

Management report to Council**Agenda item 6.1****Update on the night time economy****Council****Presenter:** Andrew Wear, Director Economic Development and International**27 June 2023****Purpose and background**

1. The purpose of this report is to recommend an approach to support the City of Melbourne's (CoM) night time economy beyond 30 June 2023, when the Night Time Economy Advisory Committee (NTEAC) is due to lapse.
2. On 15 December 2020, Council endorsed the establishment of NTEAC, to operate for an initial term of 12 months. Following an expression of interest process, NTEAC was formed with 18 members representing a cross section of night time economy sectors, such as the arts, hospitality, music and venue management. Council subsequently extended NTEAC until 30 June 2023.
3. NTEAC has supported and provided advice for a number of Council initiatives, in order to contribute to the strength of the night time economy. These include:
 - 3.1. Creation of a collective vision statement and recommendations for Melbourne's night time economy (endorsed by Council on 15 March 2022).
 - 3.2. Informing the Dusk till Dawn Activation Grants Program that will deliver 17 activations in the city from May to November 2023. This program has been fully funded by the Victorian Government through the Melbourne City Revitalisation Fund.
 - 3.3. Establishment of a live music working group, in order to understand the current challenges of live music venues across the municipality.
 - 3.4. Informing the development of numerous CoM initiatives, including Project Night Justice, Only in the City, Now or Never, the Melbourne Economy Snapshot and the forthcoming Destination Management Plan.
 - 3.5. Advocating for a health pass system to safely reopen Melbourne, following COVID-19 restrictions.
4. Melbourne's night time economy has recovered strongly from the impacts of COVID-19. Night time spending (inflation adjusted) was 12 per cent higher in April 2023 than in April 2019. In April 2023, night time spending accounted for one-third of all spending in the municipality.
5. The Committee for Melbourne's Benchmarking Melbourne 2023 report placed Melbourne 22 out of 48 top global cities in the measure of 'how often people view the city's nightlife attractions and city nightlife as a reason for having visited the city'.
6. Support for the night time economy fits under Major Initiative 1 in the Council Plan ('Continue to strengthen Melbourne's economic recovery').

Key issues

7. Despite the strong recovery of Melbourne's night time economy, NTEAC members have identified a number of challenges that continue to face the night time economy. These challenges include: labour shortages in key parts of the night time economy; changing patterns of consumer behaviour that impact business models; and making the night time economy work for international students and for families.
8. During its April 2023 meeting, NTEAC considered future Council support for the night time economy. Key themes from the discussion included:
 - 8.1. Council needs to retain a mechanism to engage and hear from night time economy stakeholders.
 - 8.2. While NTEAC has been valuable, a standing committee in its current form has now largely served its purpose and a new approach is likely to be more effective.

- 8.3. Rather than regular committee meetings discussing a broad range of issues, periodic 'deep dive' roundtable discussions – involving bespoke groups of relevant stakeholders – would be preferable.
- 8.4. Although the night time economy faces unique challenges and opportunities, there are important intersections with the day time economy.
9. After the term of NTEAC lapses on 30 June 2023, the periodic hosting of roundtables or summits would enable Council and stakeholders to explore topics in greater depth. Experts, other stakeholders and community members would be invited to topic-specific gatherings to help work through a particular issue. The frequency would be two or three in-depth roundtables per year, approximately a half-day each in duration. A potential benefit of this approach is more resolved strategic thinking and problem solving, with the best people brought into the room for greater depth of engagement.
 - 9.1. Examples of topics that could be considered for discussion in 2023–24 include live music, noise, city safety and new late night business models.
 - 9.2. Roundtables or summits could be facilitated by relevant members of the lapsing NTEAC.
10. In recent years, a number of major cities around the world have made concerted efforts to support their night time economies. These approaches are highly diverse and include the establishment of 'Night Mayors', advisory committees and dedicated staff within the public service. The recommended approach for CoM's night time economy is informed by careful consideration of these approaches, as well as input from NTEAC members.
11. While the night time economy has been doing well, there are ongoing challenges facing the city's day time economy. Inflation adjusted spending during business hours (8am – 6pm) in April 2023 was 15 per cent below April 2019.
12. There is a strong symbiotic relationship between small businesses in 'amenity' sectors such as retail, hospitality, personal services (e.g. dry cleaning) and office-based sectors such as financial services, professional services, information technology/telecommunications and public administration. An active, 'buzzy' city is attractive to office workers, while office workers are also key customers for amenity businesses.
13. Hybrid working has impacted the number of office workers in the city. Morning commuter activity (6am – 9am) at Flinders Street is currently at about 60 per cent of the pre-COVID 2019 benchmark.
14. Considerable uncertainty faces the future of knowledge-based sectors in the city. Are current patterns of work a temporary legacy of the pandemic or are they a 'new normal'? What are the consequences for productivity if knowledge workers do not cluster to the same extent in the central city? How can the central city be best positioned as an important place of business? These are big, challenging questions that will be best tackled in partnership with stakeholders.
15. Given the challenges facing the day time economy, it would be appropriate to draw on stakeholder input through the establishment of a City Economy Advisory Committee. This committee would provide advice to Council on challenges and opportunities facing Melbourne's day time economy. It would also be well-placed to inform the development of major Council projects or proposals that would impact on the day time economy.

Recommendation from management

16. That Council:
 - 16.1. Approves a renewed approach to its support for the night time economy beyond 1 July 2023 that involves the hosting of roundtable discussions or summits to explore topics in depth.
 - 16.2. Requests the Lord Mayor write to Night Time Economy Advisory Committee members to thank them for their contribution.
 - 16.3. Approves the establishment of a City Economy Advisory Committee to advise on challenges and opportunities facing Melbourne's day time economy.
 - 16.4. Requests management undertake an expression of interest process seeking nominations to the City Economy Advisory Committee, and return to Council with proposed Terms of Reference and membership.

Attachments:

1. Supporting Attachment (Page 3 of 3)

Supporting Attachment

Legal

1. Whilst no direct legal implications arise from the recommendation from management, legal advice will be provided as required in respect to the NTEAC and the proposed City Economy Advisory Committee.

Finance

2. There are no substantial financial implications arising from the recommendation from management. Expenses related to the delivery of roundtables and meetings will be accommodated by Council's draft 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 provided.

Stakeholder consultation

5. Discussions with NTEAC members have informed the recommended approach.

Relation to Council policy

6. Support for the night time economy fits under Major Initiative 1 – 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 more detailed work program.