

Melbourne is worth 7% of Australia's economy. How can it build back post-COVID?



Melbourne, voted the most liveable city in the world seven years running.

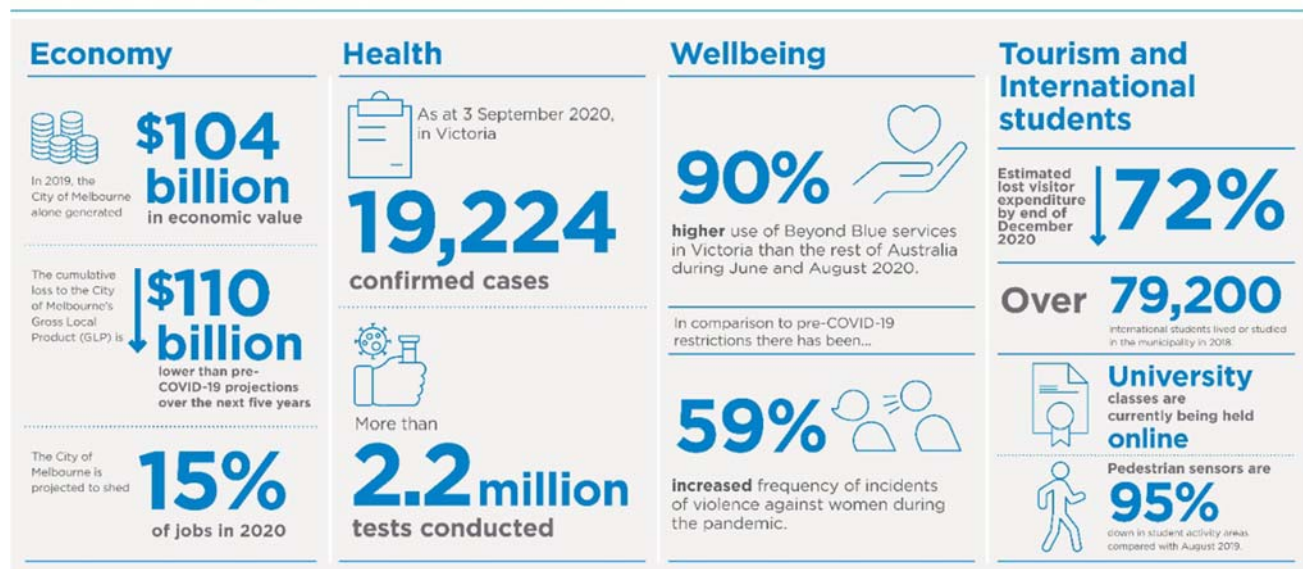
- Melbourne's rich history of adaptation to crisis will inform its pandemic recovery.
- The [recovery plan](#) is divided into an immediate response and a longer-term transformation.
- Its regeneration will be in line with the UN's Sustainable Development Goals.

In the seven months since the initial lockdown commenced in March this year, 52,000 – or one in 10 – Melbourne workers have lost their jobs. The economic impact of the pandemic is far-reaching. Consultancy firm PwC [estimates that central Melbourne will lose AUD110 billion in gross local product over the next five years](#), with up to 30% of

the workforce not returning to their workplaces in the foreseeable future. Combined with a reduction in university student numbers, this loss of foot traffic will severely impact central Melbourne real estate and its commercial offices, hospitality, entertainment, education and residential sectors.

To meet this disruption, the city must respond to this crisis quickly by putting in place a reactivation and recovery programme to save jobs and protect vulnerable residents, foreign students, and our hospitality, retail and creative sectors. Following the immediate response, we will need to look to a regeneration of our city in the medium and long term if Melbourne is to regain its position amongst the world’s most liveable cities, and to build confidence about our prospects to encourage ongoing participation and investment.

COVID-19 impacts on Melbourne



The pandemic will exert a considerable impact on Melbourne, as with other global cities.

Image: City of Melbourne

Cities have always adapted to dramatic circumstances. The Great Fire of London in 1666 saw the introduction of new building regulations and the greater use of masonry, while the cholera epidemic and the Great Stink of 1858 resulted in improved sewage systems. We are committed to ensure Melbourne emerges from this crisis a better place for all.

Melbourne has a good track record of adapting by keeping the best of the past, while evolving to meet new challenges. Unlike many cities that removed their tram infrastructure to make way for the automobile, Melbourne resisted major

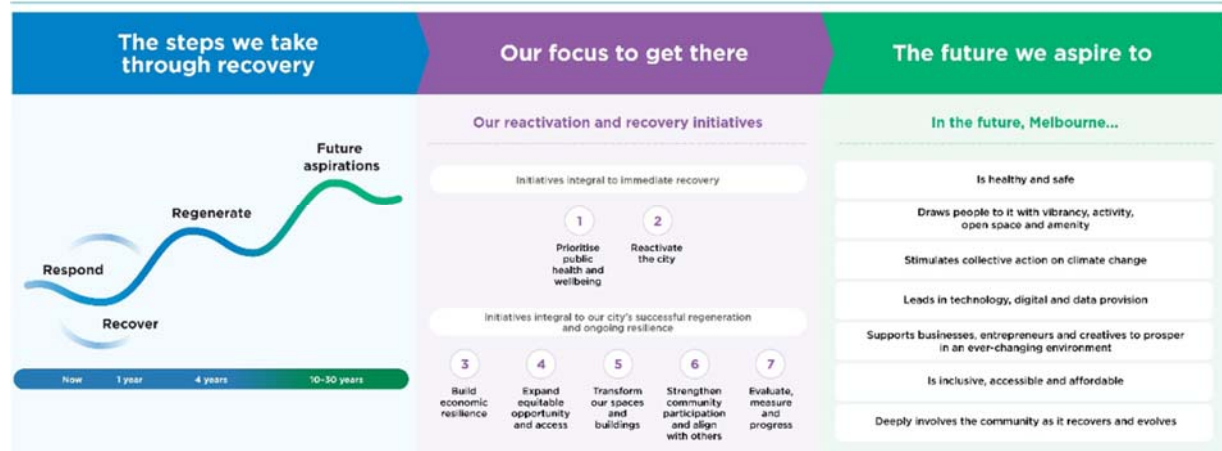
infrastructure changes and kept its system intact, preferring updated traffic regulations that give trams priority over cars.

In the late 1980s, a crash in the commercial property market led to a sharp recession in the 1990s. Melbourne repositioned itself from a CBD (Central Business District) to a CAD (Central Activities District) – via a programme called [Postcode 3000](#). This initiated the conversion of vacant office space into residential apartments. As a result, a downtown residential population of 685 dwellings in 1985 rapidly grew to over 40,000 by 2016. This massive increase brought with it new retail, hospitality and cultural facilities that projected Melbourne to the forefront of *The Economist's* most liveable city rankings, which it won on seven successive occasions.

Our challenge today is to recover and once again reposition Melbourne for the future. This is critical for our city, but also for our state and country. In [2019, central Melbourne generated AUD104 billion in economic value](#), representing 24% of Victoria's gross state product and 7% of Australia's gross domestic product.

In response, the city has brought together its best minds and resources to deliver a [reactivation and recovery plan](#) with seven initiatives that highlight our immediate response to the crisis and our city's longer-term regeneration.

COVID-19 Reactivation and Recovery Plan



Melbourne's seven-point plan for post-COVID recovery.
Image: City of Melbourne

Whilst we have suffered the harshest lockdown of any global city, Melbourne is fortunate to have become adept at transformation over the last three decades. This has provided it with a rich past experience, coupled with a flexible administration capable of operating in highly ambiguous and complex environments.

Early COVID response

The city has put in place an impressive list of initiatives, while at the same time working on the medium- to long-term plan to ensure we come out of this crisis better and stronger than before.

The immediate response is contained within the first two of the seven initiatives in the plan: prioritize public health and well-being, and then reactivate the city. These initiatives are about building confidence and providing attractions for workers and visitors to return to the city.

Reactivation and Recovery initiatives

Initiatives integral to immediate recovery:



Our immediate focus as the city emerges from lockdown.

Initiatives integral to our city's successful regeneration and ongoing resilience:



Building on our initial quick responses to reactivate the city and ensure public health and safety, further initiatives act as the next steps towards our aspirational future.

Further breakdown of the city's plans.
Image: City of Melbourne

A AUD100 million programme around these first two initiatives was quickly formulated by the city, with joint funding from the state government.

The programme includes:

- Worker redeployments into city cleaning and greening programmes with the planting of 150,000 trees, shrubs and grasses.
- Support for businesses with 1,863 applications received and a AUD10 million grants package for small businesses including: grants to develop online and e-services; a COVID-19 Business Concierge Service to provide one-on-one advice and support;

suspension of fees for street trading permits; 0% rate cap increase for properties; a new general financial hardship policy.

- Support for artists and creatives to invest in new works, and digital presentations of works and performances.
- Support for community groups, residents and international students. This included a programme whereby 11,270 international students affected by job losses and housing insecurity were each provided with AUD200 food vouchers.
- Establishment of the City Economic Advisory Board to ensure strategic input from relevant industry and government representatives as part of the response.

In addition, the city has commenced a reactivation plan with six components which includes:

- Funding for COVID-safe plans and cleaning in public and private spaces.
- The construction of 40 kilometres of separated bike lanes.
- The reduction of speed limits in the little streets to 20kph, and removal of parking on one side of the street to extend footpaths with 40 new parklets created.
- 1,200 applications for the further extension of outdoor dining, including 670 new applications.
- The return of the creative laneways programme with over 40 installations.
- A coordinated events and activations programme including the Melbourne Music Festival and Melbourne Blooms with 16 floral installations.
- Marketing campaigns to bring back visitors.

Activation projects + opportunities Central City Precinct

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Outdoor dining

- Laneways - Intermittent closure (partial full closure)
- Little Streets - Drankers (potential intermittent closure)
- Key dining precincts (selected parks and potential street closures)
- Alternate dining locations (opportunity for multiple restaurants)
- Laneways for creative industry art activation
- Ground floor hospitality use

COVID bike lanes

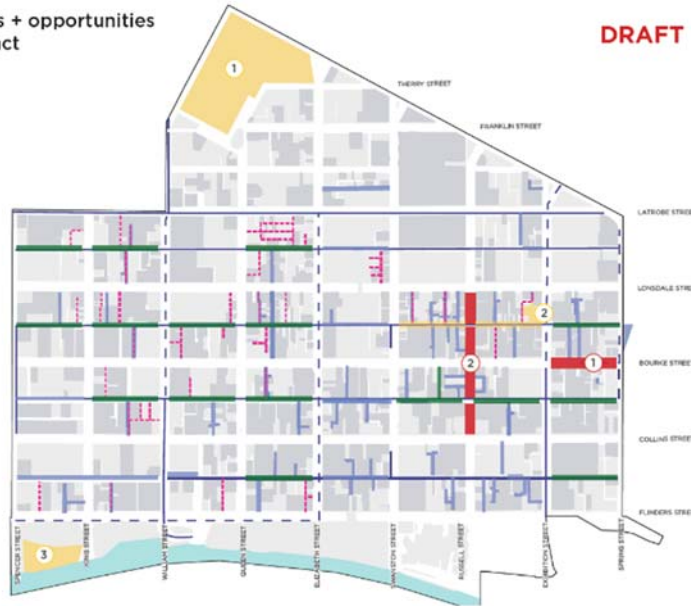
- Existing and new protected bike lanes (Stage 1)
- Proposed protected bike lanes (Stage 2)

Key dining precincts

- Dourke Street East
- Russell Street

Alternative dining locations

- Queen Victoria Market
- Chinatown
- Batman Park



Melbourne aims to revitalize its downtown area.

Image: City of Melbourne

In assembling this plan, Melbourne has leveraged skills, platforms, resources and services both internally and from other providers such as the Victorian and Australian governments, private enterprise, social enterprise and community organisations to speed implementation and avoid duplication.

Future aspirations

While the immediate response has been intense, the city is advantaged by having clearly defined goals and understanding of our community's aspirations for Melbourne's future. The next phase of regeneration is set against the uncertainty of what the post-COVID situation holds in economic and social consequences. It will require us to remain agile and adapt our plan as we learn more. The city's plan has established five initiatives to address this next stage:

The realization that the COVID crisis comes at a time of a global climate and biodiversity emergency has made it essential that any response to COVID needs to align with the UN's Sustainable Development Goals as illustrated here under initiative 3: Build economic resilience.

3

Build economic resilience

We will work with industry and the Victorian Government to build a thriving innovation ecosystem that is a leader in sustainability, attracts and retains talent, grows jobs and affirms Melbourne’s reputation as a global innovation leader.

Immediate Response: Continue to deliver or commence in the next three months

Advocate for investment in city-shaping critical stimulus projects

Commence development of a pilot Aboriginal Business Hub to support Aboriginal owned start ups

Expand 5G and Internet of Things trials creating strong digital infrastructure

Leverage the expertise of the City Economy Advisory Board

Provide training for businesses to develop Ecommerce and online capabilities

Continue work on the development of the Fishermans Bend innovation and employment district

Key Sustainable Development Goals that align to this recovery initiative:



Melbourne's plans have been designed to align with the SDGs.

Image: City of Melbourne

The city’s plan is designed to be open and dynamic, given the uncertainty of the immediate and long-term future. The challenge will be in the selection of appropriate responses that build back employment and prosperity. Integral to this plan is a list of capital stimulus projects that will be important for the long-term repositioning of the city. As with many infrastructure projects, they have long lead times and are often reliant on other levels of government for funding and decision-making.

With this in mind, the city has also developed actions that can be delivered and facilitated directly on its own account. As an example, under initiative 3 above the capital projects are combined with these actions:

- Develop an Aboriginal procurement strategy and pilot an Aboriginal business hub.
- Trial 5G and internet of things urban infrastructure and services.
- Continue to develop the Queen Victoria Market as a low-cost entry point for new businesses.
- Partner with impacted industries to create recovery pathways.

To complement the city's plan, I have as Lord Mayor set up my own Bringing Melbourne Back Better advisory board to suggest additional strategies the city and state may consider. This advisory board is a voluntary commitment from leaders across the private and not-for-profit (NFP) sectors to input ideas and collaborate in the execution of recovery initiatives. These include the extension of the free tram-zone to include the universities and arts precinct, the transformation of office space into affordable housing, and shared working spaces for start-ups, students and artists. Also, staggering starting times and days for workers will see opportunities for greater utilization of our existing infrastructure by extending peaks and reducing the need for additional road capacity, thus freeing up funds for other essential services.

All of these adjustments fit well with the proven record of adaptation and incremental action that will drive Melbourne's regeneration. The cities that will emerge stronger in the next decade will need to be more than smart cities; they will need to be wise cities. A wise city empowers its community to be a partner in recovery, knows its strengths and works to reinforce these unique and valuable qualities through its recovery and recovers in line with the UN Sustainable Development Goals.

Melbourne is such a wise city. Working together, we will emerge from this crisis stronger, better and more resilient.

Source : <https://www.weforum.org/agenda/2020/12/melbourne-post-covid-recovery-plan/>