

Report to the Future Melbourne Committee

Agenda item 6.5

Outcomes of City of Melbourne COVID-19 Business Support Program

16 March 2021

Presenter: Andrew Wear, Director Economic Development and International

Purpose and background

1. In 2020, the City of Melbourne implemented a number of support initiatives for businesses impacted by COVID-19. This report shares the findings of research into the impact of these business support initiatives, including the extent to which the initiatives worked to support businesses, and what kind of support would be valued into the future.
2. As the economy recovers, the results of this research will be used to inform further support initiatives that build the long-term capability of Melbourne businesses under Council Annual Plan Initiative 'Deliver support for Melbourne businesses that will enhance capability to respond to long term impacts of COVID-19'.

Key issues

3. To determine the outcomes of COVID-19 business support initiatives, the City of Melbourne engaged Wallis Consulting to develop an independent, evidence-based research approach.
4. The research scope examined a number of business support initiatives, including the Small Business Grant programs, the Business Concierge Hotline, Inner City Business Support Services, and the Virtual Business Support Summit.
5. The research approach utilised quantitative, qualitative and benchmarking of best practice approaches. This included a survey sample comprised of 675 representatives of businesses who received a grant and/or accessed support (the 'support sample') and 256 representatives of businesses who did not receive a grant or access support (the 'comparison sample'), with 12 businesses were also contacted for in-depth telephone interviews following the survey.
6. The qualitative and quantitative fieldwork commenced on 12 January 2021 and was completed on 8 February 2021. Attachment 2 provides qualitative feedback from survey participants.
7. Key findings include of the research includes:
 - 7.1. The majority of businesses (89%) mentioned direct positive impacts that the business support initiatives had on their business; with almost half of all respondents (43%) stating the support received helped them to keep trading during lockdown.
 - 7.2. Around two in five businesses (38%) said their business would not still be operating if not for the support received from the City of Melbourne initiatives.
 - 7.3. Overall, around three quarters (73%) of those who received some form of support from the City of Melbourne said they were satisfied overall with the support received, with the key reasons being the positive impact of the business support, the simplicity of the process and timeliness of the funding.
 - 7.4. The majority (79%) of businesses who accessed the Business Concierge Hotline indicated that the service provided the information that they needed.
 - 7.5. The majority of businesses in both samples were receiving JobKeeper payments from the Federal government in 2020 (89% of the support sample, and 80% of the comparison sample).

- 7.6. Increasing awareness of future support initiatives will be critical to ensuring all businesses can get the support they need. Encouraging businesses to engage with the City of Melbourne website and other communication channels will be key to achieving this awareness. Looking to the future, businesses would welcome additional grant opportunities; however the majority of businesses believe the key way that the City of Melbourne can provide support is to encourage people to return to the city.
8. As part of the Melbourne City Recovery Fund, in partnership with the Victorian Government, the City of Melbourne is currently running the following initiatives to encourage people to return to the city:
 - 8.1. Outdoor Dining: the program will be extended until 30 June 2021 in order to provide further support to hospitality businesses. Permits due to expire in March can now be extended, allowing outdoor dining spaces including parklets and laneways to remain in place until mid-year.
 - 8.2. City Reactivation Event Grants: grants of up to \$100,000 per event for organisers to help deliver COVID-safe events have been awarded to the value of \$2 million for events taking place in 2021.
 - 8.3. Laneway program: the creative laneways program will revitalise 40 of Melbourne's historic laneways including Russell Place, Barry Lane, Brights Place, Park Street, Finlay Alley, Hughes Lane, Smythe Lane, Kirks Lane, Crombie Lane and Goldie Place, and Westwood Place. The program will run until July 2021.
 - 8.4. *Get to the city or get FOMO* campaign: the City of Melbourne has recently launched a five month campaign featuring Sri Lankan-Australian comic, Dilruk Jayasinha. The FOMO campaign highlights some of Melbourne's unique and world-class experiences and delivers city-based activations and special offers. This campaign will target office workers as well as visitors with different initiatives.
9. The Victorian Government plays a critically important role in supporting the return of people to the central city. Key decisions include restrictions on the return of office workers and return of Victorian public sector workers. Funding support from the Victorian government through the Melbourne City Recovery Fund has supported consumer confidence. Further leadership and support from the Victorian government will be required to return the central city's daily population.

Recommendation from management

10. That the Future Melbourne Committee:
 - 10.1. Notes the outcomes of the COVID-19 business support program and the importance of these initiatives in supporting city businesses impacted by COVID-19.
 - 10.2. Notes that the insights in this research are informing reactivation work currently being delivered by the City of Melbourne, including activities such as destination marketing, City Reactivation Event Grants, an enhanced Business Concierge service and the Creative Laneways program.
 - 10.3. Agrees the City of Melbourne deliver an enhanced Business Concierge program to support business growth and new business formation, with management to provide advice on a proposed operating model at the Future Melbourne Committee meeting by 20 April 2021.
 - 10.4. Requests the Lord Mayor share these outcomes with the Minister for Industry Support and Recovery, to inform future Victorian Government interventions to support City of Melbourne businesses and initiatives that bring people back to the central city.

Attachments:

1. Supporting Attachment (Page 3 of 11)
2. Qualitative Feedback (Page 4 of 11)
3. COVID-19 Business Support Initiatives – Summary Report (Page 5 of 11)

Supporting Attachment

Legal

1. There are no direct legal implications for Council in the recommendation of this report.

Finance

2. No significant implications arise from the recommendations contained in this report. No significant implications arise from the recommendations contained in this report. The research was funded through the City of Melbourne corporate research budget.

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. Wallis Consulting was engaged to undertake the research. A survey was sent out to over 6000 recipients, receiving 675 responses from the support sample, and 256 responses from a comparison sample. 12 businesses took part in a follow up in-depth interview. Two managers from other jurisdictions were interviewed as part of a benchmarking exercise.

Relation to Council policy

6. Recommendations are consistent with the Council Plan 2017-21 Prosperous City goal, and the COVID-19 Reactivation and Recovery Plan, which highlights immediate actions required to support Melbourne's economic recovery.

Environmental sustainability

7. In developing the research project, environmental sustainability issues have been considered and no direct issues were identified.

Qualitative Feedback

Examples of verbatim comments from those who were satisfied overall with City of Melbourne support initiatives:

"It was a great initiative and the grants and financial support was the difference between my business having to wind up versus continuing to run."

"Because it was not arduous to apply. I had a need and it was a simple process to apply. The simplicity was good."

"They helped us to stay afloat during a period of time we were not allowed to operate fully and lost the majority of our income. The process to apply was fairly straightforward and the turnaround time was quite quick."

"Receiving a grant enabled me to put things into place to make my new online business successful. By having a professional website developer come in and evaluate the website, tweak it, and place money into marketing like google and Facebook ads it enabled me to earn an income from my newly built website, to a point where I no longer needed JobKeeper because my online income was enough to keep my small business that was once just bricks and mortar (Pre COVID-19) going, and growing, whilst allowing me to make ends meet."

"The targeted and timely funding allowed our business to respond and make changes required due to COVID-19, during a time of significant financial disruption and uncertainty to the business with resources that allowed us to deliver effective changes which attracted additional work to the business and helping us through a challenging time."

"I believe that the City of Melbourne has the intention of helping businesses to survive and expand again with the grants they have created. The grant application is straightforward and efficient - unlike the state and federal government grants."

Direct quotes from survey respondents with their ideas for bringing customers back to the city:

"It would be great to be advertising about how wonderful and happening the CBD is for people to come back in - so people don't relocate their lives to the suburbs permanently."

"I believe car parking should be subsidised or reduced as I have the impression that many people are still averse to taking public transport to commute into the Melbourne CBD. "

"Promote the city of Melbourne as a place to live and work. Continue to support businesses operating in the city of Melbourne. Strategic planning for the city and what it has to offer residences and visitors. Figure out what makes our city great and market that well, we want everyone to aspire to live and work in our city...similar to what New York City did."

"City of Melbourne supported marketing campaign. Possibly vouchers to encourage people to come / spend at CBD businesses."

"Create a proper Visitor program - not tourist, but visitor program that heroes the experiences that are in the city, not just the events. Melbourne has been a city where people come to do more than one thing... shop, see theatre, favourite dinner spot, try something new, learn something... we have been a "tourist destination" but our locals don't know why. I know a staycation promo is coming, but I still know nothing about it."

"A focus on particular precincts. I think each precinct has a certain flavour and this could be built upon and marketed. Creating specialised suggested day planners for visitors for each precinct for example. Start in the morning with breakfast, coffee- go to see art galleries, visit boutique creatives, lunch at fab restaurants, wander to specialist shops, see public art sites on way, dinner anywhere in the world cuisine options, etc."

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COVID-19 Business Support Initiatives Summary Report



Prepared for
City of Melbourne
February 2021

1

Introduction




1.1 Background and objectives

In response to the COVID-19 pandemic, the City of Melbourne launched a local economic package to support businesses operating within the City of Melbourne municipality. The package included a range of business support initiatives, including grants, rent and rate relief, as well as one-on-one advice and support through the Business Concierge Service.

In addition, The City of Melbourne hosted a Virtual Business Support Summit in April 2020; over 600 representatives from Melbourne's small and medium business community logged on to hear a panel of experts share their thoughts on how the business community can get through this unprecedented time.

The City of Melbourne engaged Wallis Social Research to conduct independent research to determine the extent to which the range of initiatives worked to support businesses, and what kind of support would be valued by City of Melbourne businesses into the future as the economy recovers.

The key objectives of the research were as follows:

-  Evaluate the economic impact of and satisfaction with the support services provided by City of Melbourne for local businesses.
-  Assess the key challenges relating to the COVID-10 pandemic for local businesses and determine the long-term needs of businesses within the City of Melbourne municipality.
-  Evaluate best practice approaches to business support from initiatives launched in similar jurisdictions.

1.2 Overview of the research approach

The research was conducted using a triangulation of three approaches:



Desktop research: a search of Business Support Initiatives in response to COVID-19 in Australia and internationally, to gain some insight into the performance of business support initiatives in like jurisdictions.



Quantitative survey: conducted among representatives of City of Melbourne businesses to measure perceptions of the support package and its impact on businesses.



Qualitative research: in-depth interviews with representatives of City of Melbourne businesses to gain a richer understanding of the challenges faced, and the impact of receiving grants and other assistance.

Quantitative survey

The quantitative component of the research comprised two strands:

- A survey of support recipients (sample list provided by the City of Melbourne)
- A survey with a broader selection of City of Melbourne businesses (sample sourced from a commercial listing)

The survey instrument was programmed with some questions asked of both streams, and some asked only of those who received support. Initial screening questions ensured that the business has operations in the City of Melbourne municipality, and initial questions asked of the comparison sample established whether or not the business had received a grant or accessed other forms of support from the City of Melbourne.

The final achieved sample comprised n=675 representatives of businesses who received a grant and/or accessed support (the “support sample”) and n=256 representatives of businesses who did not receive a grant or access support (the “comparison sample”). Weighting by ANZSIC industry category was applied to the comparison sample to reflect the industry breakdown of the support sample, to ensure a like for like comparison.

Survey fieldwork

The survey instrument was set up for both online and telephone completion. Invitation and reminder emails with a link to the online survey were sent to the sample lists, and telephone follow-up was used to boost response rates. Telephone interviews were conducted by Computer Assisted Telephone Interviewing (CATI), taking an average of 15 minutes to complete. The survey link was also published in the City of Melbourne e-newsletter, but only n=10 businesses responded through this channel.

Qualitative interviews

A total of 12 follow-up in-depth interviews were conducted with business owners who completed the survey, to allow for a richer understanding of their experience and to provide further context to the survey responses.

In collaboration with the City of Melbourne, key contacts for managers of support initiatives in similar jurisdictions across Australia were sourced and contacted to provide information on their programs and any relevant learnings. Two in-depth interviews were conducted.

The qualitative and quantitative fieldwork commenced on 12 January 2021 and was completed on 8 February 2021.

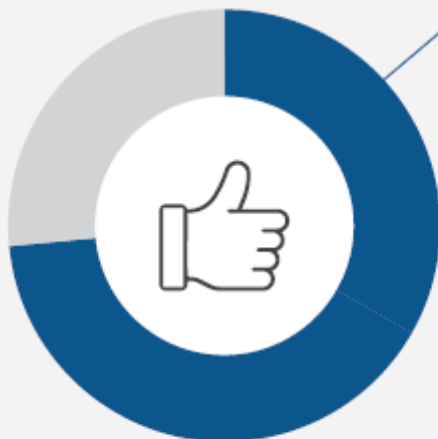
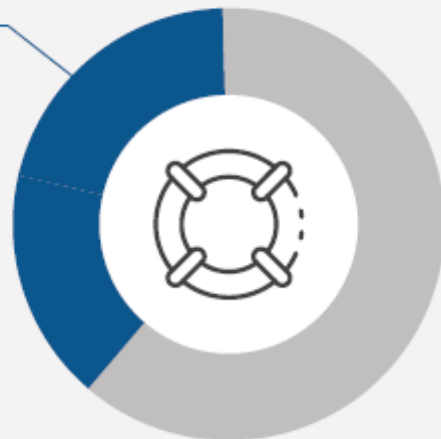
Snapshot of findings

Support sample
Comparison sample



Almost two in five businesses (38%) said that their business would not still be operating if not for the support received from the City of Melbourne. The top three direct positive impacts of the support included:

- 43%** Kept trading during lockdown
- 43%** Purchased equipment / furniture / infrastructure
- 41%** Purchased marketing / increased promotion



Nearly three quarters (73%) of those who accessed support said they were satisfied overall with the support initiatives. The top three reasons for satisfaction included:

- 31%** The support was positive / helpful for my business
- 18%** The process was straightforward / easy / efficient
- 16%** Crucial funding / money when needed

65%	of respondents heard about the grants and support initiatives on offer from CoM sources			
		CoM website	Newsletter/email	Social media
66%		34% 20%	32% 42%	21% 14%

2

Summary of key findings and recommendations

- Among both samples, the majority of those who are aware of the grants and/or support initiatives learned of them through engaging with City of Melbourne resources such as the website, newsletter and social media channels.
- Almost equally important in the sense of raising awareness of the support initiatives is promotion through referrals, networks and other word of mouth channels; approximately half of business owners in both samples said they heard about the initiatives this way.



SUGGESTION

For future grant rounds and other support initiatives, it will be vital to encourage businesses to engage with the City of Melbourne website and other communication channels to ensure they can keep up to date with what is on offer.

- Around two in five businesses in the comparison sample (38%) were aware that support from the City of Melbourne was available, but they didn't apply for or didn't receive support.
- Among the businesses that received support, 86% received at least one grant, and 44% accessed at least one of the other support initiatives. Around one in ten (11%) accessed the support initiatives but did not receive a grant.
- Businesses in both the support and comparison samples were likely to have accessed other support, such as state government grants (62% and 48% respectively) and the federal government's JobKeeper payments (89% of the support sample, and 80% of the comparison sample).



SUGGESTION

Focus on increasing awareness of the support available to businesses in the City of Melbourne in order to ensure that business owners are aware of this as a potential avenue for support if they find they are not eligible for state or federal government assistance.

- Almost all the businesses responding to the survey were still operating within the City of Melbourne at the time of the survey (95% among the support sample and 97% among the comparison sample).
- Almost two in five (38%) said that their business would not still be operating if not for the support received from the City of Melbourne initiatives.** This is a very positive result, especially given the range of other support and services available from the Victorian and federal governments.
- The Small Business Reactivation Grant seemed to be the most effective, with 52% of businesses saying their business would not still be operating if not for receiving the grant.
- About a third (34%) of business owners disagreed that they could not have remained open without the support. This is not necessarily a negative reflection on how the support was valued; many businesses indicated that although the grants were not

solely responsible for keeping them operating, they were valuable in helping them manage the difficulty of restrictions, and prevented them from having to take actions such as letting staff go or losing their lease.

- Indeed, the vast majority (89%) mentioned direct positive impacts that the grants and support initiatives had on their business.
- Around two in five businesses (43%) said that the support received helped them to keep trading during lockdown, and 34% said that the support enabled them to keep all or most of their employees.



SUGGESTION

Promotion of future grants and other support initiatives should include key messages from these research findings.



LEARNINGS

City of Perth shared the ways in which businesses can access support and the positive outcomes by sharing on their website short video clips of businesses talking about how the grants have helped them overcome the challenges of the pandemic.

- Nearly three quarters (73%) of those who received some form of support from the City of Melbourne said they were satisfied overall with the support initiatives.
- This was mostly driven by those who received grants, where overall satisfaction was at 76% compared to 39% among those who did not receive a grant but accessed other forms of support.
- The majority of reasons for satisfaction related to the positive impacts that the support had for the business, and/or that the process was straightforward, and funding was timely for specific needs.
- Those who said they were dissatisfied with the grants and support offered by the City of Melbourne mainly cited issues with the funding not being enough for what they needed, or that they found the application process difficult with not enough information provided.
- The majority (79%) of businesses who accessed the Business Concierge Hotline indicated that the service provided the information that they needed.
- When asked for ways in which this service could be improved; many of the verbatim comments centred around more business specific information, or improved staff knowledge and responsiveness.



SUGGESTION

For future grant rounds, the City of Melbourne should ensure that eligibility criteria are clear and uncomplicated as far as possible, and that there are multiple avenues for seeking help to apply. The Business Concierge Hotline is a valuable resource, and this needs to be promoted more widely.



LEARNINGS

City of Perth outsourced their business advisory line and business workshops to a qualified third-party organisation, allowing a qualified advisor to discuss cash-flow, strategy management and other issues. This was a key learning from their response initiatives, as it gave them more time to dedicate to processing grant applications and added credibility to their advisory offering.

- There were no clear differences in optimism about the future prospects of their business between the support sample and comparison sample.
- As expected, additional grant opportunities and funding offered in the future would be valued by both sample groups.
- However, the majority of businesses in both samples believe that one of the key ways that the City of Melbourne can support its business community going forwards is to promote the City of Melbourne as a leisure and shopping destination, to encourage people to return to the city.



SUGGESTION

There should be a specific focus on getting people back into the city, as many businesses rely on foot traffic brought in by the city as a destination for leisure and shopping. Some suggestions for how to encourage this include offering free parking and promoting the city through events.