SUMMARY

This **OECD Local Development Forum** webinar was organised in partnership with **Main Street Australia** to discuss current challenges and policy responses, with a focus on Victoria, Australia's main streets. Main Street Australia is a peak body (non-profit) supporting traditional main streets, high streets, and town centres around Australia with the aim of maintaining their economic relevance and role within the community. Main Street Australia engages with a diverse set of stakeholders, and provide support in education, networking and advocating on their behalf to ensure the ongoing revitalization and success of Australia's main streets.

The webinar was a 30min Q&A with **Elizabeth Joldeski** (Executive Officer of Main Street Australia), moderated by **Anna Rubin** (Manager of the OECD Local Development Forum). This document summarises the main takeways from the discussion.

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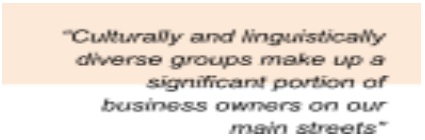
MAINSTREET AUSTRALIA

Main streets are an important part of Victoria's social and economic fibre

Victoria (Australia) is home to 698 main streets, many of which are based in small towns and regions. About 150 to 200 of these main streets are large shopping strips with a diverse mix of commercial retail, hospitality, and other types of services and businesses. Main streets in Victoria are easily accessible and are a fruitful location choice for businesses, as around 90% of the population lives within 10km of a main street. Main streets have a vital role in Victoria, not just through the lens of economic development, but also from a social and community development perspective. They employ around 390 000 people (11.7% of the state's jobs) and generate over AUD 50 billion in economic value (12% of Victoria's GSP).



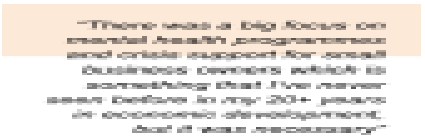
Furthermore, main streets are hubs of diversity as they provide opportunities to diverse communities, family businesses, and marginalised groups. Vital for the success of main streets in Melbourne specifically is also the public transport network which provides connectivity and direct access for citizens and visitors.

Extensive lockdowns from the Covid-19 pandemic had devastating and long-lasting impacts on Australia's main streets, but also forced governments and businesses to innovate

Melbourne endured a total of 263 days of lockdown during the Covid-19 pandemic, which resulted in huge sacrifices as well as long-lasting impacts affecting its main streets. Many businesses had to close down after the peak of the lockdowns in 2020 which resulted in a rise of vacancy rates from an average of 5-6% before Covid-19 up to 20% in some of Victoria's main streets. On top of these economic impacts shop closures and the risk of closing down also largely impacted the mental health of business owners during the pandemic. Many businesses and some main streets as a whole have been unable to fully recover from these pressures.

Both national and state government responded to these challenges through novel and innovative policies, including:

- ***JobKeeper***, a payment scheme that provided **financial support to businesses that were significantly affected by Covid-19**. *JobKeeper* was vital in ensuring that businesses in lockdown could continue paying their staff even if they were not operating at the time.
- **Business support programmes,** including those that focused on **mental health** and **crisis support** for small businesses via partnerships with mental health experts and not-for-profits.



- **Grants for outdoor dining and entertainment**, which left a lasting legacy as outdoor dining has since exploded in Melbourne.
- **Grants for commercial landlords to reduce rent** of their tenants to ease the costs of small businesses during lockdowns.
- **Support for business associations that are involved in the coordination of main streets**, which enabled initiatives for the marketing of main streets and their businesses (e.g. through Buy Local campaigns), upgrades to internet presence, and place making activities (e.g. arts installations and cultural events).

The strong governmental presence and support during the Covid-19 pandemic was crucial for main streets, and the innovation in some of the policy approaches gives room for hope that programmes, focusing specifically on main street businesses, will also be put in place for current and emerging challenges such as labour shortages and the cost of living crisis. A focus on building resilience will also be important to help main streets prepare for potential future shocks, such as extreme weather events.

Businesses were also forced to innovate during this time, including adopting hybrid retail strategies. However, especially when it comes to digitalisation, more can be done to support small, main street businesses in competing with established e-commerce companies.

Investment in "soft infrastructure" is an important complement to investing in "hard infrastructure"

> *"We feel like we still need more investment in hard infrastructure but the soft infrastructure is just as important if not more so in Victoria."*

Traditionally, public institutions in Australia are strong and experienced in developing hard infrastructure, such as roads, public transport networks, beautification and landscaping. Such developments are important to make main streets accessible, safe and attractive. However, more can be done to strengthen the coordination and management of these main streets, for example to via more effective marketing or organisation of cultural events and activities. Investing in this type of "soft infrastructure" is at least equally as important as investments in the hard infrastructure.

In Victoria, the model for the management and coordination of main streets is akin to what is known elsewhere in the world as Business Improvement Districts (BIDs). Local councils are able to levy a special rate on on businesses on a given main streets, which are then returned to business associations. There are a total of 68 of such special rate schemes in Victoria, but more can be done to professionalise and upskill the business associations. Main Streets are in constant competition with shopping centres and e-commerce on top of all the additional challenges of running a small business, making effective coordination requires a highly complex effort. Indeed, there is an opportunity to bring more international learnings to Australia in terms of BIDs, including their prevalence, their benefits, and how to get the most out of this governance mechanism. The COVID-related grants to support business organisations to better coordinate and manage main streets were a considered highly successful, an experience that other countries may be able to learn from.

■ For more Information

For more information about Main Street Australia, see their recent report Mainstreet Australia: Our Gathering Places Under Threat.

For more information on the Local Development Fourm, contact Anna.RUBIN@oecd.org .

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The OECD Local Development Forum is a network of thousands of individuals worldwide, united by their shared commitment to making their communities more resilient, inclusive and sustainable. It counts members from over 70 countries, representing city, regional and national governments, education, employment and training agencies, chambers of commerce, social innovators, start-ups, businesses and NGOs in the fields of local economic development, employment, skills, entrepreneurship and social innovation. It is a unique setting for the private and public sector to challenge assumptions, learn from each, and work together to forge practical solutions to today's economic and social challenges.

The Local Development Forum is part of the OECD's Local Employment and Economic Development programme (LEED). LEED provides practical solutions for how to create good jobs in great places. It was launched in 1982, when OECD governments were struggling to provide solutions to the jobs crisis of the day and saw a need for an international forum to share innovative approaches to local job creation, social inclusion and economic development. Since then, it has continued to bring together policy makers and practitioners from around the world to identify, evaluate and disseminate promising approaches to local development.

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