

Report to the Future Melbourne Committee**Agenda item 6.6****Outcomes of the City Economy Summit****19 March 2024****Presenter:** Andrew Wear, Director Economic Development and International**Purpose and background**

1. The purpose of this report is to provide an update on the outcomes of the City Economy Summit ('the summit') and propose a series of actions and next steps.
2. Council established the City Economy Advisory Committee (CEAC) in 2023 'to advise on challenges and opportunities facing Melbourne's day time economy'. At its meeting on 31 October 2023, Council appointed members to the Committee, which met for the first time on 20 November 2023.
3. The summit was a key component of the CEAC work plan and took place across two sessions on 6 and 14 December 2023. Over 350 stakeholders participated, including CEAC members, Councillors and Council staff. Through roundtable discussions, the summit explored strategies to strengthen Melbourne's economy.
4. On 6 February 2024, Future Melbourne Committee requested that management provide a report in March detailing outcomes of the summit 'and recommendations for actions to be delivered prior to September 2024'. It also requested that management commence work on the next Economic Development Strategy, with a view to it being adopted before June 2025.
5. CEAC and the summit are recent examples of Council's ongoing efforts to engage stakeholders, alongside other initiatives such as the Business Needs survey, CEO roundtable on city-based workers, Business Precinct Association engagement, and consultations associated with the draft Future Streets Framework 2030 and Beyond.
6. Support for the city's economic recovery aligns with Major Initiative 1 in the Council Plan ('Continue to strengthen Melbourne's economic recovery').

Key issues

7. Melbourne's recovery following the pandemic has been impressive. For example, across the week of 12-18 February, pedestrian activity at the Town Hall (West) sensor was at 129 per cent of the pre-pandemic benchmark and night time pedestrian activity at Southbank was at 140 per cent. In the fourth quarter of 2023, consumer spending (inflation-adjusted) was just one per cent lower than the fourth quarter of 2019.
8. However, the city's rhythm has shifted, presenting both opportunities and challenges for businesses. Commuter activity at Flinders Street averaged just 61 per cent of pre-pandemic levels throughout 2023, but is steadily climbing. In the week commencing 11 February 2024, commuter activity at Flinders Street increased to 66 per cent of pre pandemic levels.
9. The CEAC held its inaugural meeting on 20 November 2023. One of its key roles is to provide strategic advice to Council on the current opportunities and challenges relevant to the economic recovery of the City of Melbourne, and in particular, the day time economy. To advance this work and engage stakeholders more broadly, CEAC members played a key role in supporting the summit.
10. The summit was promoted extensively through City of Melbourne channels, including social media and the Business in Melbourne newsletter. Registrations were stronger than initially anticipated, requiring an additional session to be scheduled. Of the 350 attendees, 54 per cent were from small businesses, 14 per cent were from peak bodies, business or trade associations, and six per cent represented major employers.
11. The summit explored various city economy themes, such as office workers, safety, cleanliness, transport, events and innovation. These discussions generated a wide array of short and long term ideas to support the city economy, providing valuable insights to shape recommended actions.
12. At its most recent meeting on 7 February 2024, CEAC considered the outcomes of the summit, and reviewed and prioritised the recommended actions. It identified 11 actions that it believes will be most effective in the short term to support the city economy. These would require Council to deliver activities directly, partner with others, or advocate to other levels of government. Recommended actions are:

12.1. Council Delivery

- 12.1.1. Target audiences who are likely to engage with events and activations during the daytime (such as office workers and young families).
- 12.1.2. Address barriers to visitation, seeking opportunities to present innovative solutions.
- 12.1.3. Showcase businesses adopting innovative new business models, through case studies and success stories.
- 12.1.4. Deliver capability-building initiatives that support the entrepreneurial efforts of people from diverse and underrepresented backgrounds.
- 12.1.5. Improve employability outcomes for international students through activities such as a trial paid internship program.
- 12.1.6. Improve the products and platforms that share data insights with businesses.
- 12.1.7. Progress a review of the permit streams related to street activity (busking, outdoor dining and street trading). Devise a new policy and permit provisions, based on community engagement findings.

12.2. Partnership with others

- 12.2.1. Improve safety responses and perceptions of safety, through enhanced enforcement programs and cleaning initiatives.
- 12.2.2. Strengthen connections between events and experience economy businesses (such as retail, hospitality and entertainment).

12.3. Advocacy to other levels of government

- 12.3.1. Advocate for variable transport fare pricing to encourage city visitation, with a focus on office workers.
- 12.3.2. Improve current coordination measures between Council and key stakeholders, aiming to simplify and streamline processes.

13. Attachment 2 provides further detail on these actions, including next steps and actions that can be delivered before September 2024.
14. There is no single intervention that will accelerate Melbourne's economic recovery. Rather, these actions should be viewed as a comprehensive suite that will achieve impact over time.
15. These initiatives are all broadly consistent with the Major Initiatives in the Council Plan and Economic Development Strategy. Implementation of these initiatives will require consideration through the 2024-25 annual planning and budget process.
16. Attachment 3 features key quotes from CEAC members on their City Economy Summit experiences, along with photos.
17. Management has also commenced work on the next Economic Development Strategy, aiming for adoption before June 2025. In developing the strategy, management will undertake stakeholder consultation, including engagement with CEAC.

Recommendations from management

18. That the Future Melbourne Committee:
 - 18.1. Approve the 11 recommendations of the City Economy Advisory Committee, as an outcome of the City Economy Summit.
 - 18.2. Requests that management continue to liaise with the City Economy Advisory Committee as delivery plans are developed for the recommended actions.
 - 18.3. Requests that management communicate the recommended actions to City Economy Summit attendees.
 - 18.4. Requests that management update Council via briefing paper on the progress of the recommended actions before September 2024.
 - 18.5. Requests that management consider how best to incorporate the recommended advocacy actions into the City of Melbourne's advocacy priorities.

Attachments:

1. Supporting Attachment (page 3 of 7)
2. City Economy Summit – Recommended actions (page 4 of 7)
3. City Economy Summit – Quote and photos (page 7 of 7)

Supporting Attachment

Legal

1. There are no direct legal implications arising from this report.

Finance

2. There are no substantial financial implications arising from the recommendation from management. Expenses related to the delivery of the Summit recommended actions will be accommodated by Council's Budget 2023–24.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

4. In developing this proposal, no occupational health and safety issues or opportunities have been identified.

Stakeholder consultation

5. Discussions with attendees of the Summit and CEAC members have informed the recommended actions.

Relation to Council policy

6. The delivery of the Summit relates to a key role of CEAC, as outlined in the Terms of Reference: Provide strategic advice to Council on the current opportunities and challenges relevant to City of Melbourne's economic recovery, and in particular, the day time economy. Support for the city's economic recovery aligns with Major Initiative 1 in the Council Plan ('Continue to strengthen Melbourne's economic recovery').

Environmental sustainability

7. Environmental sustainability issues and opportunities are not relevant to the proposal at this stage. They can be considered at a later stage if applicable to the recommended actions.

ATTACHMENT 2

CITY ECONOMY SUMMIT – RECOMMENDED ACTIONS

City of Melbourne Delivery

Target audiences who are likely to engage with events and activations during the daytime (such as office workers and young families).	
How will we achieve this?	Continue to review audience segments and behaviours. Continue to educate industry on the shifts in consumer behaviours and the relevant City of Melbourne channels for promotion.
Potential economic impact	Attraction of varied demographics to visit the city, leading to an increase in visitation and spend.
Next steps	Task research agency to analyse daytime audience engagement drivers. Share the resulting insights, through products such as the Melbourne Economy Snapshot.

Deliver capability-building initiatives that support the entrepreneurial efforts of people from diverse and underrepresented backgrounds.	
How will we achieve this?	Engaging with stakeholders and conducting research to understand the opportunities and challenges for entrepreneurs from diverse and underrepresented backgrounds.
Potential economic impact	Investing in entrepreneurs from diverse and underrepresented backgrounds has the potential to unlock a powerful engine for Melbourne's growth. It will encourage diverse perspectives, broader access to markets and bolster job creation.
Next steps	Conduct a needs assessment to identify the specific challenges and barriers faced by diverse and underrepresented entrepreneurs. Design programs that address these needs and empower participants to succeed.

Improve employability outcomes for international students through activities such as a trial paid internship program.	
How will we achieve this?	Pilot international student paid internship program in 2024. Outcomes to be reviewed after the initial year, to determine the viability of the program ongoing.
Potential economic impact	This will encourage international students to participate in the local market long-term, by creating pathways to relevant working visas and permanent residency. The local economy will ultimately benefit from their involvement as workers and consumers.
Next steps	Develop a pilot internship program and commence delivery within the 2024-25 financial year.

Showcase businesses adopting innovative new business models, through case studies and success stories.	
How will we achieve this?	Promote case studies through City of Melbourne channels, including website, social media, Business in Melbourne newsletter and Melbourne News.
Potential economic impact	By inspiring and informing other businesses, it will encourage further investment in the local innovation and future focussed economy.
Next steps	Develop at least four case studies and finalise related communications plan.

Improve the products and platforms that share data insights with businesses.	
How will we achieve this?	Assess the current Melbourne Economy Snapshot reports released quarterly, plus data insights available from various sources (spend data, pedestrian activity data, economy.id etc.)
Potential economic impact	Equipping businesses with actionable insights, helps them to respond to trends and changes in consumer behaviour.
Next steps	Evaluate options for a new data insights product to inform business decision making. Assess what data sources are available and recommend how data can be shared with businesses in a way that is digestible and actionable.

Progress a review of the permit streams related to street activity (busking, outdoor dining and street trading). Devise a new policy and permit provisions, based on community engagement findings.	
How will we achieve this?	Undertake community engagement with key stakeholders, industry groups, permit holders and Precinct Associations.
Potential economic impact	Reducing barriers to street trading will improve the city's offer and appeal to consumers.
Next steps	Analyse community engagement findings, with insights to inform the development of new policy guidelines.

Address the barriers to visitation, seeking opportunities to present innovative solutions.	
How will we achieve this?	Regularly monitor sentiment, attitudes and behaviours toward the city.
Potential economic impact	Improved understanding of consumer sentiment will lead to innovative visitation initiatives, aimed to drive visitation and spend.
Next steps	Leverage quarterly brand tracker data to identify barriers to visitation. Develop and schedule actionable strategies to address them.

Partnerships with others

Improve safety responses and perception of safety, through enhanced enforcement programs and cleaning initiatives.	
How will we achieve this?	Coordinated programs with Victoria Police, enhancing CCTV use and systems, utilising the track and monitor tool and through the internal steering committee.
Potential economic impact	Positively impacting general safety perceptions will underpin increased visitation.
Next steps	Convene regular meetings with the internal working group, steering committee and Victoria police to identify areas for improved service coordination across the City of Melbourne. Develop and implement targeted solutions to address arising issues.

Strengthen connections between events and experience economy businesses (such as retail, hospitality and entertainment).	
How will we achieve this?	Explore opportunities for enhancing connections. Review current practices and data, identify gaps and opportunities (including through Business Concierge, Precinct Associations, post event stakeholder surveys etc). Communicating events calendar to businesses.
Potential economic impact	Creating a stronger cohesion between events and experience economy businesses will improve the overall experience for attendees and city visitors, encouraging return visitation for similar events and activations.
Next steps	Develop an action plan to strengthen relationships between events and experience economy businesses.

Advocacy to other levels of government

Advocate for variable transport fare pricing to encourage city visitation, with a focus on office workers.	
How will we achieve this?	Continue to work with the Victorian Government and other agencies (PT providers, Development Victoria etc.)
Potential economic impact	Attracting more people to take public transport into the city during lower volume periods (such as Mondays and Fridays) will drive economic activity on those days.
Next steps	Lord Mayor and/or CEO to develop and deliver targeted advocacy efforts.

Improve current coordination measures between City of Melbourne and key stakeholders, aiming to simplify and streamline processes.	
How will we achieve this?	Working with stakeholders and the Victorian Government to identify and address process improvements to enable economic activation.
Potential economic impact	Strengthening coordination and collaboration with stakeholders and the Victorian Government has the potential to speed up outcomes for the city, driving economic growth.
Next steps	Convene a major events roundtable with the Victorian Government to collaboratively explore and then implement process improvements.

ATTACHMENT 3
CITY ECONOMY SUMMIT – QUOTES AND PHOTOS



Joining the City Economy Advisory Committee in late 2023 has been remarkable. We've organised successful City Economy Summits, gathering crucial feedback for sustainable economic growth. It was great to see that the data collected aligned with city initiatives, strategies, and action plans, while highlighting priorities for short and long-term activities. I believe this information will be crucial to the City of Melbourne team's strategies moving forward as we tackle challenges and craft strategies, ensuring Melbourne's continued prosperity. **Aiman Hamdouna, CEO of Hatch Quarter**

At the City Economy Summit, I discovered there's great energy and passion around innovation – taking a forward-looking approach to the City's economic development can help us to capitalise on emerging opportunities to grow an inclusive and sustainable economy. **Caitlyn Hammond, Director Priority Projects, Department of Jobs, Skills Industry and Regions**

It was wonderful to see so many people passionate wanting to collaborate as part of the City Economy Summit, providing different views on how to further enhance our city from innovation, to activations and making it easier to visit city. The outcomes from these sessions, along with the CEAC and City of Melbourne actions, will help to build the city of the future. **Arabella Richards, Centre General Manager at QV Melbourne**

At the City Economic Summit I learned about the toughness and resilience of those participants in the day time economy whose trade is yet to return to its best. They have far from given up and remain energetic in making sure we bring City workers, residents and visitors back to the city to continue to recapture what makes the city a great place to be. **Paul Waterson, CEO of Australian Venue Co.**