

Report to the Future Melbourne Committee**Agenda item 6.3****Melbourne Vacant Shops****2 March 2021****Presenter:** Andrew Wear, Director, Economic Development and International**Purpose and background**

1. The purpose of this report is to update Councillors on work completed to date to activate retail precincts and vacant shops across the City of Melbourne.
2. The City of Melbourne continues to be impacted by COVID-19 more than almost any other part of Australia. Payroll data from the Australian Bureau of Statistics shows that at 30 January 2021, the number of jobs in the City of Melbourne was down 9 per cent compared to the start of the pandemic. This is significantly worse than for Victoria as a whole, where jobs were down just 2.7 per cent, and across Australia, where jobs were down 3.4 per cent.
3. At the end of January 2021, 13 per cent of street facing shopfronts were vacant and a further 13 per cent of were closed due to COVID-19. The extent of shop vacancies varies across the municipality; in Docklands, 47 per cent of shops are vacant or closed.
4. The expiration of the Federal Government JobKeeper scheme and the state government Commercial Tenancy Relief Scheme at the end of March is expected to result in a further uptick of vacancies across the municipality.
5. Low visitation, empty streets and rows of vacant shopfronts risk driving a further decline in consumer confidence.

Key issues

6. The City of Melbourne, with funding support from the Victorian Government through the \$100 million Melbourne City Recovery Fund (MCRF), has been progressing a number of initiatives to activate retail precincts and vacant shopfronts.
7. For Melbourne Fashion Week, the City of Melbourne activated shop fronts as part of its Fashion Capsules exhibition. These were active for approximately 5 weeks from the last week of October to the end of November 2020. The types of activation in shop fronts included:
 - 7.1. A static fashion exhibition showcasing Melbourne designers and a live artist studio pop-up.
 - 7.2. Fashion artists working in the shopfronts and showcasing their craft to the public, who could also purchase direct from them. Artists included a wig designer, milliner and fashion accessories designer.
8. For Melbourne Music Week in December 2020, shop fronts were activated with a sculpture and mixed media exhibition inspired by musical instruments.
9. Vacant shops have been activated through the installation of artworks featuring local artists. Rather than an unloved, vacant space dominated by a 'for lease' sign, shops with this treatment make a positive contribution to the streetscape and the city's cultural landscape. The city's streets and laneways are effectively being re-shaped into open air art galleries.
 - 9.1. To date, 23 vacant shopfronts across the city have been adorned with large-scale vinyl decals featuring the work of local artists.
 - 9.2. Artists are being funded to work with building owners to develop unique works for each shopfront.
 - 9.3. Further installations are being rapidly deployed. By April, at least 45 shops will be activated.
10. As part of the *Uptown* outdoor art exhibition supported through the program, 26 artworks were installed across business exteriors, shop windows, vacant buildings and laneways at Bourke Street's eastern end.

- 10.1. The exhibition ran until 28 February. Highlights included a huge 17 x nine-metre billboard of one of Bill Henson's classic images of a woman floating above the city lights and an installation by Peter Atkins celebrating the colour, glitz and tawdry glamour of 80s TV personalities and magazines in the window of Bourke Street's Mitty's newsagent.
11. Precinct business associations provide a forum for members to share ideas and develop new ways to promote their retail areas and encourage visitation. They are playing a critical role in working with the City of Melbourne to reactivate the city's business precincts.
 - 11.1. While the precinct associations receive funding through the Precinct Development Program, each precinct associations has additionally been provided with \$100,000 of direct financial support to respond to the challenges of COVID-19.
 - 11.2. This funding will enable precinct associations to increase shopping strip activation through increased membership, development of strategic plans for each precinct, and a range of events and activations.
 - 11.3. Each of the 9 recognised precinct associations has received an initial \$50,000 payment to enable work to commence.
12. The MCRF is further supporting activation of the city through a range of other interventions. These include extended outdoor dining, an extensive program of events and urban realm improvements. Councillors were provided with an update on the MCRF's activities at the Council Meeting on 23 February 2021.

Recommendation from management

13. That Future Melbourne Committee:
 - 13.1. Notes the work completed to date to activate retail precincts and vacant shopfronts across the City of Melbourne through the programs that form part the Melbourne City Recovery Fund.
 - 13.2. Endorses the critical role that precinct associations play in the activation of vacant shopfronts across the city.

Attachment:

1. Supporting attachment

Supporting Attachment

Legal

1. There are no specific legal implications from this report.

Finance

2. There are no specific financial implications from this report. Any budgetary impacts will be subject to the standard Council budget process.

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 general or material conflict of interest in relation to the matter of the report.

Health and Safety

4. In developing this report, no Occupational Health and Safety issues or opportunities have been identified.

Stakeholder consultation

5. Consultation has occurred with the City Economy Advisory Board members.

Relation to Council policy (if applicable)

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. No direct environmental sustainability issues or opportunities have been identified in the development of this report.