

Report to the Future Melbourne Committee

Agenda item 6.5

Melbourne Money Rebate Program Summary

17 August 2021

Presenter: Andrew Wear, Director Economic Development and International

Purpose and background

1. The purpose of this report is to provide the Future Melbourne Committee with a summary of the recently completed Melbourne Money rebate program (the Program), which sought to encourage Melburnians to return to the city and enjoy a Melbourne dining experience.
2. Due to its reliance on a transient daily population of workers, students and visitors, the City of Melbourne's economy has been severely impacted by COVID-19 and ongoing restrictions. Daily pedestrian numbers have reduced significantly, even when restrictions have been eased.
3. Funding for the Program was announced on 9 May 2021, with the Victorian Government providing an allocation of \$7.4 million and \$1.2 million from Council. The Program provided a 20 per cent rebate on dining receipts between \$50 and \$500 (Including GST).
4. The Program commenced on Friday 11 June 2021, immediately following the easing of restrictions associated with Melbourne's fourth lockdown, and closed on Tuesday 13 July, with a subsequent three-day period to allow customers to submit final claims.

Key issues

5. A total of 270,216 claims were approved as part of the Program. The average claim was for \$149, meaning the average rebate was \$30. The Program therefore contributed to over \$40 million in economic stimulus.
6. Business asset kits, including unique QR codes, were delivered to all eligible City of Melbourne (CoM) hospitality businesses. Many businesses chose to display the materials provided, with ample evidence around the city that traders took advantage of the window decals and stickers to attract customers and advertise the Program.
7. Two thirds of claims (66 per cent) were by visitors from outside the municipality, who spent a higher amount than average. Visitor claims averaged \$160, whereas claims by CoM residents averaged \$125.
4. Customer survey results taken from the time of claim show that three in every four Melbourne Money participants came to CoM specifically to go out for meals or drinks, while 85 per cent of all claimants indicated that Melbourne Money was a key factor in their decision to visit the city (Attachment 2).
5. As expected, most claims were made from restaurants in the CBD. Carlton, Southbank and Docklands were the next most popular dining destinations.
6. To evaluate the effectiveness of the Program in reactivating the central city following lockdown, comparisons were made between the February lockdown and May-June lockdown (Melbourne's third and fourth lockdowns), drawing on CoM pedestrian sensor data and Google mobility data at retail and recreation locations (Attachment 3).
7. This analysis shows that in most of the city, activity increased much more quickly during the Program than during the equivalent period after the February 2021 lockdown. Although the city did not return to pre-COVID levels of activation, retail and recreation destinations recovered almost three times more quickly than during the February 2021 lockdown.

8. By contrast, in adjacent municipalities, there was no difference in recovery between the third and fourth lockdowns. In these municipalities, retail and recreation activity immediately bounced back to pre-lockdown levels after both lockdowns.
9. To gain further understanding of program efficacy, CoM hospitality businesses were invited to complete a short survey. 78 per cent of respondents indicated they would like to see the Program repeated. 45 per cent indicated that their business experienced a noticeable increase in customer numbers and customer spending compared to the period before the May-June lockdown and 81 per cent of respondents described the 20 per cent rebate as adequate.
10. Businesses provided an extensive array of positive feedback about the Program. The following is an example of the feedback received from one business owner:

Business survey comment - Melbourne Money is the best initiative I've seen to bring patrons back to the Melbourne. After working from home, staying and shopping in local suburbs has all become the norm due to lockdowns, having encouragement to come back and rejuvenate the city will take time. Through programs like Melbourne Money, even if it doesn't apply to non-food outlets, the increased traffic flow to the city is an advantage to all.

11. Following the completion of the Program, Melbourne has been subject to two further lockdowns. According to the national Cabinet's four step 'National Plan to Transition Australia's COVID-19 Response,' further lockdowns are likely if outbreaks occur, until at least 70 per cent of the eligible population is vaccinated.
12. Given the effectiveness of the Program in accelerating activation of the city following lockdowns, the Program should be considered for deployment following any future lockdowns. The experience gained during the Program means it can be delivered efficiently and effectively with a short lead time. Any future Program would require funding from the Victorian government.

Recommendation from management

13. That the Future Melbourne Committee:
 - 13.1. Note the success of Melbourne Money in reactivating the city following the city's fourth lockdown.
 - 13.2. Requests that management work with the Victorian government to deliver another round of Melbourne Money as soon as possible after the current lockdown.

Attachments:

1. Supporting Attachment (Page 3 of 22)
2. Customer survey data (Page 4 of 22)
3. The economic impact of Melbourne Money (Page 6 of 22)

Supporting Attachment

**Attachment 1
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Legal

1. Procurement of services required to deliver the Program was undertaken in compliance with the *Local Government Act 1989*.

Finance

2. Total costs for the program were \$8.6 million, with the Victorian Government providing an allocation of \$7.4 million. The Council provided a further \$1.2 million for further consumer rebates, third party contractors and program marketing and promotion.

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. OHS issues in relation to COVID-safe practices were considered in delivery of the Program. These included delivery of the project from remote-work locations wherever possible and strict adherence to PPE practices for business concierge teams when physically visiting businesses.

Outreach phone calls to hospitality businesses by the Business Concierge Service and Customer Service teams also proved opportunities to effectively check in with CoM businesses at a time of high stress during and immediately after lockdowns. Feedback shows that these types of displays of empathy from CoM business were well received by business owners.

Stakeholder consultation

5. To be able to complete their Melbourne Money claim, all claimants were required to answer a short survey around reasons for visitation. These results have been included in this report. Further consultation included a business survey sent to all CoM hospitality businesses and one on one conversations with 200 businesses made by the CoM Business Concierge Service.

Relation to Council policy

6. The Program is consistent with Council Plan objective **Economy of the future**, to focus on driving economic recovery and creating the conditions for a strong, adaptive, sustainable and thriving future city economy supported by a diverse mix of industries and jobs that provide dignity and opportunity.

Environmental sustainability

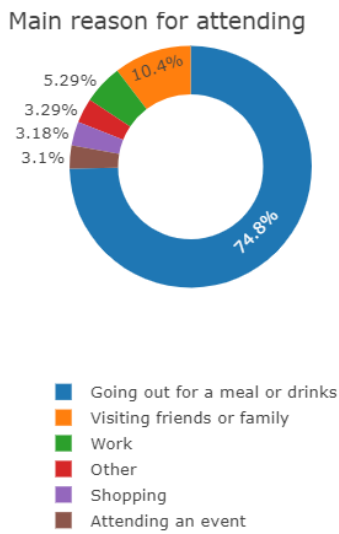
7. There were no environmental issues identified as a result of the Program.

Supporting Attachment

Customer Survey Data

75 per cent of Melbourne Money participants stated they visit CoM specifically to go out for meals or drinks.

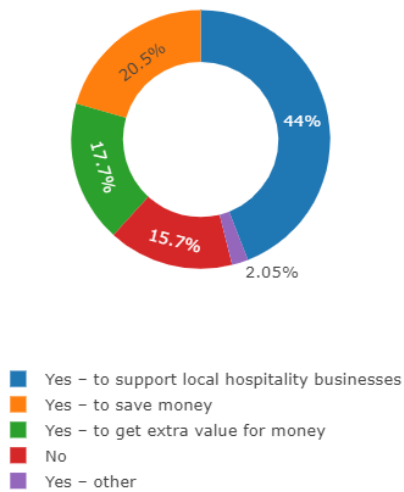
Figure 1: Main reason for attending



Matching the previous survey question, as many as 83% of respondents indicate that Melbourne Money was a key factor for coming into the city. The key reason was to support local hospitality businesses.

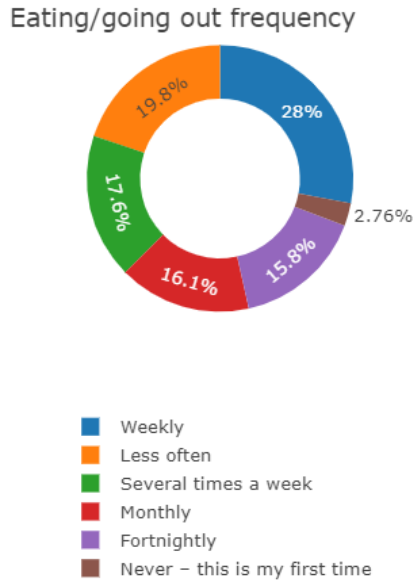
Figure 2: Whether Melbourne Money was a factor in their decision to come into the City

Was Melbourne Money a key factor?



The third survey question inquired about how often respondents travel to CoM for eating or going out. The results are evenly spread between the response options, with weekly visitors being the most common respondents. Notably, those who indicated 'never visit the city' have the highest average spend per claim.

Figure 3: How often the respondent eats in the City of Melbourne



Supporting Attachment

The Impact of Melbourne Money

Estimating how Melbourne Money affected activity in Melbourne and nearby areas

Summary

This document assesses the impact of Melbourne Money using City of Melbourne (CoM) pedestrian sensor data, and Google mobility data at retail and recreation destinations for both CoM and nearby LGAs.

Results

In brief, the results indicate that Melbourne Money has probably sped up the post-lockdown recovery process without negatively affecting retail and recreation activity in nearby Local Government Areas (LGAs). More specifically:

- Broadly speaking, Melbourne Money probably sped up the post-lockdown recovery process across the municipality:
 - At more than 80 per cent of pedestrian sensors, activity increased much more quickly on average during Melbourne Money than during the equivalent period after the February 2021 lockdown.
 - Pedestrian activity returned more slowly at 20 per cent of all pedestrian sensors than it did after the February 2021 lockdown, but this is mostly due to the return of AFL which saw a sharp increase in activity around Docklands in particular.
 - Mobility at retail and recreation destinations recovered almost three times more quickly than during the February 2021 lockdown.
- At key sensors in the city that represent likely dining locations (Chinatown and Lygon Street sensors), Melbourne Money has likely sped up the recovery in pedestrian activity:
 - In Chinatown, recovery was two to three times quicker than after the February 2021 lockdown.
 - In Lygon Street, recovery was around ten times quicker. This is partially fuelled by the European soccer championship, particularly during games involving Italy from the quarterfinals onwards.
- Pedestrian activity at key sensors quickly returned to what would have occurred had there been no lockdown and Melbourne Money. Taken together with the trend analysis, it is likely that Melbourne Money facilitated the rapid return to the pre-lockdown baseline.
- Melbourne Money seems to not have affected activity at retail and recreation destinations in nearby LGAs:

- During the Melbourne Money period, retail and recreation in nearby LGAs recovered as quickly as it did during the two previous lockdown recovery periods.
- In all nearby LGAs, retail and recreation immediately bounced back to pre-lockdown levels after the May/June 2021 lockdown ended.
- That said, dining is part of the retail and recreation mobility data, and it is not known how substantive of a part it is. It is possible that dining has been affected in a way that does not show up in Google's retail and recreation mobility data.

Method

Both pedestrian activity data and Google mobility data has been used in two ways:

1. **Trend analysis**, comparing the trend in pedestrian sensor activity in the month following the three most recent lockdowns (Aug-Oct 2020, Feb 2021, and May-Jun 2021).

If the trend during the most recent post-lockdown recovery period (the Melbourne Money period) is consistently higher than the previous two lockdowns' recovery periods across the pedestrian sensors, it is likely that Melbourne Money has sped up the recovery process. The key comparison is the February 2021 lockdown as the easing of restrictions were similar to June 2021.

Melbourne Money may have impacted nearby LGAs' recoveries because of displacement (people spending money in CoM rather than in their LGA of residence). A trend analysis of Google's retail and recreation index for the nearby LGAs will reveal whether the latest post-lockdown recovery was different from recoveries after the previous two lockdowns for these LGAs. If the trend during the latest recovery was similar to the previous two lockdowns, Melbourne Money is likely to not have negatively impacted nearby LGAs.

2. **Scenario analysis**, by forecasting pedestrian activity and Google mobility data from just before the May/June 2021 lockdown started at the end of May.

This forecast estimates what would have likely happened if there had been no lockdown and if Melbourne Money had not taken place. This is a way to assess whether pedestrian activity and mobility during Melbourne Money has returned to or exceeded levels that would have occurred.

Applying the same scenario analysis to the LGAs around CoM will reveal whether those LGAs have seen mobility at retail and recreation destinations return to levels that would have occurred if the lockdown (and Melbourne Money) had not taken place. If mobility in these LGAs returns to the pre-lockdown estimated level, it is likely that Melbourne Money did not have a negative impact on nearby LGAs.

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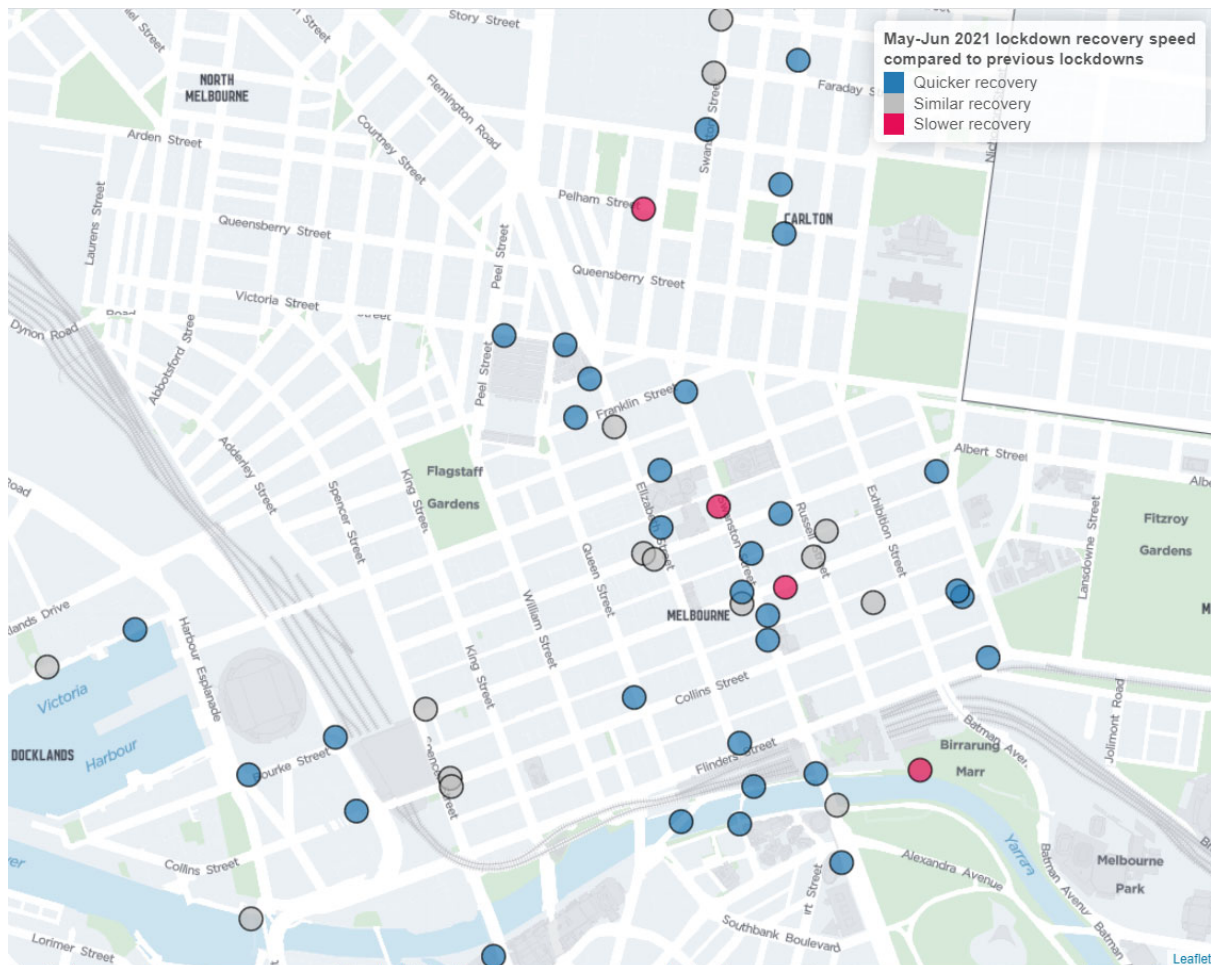
City of Melbourne

This section applies the trend and scenario analyses described earlier to CoM's pedestrian sensors and Google's retail and recreation mobility index.

Trend analysis

The map below shows each pedestrian sensor's results from the trend analysis described above. The recovery speed is determined by measuring the change in activity index between the first day after the lockdown ends and the month after. The map shows how the May-June lockdown recovery (Melbourne Money) compares to the recovery speed of the previous lockdown recovery periods.

Figure 1: Recovery speed by pedestrian sensor - The Jun-Jul 2021 lockdown recovery speed compared with the two prior lockdown recovery periods



Across the municipality, there are **32** pedestrian sensors where the Melbourne Money recovery period saw a faster growth rate than in both previous lockdowns, **four** where the recovery was slower, and **15** where the recovery kept a similar pace.

The table below highlights several key sensors and the Google mobility data for retail and recreation destinations. Across the board, Melbourne Money has seen a quicker recovery than after the February 2021 lockdown. The Lygon Street sensors have done well in particular: between the start and end of Melbourne Money, pedestrian activity increased by 145.9 per cent (Lygon St East) and 124.1 per cent (Lygon St West). In the month after the

February 2021 lockdown, activity at these sensors increased by only 16.8 per cent and 19.8 per cent (respectively).

Table 1: Post-lockdown recovery trend for key indicators

Dataset	Series	Increase in index in the month after lockdown easing			Recovery performance after May/June 2021 lockdown	
		Aug-Oct 2020 lockdown	Feb 2021 lockdown	May-Jun 2021 lockdown (Melbourne Money)	Compared to both previous recoveries	Compared to the February 2020 lockdown recovery
Pedestrian sensor index	Chinatown-Lt Bourke St (South)	84.3%	28.3%	84.1%	Similar recovery	Quicker recovery
	Chinatown-Swanston St (North)	70.8%	21.0%	78.3%	Quicker recovery	Quicker recovery
	Flinders Street Station Underpass	67.3%	40.8%	115.9%	Quicker recovery	Quicker recovery
	Lygon St (East)	39.9%	16.8%	145.9%	Quicker recovery	Quicker recovery
	Lygon St (West)	34.9%	19.8%	124.1%	Quicker recovery	Quicker recovery
	New Quay	12.4%	-13.5%	16.9%	Quicker recovery	Quicker recovery
	Town Hall (West)	87.0%	34.8%	100.1%	Quicker recovery	Quicker recovery
Google mobility index	Retail and recreation	58.9%	28.2%	89.8%	Quicker recovery	Quicker recovery

Graphs to illustrate the trends in the above indicators are in the Appendix at the end of this document.

Scenario analysis

Figure 2 to Figure 9 show the results of the scenario modelling described earlier. The methodology for this is based on a machine learning model that takes into account day-of-week, holiday and local trend effects. Each graph shows:

- The forecast start date (the black dotted line)
- The actual pedestrian/mobility index during the forecast period (the red line)
- The estimate of what would have happened if lockdown or Melbourne Money had not taken place. The grey line represents the estimate itself, and the grey ribbon represents the margin of error for the estimate.

If the actual value is above (below) the grey ribbon, the actual value is higher (lower) than what would have been expected according to the scenario.

The graphs indicate that, for the most part, Melbourne Money brought pedestrian activity back to, and in some cases above, where it would have been according to the scenario modelling:

- The Town Hall (West) sensor saw a speedy post-lockdown recovery, and increased to beyond what would have happened under the modelled scenario.
- The Flinders Street Station Underpass sensor saw a gradual recovery in pedestrian activity that reaches the scenario estimate by the end of the series.

- Both Chinatown sensors show that pedestrian activity quickly returned to where it would have been. Activity at the Chinatown-Swanston St (North) sensor increased to beyond what was expected under the scenario.
- The Lygon Street sensors both saw pedestrian activity return quickly and consistently. This is probably to a large extent driven by the European Soccer championship – the spike on 12 July is due to the final between Italy and England.
- The New Quay sensor is largely unaffected by the lockdown, and does not differ greatly from the scenario modelling.

Mobility at retail and recreation destinations across CoM also showed a steady increase, but did not reach the levels expected under the scenario modelling until the very end of the recovery program.

Figure 2: 'No lockdown and no Melbourne Money' scenario forecast – Town Hall (West) pedestrian sensor

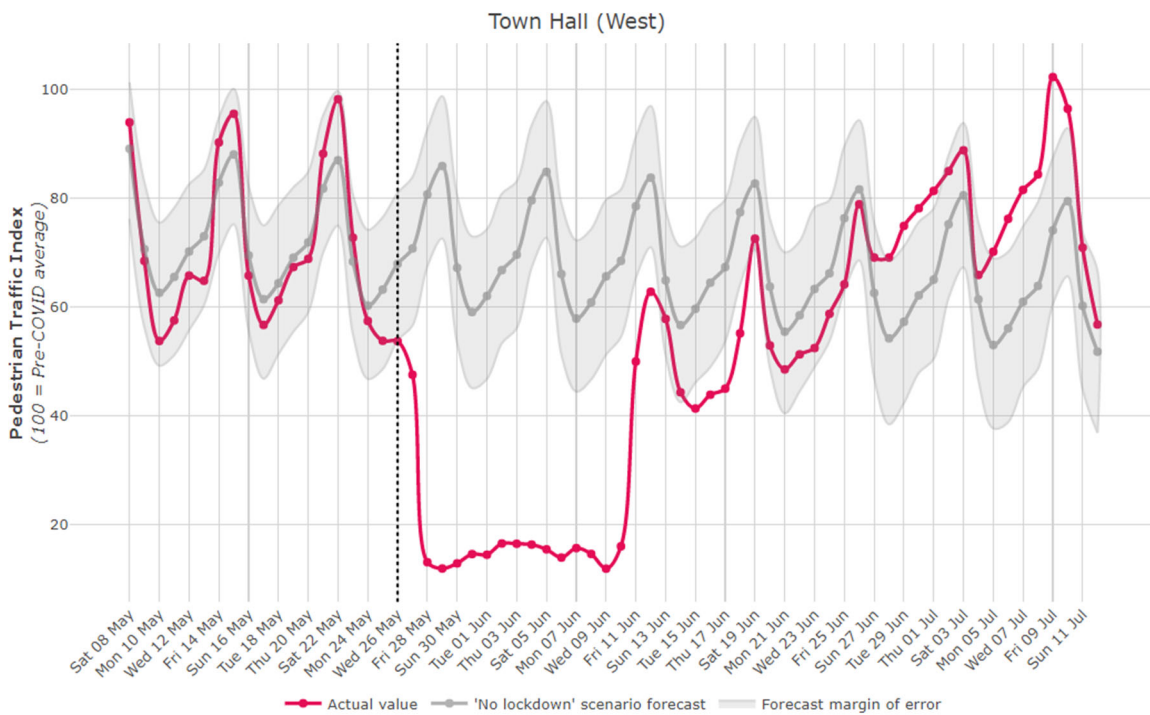


Figure 3: 'No lockdown and no Melbourne Money' scenario forecast – Flinders Street Station Underpass pedestrian sensor

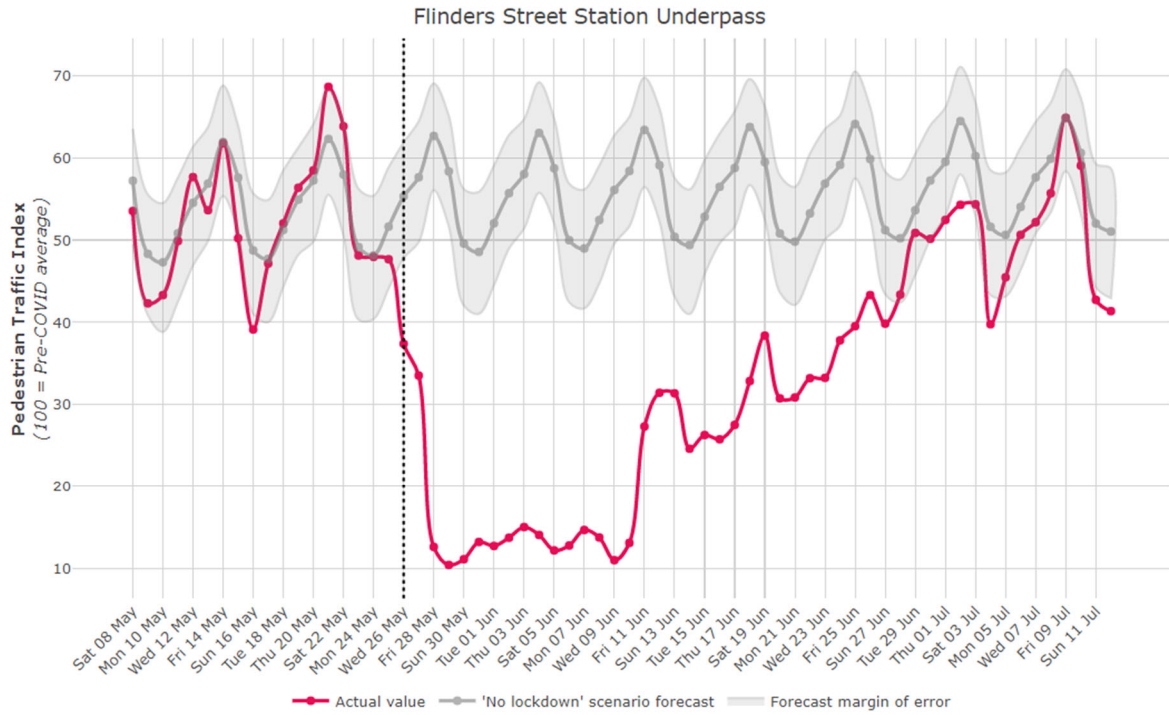


Figure 4: 'No lockdown and no Melbourne Money' scenario forecast – Chinatown-Swanston St (North) pedestrian sensor

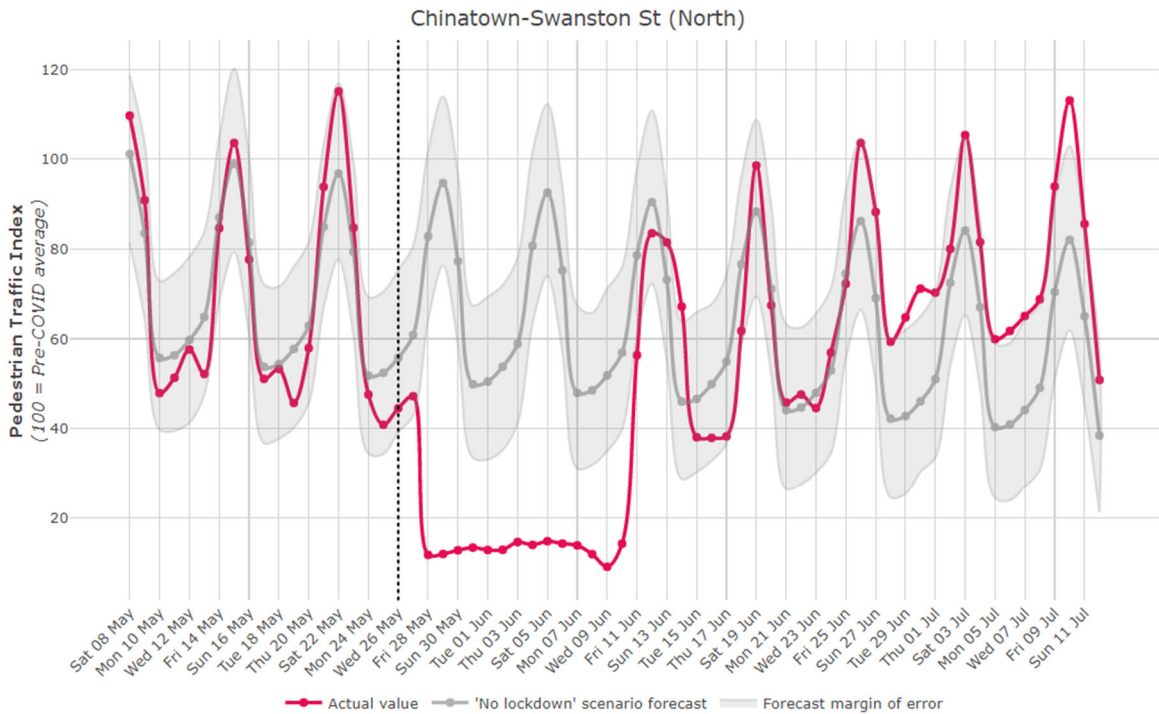


Figure 5: 'No lockdown and no Melbourne Money' scenario forecast – Chinatown-Lt Bourke St (South) pedestrian sensor

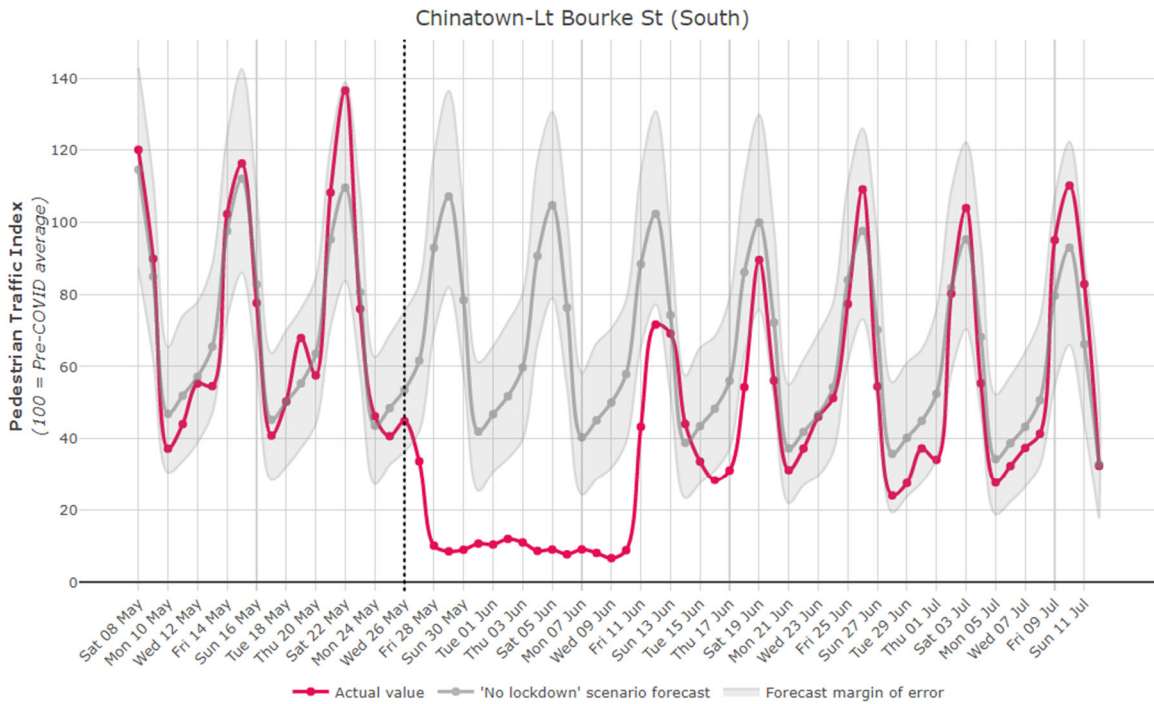


Figure 6: 'No lockdown and no Melbourne Money' scenario forecast – Lygon St (East) pedestrian sensor

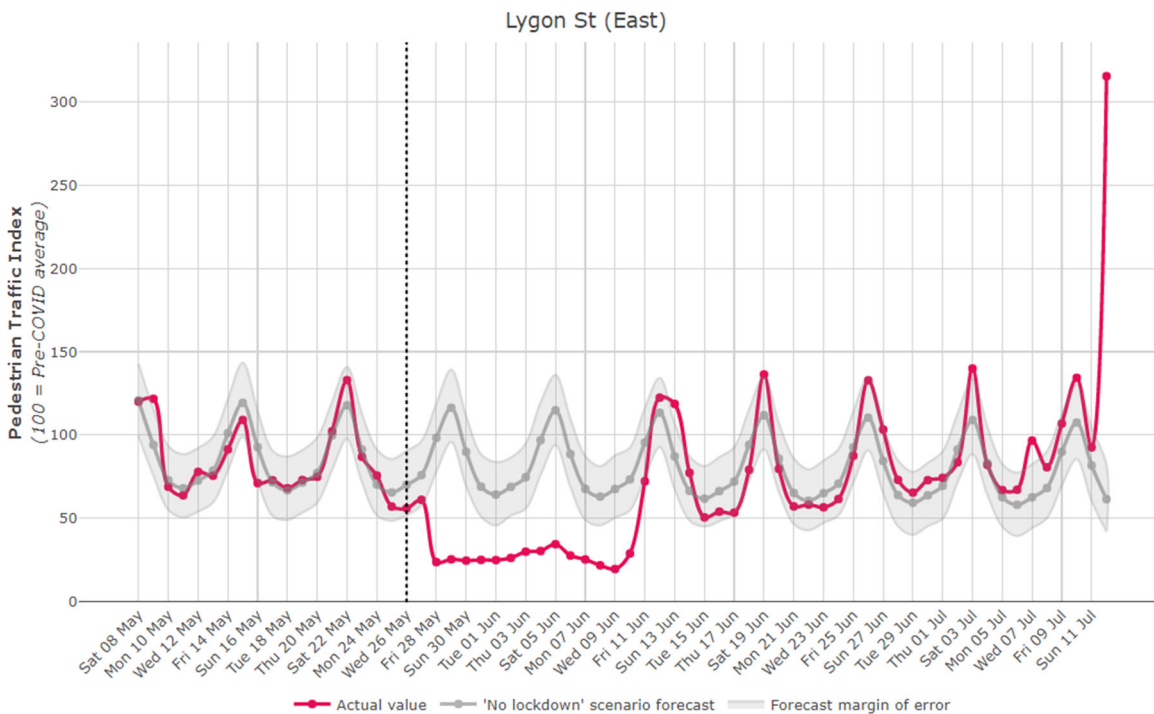


Figure 7: 'No lockdown and no Melbourne Money' scenario forecast – Lygon St (West) pedestrian sensor

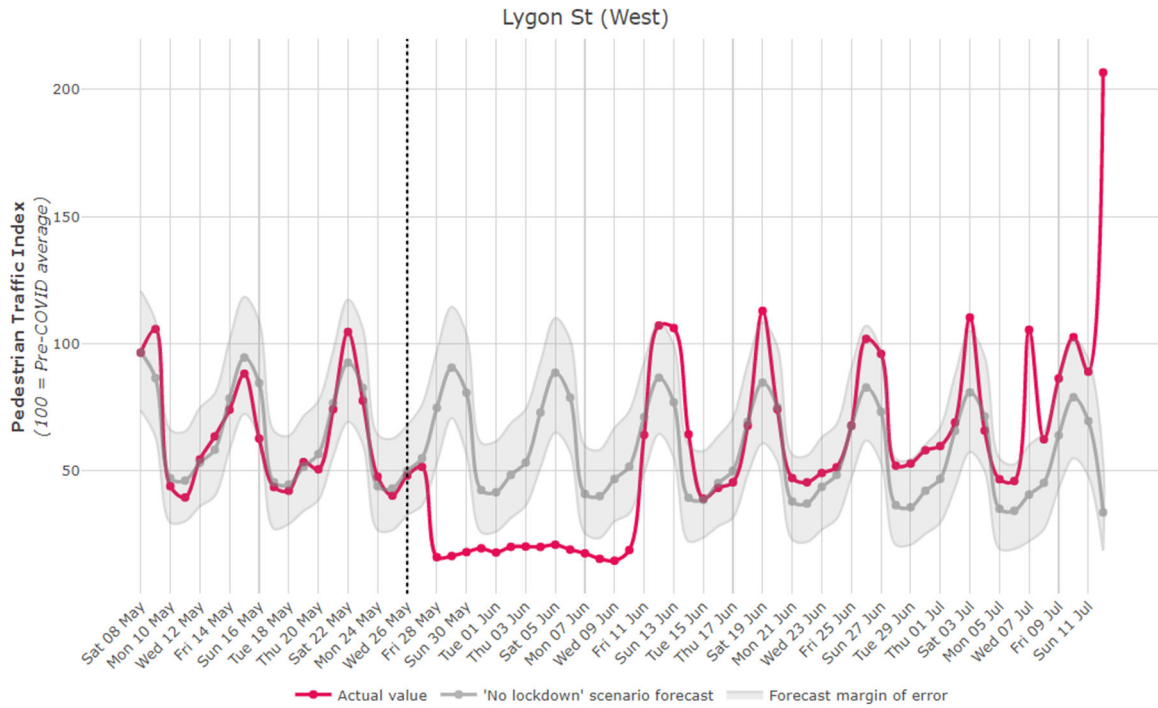


Figure 8: 'No lockdown and no Melbourne Money' scenario forecast – New Quay pedestrian sensor

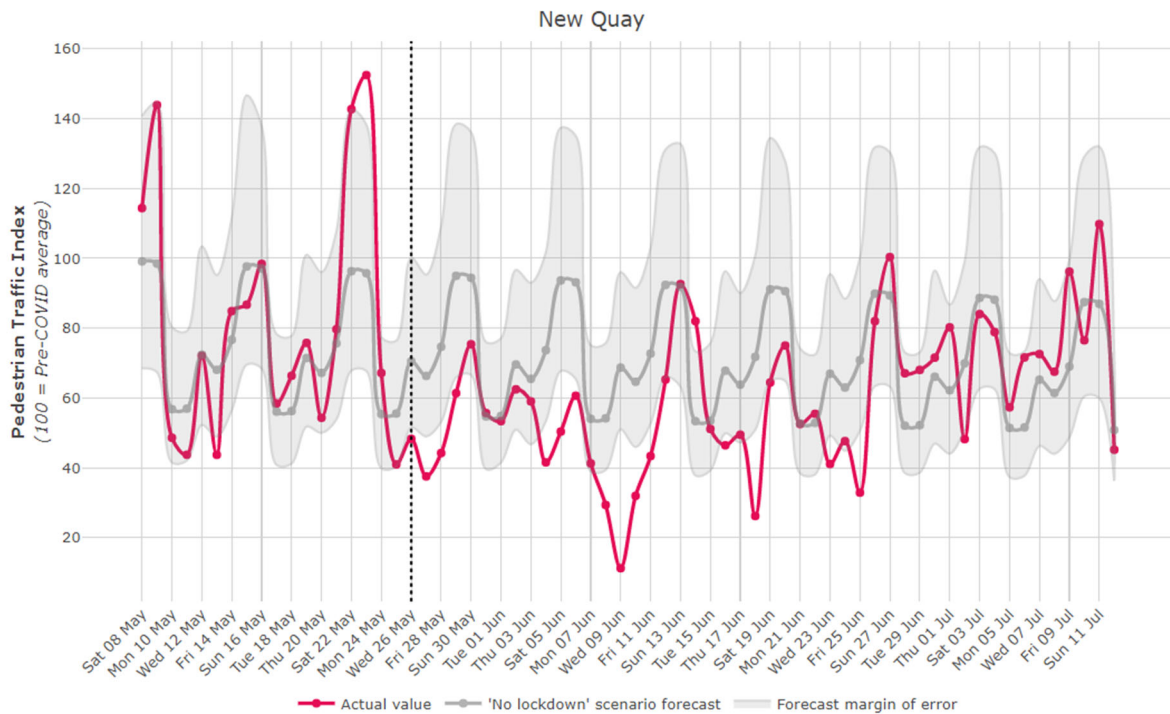
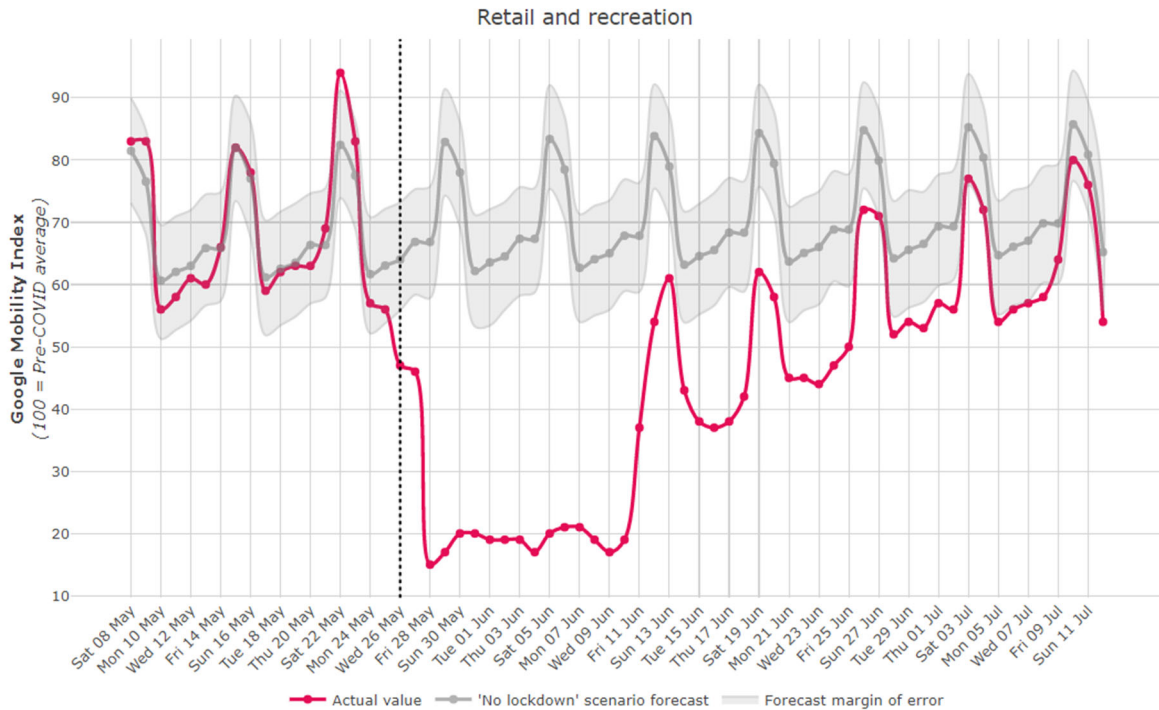


Figure 9: 'No lockdown and no Melbourne Money' scenario forecast – mobility at retail and recreation destinations



Nearby LGAs

Looking at CoM in isolation does not present the whole picture. Melbourne Money was particularly popular among residents of LGAs around CoM. This section applies the trend and scenario analyses to the LGAs nearby CoM to identify whether these LGAs might have been affected by the Melbourne Money program.

Trend analysis

The table below shows how quickly retail and recreation increased in the month after each lockdown, and lists how the recovery after the May/June 2021 lockdown (the Melbourne Money period) compares to both previous lockdown recoveries and the February 2021 lockdown recovery.

Across all nearby LGAs, retail and recreation increased just about as quickly as it did during Melbourne Money as it did after the previous two lockdowns. Recoveries in all LGAs were within 4 per cent of at least one of the previous two lockdown recovery periods, suggesting that the recovery of nearby LGAs has occurred as would have been expected. In other words, Melbourne Money does not seem to have negatively impacted the recoveries in nearby LGAs.

Table 2: Trend analysis for CoM and LGAs around CoM

LGA	Increase in retail and recreation index in the month after lockdown easing			Recovery performance after May/June 2021 lockdown	
	After Aug-Oct 2020 lockdown	After Feb 2021 lockdown	After May-Jun 2021 lockdown	Compared to both previous lockdown recoveries	Compared to the February 2020 lockdown recovery
Melbourne City	50.4%	82.5%	115.7%	Quicker recovery	Quicker recovery
Stonnington City	50.9%	33.3%	37.2%	Similar recovery	Similar recovery
City of Maribyrnong	33.2%	8.2%	33.3%	Similar recovery	Quicker recovery
City of Yarra	26.5%	34.4%	32.1%	Similar recovery	Similar recovery
Port Phillip City	16.7%	26.1%	28.8%	Similar recovery	Similar recovery
Boroondara City	17.1%	25.9%	23.1%	Similar recovery	Similar recovery
Darebin City	21.3%	17.1%	20.5%	Similar recovery	Similar recovery
Moonee Valley City	24.7%	24.8%	21.6%	Similar recovery	Similar recovery
Moreland City	13.2%	18.3%	16.9%	Similar recovery	Similar recovery

Note: LGAs highlighted in **bold** are directly adjacent to the City of Melbourne

Scenario analysis

Figure 10 shows the results of the scenario modelling described earlier for the retail and recreation index at CoM and eight nearby LGAs. As before, each graph shows:

- The forecast start date (the black dotted line)
- The actual retail and recreation mobility index during the forecast period (the red line)
- The estimate of what would have happened if lockdown or Melbourne Money had not taken place. The grey line represents the estimate itself, and the grey ribbon represents the margin of error for the estimate.

The graphs indicate that all LGAs except Melbourne saw an immediate post-lockdown bounceback in terms of mobility at retail and recreation destinations. Port Phillip and Yarra are at the lower end of the scenario estimate but still within it, while all others (except Melbourne) are very close to the scenario estimate. The performance of retail and recreation destinations in other LGAs suggests that Melbourne Money has likely not had a negatively influence on mobility in other areas.

Further detail on how retail and recreation mobility has responded to and in the aftermath to the lockdown is shown in Figure 11. The graph shows that there are essentially four groups of LGAs:

- LGAs where mobility fell from about 80-85 per cent of pre-COVID levels to between 50 and 60 per cent during the lockdown, and immediately bounced back after the lockdown ended.
- LGAs where mobility fell from about 80-85 per cent to 40 per cent, and which then bounced back to pre-lockdown levels.
- Port Phillip, where mobility went down from 70 per cent to 40 per cent, and is now on par with CoM.
- CoM, where mobility fell from the 60-80 per cent range to 20 per cent, to return to pre-lockdown levels by mid-July.

Out of all the LGAs, CoM also shows by far the largest fluctuation in weekends and non-weekends, suggesting that weekends are a much more important component of the local economy than in nearby LGAs.

Figure 10: 'No lockdown and no Melbourne Money' scenario forecast – mobility at retail and recreation destinations at COM and nearby LGAs

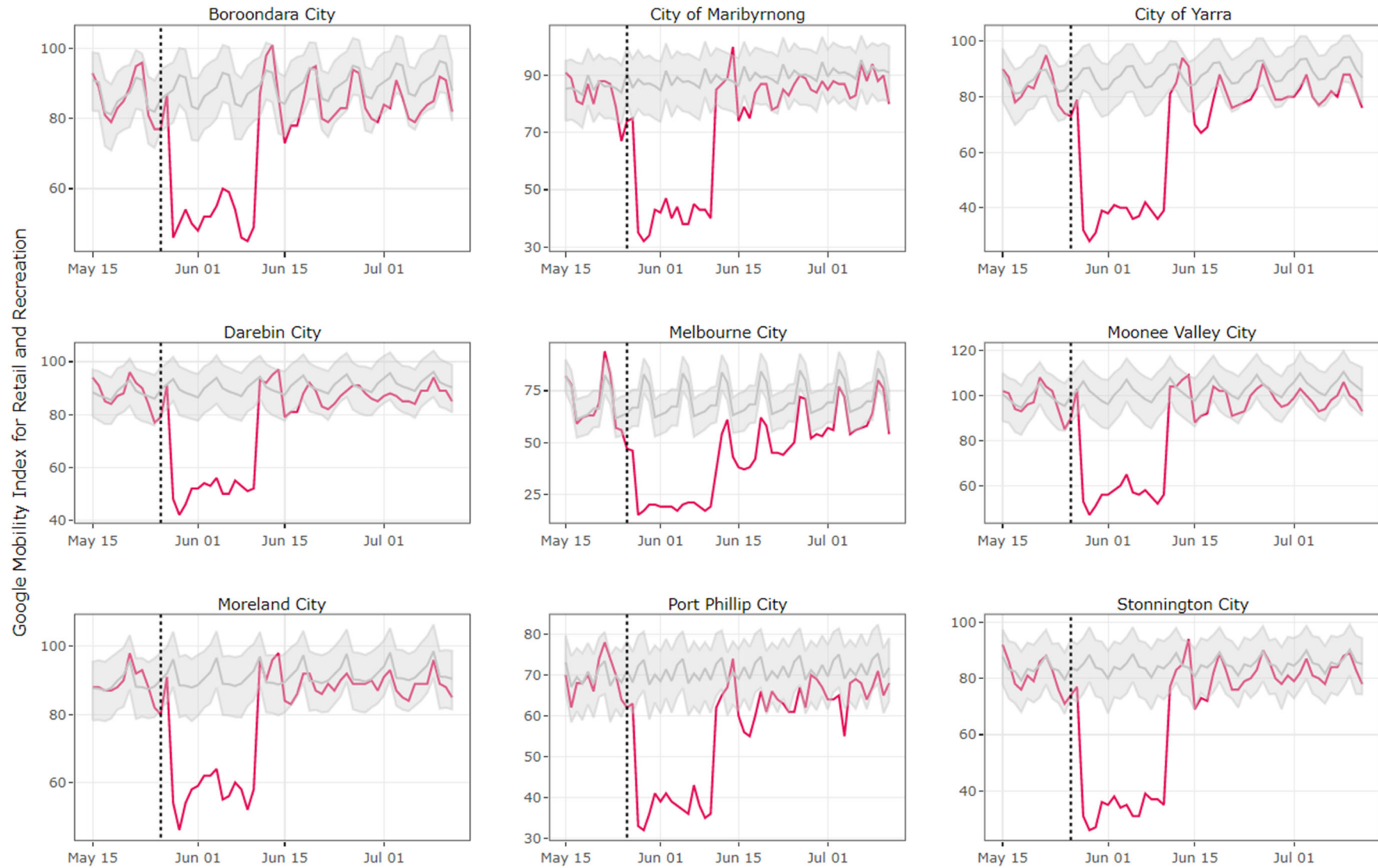
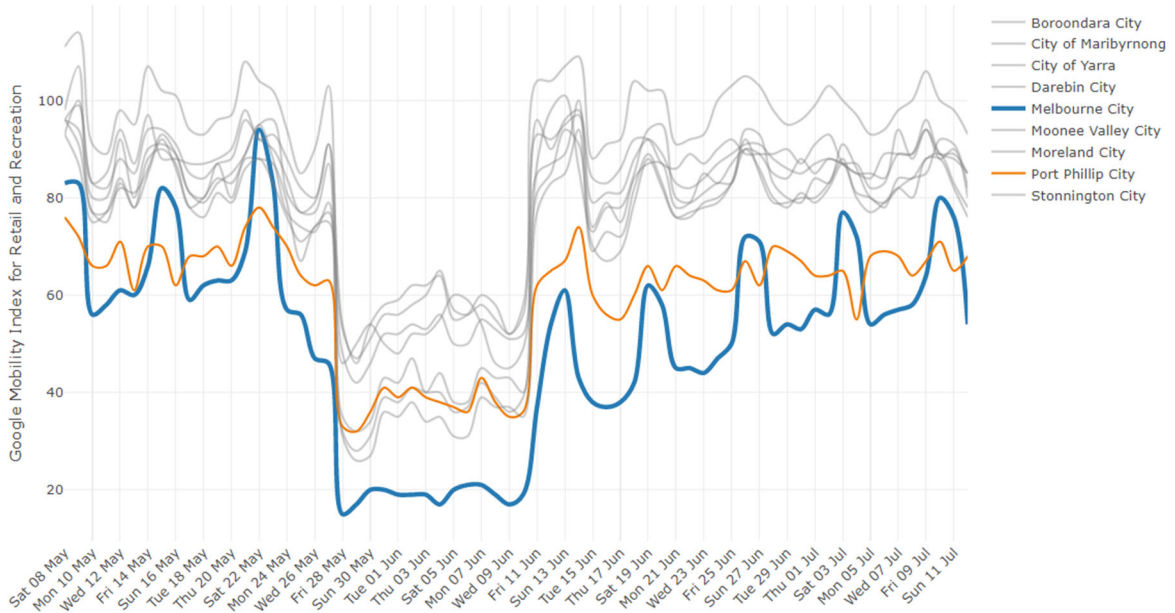


Figure 11: Mobility at retail and recreation destinations in CoM and eight nearby LGAs



Appendix

City of Melbourne trend detail charts

The graphs in this appendix show the trend in pedestrian activity data and Google mobility data for each of the three post-lockdown recovery periods.

Figure 12: Trend comparison for the Lygon St (East) sensor

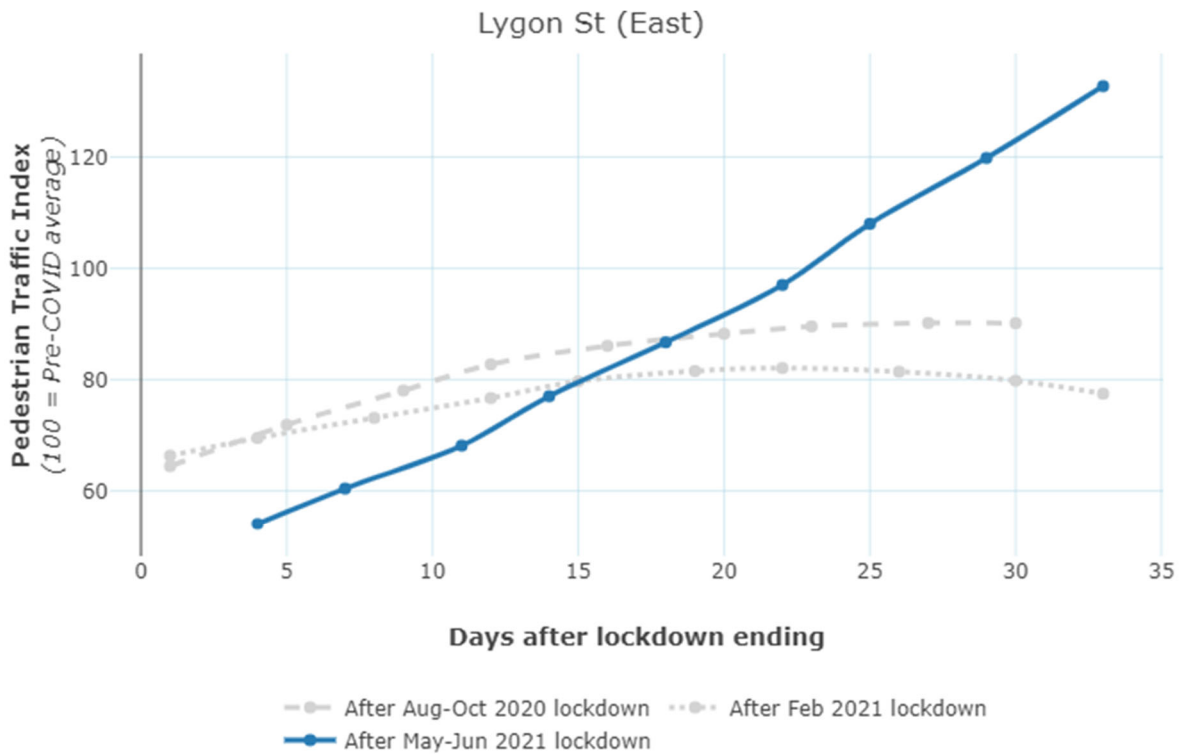


Figure 13: Trend comparison for the Lygon St (West) sensor

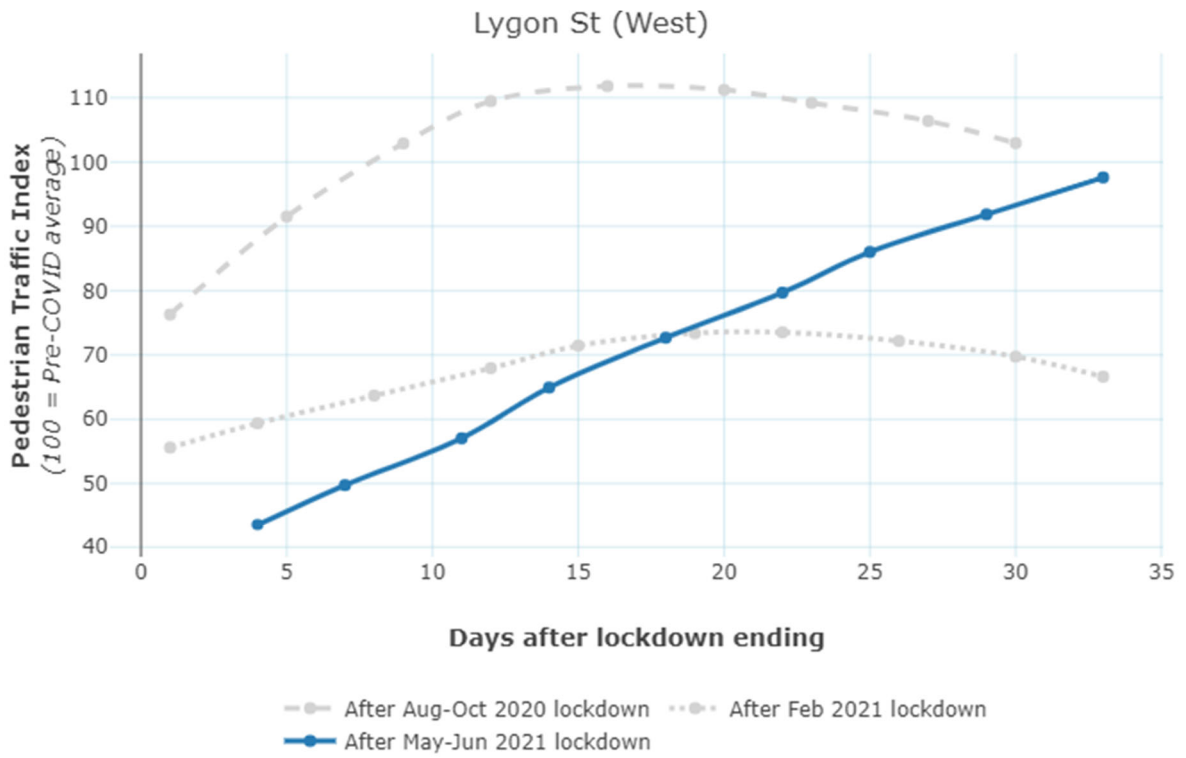


Figure 14: Trend comparison for the New Quay sensor

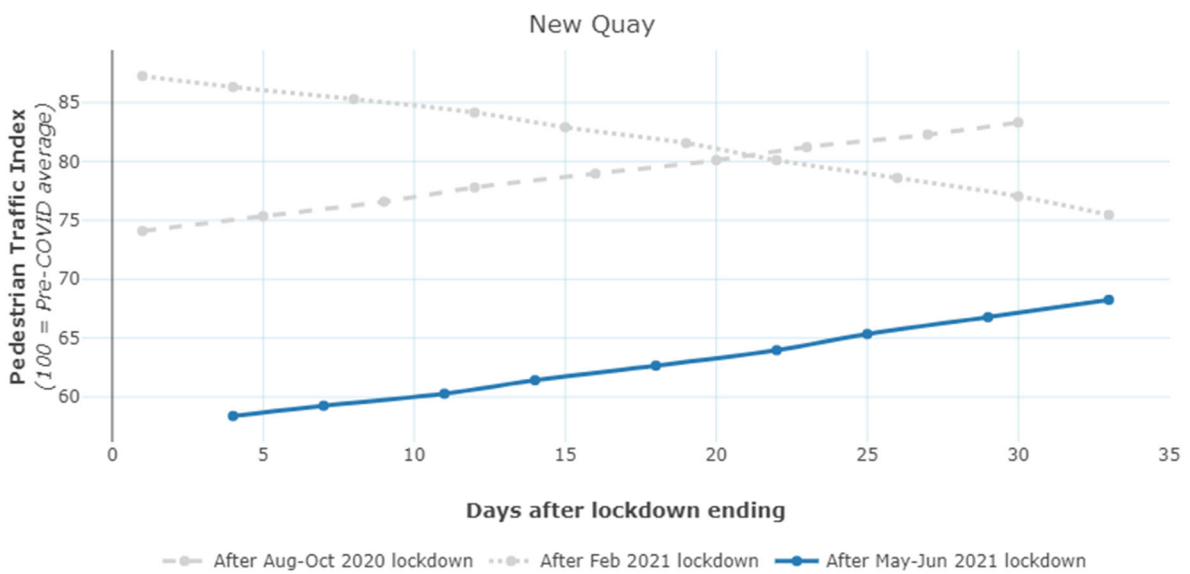


Figure 15: Trend comparison for the Town Hall (West) sensor

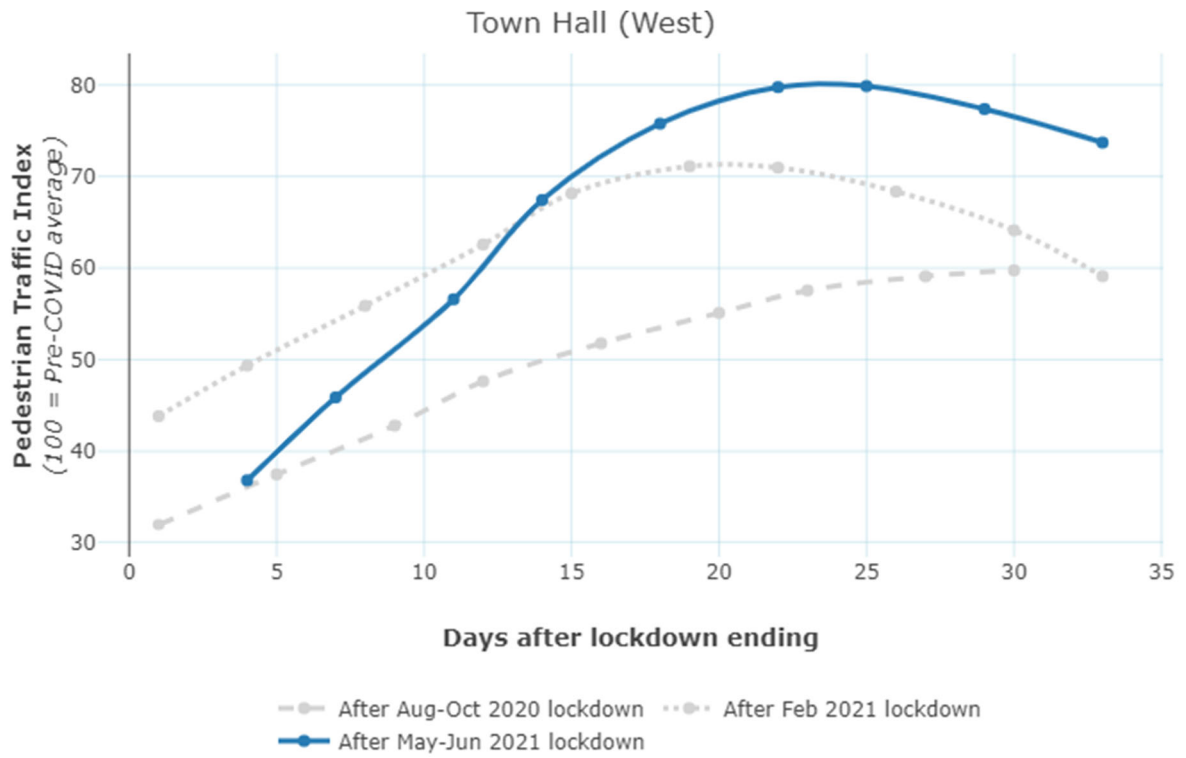


Figure 16: Trend comparison for the Flinders Street Station Underpass sensor

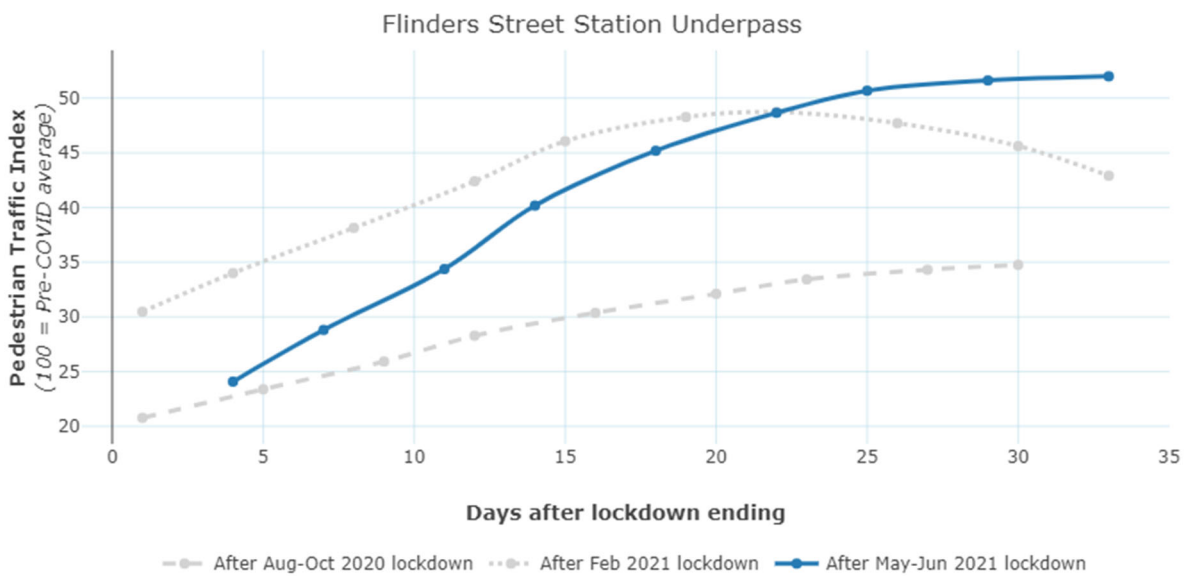


Figure 17: Trend comparison for the Chinatown-Swanston St (North) sensor

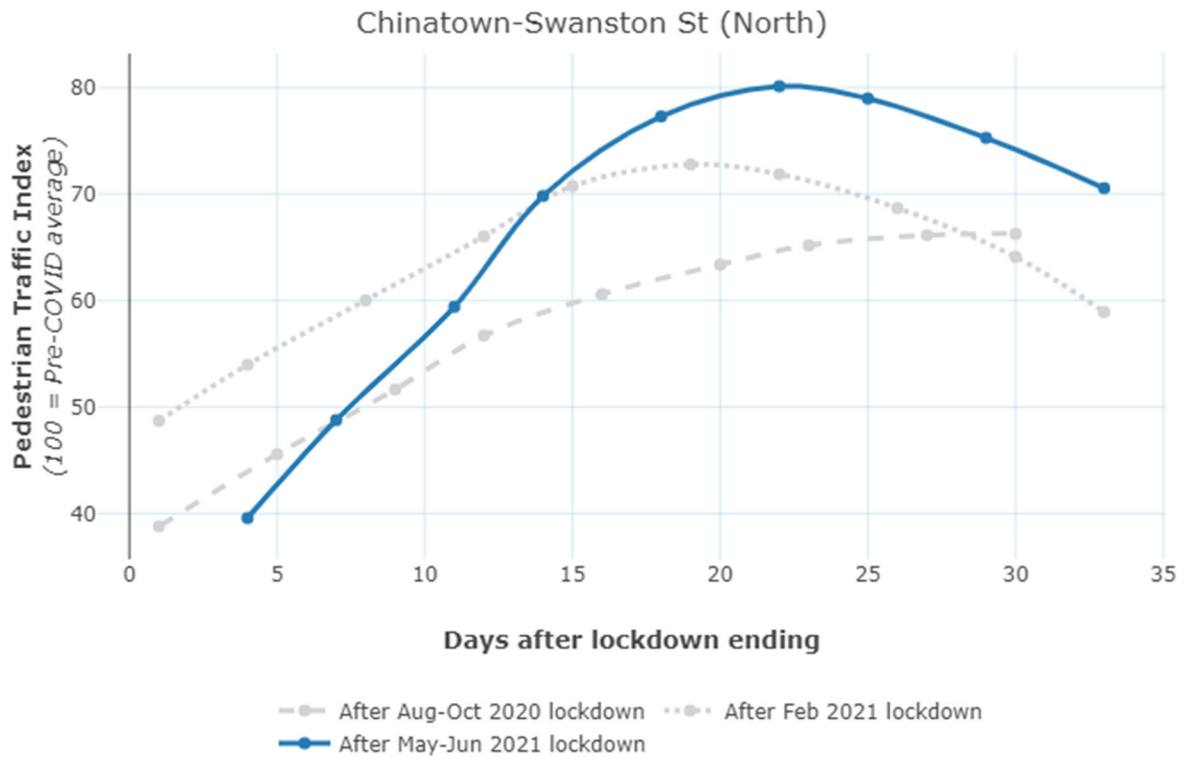


Figure 18: Trend comparison for the Chinatown-Lt Bourke St (South) sensor

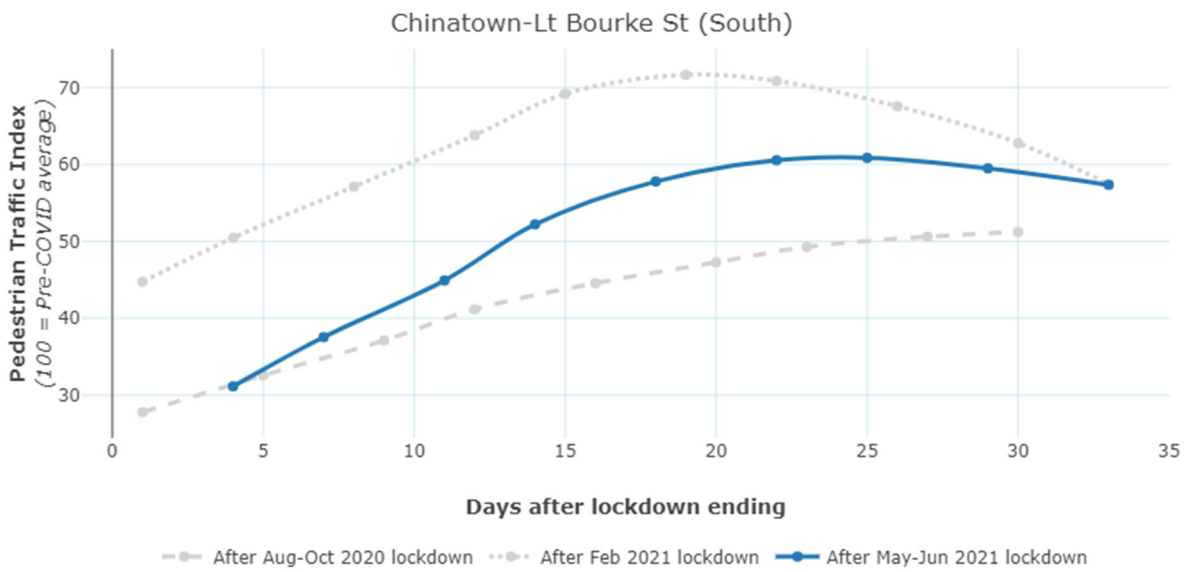


Figure 19: Trend comparison for mobility at retail and recreation destinations

