

Management report to Council

Agenda item 6.2

Business Events Sponsorship Program

Council

Presenter: Andrew Wear, Director Economic Development and International

28 September 2021

Purpose and background

1. The purpose of this report is to seek endorsement of the proposed approach to the Business Events Sponsorship Program, which will support events that enable Melbourne's business community to network, and to share expertise and ideas. This approach will encourage office workers back into the city and remind people of the value that comes from working in close proximity to others in the city.
2. Council supports a wide range of small businesses, social enterprises and business events through grants and sponsorship programs that deliver economic and social benefits. As part of this commitment, \$100,000 for the Business Event Sponsorship Program (BESP) was approved in Council Budget FY2021/22.

Key issues

3. In recent decades, the 'agglomeration effect' has been a key driver of economic growth in cities around the world. Agglomeration benefits are the economic benefits that are generated when many people and businesses cluster together. There are three key dimensions to this (Productivity Commission):
 - 3.1. *Sharing*. By coming together, businesses can share infrastructure, facilities, suppliers, and workers. For example, biotechnology companies benefit from being located close to the biomedical precinct in Parkville.
 - 3.2. *Labour pooling*. Close proximity allows firms and employees to easily find each other. With a much denser market for skills, both employees and employers are more likely to find a better skills match.
 - 3.3. *Learning*. Face to face interaction enables knowledge to be shared and generated. Although some learning is intentional, much is also the result of 'serendipitous random encounters'
4. Although the agglomeration effect may be somewhat weakened by more people working from home, it will continue to be one of the central city's key value propositions in the post-crisis period. It's therefore important that the City of Melbourne does what it can to augment the value of the agglomeration effect.
5. Business events are the fuel that accelerates the agglomeration effect. By bringing people together to network, they support labour pooling and learning in particular. They also provide a reason for office workers to return to the city.
6. Business events can be large conferences that involve many thousands of people at the Melbourne Convention and Exhibition Centre. However, more commonly, they are also seminar-style or networking events hosted in much smaller venues.
7. To support Melbourne's post-crisis economy, it is proposed that the 2021 BESP program concentrate on supporting Melbourne's innovation, entrepreneurship and startup ecosystem through events that enable Melbourne's business community to network, and share expertise and ideas. This aligns with both Major Initiative 3 and Priority 1 in the Economic Development Strategy 2031 to create a business friendly city and encourage business development and capacity building.
8. BESP will support events that bring people together to facilitate business connections and networking, or provide capability building and knowledge sharing opportunities. Funded events are likely to be small-scale conferences, seminars and workshops that support the innovation, entrepreneurship and startup ecosystem and enhance the profile and reputation of Melbourne's knowledge economy.
9. BESP will offer flexible funding opportunities of up to \$10,000 per application and where possible, provide additional in-kind support including marketing and promotion. Funding will be commensurate to proposed total attendee numbers, with the maximum funding available for events attracting 500 or more participants. The minimum attendee total attracting funding will be set at 100 people.

10. Business events must demonstrate that they comply with COVID-19 restrictions in the execution of a COVID-safe event. Business events that fail to provide an appropriate COVID-Safe Plan will not be considered for funding.
11. All applications will undergo a competitive, merit-based assessment process based on criteria including quality and purpose of the event, participation and inclusion, financial viability as well as ethical and sustainability considerations.
12. It is proposed that the application period will open on 18 October and close 19 November with recommendations to be completed in December. Events will run before June 30 2022.

Recommendation from management

13. That Council endorses the proposed approach to the Business Events Sponsorship Program, which will support events that enable Melbourne's business community to network, and to share expertise and ideas.

Attachments:

1. Supporting Attachment (page 3 of 3)

Supporting Attachment

Legal

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

Finance

2. The approved 2021-22 Council Budget includes an allocation of \$100,000 for the Business Events Sponsorship Program (BESP).

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, one of the key factors has been the importance of COVID-19 restrictions, including the development of COVID-safe plans.

Stakeholder consultation

5. This proposal was shaped by council's Economic Development Strategy, which was developed with extensive stakeholder input.

Relation to Council Policy

6. This proposal aligns with Council Plan 2021–25 strategic objective, Economy of the Future and priority of *The central city is a magnet for events and has a strong reputation as a destination to visit, do business, study and live*. It further aligns with Priority 1 in the Economic Development Strategy 2031 to *encourage business development and capacity building*.

Environmental sustainability

7. In developing this proposal, environmental sustainability issues have been considered and no direct issues were identified.