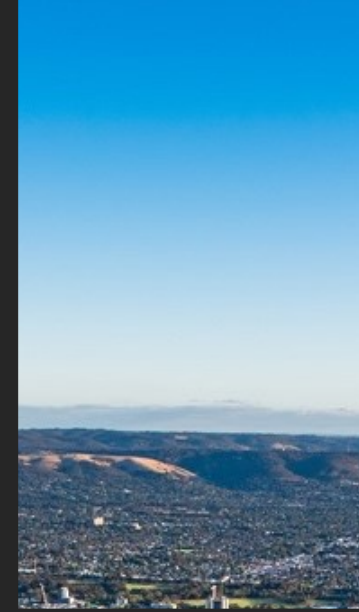


Adelaide Economic Development Agency – Quarterly Update

Greg Ratsch, Acting Managing Director AEDA
| May 2023



Adelaide.
Designed for Life.



Financial Reporting – March 2023

	2022-23 YTD Actuals \$'000	2022-23 YTD Budget \$'000	Variance \$'000	Full Year 2022-23 Budget \$'000	2022-23 Q3 Review \$'000	Variance \$'000
Income						
Runle Mall Separate Rate	3,891	3,900	(9)	3,900	3,900	-
User Charges	355	14	341	18	18	-
Grants, Subsidies and Contributions	16	-	16	-	-	-
Other Revenue	11	-	11	-	-	-
Appropriation from CoA	-	-	-	10,893	10,893	-
Total Income	4,273	3,914	358	14,812	14,812	-
Expenditure						
Employee Costs	3,072	3,199	127	4,379	4,379	-
Materials, Contracts & Other Expenses	4,018	4,252	234	4,900	5,026	(126)
Sponsorships, Contributions and Donations	3,208	4,021	813	5,382	5,382	-
Depreciation, Amortisation & Impairment	6	19	12	151	25	126
Finance Costs	0	1	0	1	1	-
Total Expenditure	10,304	11,491	1,187	14,812	14,812	(0)
Operating Surplus / (Deficit)	(6,031)	(7,576)	1,546	(0)	(0)	0

Year to Date Financial Summary

As shown, the year to date operating position for AEDA as at 31 March 2023 is currently forecasting a year to date operating surplus of \$1,546,000. Variances to 31 March are due to:

Income:

- \$341,000 of favourable user charges are due to Rundle Mall concession stand income. This favourable income is expected to be expended by end of financial year, this revenue has been budgeted in 2023/24.
- Other minor unbudgeted income is due to reimbursements and ticket sales for events

Expenditure:

- The AEDA charter states that AEDA cannot own any assets, therefore CoA own and purchase any assets and lease them to AEDA. Depreciation has therefore been removed and the \$126,000 depreciation expense replaced with a lease charge of an equal amount.
- The \$813,000 variance to Sponsorships, Contributions and Donations is due to:
 - The Strategic Events Fund has an underspend of \$391,000 due to not all applications translating to funding
 - Shopfront Improvement Grants has a variance of \$314,000 that is a result of delays in successful applicants submitting acquittals

Risk & Opportunities

- Continued rising interest rates and cost of living pressures decreasing disposable income that can be spent in City businesses
- Tight labour market and workforce skills mismatch with emerging city opportunities
- Lack of residential accommodation for key workers, new arrivals and students
- Delivery of events in the City restricted to a few precincts thus limiting broader benefits for the City
- Recipients of Shopfront Improvement Grants unable to complete building works by 30 June 2023
- AEDA Reviews by Deloitte and KPMG
- Potential discontinuation of strategic funding provided to AEDA through Covid reducing the scope of activity undertaken and expected by some parts of the City business community.



Key Highlights – January – March 2023

- MallFest
- Building Capacity for Adelaide Tourism Operators Program
- KPMG Rundle Mall Program Review and Place Vision update
- Shopfront Improvement Update
- Data4Brunch Event
- Advisory Committee, Business Improvement Event
- Strategic Events Fund Update
- Events and Festival Sponsorship Update
- City Stakeholder Engagement
- Welcome to Adelaide Update
- byADL.com.au
- \$30 Eats Christmas Edition
- Lunar New Year – Rundle Mall
- Visitor Servicing



MallFest

- MallFest was held over the festive season with a program of live performances and entertainment offerings
- For the first time ever, the Office of the Attorney General granted special extended retail trading exemptions for each Saturday of the Fringe Festival between 5pm-7pm
- Foot traffic between these hours increased by 101%, with an 18% increase overall across the 5-week period when compared to the same period last year.
- Retail spend for February also increased by 10% year on year

MallFest

**14 FEB
— 21 MAR
2023**



**Shop
'til 7pm on
Saturdays
all Festival
Season**

 **Rundle
Mall**

Building Capacity for Adelaide Tourism Operators Program

- Delivered in conjunction with SATC the program highlighted gaps of tourism product in the city, with relation to pricing, demographics, location and demand
- AEDA engaged a specialist 3rd party who has assisted in product development with South Australian tourism operators
- The initiative provided support for 10 city based operators through one-on-one coaching and implementation support, to build capacity, drive demand and refine tourism product offerings
- Results include;
 - Development of 14 new tourism products
 - Development of 2 collaborative packages
 - Review and revitalisation of 25 tourism products
- The Kangaroo Island stall in the Central Markets operates a retail business, but through this program has developed 2 new bookable tourism experiences increasing their potential revenue



KPMG Rundle Mall Program Review and Place Vision update

- All 28 recommendations from the KPMG Rundle Mall Program Performance review commissioned in October 2021 completed.
- Phases 1-5 of the Rundle Mall Place Vision and Precinct Strategy are completed including research, stakeholder engagement, place principles and vision phases. Final implementation planning phase has commenced.



Shopfront Improvement Update

- A total of 74 projects have been completed to date, 12 businesses have withdrawn and 50 projects are yet to be finalised.



Rhino Room, Pirie Street



Leigh Street Bakehouse

Data4Brunch

- The third Data4Lunch/Brunch event was held on 14 February 2023 with 100 people in attendance.
- The theme of the event was tourism, events and the visitor economy. Presenters included Adelaide Airport Managing Director Brenton Cox, SATC Strategy and Insights Manager, Adam Stanford and AEDA's Economic Research and Data Analyst Jordan Tomopoulos.



Advisory Committee - Business Improvement Event

- On 9 March, the AEDA Advisory Committee held its first business networking event, 'City Improvement: Bold, Brave Actions'
- Key speakers included Jace Tyrell, CEO New Sydney Waterfront Company & Georgina Pikoulas, President of Mainstreet Australia
- Anecdotally, the Advisory Committee members felt attendees were engaged and enthused by the key speakers and the conversations during the workshop session were meaningful and positive



Events Funding Update

Strategic Events Fund:

The Strategic Events Fund closed for submissions on 31 March 2023. Since 1 July 2022:

- In total 9 applications were received in the **New Events category** of which:
 - 5 applications awarded funding
 - 2 applications deemed ineligible
 - 2 applications were under assessment and consideration at the end of the quarter
- In total 16 applications were received in the **Expansion of Existing Events category** of which:
 - 10 applicants awarded funding
 - 3 applications unsuccessful
 - 1 application deemed ineligible
 - 2 applications withdrawn

Events & Festival Sponsorship Program:

- Applications opened on 20 March 2023 and close on 21 April 2023 for the annual 2023/24 Events and Festivals sponsorships program
- A balance of \$219,000 is available for potential applicants for the 2023/2024 funding round.



City Stakeholder Engagement

- To inform the development of the draft 2023/24 AEDA Business Plan and Budget, 1500 city stakeholders were surveyed to gain a richer understanding of the priorities and operating environment of businesses in the city
- A breakdown of the demographics including the sector and business size is shown below.

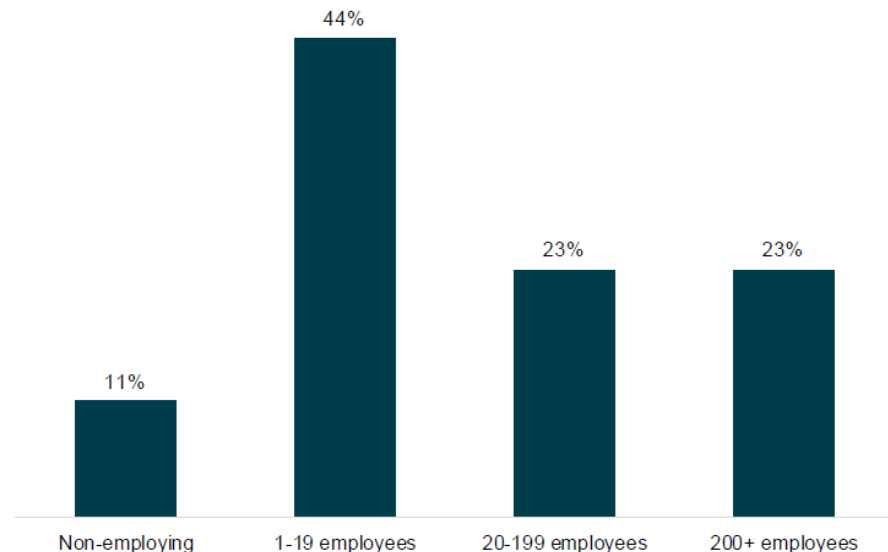


80 respondents



18 – 30 January 2023

Size of organisation/business



Industry sector



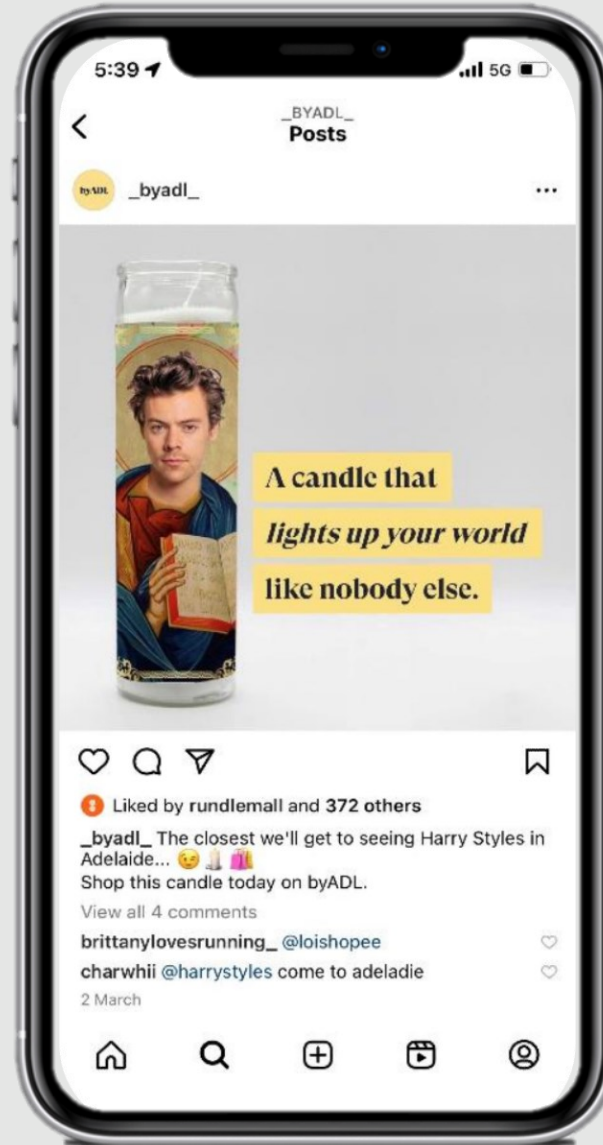
Welcome to Adelaide Update

- An additional 595 employees from firms including Canva, Deloitte, Elmtek, Lot Fourteen tenants (including 11point2, Commonwealth Bank of Australia Technology Hub, RS Digital & Salesforce), MyBudget, Nova Systems, Tantalus South, TRYP By Wyndham and Vibe Hotel Adelaide have received Welcome to Adelaide bags in the past quarter
- Feedback has been positive from businesses previously supported and the program is continuing to be popular
- Marketing collateral is being re-designed to improve the look and experience for the employees receiving the Welcome Packs



byADL

- byADL has grown to more than 80 city retailers with more registered to be part of the platform that are still to add products / integrate with their own website
- The website has had more than 100,000 views in its first 4 months since launched
- Marketing has now shifted from a brand awareness objective to focus more on both businesses and products listed.



Lunar New Year – Rundle Mall

- In celebration of the Year of the Rabbit, shoppers in Rundle Mall were entertained by traditional lion dances on Friday 3 February down the length of the Mall
- The God of Fortune and Rundle Mall promotional staff handed out lucky red envelopes filled with gold chocolate coins, with some extra lucky envelopes containing either a Rundle Mall, Glue Store, David Jones or byADL gift voucher
- Festivities continued under the Gawler Place Canopy with traditional Chinese lanterns and a lucky Lunar Rabbit on display giving shoppers the chance to snap a picture for their chance to win 1 of 6 \$30 Rundle Mall gift vouchers
- Crowds of shoppers were also drawn to the Gawler Place Canopy to participate in Soonta's Lunar New Year 'Spin to Win' promotion.



\$30 Eats Christmas Edition

- \$30 Eats Christmas Edition ran through a redemption period between 7 November 2022 to 1 February 2023
- 3,000 x \$30 vouchers were distributed to support CBD and North Adelaide hospitality venues to offset the impact of major road closures during the peak festive trading period and the traditionally quiet January holiday period
- 161 businesses participated in the program.

\$48,660

Voucher value redeemed



\$70,887

Spend from customer pockets



\$119,547

Total spend in city businesses



Visitor Serving

- In collaboration with SATC, City of Adelaide and Events SA, an Experience Adelaide Visitor Information booth promoting, Adelaide and South Australia operated at the TDU Village
- March 2023 was the busiest month on record, with over 3,600 visitors to the Adelaide Visitor Information Centre since it relocated to Pirie Street*
*The centre only operates Monday – Friday, with the mobile visitor service operating in Rundle Mall on weekends and public holidays, which isn't captured in this figure
- Launched the 2023 edition of the Adelaide Visitor Guide in collaboration with HRW Media. The guide is available in print and digital versions.

ADELAIDE



EXPERIENCEADELAIDE.COM.AU



Coming Up

What is happening April to June 2023?

- Rundle Mall Stakeholder update session 18 May
- AEDA hosting the Tourism Industry Council of South Australia (TiCSA) Leaders Luncheon with the Treasurer 19 April
- AEDA Summit being held at Adelaide Oval - 24 May 2023
- 'ADL is on' marketing campaign phase 2 – May/June
- South Australian Visitor Information Network (SAVICN) Conference hosted by AEDA - 29 – 31 May
- Investment prospectus launch & business campaign – 24 May – 30 June
- Italian Delegation – hosted with Department of Trade and Investment to foster investment opportunities - 5 April
- Industry Briefing with the Property Council's Retail and Mainstreets Committee to share relevant data and insights – 4 April
- Flinders University Industry Project - Economic Research and Data Analyst will host Commerce Graduate Students to foster our work on making data-driven decisions
- AFL Gathered Round 11 - 16 April featuring pop-ups and activations in Rundle Mall
- LIV Golf on Rundle Mall 17- 23 April
- Urban Kitchen on Rundle Mall - 28 April - 7 May
- Co-operative marketing campaign with TripAdvisor and SATC – 1 May – 30 June

AEDA Business Plan & Budget Measurements

Quarter 3 2022/23



Summary

The 2022/23 AEDA Business Plan & Budget includes **34 measures across four Key Result Areas; Business, Investment & Residential Growth; Visitor Economy; Rundle Mall, and; Brand & Marketing.**

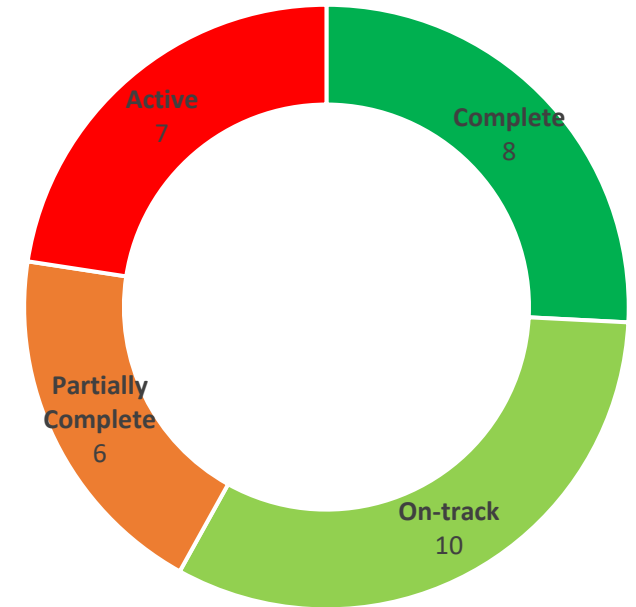
Between Q1 (1 July 2022) to Q3 (31 March 2023), the below have been achieved:

- 8 measures have been 'Complete';
- 10 measures are 'On-track', meaning pro-rata we are ahead and likely to reach the target by the end of the financial year;
- 6 measures are 'Partially complete', as some progress has been made towards the target but we are not tracking ahead of our pro-rata benchmark;
- 7 measures are 'Active' which means work is being done towards the target but no numerical figure towards the target has been recorded, and;
- 3 measures have been removed from tracking with an explanation following breakdown of business area measures.

Therefore, AEDA has either achieved or is on-track to reach more than half of our measures.

Key Terminology:

- ✓ **Complete:** the measure has been achieved or surpassed
- 🚀 **On track:** pro-rata the measure is tracking ahead or in-line with the target
- 📌 **Partially complete:** some progress has been made towards the target
- 👤 **Active:** actions are being undertaken to work towards the goal



Business, Investment & Residential Growth

Key Performance Indicator	Status	Measure	Q3 discount	Pro rata benchmark	Actual	Difference	Comment
500+ businesses participate in business support & growth initiatives	On-track	500	75%	375	426	+51	Measured through <i>Business SA Partnership</i> as well as the <i>Business Investment Advisor</i> and <i>Business & Industry Engagement Advisor</i> support and mentorship
20+ vacant shopfronts/premises activated	On-track	20	75%	15	16	+1	<i>Cherry Specialist Coffee</i> , <i>Perfect Cup</i> , <i>Orchard Bookshop</i> and <i>Little Toyoko</i> (assisted with grants) as well as <i>Renew Adelaide</i> placing 12 ventures into vacant shopfronts between Q1-Q3
At least 15 inward investment proposals supported (collectively employing 1,000+ staff)	Complete	15	75%	11	73	62	
One AAA Visual Effects (VFX) company committed to Adelaide	Complete	1	-	-	1	-	<i>KeyWords Studio</i> officially launched their new presence at 99 Gawler Place on 30 March 2023
Deliver a strengthened / reshaped precinct model	Active	-	-	-	-	-	
CoA residential population target forecast at 2030 of 40,994	Active	40,994	-	-	36,814	-	<i>Forecast.id's</i> population forecast for CoA in 2030 was revised from 37,846 to 36,814 people (as of November 2022). The forecasts were updated using the 2021 Census data from the <i>ABS</i> .

Visitor Economy

Key Performance Indicator	Status	Measure	Q3 discount	Pro rata benchmark	Actual	Difference	Comment
Launch of the Adelaide Tourism Alliance with 20 partners							Due to the current SATC State Regional Tourism Review this KPI is no longer relevant for this FY. However we have provided support for 10 operators to develop 14 new tourism products.
Collaborate with trade partners to deliver 4 intrastate / interstate campaigns	Complete	4	75%	3	4	+1	<ol style="list-style-type: none"> 1. Wotif/Expedia 2. Well Traveller 3. Wotif/Expedia 4. Accor
Delivery of new Experience Adelaide Visitor Centre on time and within budget	Active	\$4m	-	-	-	-	Request For Tender due to be circulated to two shortlisted proponents in April and due back to CoA mid May. RFT delays due to lease negotiations between CoA and State Library and a change in internal Procurement lead. Open date is proposed to be adjusted to June 2024 by Federal Govt, to be confirmed
SATC 2025 Adelaide metro region tourism expenditure target \$5.9b	Active	\$5.9b	-	-	\$5.1b	-\$760m	Data provided by SATC prior to recent influx of international visitors and students. Forecasts may be reviewed and adjusted prior to end of Q4
SATC 2025 State tourism expenditure target \$10b	Active	\$10b	-	-	\$9b	-\$1b	Data provided by SATC prior to recent influx of international visitors and students. Forecasts may be reviewed and adjusted prior to end of Q4

Rundle Mall

Key Performance Indicator	Status	Measure	Q3 discount	Pro rata benchmark	Actual	Difference	Comment
Passer-by traffic at least 90% of 2019	Active	90%	-	90%	75%	-20%	Passer-by traffic remains lower than 2019 levels, reflecting a comparatively smaller number of workers/visitors to the city
Market share Moving Annual Total (MAT) maintained above 5.5% for main trade area	Active	5.5%	-	5.5%	5.2%	-0.3%	Reflects MAT until December 2022
Deliver 1 x brand reputation (consumer) research and share with stakeholders	On-track	1	-	-	-	-	External place making and market research consultancy commenced in Q2 with findings to be presented in Q4
Deliver 1 x brand context (competitor) research and share with stakeholders	On-track	1	-	-	-	-	
Increase average monthly website users to 35K (2.4% increase on 2021)	On-track	35,000	-	-	49,857	+14,857	Due in part to an increase in new store openings, major redevelopment announcements and campaigns including Easter and Urban Kitchen, most KPIs are now on track to be completed ahead of deadline.
Increase average monthly pageviews to 71K (4% increase on 2021)	On-track	71,000	-	-	102,676	+31,676	
Increase Instagram followers +12% to 32.5K	On-track	32,500	75%	31,146	32,071	+925	
Increase Facebook followers +10% to 65K	Partially-complete	65,000	75%	63,523	62,212	-1311	Social media channels are growing steadily, with engagement rates almost at benchmark.
Instagram engagement rate of 4%	On-track	4.0%	-	-	4.4%	+0.4%	
Facebook engagement of 1%	Partially-complete	1.0%	-	-	0.8%	-0.2%	
Welcome Packs provided to 750+ new city workers which include Rundle Mall vouchers	Complete	750	75%	563	954	+392	
3 significant retail brands committed to Adelaide	Complete	3	75%	2.25	6	3.75	<i>Sheike, JD Sports, Uniqlo, Windsor Smith, Tag Heuer and Kookai</i>

Brand & Marketing

Key Performance Indicator	Status	Measure	Q3 discount	Pro rata benchmark	Actual	Difference	Comment
Define and implement success measures for all marketing campaigns	On-track	1	-	-	-	-	Post campaign reports including measures are being compiled for all marketing campaigns
Media coverage of at least four thought leadership pieces	Complete	4	75%	3	10	+7	Across multiple channels such as the Advertiser, InDaily, television and news radio
Facebook 25% growth	Partially-complete	35,101	75%	32,657	32,000	-657	Initiatives are in place for the final quarter to address deficit to the goal. Likely to achieve the target.
Instagram 30% growth	Complete	12,026	75%	11,332	13,472	+2,140	
Twitter 40% growth							Following a review of the content strategy, Twitter was removed as a primary social media platform
LinkedIn 40% growth	Complete	2,986	75%	2,773	3,740	+967	
What's On EDM 10% growth	Partially-complete	171,623	75%	167,723	158,056	-9,667	Initiatives are in place for the final quarter to address deficit to the goal. It is likely we will not reach the target due to significant traffic gains last FY from the state and City Eats 25,000 vouchers campaign.
City Business EDM 20% growth	On-track	8,738	75%	8,374	8,698	+324	
Increase Experience Adelaide website page views by 10%	Partially-complete	1,923,131	75%	1,442,348	1,342,192	-100,156	Initiatives are in place for the final quarter to address deficit to the goal. It is likely we will not reach the target due to significant traffic gains last FY from the state and City Eats 25,000 vouchers campaign.
Increase Experience Adelaide time on site by 10% (from 42.3 average seconds)							No longer utilising time on site as an indication of success, instead reviewing other metrics
Digital Marketplace / byADL onboard 300 businesses to the platform	Partially-complete	300	75%	225	82	-143	Arcadier expected to meet 100 businesses on board by end of FY.