

Report to the Future Melbourne Committee

Agenda item 6.6

Business Concierge and small business support update

6 July 2021

Presenter: Andrew Wear, Director Economic Development and International

Purpose and background

1. The purpose of this report is to provide an insight into the sentiment of businesses within the central city in light of the recent lockdown, drawing on the ongoing engagement with businesses by the Business Concierge Service (BCS).
2. BCS has made over 22,600 contacts with City of Melbourne businesses since its inception in March 2020.

Key issues

3. When the Victorian government announced a lockdown on 27 May 2021, BCS immediately commenced a care call campaign to businesses, to provide information on financial support available as part of the Circuit Breaker Business Support Package being offered by the Victorian government and to collect data on sentiment and interventions that could be taken to ameliorate the effects of the lockdown.
4. Since the most recent lockdown was announced, a total of 566 outbound and 961 inbound contacts with businesses have been made (as at 24 June). As expected, the conversations with businesses have been challenging, however businesses are thinking creatively to find solutions to keep trading when restrictions allow.
5. Businesses are indicating that a lack of advance notice of lockdowns, or the triggers that result in the government implementing or removing restrictions, is impacting their ability to plan and trade effectively. Particular concerns relate to the ordering, and subsequent waste, of perishable items, such as foodstuff, and an inability to provide certainty of employment to staff.
6. Businesses are concerned about when consumers will feel confident to return to the City and the impact on spending as density limit restrictions are gradually wound back. The fast return of office workers into the city is seen as crucial, to allow businesses – particularly retail and hospitality – to survive.
7. The inability to attract and retain trained and experienced staff, particularly in the hospitality industry, is significantly impacting businesses. Businesses report that staff are seeking employment in sectors less impacted by restrictions, such as supermarkets. As many businesses are typically staffed by international students, their absence makes finding staff especially challenging. Difficulty finding staff has contributed to some businesses either closing completely or operating on considerably reduced hours.
8. Businesses are reporting that Victorian and federal government funding is not substantial enough to cover expenses across the lockdown period, and that the time from application to funds being made available has, in some cases, prevented businesses from reopening as restrictions eased.
9. Businesses have expressed concerns that the eligibility criteria for individuals to apply for the Australian Government Disaster Recovery Payment are too restrictive and that payments are significantly less than the previous JobKeeper supplement.
10. When a business has been declared an exposure site, regardless of Tier, businesses are forced to close and a government-subsidised deep clean is undertaken. The support for the clean to occur is very welcomed, however the impact on the business is significant in that staff are required to isolate for set periods. This impacts the business as skilled staff are unable to work, forcing the business to close for up to 14 days rather than being able to open and trade after the deep clean.
11. Many landlords and suppliers are not providing any form of discounts, deferred payments or payment plans. The Victorian government's Commercial Tenancy Relief Scheme ended on 28 March 2021. Consequently, businesses would welcome any additional hardship support.
12. Initiatives such as Melbourne Money, FOMO Friday and FOMO Freebies have made a large and positive impact on trade, and have been welcomed by businesses. Businesses are indicating that additional

schemes that encourage a return to the city by consumers would be valued, along with further events, marketing and activations. In addition to existing programs, the City of Melbourne is planning further events and activations, including the Firelight Festival scheduled for late July.

13. Whilst the impact on hospitality businesses is significant, there are other sectors such as retail, beauty and fitness industries that are also impacted, these sectors would also welcome initiatives and activations that bring consumers back to their business.

Recommendation from management

14. That the Future Melbourne Committee:
 - 14.1. Notes the positive contribution of the Business Concierge Service team in supporting businesses impacted by COVID-19.
 - 14.2. Notes that through a range of events, marketing and activations, the City of Melbourne is encouraging people to return to the city.
 - 14.3. Requests the Lord Mayor write to the Premier, advocating that the criteria for the imposition and lifting of restrictions be made public to allow businesses to plan appropriately, and that the government consider the provision of further relief for commercial tenants impacted by COVID-19 restrictions.

Attachments:

1. Supporting Attachment (Page 2 of 3)

Supporting Attachment

Legal

1. There are no direct legal implications arising from the recommendation from management.

Finance

2. There are no direct financial implications arising from the recommendation from management.

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. BCS has made over 22,600 contacts with City of Melbourne businesses since its inception in March 2020, including 1,527 since 27 May 2021.

Relation to Council policy

6. This recommendation is consistent with Council Plan 2021-24 Objective Economy of the future with a priority of ensuring the city economy is stronger, resilient and fully recovered from the impacts of COVID-19.
7. This recommendation is also consistent with the Economic Development Strategy Key Priority 1 A business-friendly city, with Action 1; 1. Deliver an enhanced Business Concierge service that will assist city businesses to navigate council processes and regulations and be the first port of call for business enquiries.

Environmental sustainability

8. In developing this proposal, no environmental sustainability issues or opportunities have been identified.