

Report to the Future Melbourne Committee

Agenda item 6.7

Council Plan Major Initiative 1 - Continue to strengthen Melbourne's economic recovery

9 November 2021

Presenter: Andrew Wear, Director Economic Development and International**Purpose and background**

1. The purpose of this report is to provide Councillors with an update on Major Initiative 1 from the Council Plan 2021-25: 'Continue to strengthen Melbourne's economic recovery'. The focus of this initiative is on strengthening Melbourne's economic recovery, including through precinct and shopfront activation, delivery of an enhanced business concierge and support for the night-time economy.
2. During Melbourne's sixth lockdown, levels of activity in Melbourne were significantly depressed. Pedestrian tracking (on 21 October) showed that activity was down by 85 per cent for commuters and down by 81 per cent at night (compared to the same period in 2019). Office attendance at the end of September was the lowest ever recorded, at 6 per cent of the usual levels.
3. While activity has increased following easing of restrictions, pedestrian activity remains well down on pre-pandemic levels. On 3 November 2021, pedestrian activity across the city was 73 per cent below 2019 levels. A sustained focus on city reactivation will be required for some time.

Key issues

4. During the lockdown, the focus of work under this major initiative was on supporting businesses through the Business Concierge service, where about 4,700 contacts with business were made between July and September 2021. Businesses were supported to access available assistance from the City of Melbourne, as well as state and federal governments.
5. Council conducted a survey of businesses during lockdown that generated responses from 323 businesses. While business dissatisfaction with the slow exit from lockdown was palpable, almost 60 per cent of respondents identified that the best thing the City of Melbourne could do to support their business was to drive visitation to the city.
6. A substantial program of activity is underway that will drive visitation, activate the city and establish a platform for recovery. The objectives of this package are to energise the city with a sense of vibrancy and optimism that will attract and amplify visitation, resulting in increased custom and patronage for the municipality's traders.
7. Many of these programs are being delivered with support from the Victorian government through the Melbourne City Recovery Fund and Melbourne City Revitalisation Fund. Key programs include:
 - 7.1. The \$5 million Midweek Melbourne Money program will commence on 15 November 2021. This program responds to feedback that additional incentives are particularly needed between Mondays and Thursdays. The midweek version builds on and improves the first iteration of the program, where an investment of \$8 million contributed to retail and entertainment precincts reactivating three times more quickly than following earlier lockdowns. The program will offer a 30 per cent rebate on purchases at hospitality venues within the municipality.
 - 7.2. The \$2.6 million Shopfront Activation program aims to transform vacant shopfronts in Docklands, Lygon Street and the CBD to create a sense of vibrancy whilst enhancing the local aesthetic. The first activated shopfronts are in Little Collins Street. Strong progress is being made, and it is expected that a substantial number of shopfronts will be activated in the coming months. More than 300 expressions of interest have been received from prospective occupants.
 - 7.3. The City Activation Grants program opened recently and will close on 12 November 2021. This \$1.75 million program will deliver 30-50 localised activations across the municipality between January and June 2022. The nature of the activations will depend only on the imaginations of applicants, but could include anything from floral displays to augmented reality art walks.
 - 7.4. The Business Events Sponsorship program provides financial support for face-to-face business events that take place within the municipality, encouraging workers from knowledge-based sectors back to the city in early 2022. The program is open for applications until 19 November.

8. Complementing this activity, Council is working to enhance activity after-dark through the work of the Night-Time Economy Advisory Committee. The Committee has been working constructively with the Victorian government on planning for the reopening of Melbourne's night time economy. Work is now in train to develop plans to reposition Melbourne as a 'Central Experience District' (rather than a Central Business District) and to develop measures to improve night time safety.
9. The city's economic recovery is being further supported by activity being delivered through other major initiatives. This includes:
 - 9.1. Plans for an expanded 2021 Christmas Festival that will provide a much-needed fillip for the city's retail sector and which is commencing earlier than usual on 12 November 2021.
 - 9.2. Melbourne Fashion Week (15-21 November 2021), incorporating the American Express Vogue Fashion Night Out Shopping festival (19-21 November).
 - 9.3. Melbourne Music Week (3-12 December 2021) which supports and celebrates Melbourne's world-renowned live music scene.
 - 9.4. The Flash Forward initiative in the city's iconic laneways, creating a network of experiences that will surprise and delight visitors and will further enhance the city's attractiveness to support expanded levels of economic activity.
 - 9.5. The Inside Out initiative supporting traders to take advantage of the first relaxation in restrictions by bringing indoor trading activities outdoors in the spring and summer months.
 - 9.6. Additional support is being provided to the City of Melbourne's ten business precinct associations. This is enabling them to undertake strategic planning, provide business support and deliver a range of activations.
 - 9.7. Destination marketing through the FOMO: Summer in the City campaign, which encourages visitors to spend their summer leisure time in the city.
 - 9.8. The Live in Melbourne campaign which addresses the current vacancies for residential apartments in the City of Melbourne and highlights the lifestyle benefits of city living.
10. With Melbourne's post-lockdown recovery only just commencing, it is too early to assess the effectiveness of these initiatives. Success will be reported by considering metrics such as: how quickly the city reactivates (pedestrian numbers); the vacancy rate in the city's retail and hospitality precincts; and the number of businesses supported through the Business Concierge service.

Recommendation from management

11. That the Future Melbourne Committee:
 - 11.1. Notes the substantial program of activity that is driving visitation, activating the city and establishing a platform for recovery.
 - 11.2. Requests that management provide a further update on progress towards the objectives of this major initiative, once the data for metrics is available.

Attachments:

1. Supporting Attachment (Page 3 of 3)

Supporting Attachment

Legal

1. There are no legal issues arising from the recommendation from management.

Finance

2. All initiatives mentioned in this report are included in the FY22 Council Budget and/or have been funded through either MCRF1 or MCRF2.

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, as these have already been considered when the included initiatives were first approved.

Stakeholder consultation

5. No consultation with stakeholders took place in preparation of this report. Programs mentioned in this report have engaged stakeholders at all stages, including initial design.

Relation to Council policy

6. This report relates to Major Initiative 1 in the Council Plan 2021-2025 as well as to a number of actions in the Economic Development Strategy

Environmental sustainability

7. Environmental issues were not considered during the preparation of this report as these were already considered when the listed initiatives were first approved.