

30 November 2021

Submission via the NSW Planning Portal

To whom it may concern,

Re: Property Council of Australia response to the Fun SEPP

The Property Council welcomes the opportunity to respond to the Fun SEPP – *proposed changes to support outdoor dining, artisan food and drink premises, events, and small live music or arts venues.*

The Property Council is broadly supportive of the proposed changes in the Explanation of Intended Effect (EIE). These are viewed of positive changes to allow for flexibility, in particular in the State's CBDs and main streets that will be highly critical to the economic recovery of our business areas. The intent of this change is well received by our Property Council members, who are heavily invested in ensuring our cities are vibrant and prosperous places to live, work, visit, invest and experience.

About the Property Council of Australia

The Property Council of Australia is the peak industry body representing the whole of the property industry. In Australia, the Property industry employs more than 1.4 million Australians and shapes the future of our communities and cities.

As industry leaders we support smarter planning, better infrastructure, sustainability, and globally competitive investment and tax settings which underpin the contribution our members make to the economic prosperity and social well-being of Australians.

The Property Council's NSW Division membership consists of more than 800 member companies. They are architects, urban designers, town planners, builders, investors and developers. Our members conceive of, invest in, design, build and manage the places that matter most – our cities, our homes, our office buildings, tourism and hospitality venues, education and health precincts and retirement living communities.

This submission is informed by many of the Property Council's key member representatives and expert committee members.

1. Outdoor dining

Supporting existing retailers to grow and thrive

It is no surprise to anyone in NSW that the impact of the 2020 and 2021 pandemic on our city retailers and tenants has been difficult to trade. Through the property industry supporting tenants with rent relief, combined with the NSW and Federal Government investment in businesses support programs, collectively we have made every effort to support businesses across our cities. This EIE provides the opportunity for tenants, retailers and food and beverage providers to expand their operations, both in footprint and in operating hours, to ensure they are able to reboot and come back stronger to drive economic recovery in our cities. It is imperative that the changes made under this SEPP have positive impact on these retailers and don't impose policies that impact struggling retailers further.

Example: *the lobby at 420 George St is being refit and exploration of expanding seating for the café on site out on to George St for additional alfresco seating, expanding the footprint of an existing retailer and providing further amenity to the general public.*

Example: *Toppi restaurant at 60 Martin Place has been approved a temporary outdoor dining permit. This has been made possible through an agreement for temporary furniture to be used (council did not permit fixed furniture). Weather permitting, this gives Toppi the opportunity to expand their footprint and service a greater number of customers.*

Recommendation: Assessment of all changes consider the impact on existing businesses and provides growth opportunities to existing members, while supporting the development of complementary and non-competitive programs.

2. Small live music or arts venues

Liability insurance as a barrier to growth

The property industry has previously explored offering vacant floor space such as empty retail, ground floor lobbies and office floors to the arts and cultural sector. One of the key barriers to allowing this to happen has been the impact of liability insurance.

Recommendation: The Department of Planning, Infrastructure and Environment (DPIE), whether through the Fun SEPP or in parallel, explore options to support the arts and cultural community, start-ups and entrepreneurs with the appropriate liability insurance to allow their presence in vacant property across the CBD.

3. Artisan food and drink industry

Food trucks as a complementary and non-competitive amenity

There is strong support for the use of food trucks, in particular in areas where existing retail does not exist. In industrial areas where the density of food and beverage is limited, food trucks play an important role in providing amenity to the workers in these areas. Food trucks also provide the opportunity for brands to expand outside of the larger city locations.

Example: *Western Sydney city centres such as City of Liverpool have highlighted the opportunity to bring major food retailer brands out to developing cities through trialling the regional market through food truck trading models.*

Recommendation: The use of food trucks is encouraged in areas where it provides complementary and non-competitive opportunities to regions, so long as it does not take away from existing retailers in particular during times of economic recovery.

4. Other recommendations for consideration

Window enhancement

City of Melbourne actively engage artists and students, alongside key events such as Fashion Week, to fit out windows across the city to bring life back to bricks and mortar retail. The property industry would welcome the encouragement of arts and creative initiatives such as this that bring visual vibrancy to the city, in particular in empty ground floor spaces.

Recommendation: Window displays are encouraged, with both planning controls and investment incentivising window dressings.

Planning and costs are a cumulative need to allow activation

Our members are committed to activating both our office and retail properties across the CBD. In practice this requires the alignment and will of local government planning and fees to align in favour of activation and placemaking.

The best efforts of members to activate key precincts both within their property portfolios and on the streets around property have been hampered by exorbitant fees from local government which have created a barrier to uptake.

This SEPP is a great initiative in attempting to simplify the planning approvals required to activate public spaces. Simplifying approval processes and removing red tape is the simplest way to allow activations that have previously been stymied by overly complex processes or costs.

Recommendation: The Fun SEPP expands to give guidance on maximum local council fees and charges as they align to activation to help prevent a stall in activation through unrestricted fees.

The impact of limited lead times on activations

Our members are extremely motivated to be involved in activating our streets and public spaces, collectively contributing tens of thousands of dollars to place and space based activation each year. Landlords across our cities work on exciting campaigns over expansive periods and are seeking to engage with local government to always be thinking about what more can be done for the people who experience our cities. Reports of local government short-term activation planning timelines, including at times having planning discussions for a maximum of six months in advance, restrict the forward plan of activations for the year ahead. Asset owners across our cities would welcome the opportunity to work with local governments to plan activations in advance, or at the very least pre-approve forward plans to allow momentum and progress to occur all year round.

Recommendation: The local government activations plans forward plan for the coming 12 months to allow the private sector to bolster these plans with private sector investment and complementary activations.

Cleanliness and hygiene

One of the key observations from the COVID pandemic has been the increased importance of hygiene and cleanliness, including in public spaces. Hygiene factors continue to be reported as a barrier to trading, and have the potential to impact visitors experiences in cities.

Recommendation: The Fun SEPP consider how increased hygiene measures can be highlighted with local government to encourage further activation in a safe manner.

Recommendations

To maximise the impact of the great work presented in the Fun SEPP, the Property Council make the following recommendations:

1. Assessment of all changes consider the impact on existing businesses and provides growth opportunities to existing members, while supporting the development of complementary and non-competitive programs.
2. The use of food trucks is encouraged in areas where it provides complementary and non-competitive opportunities to regions, so long as it does not take away from existing retailers in particular during times of economic recovery.
3. Window displays are encouraged, with both planning controls and investment incentivising window dressings.

4. The Department of Planning, Infrastructure and Environment (DPIE), whether through the Fun SEPP or in parallel, explore options to support the arts and cultural community, start-ups and entrepreneurs with the appropriate liability insurance to allow their presence in vacant property across the CBD.
5. The Fun SEPP expands to give guidance on maximum local council fees and charges as they align to activation to help prevent a stall in activation through unrestricted fees.
6. The local government activations plans forward plan for the coming 12 months to allow the private sector to bolster these plans with private sector investment and complementary activations.
7. The Fun SEPP consider how increased hygiene measures can be highlighted with local government to encourage further activation in a safe manner.

Next Steps

We look forward to continuing to support and would welcome the opportunity to meet and discuss these exciting changes.

If you require further information or clarification, please contact Lauren Conceicao, NSW Deputy Executive Director on 0499 774 356 or lconceicao@propertycouncil.com.au.

Yours sincerely,



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