



MAINSTREET
A U S T R A L I A

OUR GATHERING PLACES UNDER THREAT

A plan to protect and enhance our Main Streets, in partnership with the
Victorian Government.

October 2022

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MAINSTREET AUSTRALIA

Our Gathering Places Under Threat

EXECUTIVE SUMMARY

PURPOSE

As Victoria emerges from the COVID-19 pandemic, the State's Main Streets and the businesses that occupy them sit at a crossroads. There is now a renewed interest in, and connection to, these heartbeats of our community as people retain a preference for working from home and staying within their local neighbourhood. More and more, Victorians want to shop locally, work locally and play locally and Main Streets, the gathering place for so many, provide a vital setting for this to occur.

But the picture is not all rosy. Main Street businesses face a number of threats that could, if not addressed, lead to them facing increasingly severe financial pressures. Trends in consumer behaviour, with people now more likely to shop online and opt for home delivery, as well as labour shortages, supply chain challenges and general cost of living pressures all point to a difficult future.

We know Main Streets are vital for community prosperity, well-being and employment. Main Street business owner Nikki, who has been forced to put her wholefoods store into liquidation, recently told *The Weekend Australian*:

"Small local businesses like ours form an invaluable network in our local communities. They're a little bit of the village square, a bit town plaza. They form part of people's routines, their sense of belonging. They teach our children basic commerce and manners. They are just 'there' and that's a comfort, especially in these times of much loneliness, depression and anxiety."

The Victorian Government has recognised the significance of local community business clusters through various policies, including enshrining support for the concept of the '20 Minute Neighbourhood' within Plan Melbourne 2017-2050, the State's long-term metropolitan planning strategy.

"The 20 minute neighbourhood is all about 'living locally'—giving people the ability to meet most of their daily needs within a 20-minute return walk from home.

"These connected and walkable places are where people can live, work and play; buy their bread and milk, work from home or local business, access services and meet their neighbours at the central gathering places."

We know that achieving policy outcomes like 20 minute neighbourhoods is only possible with thriving Main Streets.

The aim of this plan – "Our Gathering Places Under Threat" – is to outline a future partnership between Main Street businesses and Victorian State Government to realise the full potential of Victoria's urban, regional and rural Main Streets, through a range of initiatives including those that support the coordinated management of a Main Street and the businesses in them to more effectively work together, and in partnership with state and local governments.

ROLE AND IMPORTANCE OF MAIN STREETS

A vibrant network of dynamic Main Streets has formed the backbone of Victorian planning strategies for metropolitan and regional areas for the last 70 years. Mainstreet Australia believes that the key to fulfilling the potential of such a network relates to the strength and vitality of the businesses in the Main Streets and their capacity to work together towards the management of the Main Street.

Across every suburb, town or city in Victoria that has a Main Street, the initiatives outlined in this plan, if implemented, will provide direct economic and social benefit.

Victoria's network of Main Streets provides opportunities for people and their communities to work, shop, be entertained and access health, education and community services, among other opportunities. Main Streets enable small, local businesses to establish, operate, invest and flourish in local precincts around Victoria.

Main Streets are a significant contributor to Victoria's economy and economic growth. It is estimated that Main Streets employ around 390,000 people in Victoria, accounting for 11.7% of the State's jobs and generating over \$50 billion in economic value (12% of Victoria's Gross State Product)¹. Additionally, Main Street businesses provide employment opportunities for diverse and often marginalised people in Victoria, including young people, the Culturally and Linguistically Diverse (CALD) community, and women.

In terms of economic value generated by retail jobs in Victoria, the \$50-plus billion currently generated by Main Streets would be equivalent to \$60 billion of Victoria's Gross State Product in 2030 (expressed in constant 2022 prices). This is a significant contribution to the Victorian economy, and is reflected in the number of jobs supported and the significant role Main Streets play in meeting the needs of individuals, households and businesses in the local and wider communities.

IMPORTANCE OF MAIN STREET CENTRE MANAGEMENT

The coordinated management of a Main Street enables all business and activities to work together and effectively market, promote, maintain and develop the Main Street in an effective and efficient manner, as is the case with any privately owned shopping centre.

By their very nature, Main Streets comprise a multitude of individually owned businesses and activities, in a multitude of individual properties, in individual ownerships.

"Our Gathering Places Under Threat" sets out a vision to enable Main Streets to play a central role in galvanising and sustaining local communities around Victoria, in the face of increasing challenges. We believe the potential of Main Streets will best be harnessed when all stakeholders – governments, local councils, business associations, property owners and businesses – work collaboratively.

We know the most important components of a successful Main Street are its businesses, services and activities. These are the essential reasons that people ultimately choose to visit a particular centre. This is not to underestimate the importance to Main Streets of good urban planning, attractive streetscapes and public spaces, and the like.

This is why Mainstreet Australia advocates so strongly for recognition and support for the businesses, services and their associations, and the importance of sound centre management and governance arrangements.

Without quality businesses providing the desired goods and services, a Main Street will be unable to maintain its vibrancy and importance in local communities. And without an effective business association, a Main Street will be unable to operate in a coordinated and integrated fashion, and unable to partner effectively with state and local governments.

¹ Geografia, 'The Power of Victoria's Main Streets', 2020 (p.11)

HOW TO CAPTURE THE POTENTIAL OF MAIN STREETS

“Our Gathering Places Under Threat” sets out a vision to enable Main Streets to galvanise and sustain local communities around Victoria. We believe the potential of Main Streets will best be harnessed when all stakeholders – governments, local councils, business associations, property owners and businesses – work collaboratively.

Mainstreet Australia has identified five Priority Areas that we see as vital to the sustainability and growth of Main Streets in Victoria. The five priority areas for action are:

1. Recognise, embrace and promote the unique strengths and opportunities of Main Streets to support local communities and grow the economy;
2. Develop and implement a new framework for robust Main Street governance and management;
3. Encourage improved property owner / small business relationships;
4. Alleviate staff shortages and skills gaps for small business; and
5. Enable and support sustainable Main Streets.

Mainstreet Australia puts forward specific **Recommended Actions** (Appendix A) for the Victorian Government’s consideration, and welcomes the opportunity to work in partnership with the Victorian Government to bring these recommended actions to fruition.

INTRODUCTION

As Victorians endured unprecedented lockdowns over the past two years, the requirement for many to isolate and work from home allowed them to rediscover their local neighbourhoods.

And while many businesses were forced to close for periods of time, this return to a focus on people's immediate surrounding allowed them to reconnect with those businesses that were able to remain open - the local cafe, newsagent and corner store.

In a world where local businesses seem to be being usurped by national chain stores and multinational brands, the local Main Street store is an Australian institution that remains an irreplaceable economic and cultural touchpoint for all of us. A place where the person behind the counter knows our name and can tell us what's good today; where our kids can get their first job; where we know the money we spend will stay in our local economy.

Years before the pandemic arrived, this value was recognised by the Victorian Government in its Plan Melbourne 2017-2050 metropolitan planning blueprint. This strategy enshrined the concept of '20-minute neighbourhoods' - centres where people's daily needs can be met within a 20-minute walk.

Without thriving Main Streets, policy makers know that the dream of 20-minute neighbourhoods will never be realised.

The renewed appreciation for Main Street businesses within Government and in the broader community is welcomed. But it does not mean the path is now smooth for the hardworking people that run these enterprises. Growing challenges caused by inconsistent local government regulations, supply chain issues, cost of living pressures and labour market shortages are forcing some Main Street businesses to the wall, and others to close permanently.

"Our Gathering Places Under Threat" outlines Mainstreet Australia's recommendations to enable Main Streets to meet these challenges, while at the same time galvanising and sustaining local communities around Victoria. When stakeholders – governments, local councils, business associations, property owners and businesses – work collaboratively, the full value and potential of Main Streets can be realised.

Main Streets are generally defined as street-based activity centres, where the properties are not usually owned by a single entity, but are more likely to be independent traders. Some 700 Main Streets are located across Victoria, two-thirds of which have floorspace of 5,000 sqm or more.² Main Streets typically serve multiple uses, accommodating shopping precincts, office activities and social, community and civic functions.

This document contains the following sections:

- Section 1: Main Streets and the impacts of COVID-19
- Section 2: Importance of Main Streets
- Section 3: Priority Areas for Action
- Section 4: Conclusion

Appendix A provides a summary of **Recommended Actions** where Mainstreet Australia sees opportunity to work in partnership with the Victorian Government and key stakeholders in the Main Street ecosystem in order to capture the potential of Victoria's Main Streets.

² Geografia, 'The Vale of Victoria's Main Streets', 2020 (p.11)

ABOUT MAINSTREET AUSTRALIA

Mainstreet Australia is a membership-based, not-for-profit organisation representing Australia's traditional Main Streets, High Streets, Town Centres and City Centres (hereafter referred to as 'Main Streets'). Its goal is to ensure that Main Streets function as a major economic and community focus and are well-placed to support the operation of the businesses, the services and jobs they provide. To encourage the ongoing success and survival of Main Streets, Mainstreet Australia provides a forum for education, networking, advocacy and professional development for the businesses, business associations and communities in Australia's traditional Main Streets.

SECTION 1: MAIN STREETS AND THE IMPACTS OF COVID-19

Nearly 90% of Victorians live within 10 kilometres of a Main Street, making these centres the most accessible localities for retail, commercial, community and business activities.³ Main Streets provide opportunities for people and their communities to work locally, shop locally, be entertained, and access health and community services, among other opportunities. They also enable small, local businesses to establish, operate, invest and flourish in local precincts around Victoria.

Main Streets represent the heartbeat of local communities, and this has been brought into sharp focus since the onset of the COVID-19 pandemic. The shift towards working from home and the risks of exposure to COVID-19 has made it increasingly important for people to be able to work, socialise, shop locally, to be in open public spaces, and to develop stronger connections with their local community. This has also led to stronger support for Main Street activity and local businesses, particularly as this is where there is usually an abundance of public and shared infrastructure, including public transport, parks and open spaces, local councils, libraries, and education and health facilities.

However, the financial viability of businesses in Main Streets has been significantly impacted by COVID-19, especially over the periods of lockdown in 2020 and 2021, and many businesses have been unable to recover in 2022, leading to high retail and commercial vacancy rates as highlighted in this document. In 2022, the ongoing impact of staff shortages, reduced numbers of overseas students and workers, as well as pressure on staff themselves, has made it even more difficult for businesses to rebound in the current climate.

These and other pandemic impacts have been more severe in Victoria than in other parts of the nation. Through grant programs administered during and after the pandemic, including the Business Chamber and Trader Groups grants, vital support was provided to Main Streets by the Victorian Government. These programs were crucial in supporting traders and ensuring their financial viability, and also contributed to lifting community spirits during what was an excoriating experience for traders and the entire community.

However, a Mainstreet Australia member survey in July 2022 highlighted that the impacts of the COVID-19 pandemic on local businesses in Main Streets and other local centres around Victoria were typically severe and on-going, especially with a loss of on-street customers, the shortages of staff and the difficulties in paying rents. These negative effects have been patchy in terms of effects on the Central Business District; inner, middle-ring and outer suburban areas; and in regions across Victoria.

However, many benefits for Main Streets are also evident as a result of the pandemic, including a strengthening of the Main Street neighbourhood shopping experience (as restrictions were placed on travel movements and as many in the labour force worked from home), and a greater appreciation by businesses of the importance of having an online presence.

The impact of the pandemic, and the increasing recognition by communities around Australia of the importance of a vibrant, thriving Main Street in their local neighbourhoods, provides significant

³ Geografia, 'The Power of Victoria's Main Streets', 2020 (p.11).

impetus to ensure Main Streets continue to be vital and viable and supported to meet the significant challenges they face in the short, medium and long-term future.

SECTION 2: THE IMPORTANCE OF MAIN STREETS

Since the advent of COVID-19 – and subsequent lockdowns, restrictions on business operations and the increase in people working from home – the importance of Main Streets as a hub for activity, services and community has been brought to the fore. It is increasingly apparent that Main Streets are vital for community prosperity, well-being and employment. The catch-cry of *'shop local'* has never been more relevant, as working from home becomes entrenched in Australian communities, and people want to access most of their needs in their local communities.

EMPLOYMENT AND THE ECONOMY

Main Streets are a significant source of employment in Victoria. It is estimated that Main Streets employ around 390,000 people in Victoria, accounting for 11.7% of Victorian jobs. It is also estimated that Main Streets generate over \$50 billion in economic value (12% of Victoria's Gross State Product)⁴. Additionally, Main Street businesses often provide employment opportunities for diverse and often marginalised people in Victoria, including young people, the Culturally and Linguistically Diverse (CALD) community, and women.

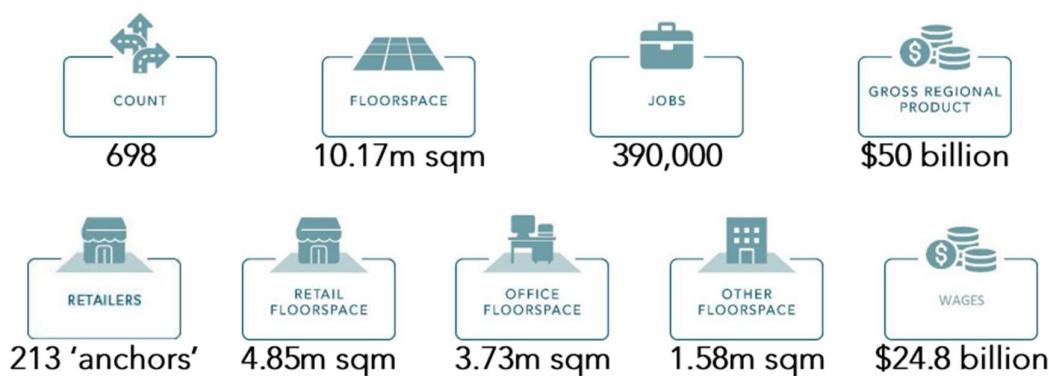


Figure 1: Geografia, *The Value of Victoria's Main Streets*, p.1

In terms of future growth prospects for Victoria's Main Street retail sector, the State's resident population number is broadly forecast to increase from five million persons in 2021⁵ to reach six million persons by 2030⁶. This conservatively low population growth rate of approximately 2.0% pa allows for the adverse effect of COVID-19 on the Victorian (and national) population growth numbers, although the growth rate is anticipated to return in the coming two or three years as economic growth and immigration numbers return to pre-pandemic levels.

Allowing for the existing ratio of Main Street retail jobs to resident population of 78,000 retail jobs per 1.0 million residents (390,000 jobs/5 million residents), Victoria could expect a total of 468,000 retail jobs in Main Streets by 2030, representing a net increase of 78,000 retail jobs over the period 2021 to 2030. With an average of five jobs per Main Street retailer (the average will be higher where a supermarket or other larger-format retailer is operating locally), the net increase of some 78,000 new retail jobs by 2030 would involve the establishment of a further 15,600 Main Street businesses, or an average of 1,730 new retail businesses a year to 2030.

⁴ Geografia, 'The Value of Victoria's Main Streets', 2020 (p.11)

⁵ ABS Census 2021

⁶ <https://www.theurbandeveloper.com/articles/melbourne-moves-ahead-to-become-australias-biggest-city>

Allowing for an estimated 50% of all Main Street jobs to be in non-retail businesses (such as accountants, lawyers, real estate, health care, etc), the total increase in all jobs in Main Streets would be in the order of 156,000 jobs by 2030 (78,000 retail jobs/50%). While this is a broad estimate, it does indicate the importance of Main Streets and the need to ensure their role and functions are both maintained and enhanced over these coming years.

Importantly, it is emphasised that this forecast increase in retail, office and other jobs in Main Streets by 2030 will only be achieved if Main Streets are supported through the types of actions highlighted in this plan, “Our Gathering Places Under Threat”.

In terms of economic value generated by retail jobs in Victoria, the \$50-plus billion currently generated by Main Streets would be equivalent to \$60 billion of Victoria’s Gross State Product in 2030 (expressed in constant 2022 prices). This is a significant contribution to Victoria’s economy, and is reflected in the number of jobs supported and the significant role Main Streets play in meeting the needs of individuals, households and businesses in the local and wider communities. Once again, this contribution to Gross Regional Product by 2030 will only be achieved if Main Streets are supported as recommended in this paper.

Businesses in Main Streets are also often highly regarded providers of unique goods and services, and act as an attractor for tourists and other visitors. This role is highlighted in annual lists and awards such as the RACV’s “Ten Coolest Streets in Melbourne”⁷.

Main Streets typically have a unique and distinctly ‘local’ feel, as well as providing a wider variety of business operators and goods and services. In Victoria, these local centres are important for the retail expenditures they generate each year and the jobs they support, thus contributing to the retail and hospitality sectors, and the wider economy.

The success of Main Streets around Victoria is also vital to Victoria’s tourism industry and, as we continue to move towards service-based industries, to our broader economic recovery from COVID-19.

COMMUNITY, HEALTH AND WELL-BEING

Main Streets provide a focal point for communities – they offer a diverse mix of offerings to meet daily needs: services and goods (such as newsagent, bakery, supermarket), hospitality (cafes, restaurants and pubs), arts and cultural facilities (cinema, spaces for celebrations), and local health and education facilities and services.

Community infrastructure and services are generally co-located with these places, and planned and managed by local governments. In this way, Main Streets are an important source of community pride, identity and belonging within small and large urban and regional communities.

This sense of belonging and connection to a community is becoming increasingly important as we move towards more single households, with more young people and older people living alone (due to increased life expectancy and the shift away from aged-care facilities), and a greater proportion of single-parent families. Additionally, the last few years has shown that health concerns associated with COVID-19 exacerbates isolation and mental health illness in our community.

This vital role has been recognised by the State Government in its embrace of the concept of ‘20-minute neighbourhoods’⁸. This approach emphasises the importance of having accessible and walkable neighbourhoods which are also beneficial to physical health. This is particularly the case when the destinations are open spaces and outdoor locations, as is the case with Main Streets (rather than indoor shopping centres or malls).

An integral part of developing and supporting 20-minute neighbourhoods is for Main Streets to have thriving local economies, and provide services and destinations that support local living.

⁷ <https://www.racv.com.au/royalauto/lifestyle-home/entertainment/must-see-streets-melbourne.html>

⁸ 20-minute neighbourhoods (planning.vic.gov.au)

SECTION 3: PRIORITY AREAS FOR ACTION

Mainstreet Australia has identified five Priority Areas as vital to the sustainability and growth of Main Streets in Victoria. These recommendations are based on Mainstreet Australia's expert views, membership surveys undertaken by Mainstreet Australia about the concerns and barriers faced by Main Street businesses in July 2022, as well as research on world's best practice on Main Street success, management and governance.

Mainstreet Australia puts forward specific recommended actions for the Victorian Government's consideration, and welcomes the opportunity to work in partnership with the Government to bring these recommended actions to fruition.

The five Priority Areas for action are:

- 1 Recognise, embrace and promote the unique strengths and opportunities of Main Streets to support local communities and grow the economy;
- 2 Develop and implement a framework for robust Main Street governance and management;
- 3 Facilitate improved property owner / small business relationships;
- 4 Alleviate staff shortages and skills gaps for small business; and
- 5 Encourage and support sustainable Main Streets.

Each of these Priority Areas is described in detail over the following pages.

PRIORITY AREA 1: Recognise, embrace and promote Main Streets to support local communities and grow the economy

This priority focuses on ensuring that the Victorian Government recognises the central role Main Streets play in realising its goal of achieving 20-minute neighbourhoods and takes other actions necessary to support the economic importance of Main Streets and their contributions to local communities (as highlighted in Section 2).

Importantly, any Victorian Government White Paper or '*shop local*' campaign as recommended below, should acknowledge the key role of coordinated management, marketing, business development, and business mix in achieving and maintaining a successful Main Street.

This is a significant action which recognises that coordinated management, marketing and business mix are fundamentally important to any Main Street, in addition to current Victorian Government support to Main Streets through urban planning, streetscape design, transport and infrastructure policies, strategies and projects.

The need to support local communities' access to facilities and services in Main Streets is recognised as an important action to counteract the movement in recent times for many such activities – including banks, post offices, health care administration – to be withdrawn from Main Street locations. This trend continues, most recently with Australia Post stating in September 2022 that up to 30 post offices could close nationally, due to reducing foot traffic, an increase in online services, and expiring leases.⁹ In addition, Westpac and the Commonwealth Bank have recently closed 12 regional branches in Victoria, followed by the ANZ with 10, Bank of Melbourne five and the NAB with four. Regional branch closures have affected several small Victorian town centres, including Alexandra, Ballan, Bright, Heathcote, Numurkah, Red Cliffs, Timboon and Yaram.¹⁰

⁹ <https://www.news.com.au/finance/business/why-up-to-30-metropolitan-australia-post-offices-could-close>

¹⁰ www.heraldsunbigbanksfleesmalltowns

RECOMMENDATIONS:**THAT THE VICTORIAN GOVERNMENT:**

- 1.1 Develops a White Paper that aligns the principle of '20-minute neighbourhoods', supported in the Victorian Government's *Plan Melbourne* strategy, with the central role that Main Streets will need to play in achieving this outcome. The White Paper would explore opportunities to coordinate the effective management and governance of Main Streets in addition to planning, design, infrastructure, placemaking and activation to create thriving Main Streets at the centre of future 20-minute neighbourhoods.
- 1.2 Commit to an evidence-led campaign to encourage people to *shop local / work local / eat local / meet local* that responds to changing post-pandemic attitudes and celebrates the growing desire in the community for people to work in the neighbourhoods they live in.
- 1.3 Provide targeted grants and additional mentoring support through the Small Business Minister and Business Victoria to support Main Street businesses, as are already provided to other sectors. This will demonstrate the Victorian Government's commitment to the sector and recognise the ongoing challenges these businesses face in a post-pandemic environment.
- 1.4 Provide incentives for both government and private sector businesses and services to operate in local trading precincts, to ensure important services are retained in Main Street locations *Plan Melbourne*'s 20-minute neighbourhood objective is achieved.
- 1.5 Collaborate with Main Street representatives and businesses to host a 'Global Forum on Main Streets' in Victoria in 2024, bringing together international experts to discuss the most effective ways to invigorate Main Street businesses and capture new opportunities emerging from people's changing shopping habits and work patterns.
- 1.6 Provide grants to replicate and broaden successful initiatives launched in response to the pandemic. This means continuing to fund activations (parklets, performances, art installations, space activations grants and other programs to stimulate visitation) but also providing ongoing business support, such as the funding of associations and building management skills.

PRIORITY AREA 2: Develop and implement a framework for robust main street governance and management

An integral aspect of Mainstreet Australia's approach is to build on the uniqueness of the Main Street experience, highlighting the potential to develop the capacity of stakeholders to work together; establish partnerships among private and public stakeholders; and develop sustainable models that engage and empower businesses to collectively work together to revitalise and maintain vibrant and successful Main Streets.

Main Streets typically comprise independent and diverse businesses that can benefit significantly from working collaboratively and in partnership with each other, as well as with Local Councils, State Governments and other stakeholders, such as property owners.

On their own, it can be difficult for small businesses to effectively engage with the community, the government and others about strategies and initiatives. Partnerships between the business community, property owners, local council and government can encourage a coordinated approach to the management, development and sustainability of a Main Street.

Coordinated Main Street management encourages all businesses, property owners, community organisations, Local Councils and State Governments to pursue common objectives and take a strategic and active role in the future development and advancement of the Main Street. This approach, akin to shopping centre management, encourages a more cohesive and consistent approach to a range of initiatives, including:

- cleaning, greening, safety, security
- business networking, training, development, retention and expansion
- beautification, presentation and maintenance of premises
- research and analysis
- collaborating for centre marketing and promotion
- connections and signage
- planning, design and development
- communications and advocacy
- tourism initiatives
- community engagement

More robust management of our Main Streets can benefit all stakeholders (as identified in the Introduction of this document) and, ultimately, the local community:

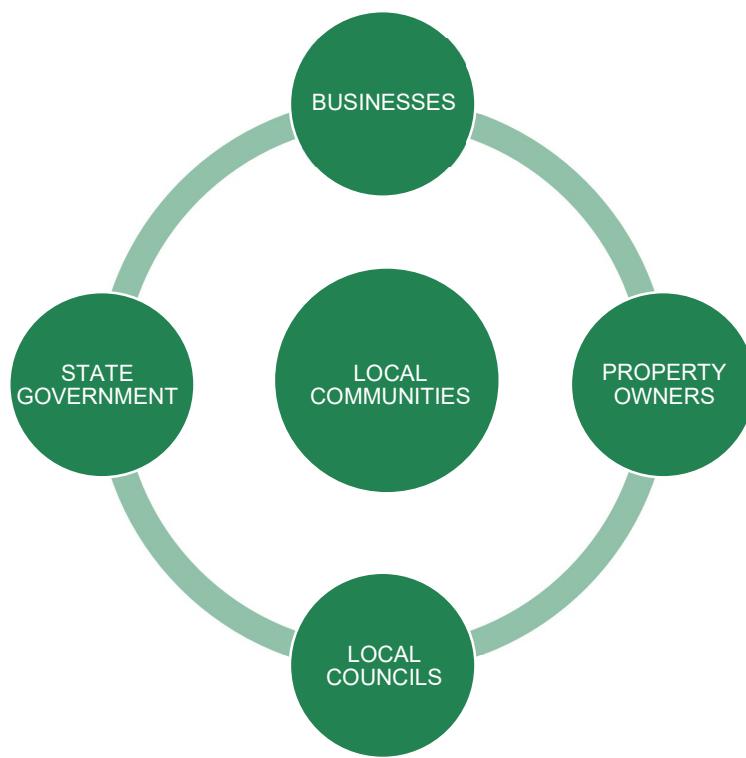


Figure 2: Stakeholders – Main Street Ecosystem

- **Businesses** (including Chambers and Business Associations) benefit from better coordination and capacity for future planning and the improved business mix;
- **Property owners** benefit from enhanced capacity to lease properties, increased rental levels and capital growth;
- **Local Councils** benefit due to an increased capacity to engage and partner with property owners and businesses through structured committees, reduced reliance on local government for management, marketing and operation of a centre, improved capacity to attract investment and development to the centre, a greater range of goods and services available to the local community, and more local employment;
- **State Governments** benefit from more jobs in locations that utilise existing infrastructure and transport networks; improved capacity to engage with the private sector, resulting in new private sector investment and development in Main Streets; enhanced liveability of these centres, making them more attractive, safe and inclusive for residents and the community; and enhanced delivery of government planning, transport, environmental sustainability, employment and business development policies; and
- **Community** benefits from a thriving Main Street that provides a tailored and diverse mix of goods, services, activities, and entertainment – all of which are local and accessible to the community.

Mainstreet Australia wants to promote and professionalise the coordinated management and marketing of Main Streets by engaging the key stakeholders in a partnership approach. This can be achieved by:

- Promoting, and simplifying the implementation processes of the current Special Rate and Charge provisions of the *Local Government Act 1989*;
- Providing professional development training for the people involved with the management and marketing of Main Streets and the administration of Special Rate and Charge Schemes;
- Improving skills and capability by providing professional development training and support to the volunteer business operators who serve on the committee of a Main Street Business Association; and
- Exploring opportunities and benefits of establishing a new model – a Business Improvement District style approach for Victoria - building on current legislation, and maintaining Victoria's status as a leader in Main Street management.

These opportunities are described as follows, with recommended actions highlighted:

1. Encourage the pursuit of Coordinated Management Programs using Special Rate and Charge provisions of the *Local Government Act 1989*

Some Main Streets, local trader groups and business associations or chambers of commerce provide support to businesses in the form of information, networking and coordinated marketing and management programs. In many cases, active business associations and chambers of commerce have been essential to the success of Main Streets. These organisations have been at the frontline during the COVID-19 crisis, providing businesses with critical support and access to information and government assistance packages, as well as an understanding of their experiences and challenges. They have provided a focused and coordinated response to these challenges and thousands of businesses across Victoria have benefited from the direct involvement of these business associations and chambers.

The most effective and sustainable business associations and chambers of commerce are those that have an ongoing source of funding, in the form of Special Rate and Charge, utilising the provisions of the *Local Government Act 1989*. This is because they have a longer-term, secure source of funding enabling them to employ professional centre managers to undertake coordinated management and marketing programs. In addition, all businesses in the area covered by special rates are supported

and included in the activities undertaken by the business association or trader group – instead of only the members of the business association. There are currently 68 business associations and chambers of commerce that receive funding through a special rate or charge scheme facilitated by their Local Council around Victoria.

The *Local Government Act 1989* provides the legislative framework to raise funds for coordinated centre management, marketing and business development programs in Main Streets. Since 1992, many business associations in Main Streets have worked with Local Councils to utilise the provisions of the Act to establish special rate and charge programs for these purposes. Leadership from Local Councils such as Moonee Valley, Stonnington, Banyule, Boroondara, Darebin and Glen Eira (and their predecessors) resulted in more than 30 programs being established by the mid to late 1990s, with most of those still in place 20 years later. Now, there are 68 programs in metropolitan Melbourne and regional Victoria, raising a total of over \$20 million, with an average contribution per property of \$593. A comprehensive list of the current Centre Management Programs funded by Special Rate Schemes has been developed by Mainstreet Australia, and is included in **Appendix B**.

A report prepared by Essential Economics¹¹ highlighted that significant value can be captured in Main Street centres through a process of centre management, marketing and community engagement, and that this is a key reason behind the success and popularity of special rate and charge schemes where funds are available for a centre coordinator and for other initiatives to serve local businesses in the centre.

Local Councils and business groups across Australia have recognised that Victoria has the best legislative framework to facilitate the establishment of centre management, business development and marketing programs. However, consultation with our members and other Local Councils has highlighted the need to improve and streamline the current provisions in the *Local Government Act 1989*.

While some new special rate or charge schemes are being pursued, many established programs have lapsed. There appears to be limited enthusiasm from local councils to support new special rate or charge programs, with the current process perceived to be complex, lengthy and administratively costly, with both political risks and perceptions that it could divide the business community. The legislation is not well understood and the benefits are not well explained.

Mainstreet Australia is supportive of the Victorian Government's agenda to streamline the provisions of the *Local Government Act 1989* to remove red tape and encourage more local councils to work in partnership with their business communities to achieve economic growth and prosperity.

In its submission to the Government's Review of the *Local Government Act 1989*, undertaken in 2015, Mainstreet Australia highlighted issues and concerns relating to special rate and charge schemes in Main Streets. It put forward a set of recommendations to address these issues, including a new section of the Act to highlight the importance and distinctive features of special rates and charges used for Main Street centre programs, to streamline the current processes outlined in Sections 163 to 166.

Mainstreet Australia considers that opportunities exist to greatly expand the number of effective business associations and coordinated management and marketing programs in Victoria.

2. Investigate the Introduction of Business Improvement Districts

Victoria has a strong track record in the collective management and marketing of Main Streets through the use of the existing special rate scheme provisions of the *Local Government Act 1989*. However, the opportunity for a new model for Main Street centre management and development, in line with international best practice, known as Business Improvement Districts (BID), needs to be placed firmly on the Victorian policy agenda.

¹¹ Essential Economics, "Main Street Australia Economic Value", May 2011, p.37.

The establishment of a BID program would be the next logical step for Victoria to take to ensure that its Main Streets are managed, marketed and developed in a coordinated and professional fashion, supported by best practice examples and guidelines that clearly establish the benefits and processes Mainstreet Australia strongly believes that the establishment of a BID program in Victoria would enable our Main Streets to take another great step forward towards revitalisation and success.

Partnerships between the business community, property owners, local councils and the Victorian Government can enable a collaborative and coordinated approach to the development of a Main Street centre. With over 2,500 BIDs operating worldwide, the BID model provides a proven governance framework that can facilitate this coordinated approach and the forging of partnerships.

BIDs are created following a ballot process in order to deliver additional services to local businesses over a defined period (normally five years). BIDs can be a powerful tool for directly involving local businesses in local activities and allow the business community and local authorities to work together to improve the local trading environment, for the benefit of individual businesses (more profit and therefore more likely to employ), for individual consumers, and for the community overall.

Services that BIDs provide can include:

- Professional management and governance
- Attraction of private sector sponsorship and investment
- Strategic property ownership
- Public land management and activation
- Parking and traffic management
- Cleaning, greening, safety, security
- Business networking, training, development, retention and expansion
- Presentation and maintenance of premises
- Keeping abreast of trends, undertaking research, collecting and analysing data
- Helping businesses with their corporate social responsibility
- Collaborative centre marketing and promotion
- Creating connections and improved signage
- Public realm upgrades and capital projects
- Planning and development
- Communications and advocacy
- Tourism initiatives
- Community engagement and inclusion

BIDs are usually established in traditional or new Main Street retail and commercial centres, both in cities, outer metropolitan and also rural communities. The first BID was established in Canada in 2000 in response to social, environmental and safety concerns, which caused businesses to seek collaboration with other stakeholders in the local area, including property owners and government. BIDs operate as not-for-profits, – primarily in the USA, Canada, South Africa, the UK and New Zealand. The USA and UK, in particular, have developed extensive BID programs. Traditional town centres and high streets throughout the UK and the USA have been revitalised and are thriving economically and socially through BID programs. These programs are regarded as so successful by the private sector that they actively seek to have them established and vote to contribute financially. The most successful BIDs are driven by a common need or issue – such as competition from a nearby Main Street or enclosed (mall) shopping centre, unsafe environment, declining retail activity, loss of economic base, or obsolete amenities.

The Main Streets where BIDs have been established can range in size from a small strip shopping centre or a small rural town centre, to an entire major retail/commercial precinct in an inner city or in a middle suburban area. Campaigns and strategies are developed that address place-sector

challenges, not just those confronting one sector or one type of business or consumer. BIDs also encourage a more holistic planning and investment approach in the public realm, such as public transport and access, green spaces, and local events. BIDs typically gather data on footfall and expenditure, which inform business strategy development and asset management strategies.

This quality data is then able to be leveraged by governments, local councils and other stakeholders to inform and prepare spatial plans, economic development strategies, transport strategies, and environmental plans.

THE BENEFITS OF BIDS

MAIN STREET STAKEHOLDER	BENEFITS
BUSINESSES (AND REPRESENTATIVE BODIES, IE BUSINESS ASSOCIATIONS)	<ul style="list-style-type: none"> • Better coordination and capacity for future planning and area promotion • Improved business mix • Increased footfall and consumer spending • Businesses are represented and have a voice in issues, can decide and direct what they want for the area • Increased staff attraction & retention; • Business cost reduction (shrinkage, crime, joint procurement) • Facilitated networking opportunities with neighbouring businesses • Assistance in dealings with the council, police and other public bodies
PROPERTY OWNERS	<ul style="list-style-type: none"> • Enhanced capacity to lease properties • Increased rental levels • Capital growth • Enhanced capacity to influence future planning, design, and maintenance of the centre • Enhanced ability to advocate on behalf of the centre
LOCAL COUNCILS	<ul style="list-style-type: none"> • Increased capacity to engage/ partner with property owners / businesses through structured committees • Reduced reliance on local government for management, marketing and operation of a centre • Improved capacity to attract investment and development to the Main Street • Greater range of goods and services available to the local community • More local employment
VICTORIAN GOVERNMENT	<ul style="list-style-type: none"> • More jobs in locations that utilise existing infrastructure and transport networks • Improved capacity to engage with the private sector, resulting in new private sector investment and development in Main Streets • Enhanced liveability of these centres, making them more attractive, safe and inclusive for the community • Enhanced delivery of government planning, transport, environmental sustainability, employment and business development policies

Table 1: Benefits of Business Improvement Districts by Stakeholder Group¹²

In 2007, the UK Department for Communities and Local Government commissioned research into the development and implementation of BIDs in England, which demonstrated significant benefits

¹² Mainstreet Australia, 'The Power of Possibility; BIDs', <https://mainstreetaustralia.org.au>

for businesses and the community. Since then, the number of BIDs in England (and elsewhere) has increased significantly. One of these is located in London's West End, and has been operating for over 20 years. The case study below provides an example of how a BID can work effectively for the benefit of all stakeholders. Other examples of successful BIDs can be found in Mainstreet Australia's overview of BIDs, 'The Power of Possibility'.¹³

In Australia, the introduction of BIDs is currently gaining momentum as an effective management model for Main Streets. In New South Wales (NSW), the State Government recently announced its intention to support the revitalisation of business areas following the COVID-19 pandemic, by rolling out BIDs across NSW. This reflects the Government's intention to renew its focus on improving local neighbourhoods across NSW. It recognises that at the heart of every neighbourhood is a business district, and that getting local businesses more involved in driving these local centres is crucial to drive local economies.

More information about the NSW Government's intentions and the policy options it is exploring for BIDs is set out in its White Paper: 'Enabling Local Business Improvement Districts'.¹⁴

Mainstreet Australia believes Victoria should quickly investigate the introduction of BIDs to ensure the State does not lag behind NSW and also work with the Federal Government and other states including NSW to develop a national and consistent approach to the introduction of BIDs in Australia.

CASE STUDY: THE NEW WEST END COMPANY (LONDON, UNITED KINGDOM)

The New West End Company was set up with 80 businesses in the West End (retail, hospitality and property owners) of London to create the "most diverse, sustainable and inspiring place to visit and do business". The BID was used for three main purposes:

- Direct resources (services and advocacy boosting);
- Regeneration funds secured; and
- Capital investment – championing local and global infrastructure.

In addition, the West End BID established a 'Road to Zero Sustainability' Action Plan to reduce the environmental impacts of West End businesses and consumers and to create the world's most environmentally sustainable international centre. Its plan focused on creating net zero carbon emissions; improved air quality; and sustainable customer experiences. Marketing experiences were enhanced with celebratory moments, local workers loyalty programs, and services and promotions to attract customers. It also launched a pop-up program to fill empty shops and showcase a more diverse, innovative and sustainable offering in the West End. Since the introduction of the BID, turnover has exceeded £20 billion and created 2,000 new jobs in the West End.¹⁵

¹³ Mainstreet Australia, 'The Power of Possibility; BIDs', <https://mainstreetaustralia.org.au>

¹⁴ <https://www.transport.nsw.gov.au/projects/current-projects/business-improvement-districts-new-south-wales>

¹⁵ Microsoft PowerPoint - Mainstreet Australia Jace Tyrrell Presentation August 2022

RECOMMENDATIONS:**THAT THE VICTORIAN GOVERNMENT:**

- 2.1 Support Local Councils and business associations wanting to establish coordinated management and marketing programs in their Main Streets by developing best practice guidelines that explain the processes and benefits of the special rate provisions in the *Local Government Act 1989*.
- 2.2 Evaluate the opportunities to introduce a Business Improvement District (BID) program in Victoria through a review of international best practice of BIDs, using examples from the UK, USA and Australia (NSW).
- 2.3 Work with representatives of Main Street businesses, and support the development of:
 - a professional development program for people managing and advocating for Main Street businesses
 - training for business operators who volunteer to serve on the committee of a local business association.

PRIORITY AREA 3: Encourage improved property owner / small business relationships

During the COVID-19 pandemic, media reports have shown increasing vacancy rates in retail and commercial/office premises in our Main Streets. These vacancy rates are used as a tool to measure the challenges faced by businesses operating in our traditional Main Streets or strip centres (and also used as measures in larger shopping and commercial centres). While vacant tenancies also exist in shopping malls or stand-alone shopping centres, these centres typically have a centre manager who is well-placed to quickly manage vacancies by seeking-out new tenants for a vacant property that comes up for rental.

In contrast with stand-alone shopping centres, Main Streets typically comprise many individual property owners as owner-occupiers or as local property investors. As such, these Main Streets do not have a dedicated property manager who is otherwise well-placed, through good property management, to specifically ensure that shop and office vacancies are kept to an absolute minimum in the Main Street.

Although some local Main Streets have survived well despite the COVID-19 pandemic (as residents have reconnected with their communities and tend to support local businesses located near to home), other Main Streets have experienced high vacancy rates compared with pre-pandemic times.

In Victoria, with wide-spread community lockdown during the pandemic, vacancy rates in some Main Streets during 2020-2022 increased significantly to around 10% or more of total floorspace, and even up to 20% in some Main Streets.¹⁶ In August 2022, the Melbourne CBD had a retail vacancy rate of 14.9% and this was due to the “lagging effects of the pandemic and some retailers not renewing leases”. However, vacancy rates were considerably higher in many Main Streets, with examples including Bridge Road, Richmond (20%), Lygon Street, Carlton (20%), and Chapel Street, South Yarra (19%).¹⁷

In contrast to these high vacancy rates, prior to the pandemic an acceptable vacancy rate for a Main Street business area was around 5% or 6% of total floorspace.

In some cases, relatively high vacancy rates in Main Streets are observed where the strips experience competition from shopping centres. In other cases, Main Streets have experienced severe competition from online shopping, particularly during the pandemic. Online shopping now accounts for around 15% of household retail spending and this share is increasing over time. In yet other cases, rents have been kept high in Main Streets as property owners are reluctant to reduce rents (and thus avoid a decline in property value), even where their tenants are experiencing severe

¹⁶ <https://mainstreetaustralia.org.au/benefit-of-measuring-vacancy-rates-in-main-streets-and-how-to-do-it/>

¹⁷ <https://upaustralia.com.au/research/q2-2022-melbourne-retail-market/>

adverse impacts associated with the pandemic and with competition from shopping centres and online shopping.

A Mainstreet Australia member survey in July 2022 highlighted that the impacts of the COVID-19 pandemic on local businesses in Main Streets and other local centres were typically severe. The increase in vacant premises, staff shortages, and the difficulties in paying rents were primary concerns for businesses. For property owners, they face their own financial pressures and are wanting to ensure rents are paid – and in some cases, that the rents are higher than ever before.

In the period 2020 to 2022, particularly during the lockdowns, the Victorian Government's Commercial Tenancy Relief Scheme significantly alleviated the financial hardship faced by small business tenants and property owners as a result of the COVID-19 pandemic. The Government's offer of free mediation has also been beneficial in assisting parties to reach agreements on rental issues.¹⁸

The financial difficulties faced by property owners and small businesses continue in 2022, and many businesses have closed or relocated, leaving premises on Main Streets empty. The high vacancy rates of commercial properties along Main Streets caused by shop closures have further impacted on the viability and vibrancy of Main Streets.

The difficulty for property owners is that often they cannot or will not reduce the rent because it can adversely affect the value of their property. If the property owner does not have to rely on the tenant's rental payments to cover mortgage payments or rates, they may choose to leave the space vacant to maintain the value of their property based on a higher rent, rather than reducing rent, which could shrink its value.¹⁹ However, there are positive stories emerging and many solutions are being found. For example, in June 2022, a small business in the Melbourne CBD raised \$25,000 in crowdfunding to pay its rent.²⁰ In other cases, businesses benefited from Government-subsidised mediation services to renegotiate rental agreements. Mainstreet Australia firmly believes that with information and mediation services, solutions can be reached to enable tenants to remain in vital Main Street locations and, in doing so, lift the value of all properties in that location.

Mainstreet Australia also believes the development of strong partnerships between property owners, businesses, Local Councils and State Government is vital. To encourage collaboration, it is vital to communicate with property owners about the value of maintaining tenancy agreements and working with businesses to ensure the long-term viability and success of Main Streets. Businesses, business associations, Local Councils and State Government have an important role to play to help property owners understand that the commercial value of properties is contingent on the success of the Main Street as a whole. To this end, property owners and traders would benefit from a tool kit of information and/or assistance package to better manage rent/lease negotiations and pressures. In addition, traders and property owners would greatly benefit from the strengthening of mediation support services, provided via the Small Business Commissioner, noting the benefit of this approach for small businesses during the COVID-19 pandemic.

Other incentive schemes around the world have been used to activate vacant premises. For example, in the USA, where the limited availability of housing is an issue in most large cities, Main Street America has identified that vacant upper floors in shops and other buildings provide an opportunity to lessen the housing crisis, as well as rejuvenate Main Street businesses and provide much needed rental income for property owners.²¹ Mainstreet Australia strongly supports the development of initiatives by the private and government sectors to find innovative solutions to alleviate high vacancy rates in Victoria's Main Streets.

¹⁸ Business Victoria: Commercial Tenancy Relief Scheme - <https://business.vic.gov.au/grants-and-programs/commercial-tenancy-relief-scheme>

¹⁹ <https://www.abc.net.au/news/2022-07-17/businesses-struggling-afford-increasing-rent-melbourne/101240824>

²⁰ <https://www.theage.com.au/national/victoria/who-really-cares-about-one-little-record-store-crowd-rescues-basement-discs-20220529-p5apeh.html>

²¹ https://higherlogicdownload.s3.amazonaws.com/NMSC/390e0055-2395-4d3b-af60-81b53974430d/UploadedImages/Resource_Center/Home_on_Main_Street.pdf

RECOMMENDATIONS

THAT THE VICTORIAN GOVERNMENT:

- 3.1 Lead discussions between peak property ownership bodies and business to encourage greater collaboration on Main Street revitalisation approaches.
- 3.2 Investigate incentives to encourage the activation of vacant premises and best practice approaches to reducing shop vacancies. This should be informed by the success of programs like the City of Melbourne's Shopfront Activation program.
- 3.3 Develop a tool-kit, mediation services and financial assistance package to empower Main Street traders to better manage rent/lease negotiations and pressures.
- 3.4 Promote opportunities for the renewal of Victorian Government funding for mediation support services, provided via the Small Business Commissioner directly to traders, noting the value of this approach for small businesses during COVID.

PRIORITY AREA 4: Alleviate staff shortages and skills gaps for small business

As noted by the Federal Government in its recent '*Jobs and Skills Summit Issues Paper*', Australia's economy and labour market face complex challenges. While the unemployment rate is at historic lows, a tight labour market has also brought challenges, including widespread and acute skill shortages. In recent years, Australia's skills and training system has not adapted to meet the economy's needs. In addition, the current migration system has also become difficult to administer and difficult for potential migrants to navigate due to piecemeal changes that have accumulated over time. These factors have contributed to skill shortages: almost one-third of businesses reported having difficulty finding suitable staff in June 2022, and most cited a lack of experience or skills as a major factor.²²

To realise the productive capacity of our economy over the longer-term, we need to establish an effective skills and education system that better reflects the needs of the economy and is supported by industry investment in training and a responsive migration system.

Businesses are experiencing difficulties finding employees, with only one unemployed person per job vacancy, compared to three unemployed persons per vacancy pre-COVID-19. This has been exacerbated by reduced immigration during the pandemic. A tight labour market can also contribute to inflationary pressures, increasing the negative impact of global factors currently driving higher inflation.²³

Worker shortages are the biggest challenge facing businesses right now, which in turn means that this is the greatest obstacle to Australia's economic recovery and future prospects. The Federal Government has recognised the need to address the workforce shortage crisis that has emerged in the aftermath of the COVID-19 pandemic.

Mainstreet Australia welcomes the outcomes of the recent Jobs and Skills Summit, particularly the \$1 billion in joint Federal-State funding for fee-free TAFE in 2023 and accelerated delivery of 465,000 fee-free TAFE places; the increase in the migration intake; the relaxed work restrictions for international students; and the initiative to support aged pensioners who want to work.²⁴

The Victorian and Federal Governments, as well as businesses across Australia, are making welcome investments in skilling and up-skilling local people to fill key roles in the areas mentioned. This requires a strong stream of jobseekers being referred into training programs that, once completed, can fill key workforce gaps locally according to employer need. In addition, we need to think globally to address worker shortages and to grow our total workforce through migration.

²² Australian Government Treasury, 'Jobs and Skills Summit Issues Paper', August 2022, <https://treasury.gov.au/publication/2022-302672>

²³ Australian Government Treasury, 'Jobs and Skills Summit Issues Paper', August 2022, <https://treasury.gov.au/publication/2022-302672>

²⁴ Australian Government Treasury, 'Jobs and Skills Summit Outcomes 1-2 September 2022', <https://treasury.gov.au/employment-whitepaper/jobs-summit>

Main Streets are heavily reliant on staff in the retail, hospitality, arts and tourism sectors. These are some of the sectors that have been hardest hit by skill shortages – largely because of the dearth of international students, backpackers, and newly-arrived migrants (due to international border closures during the pandemic) who traditionally fill many of these jobs. Without staff, many businesses in Main Streets have closed, either temporarily or permanently, and this has had a significant adverse impact on local communities' access to local and essential services and the vibrancy of Main Streets in Australia. Staff shortages have even greater ramifications for the local businesses and communities based in regional Victoria.

As well as staff shortages, Main Street businesses are also struggling with skill shortages. Since the COVID-19 pandemic, businesses have had to find new solutions to stay viable, including having an online presence, and offering different types of goods and services. Many businesses have been unable to do this, particularly if they are struggling financially, or do not have the digital skills, customer service skills, or English literacy to understand and meet new demands and preferences of consumers.

The Mainstreet Australia member survey in July 2022 highlighted the shortage of labour as a short-to medium-term issue for many businesses and it is difficult to see this changing in view of current circumstances associated with the low unemployment rate and low levels of immigration. The skills shortage is also an issue, both short-term and long-term. Many businesses stated that planning to address these shortages is difficult as senior staff do not have the time required to adequately train staff.

Recent media commentary by the National Australia Bank²⁵ indicates that Australia has "*an economy approaching full capacity with a lack of workers now a critical issue (and) the single biggest hurdle to growth is labour shortage*". The article also highlights that many small business owners must spend up to 12 hours a week on government administration. Clearly, efforts to enhance the operation and beneficial outcomes associated with Main Street businesses will need to ensure that business-related administration activities are minimised wherever possible.

Given the heavy reliance in Victoria on the hospitality, retail and tourism sectors, it is vital that businesses are able to maintain their skills and currency in a rapidly changing consumer environment. Consumer demands are constantly changing with an increasing focus on 'relationship-based' interactions with consumers, and the customer 'experience' as a viable alternative to online shopping. In this wider context, a career in the retail or hospitality sectors is becoming increasingly viable and attractive. This is the case for young people, as well as older people seeking a new career or coming out of a full-time career. To ensure skills are up to date and meet the high demands of consumers in a more stressful COVID-19 environment, it is important that the Vocational Education and Training (VET) sector keeps pace and delivers relevant, industry-specific training for those seeking a career in the retail or hospitality sectors.

RECOMMENDATIONS:

THAT THE VICTORIAN GOVERNMENT:

- 4.1 Provide funding for a 'Main Street Jobs Summit', bringing together key stakeholders to find solutions to crippling staff shortages in the local retail and hospitality sectors.
- 4.2 Provide funding to create a program of digital skills capacity building targeting Main Street businesses, with a focus on CALD, family businesses and disadvantaged areas. This would complement existing support provided through Business Victoria.
- 4.3 Establish a collaboration between Business Victoria, the VET sector and TAFE Victoria to develop customer service training specifically targeting workers in Main Street businesses.

²⁵ Ross McEwan, Chief Executive, National Australia Bank, *The Age*, 29 August 2022, p24

PRIORITY AREA 5: Enable and support sustainable Main Streets

Vibrant Main Streets and accessible neighbourhoods have a net positive environmental impact, because they discourage car use and therefore reduce traffic congestion and pollution.

Main Streets are also becoming increasingly engaged in providing environmentally sustainable solutions as part of the retail experience. Some Main Streets, particularly those that have well-established business associations, are implementing sustainability initiatives to reduce the adverse impact of their businesses on the environment. These initiatives include the introduction of recyclable bags in Main Street businesses; taking a place-based, non-competitive approach to food waste and avoiding the use of single-use plastics that is more effective than individual businesses doing it only for themselves; and using energy and water in more effective and collaborative ways.

Considerable scope exists for Main Streets to develop sustainability strategies that benefit the local area and lead to positive behaviour change among businesses, property owners and consumers.

Mainstreet Australia believes an education campaign and/or funding delivered by Small Business Victoria (and with support from Sustainability Victoria) would be hugely beneficial in ensuring Main Street businesses can make environmental behavioural changes and integrate sustainability goals into their core business strategy.

Businesses can better understand their impact on the environment and find strategies to offset their carbon footprints via the development of diagnostic tools that can assess the sustainability of waste and packaging systems, and provide strategies based on current consumer trends on sustainability in retail, hospitality, and service industries.

Main Street businesses would also benefit from sustainability audits, advice on marketing their sustainability performance and how to structure pricing to adjust for more ethical and sustainable practices; and monitoring of manufacturing and supplier chains to ensure sustainability.

RECOMMENDATIONS**THAT THE VICTORIAN GOVERNMENT:**

- 5.1 Implement an education campaign through Small Business Victoria (in conjunction with Sustainability Victoria) to ensure Main Street businesses are able to integrate sustainability goals into their core business strategy.
- 5.2 Support Small Business Victoria to conduct sustainability audits of Main Street businesses and provide follow-up advice to help them implement meaningful sustainability strategies.

SECTION 4: CONCLUSION

One of the strengths of our Main Streets are their constancy and dependability in a world that is going through unprecedented change. Through pandemics, economic and social upheaval and the looming threat of Climate Change, we can always depend on our local greengrocer or bakery to still be there tomorrow, serving us with a smile and a chat.

And yet this confidence masks some real threats facing our Main Street businesses as they seek to continue to build and maintain community connections in volatile economic conditions. If not confronted, there is a very real possibility that we could wake up one day and find that local business we love is gone.

Main Street businesses are the reason people visit a town centre or even move to a particular area. While the planning, design, streetscapes, parking and environment of a centre are obviously important to the presentation of Main Streets, it is generally the case that people choose to frequent a centre that provides the businesses, services and activities that they need.

This is why Mainstreet Australia advocates so strongly for recognition and support for the businesses, services and their associations, and the importance of sound centre management and governance arrangements.

Without quality businesses providing the desired goods and services, a Main Street will be unable to maintain its vibrancy and importance in local communities. And without an effective business association, a Main Street will be unable to operate in a coordinated and integrated fashion, and unable to partner effectively with state and local Governments.

Mainstreet Australia believes partnership is key as we seek policy solutions that support and protect Main Street businesses. We stand ready to work with the State Government, Local Councils and other key stakeholders to ensure these beacons of the community continue to anchor our local neighbourhoods long into the future.

APPENDIX A:

RECOMMENDED VICTORIAN GOVERNMENT ACTIONS TO CAPTURE THE POTENTIAL OF VICTORIA'S MAIN STREETS

PRIORITY AREA	RECOMMENDED ACTIONS FOR THE VICTORIAN GOVERNMENT
<i>Priority Area 1: Recognise, Embrace and Promote Main Streets to Support Local Communities and Grow the Economy</i>	<p>1.1 Develop a White Paper that aligns the principle of '20-minute neighbourhoods', supported in the Victorian Government's Plan Melbourne strategy, with the central role that Main Streets will need to play in achieving this outcome. The White Paper would explore opportunities to coordinate the effective management and governance of Main Streets in addition to planning, design, infrastructure, placemaking and activation to create thriving Main Streets at the centre of future 20-minute neighbourhoods.</p> <p>1.2 Commit to an evidence-led campaign to encourage people to shop local / work local / eat local / meet local that responds to changing post-pandemic attitudes and celebrates the growing desire in the community for people to work in the neighbourhoods they live in.</p> <p>1.3 Provide targeted grants and additional mentoring support through the Small Business Minister and Business Victoria to support Main Street businesses, as are already provided to other sectors. This will demonstrate the Victorian Government's commitment to the sector and recognise the ongoing challenges these businesses face in a post-pandemic environment.</p> <p>1.4 Provide incentives for both government and private sector businesses and services to operate in local trading precincts, to ensure important services are retained in Main Street locations Plan Melbourne's 20-minute neighbourhood objective is achieved.</p> <p>1.5 Collaborate with Main Street representatives and businesses to host a 'Global Forum on Main Streets' in Victoria in 2024, bringing together international experts to discuss the most effective ways to invigorate Main Street businesses and capture new opportunities emerging from people's changing shopping habits and work patterns.</p> <p>1.6 Provide grants to replicate and broaden successful initiatives launched in response to the pandemic. This means continuing to fund activations (parklets, performances, art installations, space activations grants and other programs to stimulate visitation) but also providing ongoing business support, such as the funding of associations and building management skills.</p>

<p>Priority Area 2: Develop and Implement a Framework for Robust main Street Governance and Management</p>	<p>2.1 Support Local Councils and business associations wanting to establish coordinated management and marketing programs in their Main Streets by developing best practice guidelines that explain the processes and benefits of the special rate provisions in the <i>Local Government Act 1989</i>.</p> <p>2.2 Evaluate the opportunities to introduce a Business Improvement District (BID) program in Victoria through a review of international best practice of BIDs, using examples from the UK, USA and Australia (NSW).</p> <p>2.3 Work with representatives of Main Street businesses, and support the development of:</p> <ul style="list-style-type: none"> • Professional development program for people managing and advocating for Main Street businesses • Training for business operators who volunteer to serve on the committee of a local business association.
<p>Priority Area 3: Encourage Improved Property Owner / Small Business Relationships</p>	<p>3.1 Lead discussions between peak property ownership bodies and business to encourage greater collaboration on Main Street revitalisation approaches.</p> <p>3.2 Investigate incentives to encourage the activation of vacant premises and best practice approaches to reducing shop vacancies. This should be informed by the success of programs like the City of Melbourne's Shopfront Activation program.</p> <p>3.3 Develop a tool-kit, mediation services and financial assistance package to empower Main Street traders to better manage rent/lease negotiations and pressures.</p> <p>3.4 Promote opportunities for the renewal of Victorian Government funding for mediation support services, provided via the Small Business Commissioner directly to traders, noting the value of this approach for small businesses during COVID.</p>
<p>Priority Area 4: Alleviate Staff shortages and skills gaps for small business</p>	<p>4.1 Provide funding for a 'Main Street Jobs Summit', bringing together key stakeholders to find solutions to crippling staff shortages in the local retail and hospitality sectors.</p> <p>4.2 Provide funding to create a program of digital skills capacity building targeting Main Street businesses, with a focus on CALD, family businesses and disadvantaged areas. This would complement existing support provided through Business Victoria.</p> <p>4.3 Establish a collaboration between Business Victoria, the VET sector and TAFE Victoria to develop customer service training specifically targeting workers in Main Street businesses.</p>
<p>Priority Area 5: Enable and support Sustainable Main Streets</p>	<p>5.1 Implement an education campaign through Small Business Victoria (in conjunction with Sustainability Victoria) to ensure Main Street businesses are able to integrate sustainability goals into their core business strategy.</p> <p>5.2 Support Small Business Victoria to conduct sustainability audits of Main Street businesses and provide follow-up advice to help them implement meaningful sustainability strategies.</p>

APPENDIX B:

CENTRE MANAGEMENT PROGRAMS FUNDED BY SPECIAL RATE SCHEMES, VICTORIA 2014 – 2020

PROGRAM	STARTED	2014-15	2019-20	2014-15	2019-20
		# BUSINESSES	# BUSINESSES	SPECIAL RATE	SPECIAL RATE
ALPINE					
<i>Dinner Plain Village</i>	2002	522	253	\$560,124	\$179,000
BALLARAT					
<i>Bridge Mall</i>	1981	110	148	\$320,000	\$148,000
BANYULE					
<i>Eaglemont</i>	2000	26	25	\$13,000	\$14,400
<i>East Ivanhoe</i>	1998	70	76	\$37,000	\$39,375
<i>Greensborough</i>	1998	170	366	\$130,000	\$180,000
<i>Heidelberg Central</i>	1993	272	260	\$86,000	\$99,300
<i>Ivanhoe</i>	1999	245	234	\$120,000	\$120,000
<i>Lower Plenty</i>	1998	30	31	\$18,000	\$18,750
<i>Macleod Village</i>	2002	45	43	\$18,500	\$19,170
<i>Montmorency</i>	1998	60	57	\$23,000	\$26,400
<i>Rosanna</i>	2003	83	78	\$42,000	\$41,500
<i>Watsonia</i>	1998	68	67	\$26,000	\$36,850
<i>West Heidelberg Mall</i>	1998	68	68	\$55,000	\$55,000
BOROONDARA					
<i>Ashburton</i>	1998	140	142	\$87,701	\$91,821
<i>Burwood Village</i>	2006	94	105	\$70,796	\$97,311
<i>Camberwell</i>	1995	684	772	\$481,511	\$618,301
<i>Glenferrie Hawthorn</i>	1992	627	604	\$210,692	\$225,369
<i>Greythorn</i>	1997	74	73	\$52,357	\$83,626
<i>Kew Junction</i>	1998	613	588	\$246,586	\$300,513
<i>Maling Road Canterbury</i>	1998	82	80	\$63,461	\$68,139
<i>North Balwyn</i>	2000	69	72	\$41,287	\$38,225
BRIMBANK					
<i>St Albans</i>	2014	297	277	\$115,193	\$127,185
<i>Sunshine</i>	2013	453	398	\$121,641	\$137,989
DAREBIN					
<i>Fairfield</i>	1999	120	120	\$55,000	\$66,000
<i>High Street Northcote</i>	1999	217	217	\$85,977	\$88,745
<i>Preston Central</i>	2008	221	221	\$110,000	\$110,000
<i>Reservoir Village</i>	1999	90	90	\$50,000	\$77,000
GLEN EIRA					
<i>Bentleigh</i>	1994	301	297	\$185,700	\$185,693
<i>Carnegie</i>	1994	231	237	\$170,931	\$206,846
<i>Elsternwick</i>	1995	244	300	\$170,941	\$212,018
GREATER GEELONG					
<i>Central Geelong</i>	2011	1492	1482	\$804,400	\$1,135,627
GREATER SHEPPARTON					
<i>Shepparton Show Me</i>	1998	1800		\$646,083	Not renewed
KINGSTON					
<i>Mordialloc</i>	2004	112	112	\$57,000	\$60,000
MANNINGHAM					
<i>Templestowe Village</i>	1996	82	Not renewed	\$46,800	Not renewed
<i>Tunstall Square</i>	1996	48	Not renewed	\$49,680	Not renewed
<i>Warrandyte</i>	1996	81	Not renewed	\$49,564	Not renewed
MAROONDAH					
<i>Croydon</i>	1991	185	190	\$130,000	\$133,000
<i>Ringwood East</i>	1998	N/A	72	N/A	\$24,821
MILDURA RURAL CITY					
<i>Mildura City Heart</i>	2002	373	368	\$606,587	\$610,000

MONASH					
<i>Pinewood</i>	2004	58	77	\$25,900	\$35,000
MOONEE VALLEY					
<i>Flemington</i>	1996	114	122	\$52,500	\$62,500
<i>Moonee Ponds</i>	1994	560	557	\$156,000	\$190,000
<i>Niddrie</i>	1998	209	222	\$110,000	\$130,000
<i>Union Road Ascot Vale</i>	1996	163	163	\$52,500	\$62,500
MORELAND					
<i>Coburg</i>	1996	267	287	\$177,487	\$195,802
<i>Sydney Road Brunswick</i>	1992	614	620	\$283,069	\$344,190
MORNINGTON PENINSULA					
<i>Hastings</i>	2004	361	173	\$51,000	\$65,000
<i>Mornington</i>	2010	440	328	\$107,000	\$112,800
<i>Mt Eliza</i>	2001	187	174	\$55,000	\$58,000
<i>Rosebud</i>	2001	403	327	\$83,000	\$97,000
<i>Rye Beach</i>	2018	N/A	114	N/A	\$48,000
<i>Sorrento</i>	2008	306	135	\$91,500	\$108,000
NILLUMBIK					
<i>Diamond Creek</i>	2002	137	137	\$123,000	\$120,000
<i>Eltham</i>	1996	174	178	\$130,000	\$130,000
<i>Hurstbridge</i>	2006	65	66	\$24,500	\$27,720
PORT PHILLIP					
<i>Acland Street St Kilda</i>	1999	281	281	\$195,000	\$195,000
<i>Fitzroy Street St Kilda</i>	2006	241	241	\$197,000	\$216,700
<i>Port Melbourne</i>	1996	386	386	\$208,000	\$260,000
STONNINGTON					
<i>Chapel Street</i>	1992	1778	2075	\$755,076	\$1,142,000
<i>Glenferrie Road Malvern</i>	1995	506	519	\$170,267	\$250,000
<i>High Street Armadale</i>	1995	370	370	\$202,436	\$233,000
<i>Toorak Road South Yarra</i>	1997	493	427	\$186,387	\$223,000
<i>Toorak Village</i>	1997	293	299	\$116,949	\$142,000
SWAN HILL RURAL CITY					
<i>Swan Hill Inc.</i>	2002	738	680	\$339,130	\$359,180
WHITEHORSE					
<i>Brentford Square</i>	1994	41	41	\$50,066	\$54,140
<i>Burwood Heights</i>	1994	37	37	\$41,002	\$44,869
WHITTLESEA					
<i>Bundoora Square</i>	2001	92	87	\$70,000	\$90,000
<i>Lalor</i>	1997	92	92	\$75,000	\$90,000
<i>Thomastown</i>	1997	80	71	\$49,000	\$60,000
YARRA					
<i>Bridge Road Richmond</i>	2002	587	577	\$204,132	\$157,000
YARRA RANGES					
<i>Belgrave</i>	1999	93	93	\$41,850	\$50,871
<i>Mooroolbark</i>	2015	N/A	186	N/A	\$39,400
TOTAL		20,143	18,665	\$10,022,139	\$11,069,646

Source: Information collected by Mainstreet Australia through consultation with Local Council officers around Victoria