

Item 6.

Retail Activation Program for Pitt Street Mall – Program Review

File No: S123717

Summary

In July 2015, Council adopted a Retail Activation Program for a three-year trial period involving the use of Pitt Street Mall (the Mall) for certain events at no charge. The program was created to support new activities in Pitt Street Mall that are designed to attract shoppers by creating 'experiential opportunities' through events and performances involving broad public participation, entertainment and engagement. The activations are often linked to the launch of an event such as Christmas or Lunar New Year, and attract new audiences, benefiting retailers in the surrounding area of Pitt Street Mall.

The Pitt Street Mall Retail Activation Program (the Program) responds to a number of actions in the Retail Action Plan that was adopted by Council in December 2013. These include the creation of great 'experiences' for shoppers, such as live performances to engage audiences in order to attract them to the city rather than shopping online, and to encourage large and small scale events that contribute to the liveliness and activation of the city centre.

Following an initial 12-month trial in 2014/15, Council adopted an extension to this program for a further three years to gather evidence of the uptake with retailers. Effective from October 2015 to October 2018, this program has allowed the City to engage with the retail sector and assist them to navigate regulation, clarify processes and effectively interact with the City. The Retail Activation Program has allowed events and activities to occur outside of the standard \$1,100 per hour hire fee for the use of Pitt Street Mall (this fee having been previously identified as the most significant barrier to the occurrence of these types of events and activities).

Guidelines for the program were established against which event proposals were assessed to determine their applicability for this program. A total of 13 applications were received over the four-year trial period, of which 10 proceeded and three were postponed for commercial reasons by the retailers.

The purpose of this report is to provide Council with an evaluation of the program over the past four years and to recommend the continuation of the program in Pitt Street Mall to support retail activation of high quality, entertaining and engaging events, which attract shoppers into the area (but are not dedicated to a single brand or retailer).

It is also recommended that further promotion of the Retail Activation Program and use of Pitt Street Mall is encouraged through the retail sector to increase the uptake of this high traffic public domain space.

It is also recommended that all other fees remain as is for corporate and not-for-profit (community events) under the current published Fees and Charges. Existing use of Pitt Street Mall for events such as busking and temporary events that do not qualify for this program should continue according to their current procedures.

Recommendation

It is resolved that Council:

- (A) endorse the continuation of the Retail Activation Program for Pitt Street Mall to encourage and support new retail activities to drive pedestrian footfall in addition to the current temporary events which occur;
- (B) endorse the continuation of Pitt Street Mall being made available without a fee for events qualifying under this program;
- (C) note that all activities that fall within the Retail Activation Program are subject to an assessment of proposed activities and require an approved event application;
- (D) note that the continuation of this program will not fetter the City's discretion to determine event applications; and
- (E) note that this program will be reviewed every year through an internal consultation process to ensure it remains relevant and appropriate for the space available.

Attachments

Nil.

Background

1. In December 2013, Council adopted an Economic Development Strategy; a 10-year strategy to strengthen the City's economy and support business. The strategy sets out a course of action designed to build on the City economy's strong foundations for success; create opportunities for individuals, businesses and the community; and address the challenges that might otherwise limit Sydney's potential growth as a global city.
2. The Retail Action Plan was adopted on 9 December 2013. The actions for the City and its partners include those which address the need to:
 - (a) create great experiences for city workers, residents and visitors to Sydney to ensure they choose to shop in central Sydney and the villages;
 - (b) build capacity and resilience to ensure the city has a diverse range of sustainable, innovative retail businesses;
 - (c) remove barriers, clarifying regulatory processes and assisting in particular, new retailers and small businesses to more efficiently and effectively interact with the City and other levels of government; and
 - (d) engage with the sector to encourage closer cooperation between retailers and more efficient interactions with the regulatory processes of government.
3. A thriving retail sector in the city centre is important for the economy of the city. It is also an important contributor to the liveability and visitor appeal of the city. Retail related businesses represent more than 8,320 (or 35.4 per cent) of the approximately 23,500 businesses in the city and the sector is also a major employer.
4. As identified in the Retail Action Plan, the sector is changing, and to remain competitive, retailers in the city must offer a retail 'experience' comparable to those found in other cities around the world. All stakeholders in the sector contribute to this experience, whether it is in-store or in the public domain. The City's focus is on the quality of the public domain and the level of activity within it. As well, the City's actions are directed toward reducing regulatory and other barriers within our control.
5. In 2014, the City's Retail Advisory Panel recommended that the City consider allowing certain events, which do not represent a single brand or retailer, to occur in Pitt Street Mall without requiring payment of the scheduled fee of \$1,040 per hour (2014 fee) in Pitt Street. Many retailers stated that the fee (for collaborative events which represent a shared benefit to all retailers), was the most significant barrier to creating opportunities to drive further footfall into Pitt Street Mall.
6. The current fee of \$1,100 per hour, as set in the Schedule of Fees and Charges, reflects the premium high value space, which attracts proposals from corporate brands to produce high quality promotional activities in Pitt Street Mall, drawing crowds to participate and engage with a single brand. These are processed under the terms of temporary events and managed by the Filming and Outdoor Events team in Venue Management.

7. Following discussions with the Retail Advisory Panel and receipt of a proposal from a key retail stakeholder in mid-2014, a report was prepared for Council to seek endorsement for a 12-month trial of a Retail Activation Program for Pitt Street Mall allowing appropriate events and activations to occur without the payment of the \$1,040 per hour fee. This trial was further extended by Council for three years in October 2015 to gather further evidence of uptake by retailers.



Image 1: Image of Pitt Street Mall at the Westfield & Cotton On Fitness Marshall taken on 19 May 2017

Evaluation of the Program

8. Council approved the continuation of the three-year trial on 26 October 2015. The trial commenced on 26 October 2015 and ran until 30 September 2018. During that three-year period a total of 13 applications were received under this program of which 10 proceeded and three activations were postponed for commercial reasons by the retailers.
9. Performance criteria and guidelines were developed in order to ensure the types of events and activities to take place under the Retail Activation Program would be of a high quality and capable of attracting a wide audience which is not directed at a single retailer or product. Ultimately, the intent of attracting an audience is to increase economic benefit to the retail area surrounding Pitt Street Mall, increase footfall and provide a lively and active place that encourages more visits and increases dwell time in the central Sydney retail area.

10. The table below provides a summary of the events that were approved under the program and their alignment with the performance criteria which included:

- (a) event of scale or quality;
- (b) detailed marketing plan received;
- (c) extended peak time zone beyond lunchtime; and
- (d) entertained and attracted a crowd.

Event	Scale (S) and/or Quality (Q)	Marketing plan	Extend peak zone	Entertain and attract a crowd	Engage with other retailers	Cultural element
Lunar New Year	✓					
Tai Chi - Westfield Sydney February 2018	S & Q	✓	✓	✓	✓	✓
Westfield & Cotton On - Fitness Marshall May 2017	✓ S & Q	✓		✓	✓	✓
Myer Fashions on the Field October 2016	✓ S & Q	✓	✓	✓	✓	✓
Westfield W-League Season Launch October 2016	✓ S & Q	✓	✓	✓	✓	✓
China Cultural Centre in Sydney - Fashion Show November 2016	✓ S & Q	✓	✓	✓	✓	✓

Event	Scale (S) and/or Quality (Q)	Marketing plan	Extend peak zone	Entertain and attract a crowd	Engage with other retailers	Cultural element
Tag Heuer Art Installation September 2015	✓ Q	✓		✓		✓
Westfield Christmas in July July 2015	✓ S & Q	✓	✓	✓	✓	✓
The Strand – Designer Evening August 2015	✓ S & Q	✓	✓	✓	✓	✓
Sephora Launch December 2014	✓ S & Q	✓	✓	✓	✓	✓
Myer Christmas Launch December 2014	✓ Q	✓		✓	✓	✓

Table 1: Alignment of events approved against performance criteria in Retail Activation Program



Image 2: Image of Pitt Street Mall at The Strand Designer Evening taken on 19 August 2015

11. An evaluation of the 10 events approved under the program has demonstrated that it is meeting key actions in the Retail Action Plan and aligning with the Economic Development Strategy. All events were required to be entertaining, unique and attract new audiences to benefit retailers.
12. The evaluation post-activation included: assessing audience numbers (engagement and participation), social media reach and anecdotal evidence from surrounding retailers about the flow-on effects of the events in Pitt Street Mall, as well as monitoring mainstream and social media activity both pre and post event. The Retail Advisory Panel was engaged throughout the duration of this program to provide advice from the perspective of retailers.
13. The 10 events that took place under the Retail Activation Program did not impact on the revenue the City receives from corporate promotions, of which a total of 67 events took place during the same period.
14. During the same period between 26 October 2015 and 30 September 2018, there were 57 approved events within the Mall under the standard temporary event approval process. Forty-four of these events were applicable to full commercial fees with 13 events being under the reduced fees for registered charities and not-for-profit applicants as per the fees and charges schedule.
15. Pitt Street Mall continues to be used for charitable and not-for-profit activities. Fees are generally waived under the circumstances set out in the City's Revenue Policy for charitable and not-for-profit applicants.

Continuation of the Program

16. Consultation with retailers in the Pitt Street Mall area since the introduction of the Retail Activation Program has highlighted the benefits of the program. Retailers have stated that without this program they would not be able to host large scale quality events attracting new audiences to this area which are not directed at a single retailer or brand. Collaborative events under this program, produced of scale and quality, require substantial investment in talent, infrastructure and marketing support. If a fee of \$1,100 per hour was imposed on top of that, retailers advised they would not proceed with these events.
17. This report seeks Council approval to continue the Retail Activation Program in Pitt Street Mall to complement the existing temporary event process. The three-year trial (2015-2018) was designed to coincide with the construction timeframe of the Sydney Light Rail in order to allow events and activities that have the potential to draw an audience into our core retail precinct and communicate that Sydney is "open for business" during construction.
18. The trial period of the program has demonstrated that it is possible to support high quality events which reach a broad audience without any significant adverse impacts on pedestrian movements or service deliveries in Pitt Street Mall.
19. The continuation of the program will demonstrate Council's commitment to easing regulatory barriers wherever possible to facilitate qualifying events that meet the criteria and have positive economic benefits.
20. The ongoing program will not result in any additional demands on City resources compared to the previous trial period. The implementation and evaluation of the program for the initial trial period has allowed the City to assess the impact of the types of events envisaged under the program and it has not resulted in large numbers of unsolicited corporate promotion style events. The method of assessment, event approval and evaluation is operating efficiently and with support from all relevant City business units.
21. No changes to the performance criteria or assessment guidelines are required.
22. The program will continue to be open to applications from business and the not-for-profit sector, provided the proposed activities and their outcomes meet the guidelines. It is envisaged that retailers will continue to initiate proposals. Applications from non-retailers must demonstrate that they are supported by retailers in the precinct.
23. The continuation of this program is intended to provide an opportunity to introduce new and additional activities in Pitt Street Mall that's benefit are not directed at a single retailer or product.
24. The continuation of the program will enable the City to monitor the outcome of this initiative and respond to any unintended impacts from increasing the level of use and activity in Pitt Street Mall outside of the existing temporary event assessment and management processes.

25. As the current Schedule of Fees and Charges does not provide for this use of Pitt Street Mall, it is proposed to make the space available at no cost for qualifying events under the Activations Program. Events received and approved under this program have generally occupied Pitt Street Mall for not more than 24 hours, although some potentially could occur over a number of days. The current fees envisage a different type of use (corporate promotion) and charging regime (per hour).
26. Costs normally charged through the City's Event Application Fees and Charges for electrical power supply will remain applicable.
27. Arrangements are already in place to manage competing uses of the space and this will continue. For example, the Busking Policy identifies that buskers are not permitted to operate during a special event in Pitt Street Mall. This is communicated to buskers via the Busking Guidelines and Policy documents issued with busking permits. As is current practice, buskers will be advised of the occurrence of these events.
28. All use of public space in the City is governed by the City's Events Guidelines. Procedures are in place for the submission of detailed event plans for approval by the City. These procedures are designed to ensure appropriate activity occurs in the city and events are appropriately planned and delivered. Activities under the Retail Activation Program will be subject to the same event approvals as all other temporary event activities that occur in the Local Government Area.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

29. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
 - (a) Direction 5 - A Lively and Engaging City Centre - which supports the concept of a city centre that provides an activity focus for worker and visitor communities, with strong precincts and appropriate spaces and opportunities for businesses to locate and thrive. Increasing the profile, status and impact of retail events will enliven the experience of visitors to the city, contribute to the positioning of the city as Australia's premier shopping destination and create opportunities for retailers.

Organisational Impact

30. This program is a cross-council initiative. The City Business team will lead the evaluation of proposals received under this program. The Outdoor Event and Film Liaison unit will remain responsible for the approval of event applications and coordination of activities associated with an approved event, and the Economic Strategy team will monitor and evaluate the ongoing program through cross-divisional coordination and cooperation.

Social / Cultural / Community

31. The events and activities proposed to take place through this Retail Activation Program will be free events, designed to encourage broad public participation not directed at the benefit or promotion of a single retailer or product.

Economic

32. By securing, creating and developing unique retailing experiences in the city, we will build on the reputation of Sydney as the premiere retailing destination. Opportunities will be presented to Sydney first which will ensure crowds will be attracted to come and view, dwell and shop and experience wider aspects of Central Sydney.

Budget Implications

33. The Retail Activation Program is a relatively new form of use of Pitt Street Mall to which the fee schedule for non-qualifying events under the City's current Schedule of Fees and Charges is not applicable. The program was originally approved by a resolution of Council on 28 July 2014. It is recommended that approval be given again for Pitt Street Mall to be made available without a fee for events qualifying under this program.
34. The current uses of Pitt Street Mall for which fees and charges are applicable remain unchanged. The revenue forecast for Pitt Street Mall for 2019-20 remains unchanged.
35. The costs of implementing and promoting the program are included in current operating budgets.

Relevant Legislation

36. Schedule 2 of Sydney Local Environmental Plan 2012 allows for temporary use of council land when the use is for no more than 52 days in any 12 month period without the need for development consent under the Environmental Planning and Assessment Act, 1979.
37. In addition, temporary structures and temporary events are exempted from the requirement for development consent under specific circumstances in accordance with the provisions of Division 3 of State Environmental Planning Policy (Exempt and Complying Development Codes) 2008.

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