

# RETAIL SHOPPING STRIP FORUM



KEY THEMES AND  
INSIGHTS REPORT

MARCH 2020



Jobs,  
Precincts  
and Regions







# Contents

<b>Executive Summary</b>	<b>2</b>
<b>1 Forum</b>	<b>3</b>
1.1 Speakers	4
1.1.1 City of Greater Dandenong Jenny Pemberton-Webb and Grissel Walmaggia	4
1.1.2 City of Parramatta Bruce Mills	4
1.1.3 Institute of Place Management Dr Steve Millington	5
<b>2 Key Themes</b>	
– The Future Role of Government	7
2.1 Community Infrastructure Investment	8
2.2 Enabling an Efficient Regulatory Environment	9
2.3 Local Council Best Practice	11
<b>3 Conclusion</b>	<b>12</b>

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# Executive Summary

Victoria is celebrated for its vibrant and successful retail environment, from its landmark laneways through to local strip shopping centres.

There are some regional differences in the health of the retail sector which is reflected through measures such as vacancy rates and business profitability.

To better understand the challenges faced by some local strip shopping precincts in metropolitan and regional Victoria, the Minister for Small Business, the Hon Adem Somyurek MP and the Minister for Suburban Development, the Hon Marlene Kairouz MP hosted a forum on 11 November 2019.

The purpose of the forum was to gather insights on policies that have successfully supported retail strips and build a deeper understanding of the factors that drive vacancy rates.

The forum was an interactive workshop drawing on the expertise of key stakeholders in local and state governments, businesses, associations, real estate agents, placemaking experts and landlords.

The following four challenges were investigated through brainstorming at “challenge stations” by attending forum participants:

- > What are the key issues of retail strip precincts?
- > Who is supporting reduced retail strip vacancy rates and what detracts from solving issues?
- > What will shape the evolution of retail strips?
- > What is the role of government in supporting evolution of retail precincts?

Responses to these four questions have been summarised in this report, highlighting key themes and quotes from forum participants.

Three key themes that emerged from the forum:

- > Local council best practice
- > Community infrastructure investment
- > Enabling an efficient regulatory environment

“Red tape to navigate in opening a business is complex as permits are required for everything”



# FORUM

On 11 November 2019, the Minister for Small Business and the Minister for Suburban Development hosted the Retail Shopping Strip Forum at Foy's Arcade, Bourke Street, Melbourne.

“Invest into the amenity required for the highly varied social, cultural and business interactions”

# 1.1

## Speakers

The forum was supported  
by presentations from:

### 1.1.1 City of Greater Dandenong | Jenny Pemberton-Webb and Grissel Walmaggia



Ms Jenny Pemberton-Webb and Ms Grissel Walmaggia of the City of Greater Dandenong's (CGD) Economic Development branch provided a presentation on CGD's Activity Centres Business Audit and Analysis report.



The report used data analysis to create health indicators for priority precincts. The audit established base-line indicators for land use, floorspace, business demographics, cultural themes,

opening hours and vacancies allowing the council to understand precinct composition. The data established changes to council policy which drove productivity and sustainability. The data informed council investments in interventions through streetscape and place-based collaborations.

The insights provided by the Dandenong team allowed forum participants to bring new thinking to the role of local government and the value of a data-driven approach to reducing vacancy rates.

### 1.1.2 City of Parramatta | Bruce Mills



Mr Bruce Mills, Place Manager of the Parramatta City Council NSW, presented the 'transformational strategy' used to revitalise Parramatta and in particular, the civic plaza at the heart of Parramatta. Mr Mills noted the

high standard set by Melbourne's renowned café culture and the City of Parramatta's desire to learn from but not replicate the 'Melbourne experience'.

Parramatta community focus groups were held to understand stakeholders' most important issues allowing clear definition of future planning processes. This guided the creation of a strategic partnership with anchor tenants and local council to reposition the vision of the precinct.

A real estate façade improvement program removed financial obstacles for tenants and owners to commit to supporting the project and enabled full visual transformation. Quick wins shared with stakeholders were vital to gaining buy-in to the precinct action plan. Parramatta Council led stakeholders through the stages of consultation, transformation and activation to ensure participants understood the long-term plan.

### 1.1.3 Institute of Place Management | Dr Steve Millington



Dr Steve Millington, Director of the Institute of Place Management (IPM) and Senior Lecturer at the Manchester Metropolitan University (MMU) shared research conducted by MMU and IPM in addressing the decline of high

streets in the United Kingdom.

Dr Millington's data driven research identified viable actions that would have an outsized influence (when compared to other actions) on the vitality of a high street such as recreational space, place marketing, walking, improving adaptability and activity hours.

The presentation highlighted the importance of data collection, analysis and application in developing the research and how it allowed town councils and small businesses to make informed business decisions.

Footfall data was used heavily in the research and in the UK is primarily collected through the use of footfall counters provided by data and intelligence company Springboard. The analysis of footfall data brought four main benefits:

1. Initiatives were able to be tracked for success or failure from an objective and statistical viewpoint e.g. before and after implementation of programs.
2. Town centres were able to be benchmarked against established standards or other town centres.
3. Myths about activity patterns in certain high streets e.g. major city vs regional vs sub-regional were able to be debunked.
4. New and more accurate activity patterns were recorded, allowing for adjustments to operational policies by businesses and local government.





Dr Millington concluded his presentation with two examples of revitalisation – the Withington Baths, once under threat of closure and Harpurhey, a declining working-class inner-city area of Manchester known for high rates of crime and economic deprivation.


The Withington Baths was an underutilised, underfunded and decrepit piece of community infrastructure albeit with a rich history and value to the community. At the threat of closure, the community partnered with local government, small businesses and a medical institution to form a campaign (Love Withington Baths) to save the Baths. This included funding street art, improvement of facilities, pop ups by local businesses and the development of a night economy through the use of springboard footfall data. The campaign and revitalisation of the

Baths resulted in numerous benefits for the community and small businesses with recorded footfall, after application of a night economy initiative, increasing by 30.2 per cent compared to the average of previous year's average.

Harpurhey utilised a community hub model that focused on multifunctionality of the town centre, co-location of public services and retail offers, establishment of place management structures to improve appearance and safety and the recognition of the Harpurhey market in driving footfall. These combined strategies improved safety, perception and utility to the local catchment population and visitors from elsewhere, improving the conditions in which small businesses can sustainably grow and thrive.

**“Invest into the amenity  
required for the highly varied  
social, cultural and business  
interactions”**





# KEY THEMES

## THE FUTURE ROLE OF GOVERNMENT

Participants were asked to take a future view of the role of government in supporting the evolution of retail strip precincts. Three key themes from the brainstorming “challenge stations” are summarised in the following pages.

## 2.1 Community Infrastructure Investment

### **Progress is achieved when council invest to build a coordinated vision with stakeholders**

Forum discussions focused on the upkeep of public and private infrastructure within retail strip precincts. The forum identified that dilapidated local amenities and infrastructure was limiting new investment by businesses and contributing to urban blight and negative sentiment about particular precincts.

Community infrastructure issues included physical, social and private investment into retail strip precincts.

1. Physical infrastructure includes local amenities such as public toilets, streetscapes, footpaths, public transport access and traffic management.
2. Social infrastructure included measures to support strong communities. This includes access to employment, social and cultural services, vibrant night life and personal safety.
3. Private property includes landowners' assets such as store frontage and co-investment with tenants in fixtures and fittings.

Limits to government's role in intervention in structural economic issues was acknowledged by forum participants. Market led factors such as rent levels, tenancy mix, change in consumer preferences and willingness of landowners to invest are still relevant issues that business owners face.

Key drivers of reform included entrepreneurial business owners who are willing to invest in precincts and take risks to develop new goods and services provided through retail outlets. This interplayed between issues where businesses have not adapted to changes in consumer behaviour.





## 2.2 Enabling an Efficient Regulatory Environment

### **Reduce the cost of red tape and simplify permit processes to improve speed of setting up a business**

The regulatory system plays a critical role to achieve a well-functioning and competitive economy. It protects consumers, employees, and the community from potential risks. The Victorian Government is implementing measures to reduce unnecessary costs of regulation on businesses.

Forum participants raised the need for continuous improvement in government regulation which directly impacts retail strip precincts.

Issues raised by forum participants included:

- > Cost and time spent adhering to regulation for business operations
- > Difficulty of navigating complex regulation and permit processes
- > Perception of unethical practices in the real estate industry
- > Incentivising agents and land owners to activate vacant shops
- > Create opportunities for experimentation and quick testing of concepts

In 2016, the Victorian Government announced the Small Business Regulation Review (SBRR) program as part of a commitment to making it easier to establish and grow a business in Victoria. The program comprises three reviews focusing on regulatory issues for small businesses within specific sectors:

- > Retail sector - review complete, Action statement released 2018
- > Visitor Economy sector - review complete, Action statement released 2018
- > Construction sector - review complete, this review focused on the way regulators interact with small businesses in the construction sector, Action statement released August 2019



## “Removal of barriers to entry and expansion in retail strips by reviewing regulation”

Reforms from the SBRR have begun to ease regulatory burden and streamline approvals processes for business, saving small retail businesses up to \$131 million each year.

The Victorian Small Business Commission (VSBC) is also working to ensure their advocacy work on behalf of small businesses is informed and represented through the Small Business Friendly Council Initiative.

As at 27 February 2020, 37 councils in Victoria have signed up to the initiative, the purpose of which is to provide a framework for the VSBC and local councils to work together to support small business.

Participating councils sign up to the small business friendly charter which encourages an open dialogue between the council and the VSBC, so the VSBC can target their advocacy initiatives toward issues that are impacting small businesses in local communities.



## “Real estate agents hold a high level of intelligence on the property trends and data for a precinct”



## 2.3

# Local Council Best Practice

Local government is key in nurturing a conducive ecosystem for small businesses that includes planning, data collection and analysis, built environment and brand management. However, it was noted that there are large gaps in knowledge between local governments as it pertains to best practice and, in particular, data capture, analysis and sharing.

### **Knowledge gathering and sharing**

#### **Increase knowledge sharing between landlords, real estate agents, regulators, tenants and community**

Forum participants identified that data relating to footfall, rent rates and vacancies could be vastly improved and if shared appropriately among key stakeholders would allow current and potential businesses to make informed operational and investment decisions. There may also be benefits accrued from local governments sharing precinct data with each other and the state government.

However, smaller local governments may not have systems for information to reach current and prospective business owners or other governments. Capability issues between local government in collecting, analysing and using data for decision making was highlighted by participants.

Forum participants were seeking improved collaboration between retail stakeholders, real-estate agents and local government to assist distribution of information to assist precincts develop a stronger tenancy mix.

### **Placemaking and planning**

#### **Progress is driven when council invest to build a coordinated vision with stakeholders**

Forum participants recognised the growth of existing and new small businesses does not exist in a vacuum and sought leadership from councils in creating a conducive ecosystem that includes built environment planning and brand management. These elements are thought to contribute to a more sustainable and vibrant environment in which businesses will be able to thrive.

Participants outlined the importance of having a shared vision on how to redevelop retail strip precincts, indicating that consultation with key stakeholders including the local community, real estate professionals, law enforcement, local and state government organisations are key to a successful revitalisation.

“Collective vision for the use of spaces between the owners and tenants means investment can be shared”

# CONCLUSION

State and local governments play a critical role in supporting and nurturing a supportive ecosystem for small businesses.

Strip shopping precincts are subject to many market forces and within that context there is a role for government in supporting networks, connecting key stakeholders, maintaining public spaces, managing laws that affect tenancy and land use and provide further regulatory reform.

The importance of enabling regulation for small businesses as a key theme aligns with the government's ongoing commitment to reducing regulatory burden. It also reinforces the importance of initiatives such as the Small Business Regulation Review program, the Better Approvals Project, retail lease dispute resolution by the Victorian Small Business Commission and regulatory oversight by Better Regulation Victoria.

In concluding the forum, it was evident that participants felt strongly about the challenges facing retail shopping strips. Findings from the forum are intended as a starting point to a deeper understanding of the challenges facing retail shopping strips across Victoria.







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