an era of greater competition, for retailers to have the ability to change their trading hours to suit their business and consumer preferences²¹.

What we'll do

Balancing the needs of the business sector with the appropriate regulation of activity - particularly where business activity may conflict with the needs of the residential community - is complex.

Where the City's processes can be simplified or barriers removed, we will work to achieve this.

At times, the regulatory processes must remain unchanged. In these circumstances, the City will work to clarify the processes and provide assistance to small businesses to ensure their dealings with the City and other levels of government are as efficient as possible.

The City recognises that a balance needs to be reached between meeting the needs of business and ensuring appropriate regulation of business activities. We will work to simplify processes and remove barriers where possible.

In addition, through the Late Night Economy research and consultation program in 2011, the City has revealed a desire by visitors to shop later at night. In response, it is proposed to conduct a review of existing planning approvals relating to retail trading hours to ascertain whether businesses have sought approval to trade for the full extent possible in their area and if not, work with business to address this.

Major projects

Major initiatives to remove barriers for business include:

- Deliver an annual program of workshops for businesses to understand the basics of development applications, planning controls and health, noise and building compliance requirements;
- Simplify where possible and clarify the process for outdoor dining applications, zoning, seating permitted and hours of operation;
- Explore ways to make temporary parking permits available to businesses to facilitate maintenance or service work at their premises; and
- Support existing retailers to extend their trading hours by assisting them to amend their development consents and assist new retailers by automatically granting extended retail hours in appropriate locations to encourage late trading.

Details of all the projects and programs can be found at Appendix 1.



09 Engagement



Why we need to act

The City has an opportunity to facilitate the flow of information to retailers, drawing together content from a range of sources whether it relates to events, learning and other business development opportunities.

Our consultation with small retailers revealed that there is a desire for the City to take on this role due to a lack of any existing coordinating group.

What we'll do

The City is well placed to engage with businesses and other groups to share information and work together to achieve common goals.

The Retail Advisory Panel was established in 2010 for a three-year term and the City will continue to seek advice from and work in conjunction with this important group of retailers and other specialist advisers.

The City will create a dedicated and ongoing engagement program for retailers; to communicate directly with retail businesses large and small at forums and seminars, through an e-news for retailers, websites, Facebook, Twitter, and other networks. We will also look for ways to help retailers to develop their own "peer to peer" communication channels.

Major projects

Major initiatives to encourage closer cooperation between retailers and more efficient interaction with government include:

- Continuing to work with and support the Retail Advisory Panel;
- Deliver an annual program of seminars and forums for retailers designed to provide advice, share information, promote business development opportunities and discuss strategic issues;
- Communicate with retailers using e-news, City of Sydney and special event websites, Facebook, Twitter, print, radio and other media; and
- Engage with government and business associations to promote sector issues.

Details of all the projects and programs can be found at Appendix 1.

10

Measuring success

Overview

The actions set out in this action plan have been devised to create the environment for retail businesses to flourish.

It is understood that the success of the retail sector in Sydney will be influenced by not only the actions set out in this plan, but factors as diverse as global economic conditions, Australian macro-economic policy, technological trends, changes in consumer behaviour and the actions of individual business owners.

Nevertheless, it is important to understand and monitor broad trends in the sector and use this information to review and influence priorities and actions.

Indicator framework

The City of Sydney has developed a community indicator framework; a multi-dimensional approach to measuring wellbeing that addresses the combination and intersection of social, economic, environmental, cultural and governance conditions that exist in the city.

The indicators used to track change in the retail sector will contribute to the community level indicator – dynamic, resilient local economies.



Retail indicators

Retail sales results are an important measure of performance in the retail sector. Unfortunately, this data is not available at a City of Sydney LGA level from sources such as the Australian Bureau of Statistics (ABS).

The ABS collects retail sales results on a monthly basis from a sample of retailers, but consolidates it for reporting purposes at a state-wide level.

While the NSW statistics could be used as a general indicator of the state of the sector, they may not be comparable with actual results generated in the city. If local retailers are outperforming or underperforming when compared with state-wide or national trends, this will not be revealed from the ABS data.

A range of quantitative indicators such as business numbers, employment, property metrics and pedestrian numbers will be used in conjunction with qualitative indicators to track changes to the retail sector over time.

The indicators will not be absolute measures of performance, rather they will signal trends that are occurring in the sector.

The table at Appendix 2 that follows sets out the indicators, the desired trend or target and the frequency for reporting.

11

Implementation and monitoring

Priorities will be assessed annually based on the outcomes achieved and as new information on the needs of the sector becomes available.

Implementation

The projects identified in this plan (Appendix 1) have been prioritised according to the current needs of the sector and the resources and capacity of the City.

Indicative timeframes for the commencement of projects has been identified as follows:

- **Now** – projects and programs underway or commencing in the near future;
- **Next** – projects and programs commencing in the medium term;
- **Later** – projects and programs to commence in the medium to longer term

Commencement dates for projects led by the City will be confirmed annually as they are further developed and budgets and resources allocated for their delivery.

Review and monitoring

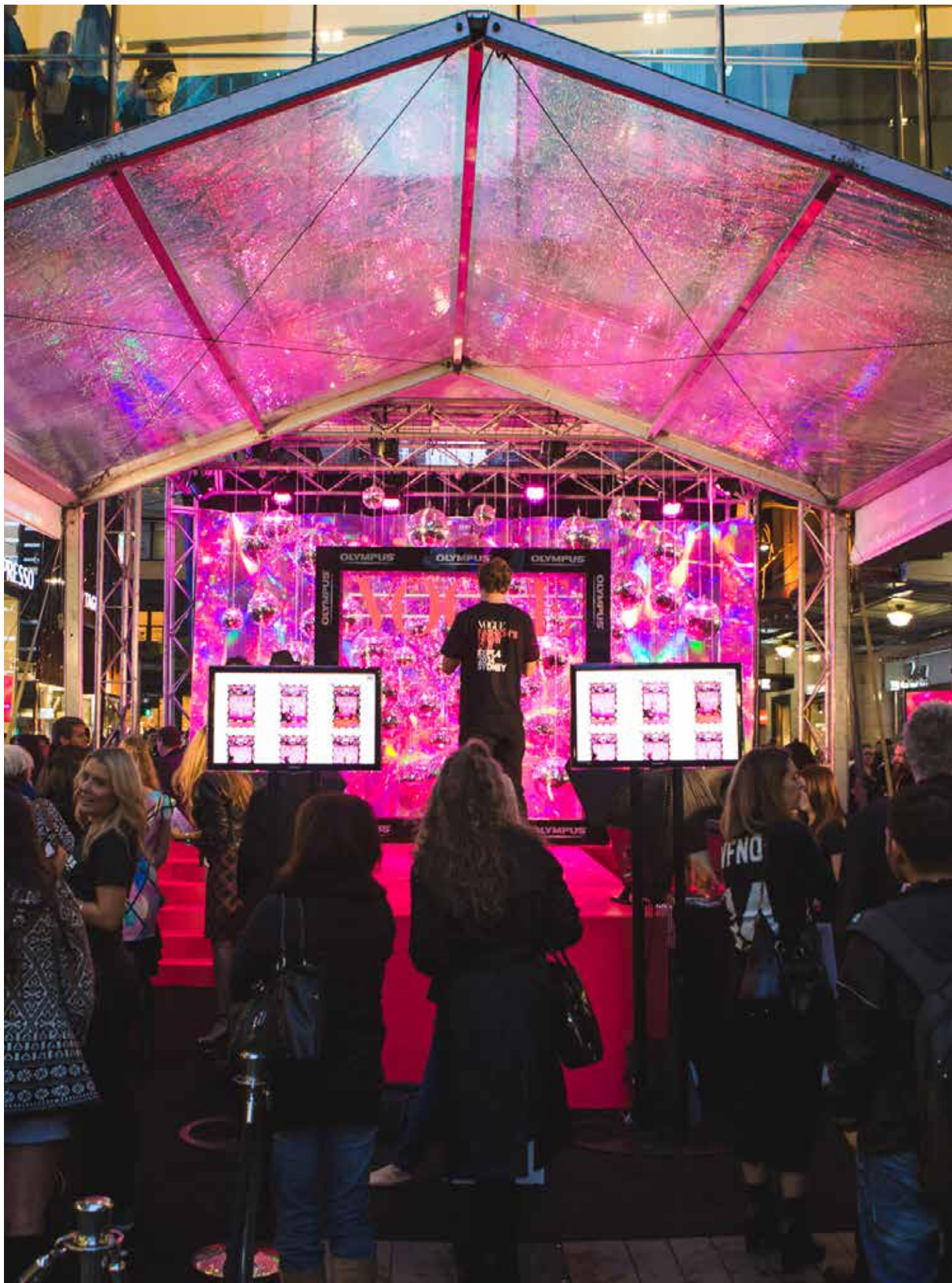
This action plan is based on the findings of extensive research and consultation. However, the retail environment is dynamic and projects and priorities will change. Identified projects may not be required. New priorities will emerge.

Progress on the identified projects will be reported regularly.

Progress toward the achievement of targets or the identification of trends will be reported yearly, albeit some data will not be refreshed this frequently.

Priorities will be assessed annually based on the outcomes achieved and as new information on the needs of the sector becomes available.

A major review will be undertaken to coincide with the end of the first five years of the plan.



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Appendix 1: Actions

1. Create great experiences

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Invest in public domain improvements, infrastructure and services to enhance the attractiveness of central Sydney as a retail destination for workers, residents, visitors and business	The City will work with the NSW Government to pedestrianise parts of George Street and deliver light rail as part of the Transforming Sydney project.	NSW Government	✓			
	Continue to focus on improving the pedestrian experience in central Sydney through the transformation of George Street into a pedestrian boulevard and a central spine for Sydney, the opening up of laneways and cross streets, the investigation of new squares and civic spaces and advocating for changes to give pedestrians priority at intersections.	NSW Government	✓			
	Continue to advocate for changes to the level, nature and frequency of public transport services to and from central Sydney and across the LGA.	NSW Government	✓			
	Continue to deliver best-practice public domain improvements which encourage good design, are accessible, meet the needs of diverse users, address safety issues, provide more seating and spaces for more outdoor dining (where appropriate to do so), public art and activation.		✓			
	Explore ways to develop central Sydney as an accessible city that entices families and others to visit more frequently. Continue to provide new or improved kerb ramps and accessible transport facilities. Access to amenities including toilets and family friendly facilities and services will be improved. This may include the installation of additional permanent public toilets in main city locations as well as improving the provision of information about access to private toilets (e.g. shopping centres or train stations). Other facilities, services and information focusing on the needs of families will be developed.	Retailers NSW Government Sydney Harbour Foreshore Authority Destination NSW			✓	
	Improvements to way-finding in central Sydney and across the city will be delivered for both daytime and night-time visitors. A simple and navigable system will be developed using maps, digital technology and ambassadors to assist movement within central Sydney as well as to encourage movement to and between village destinations.	NSW Government		✓		
	Encourage expansion of retail into first floor and basement levels with street level access and exposure.				✓	

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Invest in public domain improvements, infrastructure and services to enhance the attractiveness of central Sydney as a retail destination for workers, residents, visitors and business	Encourage the expansion of the core retail area in central Sydney through advocacy, public domain works, planning controls and changes to transport and pedestrian movement.	NSW Government			✓	
	Promote the City's planning controls that encourage active frontages and street level retail premises.				✓	
	Continue to activate underutilised laneways and finegrain retail spaces through public domain improvements and working with land owners.		✓			
	Maintain our support for NSW Government initiatives to attract new international retailers to Sydney.	NSW Government	✓			
Deliver public domain improvements in the villages to enhance their attractiveness as retail destinations	Establish benchmarks for pedestrian activity levels and economic infrastructure demand to inform public domain improvement projects. Newtown, Oxford Street and Green Square are priority areas.	Marrickville Council Woollahra Council			✓	
	Explore ways to improve pedestrian amenity in key retail precincts by reducing the speed and/or volume of traffic.	Transport for NSW Marrickville Council Woollahra Council	✓			
	Continue to investigate options for the provision of car parking to service key retail precincts, including park and ride options.	Transport for NSW	✓			
	Continue to deliver best-practice public domain improvements which encourage good design, are accessible, meet the needs of diverse users, address safety issues, provide more seating and spaces for more outdoor dining, public art and activation.		✓			

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Create lively and active places that encourage more visits and increase dwell times in central Sydney and the villages	Maintain support for the development and delivery of large and small scale events through the City's Grants and Sponsorship and Busking programs.	Event Producers Retailers NSW Government	✓			
	Integrate and enhance events, decorations, activation, retail initiatives and marketing to position Sydney as a destination for Christmas.	Destination NSW Retailers NSW Government SHFA	✓			
	Continue to look for ways to support extended trading for major events such as New Year's Eve, Christmas, Chinese New Year, Sydney Festival and other landmark events.	NSW Government Retailers	✓			
	Continue to leverage the City's support for creative and cultural events and festivals to create increased sales activity through promotional campaigns, increased consumer awareness and by establishing connections between events and retailers, restaurants, pubs and bars.	Retailers Event Producers Destination NSW	✓			
	Encourage retailers to use their shop windows as interesting display spaces.	Retailers Property Owners		✓		
	Explore ways to encourage ephemeral retail activity as a means to activate spaces and encourage diversity in the city.				✓	
	Continue to facilitate and support extended trading hours in appropriate locations for outdoor dining applications to improve and extend street activation.		✓			
	Review the City's kiosks and other temporary retail structures in public spaces and develop a strategy to optimise their long-term use.				✓	
	Support the development and delivery of pop-up events through: –Consideration of a small grants program; –The delivery of an annual workshop program to assist event entrepreneurs to understand development consent, permits, fees and grants available to support pop-up events; and –The identification and promotion of underutilised City and private spaces for temporary events.			✓		

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Promote Sydney as Australia's premier retail destination	In conjunction with others, continue to develop and implement communication and marketing programs to reinforce the positioning of Sydney as a global city retail destination.	Retail Advisory Panel Destination NSW Retailers	✓			
	Explore how to deliver comprehensive information to consumers and business to promote retail in Sydney. This may include: –The development of a single web portal or integrating a number of websites; and –Strengthening the distribution channels for existing (and new) collateral.	Retail Advisory Panel Destination NSW Retailers		✓		
	In conjunction with others, develop an annual calendar of retail and major events for central Sydney; engage with retailers to become involved and optimise their business opportunities.	Retail Advisory Panel Destination NSW Retailers		✓		
	Continue to work with the retail sector to ensure the consumer experience is aligned with the positioning of Sydney as a global city retail destination.	Retail Advisory Panel Industry Associations Retailers	✓			
	Work with Business Events Sydney to develop a program to promote Sydney's retail experience to business visitors.	Business Events Sydney Retailers		✓		
	Continue to develop and implement precinct marketing campaigns to promote village retailers to visitors from metropolitan Sydney and further afield.	Destination NSW	✓			
	Develop and implement an ongoing program of retail campaigns in all villages to leverage the annual city-wide calendar of events and to encourage residents to support their local businesses.	Retailers Business Chambers and Partnerships	✓			
	Advocate to the Federal Government to reform Australia's GST Tourist Refund Scheme to allow competition by private refund operators that will drive tourist shopping and product development to international visitors and allow reimbursement whilst visitors are still in Australia.	Retailers Business Chambers Industry Associations			✓	

2. Build capacity and resilience

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Support and strengthen retail on main streets and in villages	To support the development of village retail zones, the City will develop and implement a program to collect, analyse and monitor qualitative and quantitative data including: <ul style="list-style-type: none"> – Pedestrian numbers; – Consumer perceptions and needs; – Demographic trends and forecasts; and – Business trends and forecasts. The City will work in partnership with retailers and other organisations to capture existing data and to share the findings from this research program.	Retailers Business Chambers and Partnerships	✓			
	Explore ways to work in partnership with property and business owners in targeted locations to improve the perception and performance of retail precincts. This will include programs to: <ul style="list-style-type: none"> – Attract and retain key businesses; – Welcome new businesses to an area; – Encourage investment in property or precinct improvements; – Temporarily activate underused properties; and – Lift the aesthetic standards for main streets. Pilot programs will focus on Oxford Street, King Street, Glebe Point Road and Redfern.	Property and business owners Roll Up Redfern Business Chambers and Partnerships University of Technology, Sydney	✓			
	Through the appropriate application of planning controls, public domain improvements and a focus on ecologically sustainable development, the City will ensure that the Green Square Town Centre provides new retail functions for residents of Green Square and the southern areas of the city.		✓			
	Continue to deliver high quality retail development and provide capacity for growth and change in retailing through the implementation of the new LEP and DCP controls. These planning controls aim to ensure that proposals for retail premises reinforce the characteristics of the city's villages and provide clarity and certainty on the appropriation location of retail premises.		✓			
	Explore ways to support entrepreneurs and new businesses supplying products to the retail sector to develop and grow. Examples might include: <ul style="list-style-type: none"> – Encouraging pop-up retail outlets for the testing of products in development; and – Incubator spaces for emerging designers. 	Retailers Property & Business Owners		✓		

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Support and strengthen retail on main streets and in villages	Expand the Redfern Shopfront improvement Matching Grant Program or similar programs to catalyse similar property improvement initiatives in high-priority areas. Oxford Street is the next area in which the grant is to be made available.			✓		
	Continue to develop resources and information kits to assist start-up and small retail businesses.		✓			
	Encourage peer to peer mentoring for entrepreneurs and new entrants to the sector by experienced business owners.	Retail Advisory Panel			✓	
	Continue to support the NSW Government's work with the small business sector.	NSW Government	✓			
Encourage the development of a diverse workforce	Support the development and implementation of programs to increase the level of Aboriginal and Torres Strait Islander employment in the retail sector.	NSW Government			✓	
	Facilitate partnerships between the vocational and higher education organisations and the retail sector to pursue research, knowledge and skills development as well as opportunities for entry-level employment.	Universities TAFE NSW Retailers			✓	
Assist the sector to create baseline data, develop emission reduction strategies, and transparently report on their performance	Undertake a carbon footprint study and develop interim targets in the retail sector.	Retailers		✓		
	Assist retailers and stakeholders in the sector to identify emissions reduction strategies required to meet targets.	Retailers		✓		
	Investigate options to establish a public monitoring and reporting framework for environmental performance in the retail sector.	Retailers			✓	
Foster and promote innovation in sustainable retail practices in order to position Sydney as a leader in this field	Develop a framework for fostering and promoting innovation.	Retailers		✓		
	Develop a best-practice program that encourages commitment to improved environmental performance.	Retailers			✓	
	Investigate the opportunity to develop green retail zones in order to provide consumers with tangible experiences.	Retailers			✓	
	Advocate for appropriate labelling systems that would help inform and educate consumers about what to look out for and ultimately expect from goods, services and the supply chain within the retail sector.	Retailers			✓	

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Ensure retail sector growth	Encourage expansion of retail into first floor and basement levels with street-level access and exposure.					✓
	Encourage the expansion of the core retail area in central Sydney through public domain works, planning controls and changes to transport and pedestrian movement.					✓
	Continue to work with retailers and property owners in underperforming areas to reinvigorate those places. Priority areas include Oxford Street, Darlinghurst Road, William Street and Glebe.	Property & Business Owners	✓			
	Continue to work with retailers and property owners and developers to support and nurture the sustainable growth of retail in developing areas. Priority areas include Walsh Bay, Green Square Town Centre, Redfern, Barangaroo and Broadway.	Development Authorities Property & Business Owners	✓			
	Provide support for businesses to move to precinct self-government e.g. establishment of a Business Improvement District or Taskforce.	Retail Advisory Panel			✓	

3. Remove barriers

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Remove regulatory process inefficiencies and barriers to business growth and inform business how to navigate the processes	Continue to deliver an annual program of workshops for businesses to understand the basics of development applications, planning controls and health, noise and building compliance requirements.	NSW Government	✓			
	Continue to promote the City's existing free, pre-development application service, where applicants are able to discuss their proposal with one of the City's planners.		✓			
	Review the Footway Dining Policy for the city taking into account the city's objectives, the needs of business and the needs of the community.	NSW Government		✓		
	Simplify where possible and clarify the process for outdoor dining applications.	NSW Government		✓		
	Continue to provide and promote tools and programs to assist business, entrepreneurs and event producers to navigate the application and regulatory processes.	NSW Government	✓			
	Explore ways to make temporary parking permits available to businesses to facilitate maintenance or service work at their premises.	Roads and Maritime Services through Transport for NSW		✓		
Assist retailers to capitalise on business opportunities associated with events and shifts in consumer behaviour	<p>Continue to work with retailers who have a desire to expand trading hours.</p> <p>Support existing retailers to extend their trading hours by assisting them to amend their development consents.</p> <p>Support new retailers by extending retail hours in appropriate locations to encourage late trading.</p>		✓			

4. Engagement

What we will do?	How will we do it?	Who are the partners we need to make it happen?	When will we do it?			
			On-going	Now	Next	Later
Develop a multi-platform approach to facilitate communication and consultation with and between retail stakeholders	Continue to work with and provide support to the Retail Advisory Panel, established to provide the City with strategic advice to influence the future direction of retailing.	Retail Advisory Panel NSW Government	✓			
	Continue to deliver an annual program of seminars and forums for retailers designed to provide advice, share information, promote business development opportunities and discuss strategic issues. Current events on the calendar include: – ChinaConnect seminar series; and – 101 seminars. Additions to the calendar will be made as strategic issues are identified.	NSW Government Destination NSW Business Events Sydney Festival and Event Developers Cultural Organisations Universities	✓			
	Continue to develop and maintain a business database to enable the City of Sydney to communicate directly with all retailers in the LGA.	ATO	✓			
	Continue to deliver a comprehensive engagement strategy to facilitate information and resource sharing, expanding on existing channels which include: – E-newsletters; – City of Sydney website, Facebook and Twitter; – Special event websites eg. Christmas, New Year's Eve, Chinese New Year; and – Print, radio and other networks.		✓			
	Work with industry to develop "peer to peer" communication channels in central Sydney and villages.	Retail Advisory Panel Retailers Business Partnerships/ Chambers of Commerce			✓	

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Appendix 2: Performance measures and baseline data

Community indicator framework: dynamic, resilient local economies			
Retail Action Plan			
Dynamic, resilient local economies	Measure	Trend or target	Reporting frequency
Economic diversity	Number of businesses in retail sector	Stable or increase	Five-yearly from 2007
	Estimated retail sector employment	Stable or increase	Five-yearly from 2007
	Retail sector employment as a percentage of overall employment		
Economic growth	Turnover of retail establishments	Stable or decrease	Annual
	Vacancy rate of retail property	Stable or decrease	Annual
	Rent \$/sq metre	Increasing	Annual
	Yield on investment	Stable	Annual
	Volume of pedestrians in key locations	Increasing	2 yearly
Global competitiveness	Number of international brands represented in central Sydney	Increasing	Annual
	Perception of central Sydney as retail destination	Stable or improving	5 yearly from 2011
Property development activity	Net gain in retail floor space	Increase	5 yearly from 2007
Environmental outcomes			
Ecological sustainability	Greenhouse gas emissions from the retail sector	Decreasing in line with Sustainable Sydney 2030 targets	Annual
	Mains water usage by the retail sector	Stable or decreasing in line with Sustainable Sydney 2030 targets	Annual
	Waste generated by the retail sector	Decreasing	Annual

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- 5 City of Sydney Retail Survey 2011, Savills Research for City of Sydney.
- 6 City of Sydney Retail Survey 2011, Savills Research for City of Sydney.
- 7 Economic Structure and Performance the Australian Retail Industry, Productivity Commission Inquiry Report, No.56, 4 November 2011.
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Supporting Studies

Global Cities Retail Study, September 2011, SGS Economics & Planning for City of Sydney

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