

Deloitte.



Review of the Adelaide Economic Development Agency

City of Adelaide

Final Report

21 July 2023

Executive Summary

Context

Deloitte has undertaken an independent review of the Adelaide Economic Development Agency (AEDA) in the context of Council Resolution (dated 13 December 2022) with a view to:

Assess the effectiveness of the Agency in relation to its objectives.

Make recommendations for its future operation.

Identify any improvements including consideration of the relationship between the Agency, Council and stakeholders.

More specifically, under the Terms of Reference of this review, findings and recommendations are provided in the context of:

1. The *effectiveness* of AEDA's service provision to support small business.

2. The benefit of AEDA operating as a *subsidiary* to the CoA.

3. *Duplication* of service provision against CoA marketing and events functions.

4. *Duplication* of service provision against other State Government agency functions.

5. *Opportunities* for improved governance.

6. Rundle Mall stakeholder *satisfaction* with service provision by AEDA.

7. *Return on investment* against AEDA's performance targets.

Methodology

This review incorporated desktop assessments of CoA and AEDA artefacts including (but not limited to) AEDA's Charter and associated Objects, various AEDA and CoA reports, documentation relating to CoA operating guidelines and frameworks, and Council meeting agendas and minutes.

This was supplemented with key stakeholder conversations that included CoA Councillors, CoA and AEDA Executives, CoA and AEDA operating staff, a sample of Rundle Mall owners and operators, centre managers, leasing agents, mainstreet Precinct Presidents, State Government (including the Department of the Premier and Cabinet, the Department for Trade and Investment and SA Tourism Commission), and small business traders.

Executive Summary

Key Findings

The key findings in response to the seven lines of enquiry from Council (that underpin the terms of reference for this review) align with the following four broad themes.



Strategic context

- It is recognised that AEDA are highly valued by CoA and external stakeholders for the provision of delivery services for economic activations.
- Noting the absence of key CoA strategic policies and targets (specifically an **economic development strategy**, as well as residential growth, housing), there is opportunity (and appetite) for AEDA to provide greater advisory services in strategy development.



Value of Independence

- AEDA has an agility and 'degree of freedom' that makes the Agency an attractive partner for stakeholders.
- AEDA's strong relationships with stakeholders provide access to region specific insights and execution opportunities not easily accessible to Government.
- AEDA's independence provides a level of continuity for external stakeholders (independent of election cycles).



Governance & Operations

- Requirements for justifying decision making for key financial decisions (i.e. selection of grants, sponsorships, campaigns) have not been clearly defined.
- Documentation of control frameworks are either absent or are not operational in nature, resulting in a lack of rigor in consistent operational processes and reporting.
- There has been limited assurance / review over AEDA's compliance to appropriate control frameworks and Council requirements.



Return on Investment

- Metrics against AEDA's Business Plan are generally output based and do not measure the effectiveness of investments in driving economic growth outcomes.
- Reporting on social and economic outcomes from major AEDA activations and campaigns is occurring, but nature and format of reporting should be reviewed to improve visibility of economic development outcomes.

Executive Summary

Summary of Recommendations

A total of **21 Recommendations** have been identified as part of this Review reflected across the four overarching themes of Strategic Context, Value of Independence, Governance and Operations, and Return on Investment. Of these, **7 are identified as HIGH priorities** for commencement, requiring immediate attention within the next 6 months.

At a more granular level, the Recommendations have been further categorised into reflect specific issues relating to Role Clarity, Governance, Transparency, Quantified Metrics, Economic Strategy, and Marketing and Branding.

1. ROLE CLARITY	PRIORITY
1.1 Review and enhance AEDA's capability to provide economic strategic insights, in line with Recommendation 5.1 for the creation of an economic development strategy.	IMMEDIATE
1.2 Consider diversification of activation drivers for economic development.	MEDIUM
1.3 Establish clear Terms of Reference for cross-over business units (e.g. marketing, grant administration).	MEDIUM
2. GOVERNANCE	
2.1 Define risk-based requirements for justifying key financial decisions for grants, sponsorships, campaigns.	IMMEDIATE
2.2 Simplify and clearly document reporting structures between the Managing Director of AEDA, CEO of CoA and Chair of AEDA.	IMMEDIATE
2.3 Review the engagement model with mainstreet Precincts.	MEDIUM
2.4 Ensure greater formalised oversight by the CoA Governance Unit at initial stages of key operational processes performed by AEDA.	MEDIUM
2.5 Implement ongoing assurance model for AEDA and undertake an internal audit on AEDA's administration of grant allocations.	MEDIUM
2.6 Review effectiveness of outsourced small business service functions to support new and emerging businesses, to inform future operating and contracting models.	IMMEDIATE
3. TRANSPARENCY	
3.1 More targeted reporting by AEDA to Council that is relevant and aligned to desired economic outcomes, and supported with sufficient evidence.	MEDIUM
3.2 Clearly define and agree the type and the level of risk and mitigation strategies AEDA needs to report on to the Audit and Risk Committee.	MEDIUM
3.3 More active and timely engagement with traders in the development of AEDA's program of events and campaigns.	LONG
3.4 Increase accessibility to baseline demographic and economic metrics to better inform investment and commercial decisions.	LONG

PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months



Executive Summary

Summary of Recommendations (continued ...)

4. QUANTIFIED METRICS	PRIORITY
4.1 Strategic performance KPIs for AEDA (including against its Business Plan) need to be more targeted towards economic development outcomes.	MEDIUM
4.2 Operational performance KPIs for AEDA need to be measured against appropriate baselines.	MEDIUM
5. ECONOMIC STRATEGY	
5.1 Development of an overarching CoA Economic Strategy.	IMMEDIATE
5.2 Further development of other CoA strategies (e.g. residential population growth, housing) that indirectly drive economic growth for the CoA.	IMMEDIATE
6. MARKETING & BRANDING	
6.1 Maintain the independence of the AEDA brand to drive increased engagement and participation with external stakeholders.	LONG
6.2 Acknowledge partnership with the CoA as a key funding body for large events / campaigns.	IMMEDIATE
6.3 Articulate and document roles and responsibilities, and the of principles of collaboration between AEDA and CoA marketing business units.	LONG
6.4 Review established panel contracts for marketing and event management services to ensure they meet the current needs of both AEDA and CoA marketing business units.	MEDIUM

PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months



Contents

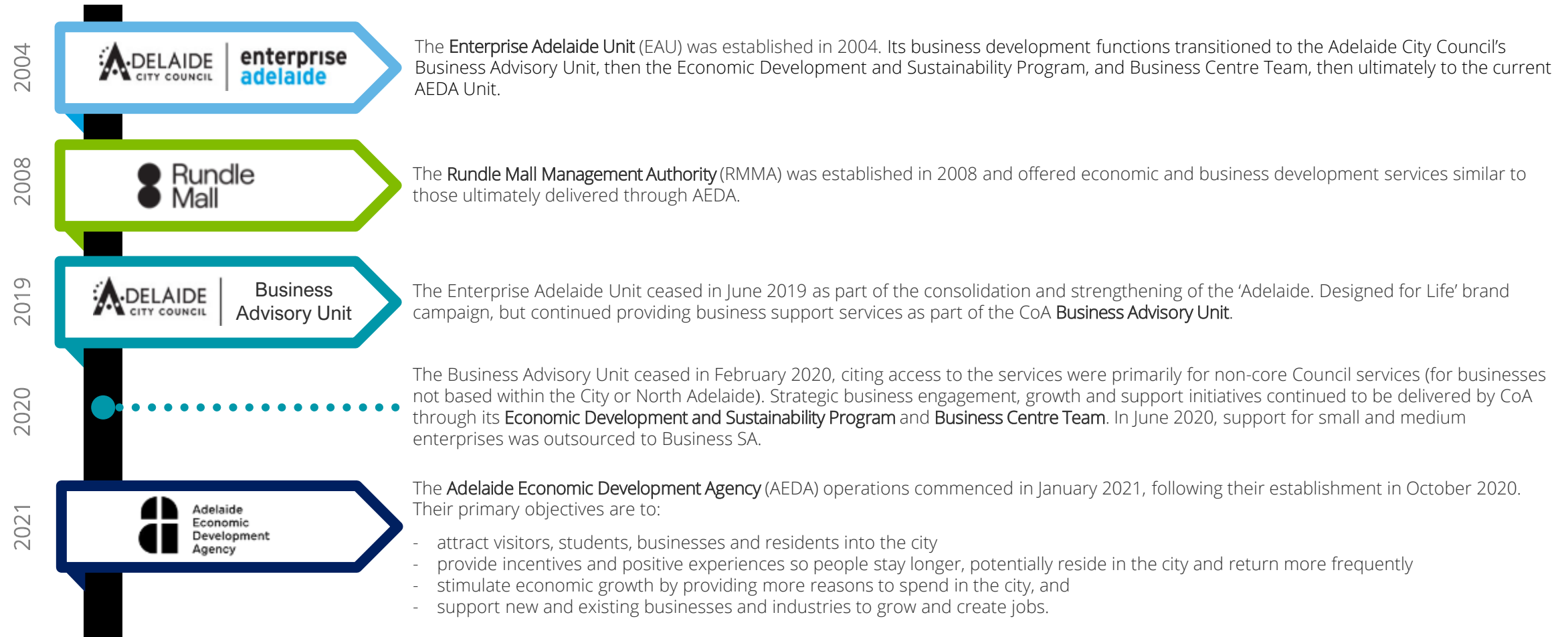
Executive Summary

01	Background and Terms of Reference	2
02	Our Approach	5
03	Summary of Key Findings	6
04	Overview of Recommendations	27

1. Background and Context

The Adelaide Economic Development Agency (AEDA) was established on 6 October 2020, as a subsidiary body of the City of Adelaide (CoA). Operations by AEDA commenced on 18 January 2021, following significant stakeholder engagement and planning around the terms of their Charter.

Being only recently established, it is important to recognise the previous units that were established before AEDA with a similar purpose of stimulating economic growth in the City of Adelaide. These are outlined in the timeline below, which shows the City of Adelaide’s recognition of the importance of accelerating economic growth in the City.



Terms of Reference for the Review

Council Resolution of 13 December 2022



01

Measure of **effectiveness of AEDA in service provision to small businesses** in the City of Adelaide by the Agency or Council contractors **against the objects of the agency and compare this to the outcomes of the previous** City of Adelaide Enterprise Adelaide unit.

02

Assessment of any **benefit or increased effectiveness of establishing the Agency** under Section 42 subsidiary under the *Local Government Act 1999* than if its decision-making had been undertaken by the City of Adelaide elected body.

03

Identification of any **cost and staff duplication identified in the KPMG report** have been addressed and whether Council's administrative capacity has been impacted by the establishment of AEDA.

04

Identification of any **duplication of effort or opportunities to partner with the State Government** in the areas of business support and economic development of the city.

05

Identification any **governance issues** that have arisen **related to the performance of the Agency, its staff, or its Board** or to the responsibilities of the elected body under the *Local Government Act 1999*.

06

Evaluation the extent of **Rundle Mall trader satisfaction** with the Agency's management of the Rundle Mall Precinct.

07

Providing an assessment of the **return on investment** of AEDA against its own performance targets.

08

Consultation with **key stakeholders** including **small business, Rundle Street traders** and precinct groups.

09

Making **recommendations** as to whether the agency should continue in its current form.

Terms of Reference for the Review

AEDA's Charter – gazette 24 February 2022

Under the terms of the Charter, AEDA's Powers, Functions and Duties are summarised as follows:	01	02	03	04	05	06	07
Work collaboratively with key external stakeholders to avoid duplication of effort in delivery			●	●			
Market and promote the City of Adelaide <ul style="list-style-type: none"> - commercial and residential property development - existing and new businesses, industries and entrepreneurs - festival and event destination 	●	●		●		●	●
Promote, develop and activate precincts, including: <ul style="list-style-type: none"> - Rundle Mall - main street precincts as commercial hubs of economic, cultural and social significance 	●	●				●	●
Financial management <ul style="list-style-type: none"> - expend CoA allocated funds appropriately - invest funds (where appropriate) - raise funds through sponsorships, grants, advertising, fees and charges 							●
Make recommendations relating to maintenance and upgrade of Rundle Mall's existing infrastructure to a high standard	●						●
Risk management and compliance with relevant legislative and compliance requirements		●			●		
Governance (set up and operation)		●	●		●		
Develop key documents including: <ul style="list-style-type: none"> - Strategic Plan - Long Term Financial Plan - Annual Business Plan - Budget - Quarterly Report to Council's CEO - Annual Report to Council 		●			●		

2. Our Approach

Methodology

Noting that AEDA is approaching its third year of operation, Deloitte was engaged by the City of Adelaide to undertake an independent review of the Agency in response to the matters identified in the Council resolution of 13 December 2022. This includes examining and evaluating AEDA's performance against its Objects and Purpose with a view to identify areas of strengths, areas that could be enhanced, and to make recommendations for its future operations and opportunities.

Our approach is underpinned by four (4) key phases.



3. Summary of Key Findings



Strategic Context

1. AEDA is widely viewed by stakeholders as a delivery agent for activations that support economic development behalf of the City of Adelaide (CoA) and Governments.
2. Noting the absence of key CoA strategic policies and targets (economic, residential population growth, housing), there is opportunity to review the primary function of AEDA (i.e. advisory or delivery body).

Value of Independence

3. Stakeholders value to independence of AEDA for the following reasons:
 - agility in decision-making (i.e. easier to partner with)
 - provide access to region specific insights not easily accessible to Government

- continuity (i.e. outside of election cycles).
4. The strength of AEDA's brand is underpinned by the team's strong individual relationships with stakeholders.

Governance & Operations

5. Requirements for justifying decision making for key financial decisions have not been clearly defined, which is a point of confusion for external stakeholders (e.g. business case framework).
6. Reporting structures are not clearly articulated within the AEDA charter, which has resulted in ad-hoc and informal communication between AEDA and CoA.
7. While there is clarity in roles and responsibilities between internal AEDA and CoA business units, this is not formally documented and a point of confusion for both Council and external stakeholders.

8. There is a lack of rigor in relation to AEDA's administration of appropriate control frameworks that drive consistent processes and reporting. This includes (but is not limited to) consideration of governance, risk identification and management, procurement, and assurance.

The underlying issue is the absence of documented CoA control frameworks, and where frameworks are in place, they are not operational in nature.

9. CoA's approach towards assurance over AEDA's operations needs to be better defined. Internal Audit are yet to undertake assurance of AEDA's operations to provide the appropriate oversight required to ensure compliance.

Return on Investment

10. The *AEDA Business Plan* identifies measures against planned actions. These metrics are generally output based (i.e. complete / partially complete / incomplete) and do not measure the effectiveness of investments at driving economic growth outcomes.
11. AEDA reports on social and economic outcomes from its major activations and campaigns. A stronger reporting framework would provide greater visibility of return on investment to Council and to other key stakeholders.

Question One

Summary of observations

Measure of *effectiveness* of AEDA in service provision to small businesses in the City of Adelaide by the Agency or Council contractors against the objects of the agency and compare this to the outcomes of the *previous City of Adelaide Enterprise Adelaide unit*

Key service provisions identified for small businesses		Effectiveness Rating
Support new businesses, industries and entrepreneurs • Market and promote the City of Adelaide • Promote, develop and activate precincts	Rundle Mall Precinct	●
	Other Precincts	●
Support existing businesses, industries and entrepreneurs • Market and promote the City of Adelaide • Promote, develop and activate precincts	Rundle Mall Precinct	●
	Other Precincts	●
Administer allocation of grant funding • Financial management	Rundle Mall Precinct	●
	Other Precincts	●
Curate and deliver marketing campaigns • Market and promote the City of Adelaide • Promote, develop and activate precincts	Rundle Mall Precinct	●
	Other Precincts	●
Curate and promote events and activations • Market and promote the City of Adelaide • Promote, develop and activate precincts • Make recommendations relating to maintenance and upgrade of Rundle Mall's existing infrastructure to a high standard	Rundle Mall Precinct	●
	Other Precincts	●

Service Provision

- Function of the previous Enterprise Adelaide Unit to support new and existing small businesses has been lost; **Business SA are not meeting the needs of the small business sector.**
- Preference for a **single point of contact** that can then reach across both AEDA and CoA; preference is for AEDA to play this role.

Key Observations *

Transparency

- External stakeholders identified highlighted ambiguity in relation to **administration of grants / programs** (i.e. AEDA or CoA). Greater visibility is also required of grant **assessment framework** to help improve success rate for applicants.
- While AEDA collects and makes available **economic analysis data**, it is **not sufficiently granular** for the commercial sector to make informed business decisions.

Marketing

- AEDA did a great job **post-COVID** to bring people back into the CBD.
- Earlier engagement** by AEDA on their proposed program of events / campaigns would benefit traders in their forward planning and increase participation rates.
- Stronger marketing** of events and campaigns required; traders often hear about them too late to actively participate.
- AEDA Business Summit provides **good thought leadership that is relevant** to business stakeholders.

Operational

- Alignment of AEDA and CoA **budget cycles required to streamline** timely receipt of funds from successful grant applications.
- Rundle Mall traders feel better supported and serviced by AEDA and happy with the state of Rundle Mall, mostly as a result of the \$3.8m Rundle Mall Levy.

* Limited access to quantified economic metrics against which to measure 'effectiveness' of services provided. Majority of above observations are primarily based on anecdotal evidence provided through stakeholder engagements.

Question One

Detailed observations

Measure of *effectiveness of AEDA in service provision to small businesses in the City of Adelaide by the Agency or Council contractors against the objects of the agency and compare this to the outcomes of the previous City of Adelaide Enterprise Adelaide unit*

Key service provisions identified for small businesses		Effectiveness Rating	Observations ● High level of satisfaction. ● Opportunities for improvement. ● To be addressed
Support new businesses, industries and entrepreneurs <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts 	Rundle Mall Precinct	●	<ul style="list-style-type: none"> External stakeholders acknowledged that the 'Welcome Packs' for prospective and new traders to the Rundle Mall Precinct are a great idea, but some (new) stakeholders were not aware of them. CBD business insights published by AEDA are of some decision-making value to prospective business investors and existing traders, but awareness was not strong among the external stakeholders sampled.
	Mainstreet Precincts	●	<ul style="list-style-type: none"> Services previously provided by Adelaide Enterprise Unit to support emerging and new businesses (which was effective and highly tailored to the needs of potential traders) has now been outsourced to Business SA. External stakeholder consultations identified that AEDA's 'referral model' to other third party providers is not working, with issues including difficulty accessing the right information and often being referred onwards to other parties and paid services. The contract with Business SA expired on 21 December 2022 and AEDA now have an interim 'pay per use' arrangement to provide information and advisory services. This will be reviewed following release of the State Government's <i>Small and Family Business Strategy</i>. CBD business insights published by AEDA are of some decision-making value to prospective business investors and existing traders, but awareness was not strong among the external stakeholders sampled.
Support existing businesses, industries and entrepreneurs <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts 	Rundle Mall Precinct	●	<ul style="list-style-type: none"> The AEDA Business Summit provides good thought leadership that is relevant to business stakeholders. External stakeholders noted a high level of accessibility and responsiveness from AEDA. Noted a preference for a single point of contact that could then reach across both AEDA and CoA, given CoA is perceived to work in silos, which makes it difficult to find the right contact within the organisation. Rundle Mall stakeholders are happy with the physical state of Rundle Mall, including cleanliness. Not happy with some of the activations (e.g. temporary pop ups), as they detract attention to adjacent established (rate paying) businesses (i.e. decreased mall frontage).
	Mainstreet Precincts	●	<ul style="list-style-type: none"> External stakeholders noted that the loss of dedicated Precinct Coordinators has reduced accessibility to services and increased response times. A preference for a single point of contact was also noted as they are typically required to interact with both AEDA (i.e. events and promotions) and CoA (i.e. civic matters).

Question One

Detailed observations






Measure of *effectiveness of AEDA in service provision to small businesses in the City of Adelaide by the Agency or Council contractors against the objects of the agency and compare this to the outcomes of the previous City of Adelaide Enterprise Adelaide unit*

Key service provisions identified for small businesses		Effectiveness Rating	Observations ● High level of satisfaction. ● Opportunities for improvement. ● To be addressed
Administer allocation of grant funding • <i>Financial management</i>	Rundle Mall Precinct	●	<ul style="list-style-type: none"> Longer lead times required for grant applications; insufficient time to prepare submissions. Timing of receipt of successful grant funding is an issue, due to misaligned budget processes between AEDA and CoA.
	Mainstreet Precincts	●	<ul style="list-style-type: none"> Available grants could be better socialised with precinct traders. Often do not find out about them until submissions close. Ambiguity around assessment framework for grant submissions. External stakeholders noted that grant applications are sometimes unsuccessful due to a lack of transparency of the assessment framework. Focus on grants for large activation events, which does not necessarily align with the needs of precincts, which typically preference smaller scaled activation events.
Curate and deliver marketing campaigns • <i>Market and promote the City of Adelaide</i> • <i>Promote, develop and activate precincts</i>	Rundle Mall Precinct	●	<ul style="list-style-type: none"> Rundle Mall Precinct stakeholders are generally happy with the campaigns and promotions and acknowledged that AEDA are doing a great job to drive visitation back into the precinct.
	Mainstreet Precincts	●	<ul style="list-style-type: none"> Majority of campaigns curated by AEDA are focused on large scale activations (e.g. events or marketing) that would be of benefit to small businesses. <p>However, precinct traders often do not find out about them until too late. Potential for increased participation with alternate socialisation of the campaigns with small business traders.</p>
	More generally	n/a	<ul style="list-style-type: none"> From post-campaign reports, voucher redemptions for marketing campaigns (e.g. \$30 Eats) typically resulted in additional spend by participants at venues they would not typically frequent. Participating businesses were broadly distributed across all the Mainstreet Precincts. The evaluation however did not differentiate redemption rates or additional spend across the different precincts.

Question One

Detailed observations

Measure of *effectiveness of AEDA in service provision to small businesses in the City of Adelaide by the Agency or Council contractors against the objects of the agency and compare this to the outcomes of the previous City of Adelaide Enterprise Adelaide unit*

Key service provisions identified for small businesses		Effectiveness Rating	Observations  High level of satisfaction.  Opportunities for improvement.  To be addressed
Curate and promote events and activations <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts Make recommendations relating to maintenance and upgrade of Rundle Mall's existing infrastructure to a high standard 	Rundle Mall Precinct		<ul style="list-style-type: none"> External stakeholders noted a general increase in foot traffic during events, but difficult to correlate direct uplift contribution as a result of the activation event. Potential for more engagement when planning events to ensure installations do not disrupt 'brick-and-mortar' traders (e.g. pop up kiosks).
	Mainstreet Precincts		<ul style="list-style-type: none"> External stakeholders noted that major marketing events typically focus on Rundle Mall, with little noticeable uplift – and in some instances downturn – of economic benefits to other precincts. Need for more whole-of-city event activations. Lack of notice and/or information about events that small traders could potentially participate in; tailored communications would help increase awareness.
	More generally	n/a	<ul style="list-style-type: none"> Review of Top 10 retailers by consumer spend were primarily large retail traders. No visibility on economic impact on small business traders. General retailer feedback in post-event reports correlated with external stakeholder comments, including: <ul style="list-style-type: none"> not enough notice not enough marketing good vibe and atmosphere.

Question Two

Summary of observations

Assessment of any *benefit or increased effectiveness* of establishing the Agency under Section 42 subsidiary under the Local Government Act 1999 than if its decision-making had been undertaken by the City of Adelaide elected body.

Key operational outcomes	Effectiveness Rating
Alignment with Objects of the Agency <ul style="list-style-type: none"> Risk management and compliance with relevant legislative and compliance requirements Develop key documents 	●
Role clarity <ul style="list-style-type: none"> Governance (set up and operation) 	●
Independence <ul style="list-style-type: none"> Governance (set up and operation) 	●
Brand identity <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts 	●

Alignment

- There is **strong alignment** with the outcomes listed in AEDA's *Business Plan 22-23* and AEDA's *Charter (2022)*, but remit is potentially too broad under AEDA's current resourcing and capability profile.
- The monitoring of AEDA's performance against its current Business Plan does not provide sufficient **insight of the 'value'** of the Agency's contributions against its Objects and Purpose of the Charter.
- This is mostly driven by the strong **need for an overarching CoA Economic Strategy** against which the effectiveness of AEDA's market-facing services can measure.

Similarly, there is the **need for clear CoA residential growth targets** against which AEDA can then develop appropriate initiatives to support, drive and measure residential development activations.

Key Observations

- Key services previously delivered by the Adelaide Enterprise Unit to support prospective and existing businesses with the CoA precinct are now **outsourced** to Business SA.

What was not apparent was AEDA's role in **validating the quality of the services provided** by Business SA to support emerging small businesses.

- Within the AEDA and CoA business units**, there appears to be a **clear understanding** of the different roles and responsibilities, but this is not formally documented and remains an operational risk (e.g. staff turnover).
- Outside of AEDA and CoA**, roles and responsibilities are **less clear**, which potentially reduces service delivery efficiencies for both AEDA and CoA.

Role Clarity

- AEDA has established a **strong brand** with the external stakeholders engaged. It is **unclear how awareness of AEDA's brand is placed more broadly** with the small business and residential communities due to the limited sample size.
- While the independence of AEDA's brand does (anecdotally) drive increased local trader participation at events or campaigns, from a public perspective, there is no evidence to suggest brand awareness (AEDA and CoA) influences participation or uptake.
- The strength of AEDA's brand is predicated on the strength of the team's **individual relationships** with stakeholders.

Marketing






Independence

- Stakeholder perception indicates that AEDA's independence is important for maintaining the agility needed to provide **improved efficiencies** in decision-making and the delivery of initiatives (i.e. free from the machinery of government).
- The diverse expertise, experience and networks of the AEDA Board members was also noted as being of high importance.
- External stakeholder perception also favoured AEDA's independence to **ensure 'best for city' decision-making** (separate to changing political agendas).

Question Two

Detailed observations

Assessment of any *benefit or increased effectiveness* of establishing the Agency under Section 42 subsidiary under the Local Government Act 1999 than if its decision-making had been undertaken by the City of Adelaide elected body.

Key operational outcomes	Effectiveness Rating	Observations
<p>Alignment with Objects of the Agency</p> <ul style="list-style-type: none"> <i>Risk management and compliance with relevant legislative and compliance requirements</i> <i>Develop key documents</i> 		<p>  High level of satisfaction.  Opportunities for improvement.  To be addressed </p> <ul style="list-style-type: none"> There is strong alignment between the actions listed in AEDA's <i>Business Plan FY 22-23</i> and <i>FY 23-24</i> and the Objects and Purpose in AEDA's <i>Charter (2022)</i>. However, the performance indicators against which the FY 22-23 Business Plan are measured lack appropriate metrics to assess the <u>effectiveness</u> of the listed actions the attraction of investment, growth of the visitor economy, support for residential growth, or the marketing the city as a whole (i.e. not only Rundle Mall) – from an economic development lens. It is noted that the FY 2023-24 Business Plan is somewhat improving the quantitative elements of the measures, but there is further opportunity to include metrics better aligned to assessing contribution to economic development. There is a perception that AEDA's remit is too broad, ranging from residential and student housing, attracting commercial investment, tourism and destination marketing to event marketing and delivery; opportunity for refinement to focus limited resources. As a subsidiary established under Section 42 of the <i>Local Government Act 1999</i>, the Agency is positioned to be an advisory body, but currently operates more like a delivery arm of the CoA. AEDA do not current play any role in shaping economic development policy / strategy. There is a clear need for an overarching CoA Economic Strategy against which AEDA can measure the effectiveness of its market-facing services to grow economic development. Both AEDA and CoA currently lack the in-house capabilities to develop an economic strategy. AEDA recognises that marketing Adelaide as a destination city is key for residential growth (which includes growing the student population). However, to support and drive growth, clear residential growth targets (including consideration of target demographics and growth timeframes) need to be set by CoA in alignment with broader DPC strategies, policies and targets.
<p>Role clarity</p> <ul style="list-style-type: none"> <i>Governance (set up and operation)</i> 		<ul style="list-style-type: none"> It was noted that the key business support services previously delivered by the Adelaide Enterprise Unit have now been outsourced to Business SA. AEDA are engaging with Business SA on a quarterly basis to review and shape the nature of services provided, but a greater focus on insights into satisfaction and effectiveness is needed, particularly for potential and recent new businesses. Within AEDA and CoA, there appears to be clarity amongst the various business units that typically cross over (e.g. marketing, grant administration, governance) regarding roles and responsibilities. There is a risk that without formal documentation (e.g. detailed RACI), ambiguity may be introduced as a result of staff turn over in both AEDA and CoA. Outside of the operational units of AEDA and CoA, roles and responsibilities are less clear. This potentially reduces the efficiency of service provision for both AEDA and CoA as stakeholders do not know who to engage with.

Question Two

Detailed observations

Assessment of any *benefit or increased effectiveness of establishing the Agency under Section 42 subsidiary under the Local Government Act 1999* than if its decision-making had been undertaken by the City of Adelaide elected body.

Key operational outcomes	Effectiveness Rating	Observations
<p>Independence</p> <ul style="list-style-type: none"> <i>Governance (set up and operation)</i> 		<p>  High level of satisfaction.  Opportunities for improvement.  To be addressed </p> <ul style="list-style-type: none"> External stakeholders, from an operational governance perspective, indicated that AEDA's independence resulted in improved agility and efficiency in decision-making and delivery of initiatives (i.e. free from the machinery of government). External government stakeholders also noted the value of AEDA's independence as a major contributing factor for successful partnerships, which are more challenging than partnerships directly with Councils (across metropolitan Adelaide). It was noted that the value of AEDA was in its direct access to frontline stakeholders. The diverse experience and expertise of the AEDA Board members (and their extended networks) was also noted as being important for shaping and delivering activations to successfully promote economic development or residential growth in the CoA. External stakeholder perception also favoured AEDA's independence to promote a 'best for city' decision-making outlook (i.e. separate from changing political agendas associated with election cycles at the Local and ultimately State and Commonwealth Government levels).
<p>Brand identity</p> <ul style="list-style-type: none"> <i>Market and promote the City of Adelaide</i> <i>Promote, develop and activate precincts</i> 		<ul style="list-style-type: none"> External stakeholders noted the strength of AEDA's brand in driving increased Rundle Mall trader participation in events and campaigns. It is uncertain if this sentiment on brand awareness extends to the broader (small) business and residential communities outside of the Rundle Mall precinct. While the independence of AEDA's brand does (anecdotally) drive increased local trader participation at events or campaigns, from a public perspective, there is no evidence to suggest brand awareness (AEDA and CoA) influences participation or uptake. Underpinning the strength of the AEDA brand are the strong individual relationships cultivated with stakeholders (i.e. accessibility, service integrity, reliability, respect). Stakeholders were not confident in correlating additional foot traffic and spend (associated with events) to any patron awareness of the AEDA brand itself.

Question Three

Summary of observations

Identification of any *cost and staff duplication identified in the KPMG report have been addressed* and whether Council's administrative capacity has been impacted by the establishment of AEDA.

In the context of Rundle Mall operations, the KPMG Rundle Mall Program Performance Review (October 2021) noted:

“ There is a **risk of duplication** and synergies being missed as a result of AEDA and the CoA having their own **Marketing and Events functions**. ”



“ Review **external Consultant and Marketing services** to determine any overlap of activities **where internal resources could be better utilised**. ”



Key Observations

Role Clarity

- More broadly, CoA Marketing team promotes Council or civic matters, whereas AEDA markets visitor-led activities.
- There is still some ambiguity on roles and responsibilities, but AEDA and CoA marketing teams are working collaboratively towards a **role definition matrix** (i.e. RACI).
- Role and administration of **social media for activation and service provisions** needs to be clarified.






Operational

- Event management, campaign strategy development and data analytics services are outsourced by both AEDA and CoA, with **limited internal capability and capacity in-house**.
- Existing **panel contracts** are in place to streamline procurement across both AEDA and CoA.
- It was noted that legacy external service provision contracts did not all **comply with CoA procurement requirements** (e.g. exclusion of termination clauses).

Question Three

Detailed observations

Identification of any *cost and staff duplication identified in the KPMG report have been addressed* and whether Council's administrative capacity has been impacted by the establishment of AEDA.

Key operational outcomes	Effectiveness Rating	Observations  High level of satisfaction.  Opportunities for improvement.  To be addressed
<p>Role clarity</p> <ul style="list-style-type: none"> <i>Governance (set up and operation)</i> <i>Work collaboratively with key external stakeholders to avoid duplication of effort in delivery</i> 		<ul style="list-style-type: none"> CoA marketing accountable for Council, civic matters or rate payer led initiatives (e.g. Council elections, community services, sustainability initiatives, "Your Say"), while AEDA markets visitor-led activities (e.g. ExpAdl, Adelaide Fashion Week, Fringe). Ambiguity still exists due to overlap of 'experience' and 'civic' service provisions. For example, the Adelaide park lands are promoted through ExpAdl (i.e. AEDA) from an activation perspective (e.g. picnics), but heritage and park land services (playgrounds, amenities) are the responsibility of CoA. AEDA and CoA marketing teams now meeting regularly and are developing a roles and responsibility matrix (i.e. RACI). AEDA have sufficient autonomy to conceptualise and develop their program of events, whereas CoA marketing focuses on curation, programming and delivery only (i.e. look to other CoA business units for ideation of events). Social media promotion of services and activations needs clarification (roles and administration).
<p>Marketing resources</p> <ul style="list-style-type: none"> <i>Governance (set up and operation)</i> <i>Work collaboratively with key external stakeholders to avoid duplication of effort in delivery</i> 		<ul style="list-style-type: none"> AEDA and CoA outsource event management, campaign strategy, marketing and data analytics services. Panel contracts are in place to streamline procurement between CoA and AEDA marketing teams. It was noted that a legacy external service contract did not align with CoA's standard contractual terms and conditions (i.e. exclusion of termination clauses).

Question Four

Summary of observations

Identification of any *duplication of effort or opportunities to partner with the State Government in the areas of business support and economic development of the city.*

Key operational outcomes	Effectiveness Rating
Operational efficiency <ul style="list-style-type: none"> Work collaboratively with key external stakeholders to avoid duplication of effort in delivery 	●
Adelaide as a destination <ul style="list-style-type: none"> Market and promote the City of Adelaide Work collaboratively with key external stakeholders to avoid duplication of effort in delivery 	●
Economic complexity <ul style="list-style-type: none"> Market and promote the City of Adelaide Work collaboratively with key external stakeholders to avoid duplication of effort in delivery 	●
Supporting residential growth <ul style="list-style-type: none"> Market and promote the City of Adelaide 	●

Key Observations

Role Clarity

- Strong acknowledgement by Government stakeholders that the services delivered by AEDA are very much **complementary** to their own.
- Acknowledged that **purpose and role clarity** (for both AEDA and CoA) still needs to be addressed. The AEDA brand is strong with stakeholders that have engaged with them, but it is not clear how it links to the CoA brand.
- Not always clear what **decision-making delegation** AEDA are empowered with, and what still resides with Council.

Independence

- AEDA's independence is valued, noting that Council and State Governments change regularly, so having an independent Agency provides a **level of continuity**.
- AEDA have an **agility** and '**degree of freedom**' that make them **easier to partner** with.
- There are some things that AEDA's independence allows it to do that State Government cannot (e.g. concierge service).



Operational

- While State Government generally has much larger geographic centres to focus on, agencies like AEDA provide on-the-ground knowledge and networks (i.e. **region specific**) to help develop and deliver campaigns and events that align to broader Government strategic objectives.
- Regular and valued engagement** between AEDA and State Government agencies.

Question Four

Detailed observations

Identification of any *duplication of effort or opportunities to partner with the State Government in the areas of business support and economic development of the city.*

Key operational outcomes	Effectiveness Rating	Observations
<p>Operational efficiency</p> <ul style="list-style-type: none"> <i>Work collaboratively with key external stakeholders to avoid duplication of effort in delivery</i> 		<p>● High level of satisfaction. ● Opportunities for improvement. ● To be addressed</p> <ul style="list-style-type: none"> Independence of AEDA functions incredibly well and does well for promoting economic development in the City. Benefit of having a Board with a diverse range of expertise and networks, which may not necessarily be available if the function remained in CoA. Noted that Council and State Governments change regularly, so having an independent Agency provides a level of continuity. Strong acknowledgement by Government stakeholders that the services delivered by AEDA are very much complementary to their own, noting that Government generally good at 'strategy' but not 'delivery' and 'implementation'. Local Government needs to keep advocating for economic growth to keep State Government accountable for implementation of its strategies. Activations curated by AEDA can provide State Government with a platform to table broader agendas. AEDA have an agility and 'degree of freedom' that make them easier to State Government to partner with. AEDA can move quickly within an authorising framework to execute decisions quickly. This is often a challenge when working with Councils across metropolitan Adelaide. Stakeholders noted a preference to engage with AEDA, but primarily as a conduit into the CoA more broadly (to avoid additional bureaucracy). Not always clear though what decision-making delegation AEDA are empowered with, and what still resides with Council. Role and governance still needs to be addressed. AEDA brand is strong with those who have engaged with them, but it is not clear how it links to the CoA brand; for those that have not already engaged with AEDA, awareness appears to be low.
<p>Adelaide as a destination</p> <ul style="list-style-type: none"> <i>Market and promote the City of Adelaide</i> <i>Work collaboratively with key external stakeholders to avoid duplication of effort in delivery</i> 		<ul style="list-style-type: none"> SATC define 12 Regional Tourism Regions, including Adelaide, but it is noted that promotion of Adelaide metropolitan areas is the responsibility of local councils, including the CoA. While State Government generally has much larger geographic centres to focus on, agencies like AEDA provide on-the-ground knowledge, insights and networks to help develop and deliver campaigns and events that align to broader Government strategic objectives. AEDA do a great job at delivering activations that can, when partnered with State Government, be used more broadly to promote Adelaide as a destination, noting that the team at AEDA work well and in a collaborative manner with SATC, meeting on a fortnightly basis. AEDA's capabilities to curate the Visitor Information Centre is not necessarily aligned, and they currently require the support of SATC experience. AEDA is empowered to do things that State Government cannot. For example, AEDA can play a concierge role, which if delivered by State Government may be construed as preferencing one business over another.

Question Four

Detailed observations

Identification of any *duplication of effort or opportunities to partner with the State Government in the areas of business support and economic development of the city.*

Key operational outcomes	Effectiveness Rating	Observations  High level of satisfaction.  Opportunities for improvement.  To be addressed
Economic complexity <ul style="list-style-type: none"> Market and promote the City of Adelaide Work collaboratively with key external stakeholders to avoid duplication of effort in delivery 		<ul style="list-style-type: none"> AEDA is not seen to bring many ideas to Government and are primarily focused on delivering its activations. Focus of AEDA was previously on getting businesses through COVID, but is now perceived to be a ‘follower’ rather than a leader (i.e. others bring the ideas to AEDA who then play a supporting role to deliver activations). This may be due to a lack of an overarching CoA economic development strategy. It was not clear how (or if) AEDA is engaging with other Agencies and Bodies that are driving similar economic development outcomes (e.g. Committee for Adelaide, Property Council of Australia), or what value they could add to drive economic complexity (i.e. do not appear to possess the right skills and capabilities within their current team).
Residential growth <ul style="list-style-type: none"> Market and promote the City of Adelaide 		<ul style="list-style-type: none"> DPC has a broad population growth strategy with a strong focus to not only bring international students to Adelaide, but to also encourage them to remain in Australia post-completion of their education. Having a vibrant city centre is key to this retention strategy, which is why the partnership between AEDA and DPC is so complementary. CoA may have an overarching strategy to grow the residential population in the City, but not necessarily to the extent of identifying target demographics or residential zones. AEDA are an important and active member of DPC’s Attraction Group, with: <ul style="list-style-type: none"> across government sharing of market research data ability to operate at a regions specific level that State Government cannot.

Question Five

Summary of Observations

Identification of any *governance issues* that have arisen *related to the performance of the Agency, its staff, or its Board* or to the *responsibilities of the elected body under the Local Government Act 1999*.

Key operational outcomes	Effectiveness Rating
Operating model <ul style="list-style-type: none"> Risk management and compliance with relevant legislative and compliance requirements Governance (set up and operation) 	●
Management reporting <ul style="list-style-type: none"> Governance (set up and operation) Develop key documents 	●

Key Observations

- AEDA's governing bodies have been established **without a clear strategic direction / economic policy**, and they currently function more so as a **delivery arm of Council** (which AEDA is not necessarily set up for).
AEDA do not current play any role in **shaping economic policy / direction**.
- AEDA **access corporate services function within the CoA**, which reduces function duplication and operational efficiencies, but engagement touchpoints are not clearly defined.
- Precinct groups** are not happy with the current operating model, as they feel **under-represented** in AEDA initiatives.

Operating Model

Management Reporting

- Reporting structures are not clearly articulated** within the AEDA charter.
Reporting lines between AEDA and CoA Executives are not streamlined for efficient and effective transfer of information.
- Management reporting currently **does not provide a balanced scorecard**, with reporting skewed to a small number of measures. For example, there is limited reporting of risk to the Audit and Risk Committee.
- Examples of financial reporting includes expenditure on activations and events, but does not provide insight into **fiscal performance against allocated budgets**.

Assurance

- Although within Internal Audit's remit, CoA is yet to perform an **audit of AEDA's operations**. AEDA's financials are externally audited by BDO in conjunction with the CoA's, but there is no clear framework in place to support assurance over AEDA's operations.






Governance Oversight

- AEDA are required under their Charter to comply with CoA control frameworks, which are either absent or not operational in nature.
- The CoA governance function does not have early and consistent oversight over AEDA's **risk assessment** processes for the curation and delivery of events.
- Limited processes / governance to ensure appropriate due-diligence over the **grant and sponsorship agreement process** to ensure it is operating effectively.

Question Five

Detailed observations




Identification of any *governance issues* that have arisen *related to the performance of the Agency, its staff, or its Board* or to the *responsibilities of the elected body* under the Local Government Act 1999.

Key operational outcomes	Effectiveness Rating	Observations
<p>Operating model</p> <ul style="list-style-type: none"> <i>Risk management and compliance with relevant legislative and compliance requirements</i> <i>Governance (set up and operation)</i> 		<p>  High level of satisfaction.  Opportunities for improvement.  To be addressed </p> <ul style="list-style-type: none"> There is an absence of an overarching CoA strategic economic vision. <p>AEDA were established to be a separate body from CoA to allow agility in decision-making for generating economic opportunities for the city. However AEDA's governing bodies have been established without a clear strategic direction / economic policy, and are instead functioning more as a delivery arm for Council; AEDA are not set up to effectively deliver events, which is resource intensive.</p> <ul style="list-style-type: none"> AEDA currently access corporate services function within the CoA to reduce function duplication and operational efficiencies, but touchpoints are not clearly defined. Precinct representation is through a single representative on the AEDA Advisory Committee, which provides the formal mechanism for city businesses, mainstreet Precincts to engage with AEDA on initiatives that may involve them. <p>Precinct groups are not satisfied that this operating model is functioning successfully, as they currently feel under-represented in AEDA initiatives.</p> <p>Key concerns raised include:</p> <ul style="list-style-type: none"> - promotion is disproportionately focused on Rundle Mall Precinct - lack of consultation on grants or precinct initiatives - information flow between AEDA and Precincts is poor, with precinct groups often first finding out about AEDA initiatives through public marketing (without prior consultation) - absence of AEDA representatives at Precinct group meetings due to a lack of capacity. <p>There are also currently no mechanisms to review and renominate their representation on the AEDA Advisory Committee.</p>
<p>Management reporting</p> <ul style="list-style-type: none"> <i>Governance (set up and operation)</i> <i>Develop key documents</i> 		<ul style="list-style-type: none"> Reporting lines between AEDA and CoA are not clearly articulated within the Charter, and are currently not being streamlined for efficient and effective transfer of information: <ul style="list-style-type: none"> - AEDA CEO reports to the AEDA Board, informally to the CoA CEO, and sits on the CoA Executive Table - CoA Lord Mayor sits on the AEDA Board - No direct reporting lines between AEDA Board and CoA CEO. <p>Although inclusion of the AEDA CEO on the CoA Executive Table helps streamline communications between the two entities, it was noted that there are a number of informal touchpoints between AEDA and CoA Executives where decisions / directives are communicated that remain un-minuted and have bypassed the Board. There is need to clarify and document these reporting lines.</p>

Question Five

Detailed observations

Identification of any *governance issues* that have arisen *related to the performance of the Agency, its staff, or its Board* or to the *responsibilities of the elected body* under the Local Government Act 1999.

Key operational outcomes	Effectiveness Rating	Observations  High level of satisfaction.  Opportunities for improvement.  To be addressed
Management reporting (continued ...) <ul style="list-style-type: none"> • <i>Governance (set up and operation)</i> • <i>Develop key documents</i> 		<ul style="list-style-type: none"> • External stakeholder engagements identified a perceived lack of transparency and due-diligence over governance and administration of grant funding. Examples were cited of submissions satisfying AEDA's requirements but vetoed by Council; it should be noted that these are anecdotal only and have not been verified. <p>Internal stakeholder engagements raised concerns that grant acquittal processes are not being appropriately managed, with some organisations receiving multiple allocations for the same outcome.</p> <ul style="list-style-type: none"> • Currently, the process for evaluating and justifying (e.g. business case process) allocation of grant funding and sponsorships and selecting campaigns is varied. In some instances, it is comprehensive, while in other instances it is not. While financial expenditure is required to be approved in line with CoA's delegations of authority, there is currently no clear or consistent process for adequately justifying this expenditure. • AEDA's operational governance and risk management responsibilities are managed by CoA. <p>CoA's governance function does not have early and consistent oversight over AEDA's risk assessment process for events and are only engaged on an ad hoc basis upon request by AEDA; this may be due to informal or undefined mechanisms within the CoA to trigger oversight over operations. A lack of or late engagement may mean risks are not appropriately mitigated or managed when delivering events.</p> <ul style="list-style-type: none"> • CoA Internal Audit is yet to perform an audit over any of AEDA's operations. • AEDA follows CoA policies and submits its audited financial statements to the CoA Audit and Risk Committee for review and approval. <p>AEDA's financials are externally audited by BDO (in conjunction with the CoA's), but there is no clear framework in place to support assurance over AEDA's operations. Management reporting currently does not provide a balanced scorecard, with reporting skewed to a small number of measures. For example, there is limited reporting of risk to the Audit and Risk Committee (ARC), and the ARC have not clearly defined and agreed the type and the level of risk and mitigation strategies they expect AEDA to report on.</p> <p>Financial reporting on activations highlighted expenditure, but documentation provided as part of this review failed to report financial performance against original budgets.</p>

Question Six

Summary of observations

Evaluation the extent of Rundle Mall trader satisfaction with the Agency's management of the Rundle Mall Precinct

Key service provisions	Satisfaction Rating
Awareness of AEDA's services <ul style="list-style-type: none">Market and promote the City of AdelaidePromote, develop and activate precincts	●
Service delivery <ul style="list-style-type: none">Market and promote the City of AdelaidePromote, develop and activate precincts	●
Access to insights data <ul style="list-style-type: none">Market and promote the City of AdelaidePromote, develop and activate precincts	●

Awareness

- External stakeholders **did not have a clear understanding of AEDA's broad goals, objectives or KPIs** in alignment with its Charter or Business Plan.
- Varying awareness** of AEDA's services.
- Desire for **greater visibility of forward events program** to allow traders to plan and manage marketing programs and budgets.
- AEDA's **engagement with stakeholders** as part of the development of their Strategic Plan is a positive step forwards.

Key Observations

- Rundle Mall stakeholders **generally happy with AEDA**, with a strong preference to engage with AEDA instead of CoA. Reasons cited include:
 - preference for **single point of contact** to help navigate CoA processes and service structure
 - greater commercial / retail acumen.**
- Within the Rundle Mall Precinct, stakeholders would like to see greater **focus outside of Rundle Mall itself** (e.g. laneways, fringes).
 - Would like to see greater autonomy for AEDA in decision making and financial management to improve efficiency of grant allocations.

Operational




Transparency

- Data provided by AEDA is typically **too generalised** to be of use to the traders in informing commercial decisions.
- Some of the data presented **does not align with trader observations** (e.g. foot traffic). Traders would like to better understand the data collection framework, or to have **access to raw data** sets.

Question Six

Detailed observations

Evaluation the extent of *Rundle Mall trader satisfaction* with the *Agency's management of the Rundle Mall Precinct*

Key operational outcomes	Satisfaction Rating	Observations
<p>Awareness of AEDA's services</p> <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts 		<ul style="list-style-type: none"> External stakeholders did not have a clear understanding of AEDA's broader goals, objectives or KPIs in alignment with its Charter or Business Plan. There was varying awareness of AEDA's service provisions, including events and campaigns. Rundle Mall stakeholders would like greater visibility on event program for sufficient time to engage and participate. Earlier visibility on promotions and events would benefit traders, as most of the large enterprises lock in their marketing programs and budgets early (i.e. 14 month look ahead). Saw the recent engagement by AEDA with stakeholders to develop its Strategic Plan as a positive step forward.
<p>Service delivery</p> <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts 		<ul style="list-style-type: none"> Rundle Mall traders are generally happy with the level and nature of engagements with AEDA, with stakeholders believing that AEDA have done a good job in increasing city vibrancy, Rundle Mall stakeholders cited a preference to engage with AEDA over CoA for the following reasons: <ul style="list-style-type: none"> greater accessibility of AEDA staff (i.e. single point of contact) to help navigate the more complex and siloed CoA structure greater commercial / retail acumen and focus, in comparison to engagements with CoA. Rundle Mall stakeholders would like to see the independence from the CoA brand maintained, to allow for greater autonomy on decision making and budgets associated with grant allocations. There was a perception that AEDA has a strong focus on Rundle Mall itself, and not necessarily including the broader Rundle Mall Precinct (i.e. adjacent laneways and fringes).
<p>Access to insights data</p> <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts 		<ul style="list-style-type: none"> Acknowledged that data sharing has improved, but data currently being shared is of limited value to business owners or agents, noting: <ul style="list-style-type: none"> too high level and generic (i.e. not suitable for informing commercial decisions) confidence in accuracy and interpretation of data is questionable preference to see raw data (instead of "pretty graphics") desire to see demographic trend data for people living in the city.

Question Seven

Summary of observations

Providing an assessment of the *return on investment* of AEDA against its own performance targets

Key Assessment Areas	Effectiveness Rating
Strategic alignment <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts 	●
Activations and marketing <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts Make recommendations relating to maintenance and upgrade of Rundle Mall's existing infrastructure to a high standard 	●
Financial accountability <ul style="list-style-type: none"> Financial management 	●

Alignment

- The AEDA Business Plan FY 2022/23 has good alignment against the Objects and Purpose of the Charter.
- However, KPIs are output based and 'binary', and not suited for measuring effectiveness of planned actions, particularly in reference to economic development targets
- Absence of an overarching CoA Economic Strategy against with AEDA can set economic uplift targets and measure performance.

Key Observations

- Performance metrics are assessed and documented by AEDA in post-event and post-campaign reports.
- Abridged reports appended to Board papers to Council and 'taken as read' and not necessarily presented and discussed.
- Typical focus of AEDA activations in the retail and hospitality sectors, which does not always address attraction of broader business investment or residential growth outcomes.
- More targeted metrics for measuring direct contribution of activations, marketing campaigns and activities required.
- The Visitor Information Centre is not located appropriately to be effective.

Marketing






Transparency

- Acknowledged that not all functions within AEDA's remit will provide a direct return on investment (e.g. AEDA Business Summit, WellFest Adelaide, strategic partnerships).
- Evidence of ad hoc reporting to Council on activation expenditure but reporting on fiscal performance against budgets was absent.

Question Seven

Detailed observations




Providing an assessment of the *return on investment* of AEDA against its own performance targets

Key operational outcomes	Satisfaction Rating	Observations
<p>Strategic alignment</p> <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts 		<p>  High level of satisfaction.  Opportunities for improvement.  To be addressed </p> <ul style="list-style-type: none"> AEDA's Business Plan FY 2022/23 are aligned with their key objectives relative to the Charter (i.e. business, investment and residential growth, visitor growth, Rundle Mall, and brand and marketing). While the KPIs noted against planned actions in the FY 2022/23 Business Plan are a significant improvement over that of FY 2021/22, they remain relatively binary (i.e. Complete / Active / Partially Complete) and are not positioned to assess effectiveness or quantify contribution of the action outcomes against AEDA's key result areas. The absence of a CoA Economic Strategy is likely a contributing factor for the lack of reporting against economic uplift targets and performance. It was acknowledged that not all functions within AEDA's remit necessarily will provide a return on investment.
<p>Activations and marketing</p> <ul style="list-style-type: none"> Market and promote the City of Adelaide Promote, develop and activate precincts Make recommendations relating to maintenance and upgrade of Rundle Mall's existing infrastructure to a high standard 		<ul style="list-style-type: none"> AEDA compiles post-campaign and post-event reports, which include a summary of the marketing reach, foot traffic, participation rate, redemption rate, spend (including redemption value, additional spend and total spend), and public feedback surveys. <p>Due to the small sample size of post-activation reports provided as part of this review, observations are not conclusive.</p> <p>The reports reviewed indicate that in regard to economic uplift, the following observations were noted:</p> <ul style="list-style-type: none"> increased foot traffic moderate participation rates increase in average spend over baselines. <p>No reporting provided on performance against campaign / event budgets or targeted outcome metrics (e.g. participation rate, average additional spend) or opportunities for improvement.</p> <p>The CoA typically provided with abridged reports via Board packs to Council and 'taken as read' and not necessarily presented and discussed.</p> <ul style="list-style-type: none"> AEDA's activations, marketing campaigns and activities appear to typically focus on the retail and hospitality sectors (and predominantly centred around the Rundle Mall Precinct), with limited provisions for attracting broader business investment or residential growth provided as part of this review. Need to consider more targeted metrics for measuring direct contribution of activations, marketing campaigns and activities. The Visitor Information Centre was perceived to not be effective, being too far away from Rundle Mall (i.e. more prominent position) to capture passing visitations.

Question Seven

Detailed observations

Providing an assessment of the *return on investment* of AEDA against its own performance targets

Key operational outcomes	Satisfaction Rating	Observations
Financial accountability <ul style="list-style-type: none"> Financial management 		<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">  High level of satisfaction.  Opportunities for improvement.  To be addressed </div> <ul style="list-style-type: none"> It was acknowledged that not all functions within AEDA's remit necessarily will provide a return on investment (as is typical with most government services). This includes investments to support new and existing businesses that do not return any direct financial return (e.g. AEDA Business Summit, strategic partnerships). Reporting on expenditure for activations and initiatives have historically been provided to Council (reference AEDA Annual Report and sample Council report dated 14 June 2022). It is unclear if this is part of AEDA's formal governance and reporting framework or ad hoc at the request of Council. Reporting included participation rate and total spend (by participants) summaries, but noted that post-campaign and post-event reports were not appended to the report.

4. Overview of Recommendations

Key themes



Recommendations

1. ROLE CLARITY	PRIORITY
<ul style="list-style-type: none"> Function and duties of the Agency Operational roles and responsibilities 	
<p>1.1 Review and enhance AEDA's capability to provide economic strategic insights, in line with Recommendation 5.1 for the creation of an economic development strategy.</p> <ul style="list-style-type: none"> The AEDA <i>Agency Charter (2022)</i> provides sufficient flexibility for AEDA to play both a strategic advisory and delivery role to support and promote economic development within the CoA. It is recognised that AEDA are highly valued by CoA and external stakeholders for the provision of delivery services for economic activations. There is further opportunity (and stakeholder appetite) for AEDA to leverage the experience of its Board members to provide independent advice on the strategy development. This may necessitate a review and realignment of AEDA's resource capabilities to bolster its strategic advisory capabilities. This will be critical for informing AEDA's FY25 Business Plan. 	IMMEDIATE
<p>1.2 Consider diversification of activation drivers for economic development.</p> <ul style="list-style-type: none"> Established during the COVID pandemic, there has been a strong emphasis to date on supporting the retail and hospitality sectors (particularly within the Rundle Mall Precinct) to drive visitation back into the CBD. <p>There needs to be greater diversification of activations beyond promotion of the retail industry (i.e. cultural and social sectors) to drive economic development.</p>	MEDIUM
<p>1.3 Establish clear Terms of Reference for cross-over business units (e.g. marketing, grant administration)</p> <ul style="list-style-type: none"> Clearly define and document roles and responsibilities, and opportunities to collaborate. Establish regular communication touchpoints. 	MEDIUM

PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months



Recommendations

2. GOVERNANCE	PRIORITY
<ul style="list-style-type: none"> Decision making & reporting Operating models Assurance 	
2.1 Define risk-based requirements for justifying key financial decisions for grants, sponsorships, campaigns. <ul style="list-style-type: none"> CoA with AEDA should define requirements for how key financial decisions are to be justified (based on value / nature) and who is required to approve these decisions. For example, large grants / sponsorships to go through consistent business case and evaluation process. 	IMMEDIATE
2.2 Simplify and document reporting lines between AEDA and CoA. <ul style="list-style-type: none"> CoA should clearly articulate who within AEDA is accountable to CoA and for what, and document these reporting lines. 	IMMEDIATE
2.3 Review the engagement model with mainstreet Precincts. <ul style="list-style-type: none"> The review should consider of the current level and nature of engagement touchpoints between AEDA and the Mainstreet Precincts and suggest opportunities to driver greater inclusion and communication. The review should also consider the terms of reference for Mainstreet Precinct representation on the AEDA Advisory Committee to ensure it best meets the needs of the Precinct stakeholders. 	MEDIUM
2.4 Ensure greater oversight by the CoA Governance Unit at initial stages of key operational processes performed by AEDA. <ul style="list-style-type: none"> Conduct assurance reviews of AEDA's key operational processes against CoA's control frameworks to meet legislative or compliance requirements. Key operational processes highlighted include (but are not limited to) the administration of grant funding, procurement processes, and risk assessments for staged events. 	MEDIUM
2.5 Implement ongoing assurance model for AEDA & undertake an internal audit on administration of grant allocations. <ul style="list-style-type: none"> Need for consideration of the full grant allocation lifecycle, including the call for submissions, alignment of the assessment framework against AEDA's objectives, and the approval and acquittal process through CoA. It is noted that a review of the grant management process is already flagged in the <i>FY23/24 Internal Audit Plan</i>. Consider potential streamlining of approvals via AEDA Board (as opposed to via Council). 	MEDIUM

PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months



Recommendations

2. GOVERNANCE <ul style="list-style-type: none"> Decision making & reporting Operating models Assurance 	PRIORITY
2.6 Review effectiveness of outsourced small business service functions to support new and emerging businesses, to inform future operating and contracting models. <ul style="list-style-type: none"> AEDA's contract with Business SA expired in December 2022 and is currently engaged on a 'pay per use' arrangement. External stakeholder engagement will be critical for understanding the effectiveness of services provided by Business SA (with a particular focus on supporting new and emerging small businesses), to inform any new contractual model. 	IMMEDIATE

PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months



Recommendations

3. TRANSPARENCY	PRIORITY
<ul style="list-style-type: none"> Information flow Decision making frameworks 	PRIORITY
<p>3.1 More targeted reporting by AEDA to Council that is relevant and aligned to desired economic outcomes, and supported with sufficient evidence.</p> <ul style="list-style-type: none"> The volume of information flowing to Council (i.e. not just from AEDA) is such that it may be difficult for Council to 'see the wood from the trees' and details informing decision-making may be easily overlooked. Review report structures and templates to ensure critical content informing decision-making is presented upfront. Context and content of reporting should be ratified with Council upfront on an annual basis. Greater focus on reporting on business plans, budgets and operational performance against economic outcomes. 	MEDIUM
<p>3.2 Clearly define and agree the type and the level of risk and mitigation strategies AEDA needs to report on to the Audit and Risk Committee.</p> <ul style="list-style-type: none"> Current reporting is too focused on event outcomes and not necessarily on AEDA's strategic / operational / business risk profiles and mitigation strategies, or assurance and control processes. 	MEDIUM
<p>3.3 More active and timely engagement with traders in the development of AEDA's program of events and campaigns.</p> <ul style="list-style-type: none"> Timely stakeholder engagement and publication of AEDA's forward events and campaigns program will better inform marketing strategies for businesses within the CoA (particularly with Precincts beyond Rundle Mall), which will drive an increase in participation rates. 	LONG
<p>3.4 Increase accessibility to baseline demographic and economic metrics to better inform investment and commercial decisions.</p> <ul style="list-style-type: none"> Current reporting of statistics (foot traffic, average spend etc) is too generalised to inform investment and commercial decision-making by commercial stakeholders. Potential to present data sets in line with industry sectors, Precincts etc. Consider the provision of access to raw data sets with commercial stakeholders (upon request). 	LONG

PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months



Recommendations

4. QUANTIFIED METRICS	PRIORITY
<ul style="list-style-type: none"> • Definition of metrics aligned to strategic targets • Reporting 	
4.1 Strategic performance KPIs for AEDA (including against its Business Plan) need to be more targeted towards economic outcomes. <ul style="list-style-type: none"> • Performance metrics should consider quantifiable uplift in economic outcomes. 	MEDIUM
4.2 Operational performance KPIs for AEDA need to be measured against appropriate baselines. <ul style="list-style-type: none"> • Greater rigor in project management and associated reporting for delivery of activations and initiatives. This includes financial reporting, which should comparatively assess original budgets (for activities, campaigns and events) against expenditures, and changes in delivery timeframes. 	MEDIUM

PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months



Recommendations

5. ECONOMIC STRATEGY	PRIORITY
<ul style="list-style-type: none"> Independent advisory 	
5.1 Development of an overarching CoA Economic Development Strategy. <ul style="list-style-type: none"> It was acknowledged by all stakeholders that the CoA does not currently have a defined economic strategy or policy to underpin investment decision-making to deliver economic activation and growth outcomes. It was also acknowledged that neither CoA or AEDA currently have the resource capability to drive the development of an economic strategy. However, with an independent Board (with diverse expertise in hospitality, property development, place making, business development, investment, events and tourism) and direct connectivity to frontline stakeholders, AEDA is well positioned to be a key stakeholder in the development of a 'best-for-city' economic strategy that aligns with broader State and Commonwealth economic objectives. This will be critical for informing AEDA's FY25 Business Plan. 	IMMEDIATE
5.2 Further development of other CoA strategies (e.g. residential population growth, housing) that indirectly drive economic growth for the CoA. <ul style="list-style-type: none"> It was acknowledged that while CoA has broad residential growth and housing strategies, they do not articulate clear target metrics against which AEDA can measure associated planned actions to support economic growth. This will be critical for informing AEDA's FY25 Business Plan. 	IMMEDIATE

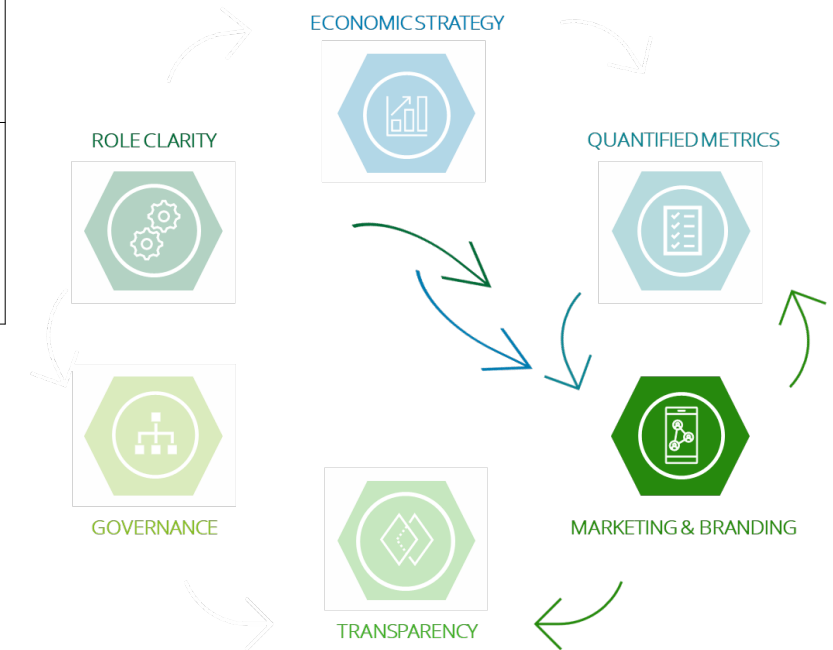
PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months



Recommendations

6. MARKETING & BRANDING	PRIORITY
<ul style="list-style-type: none"> Independence Governance 	
6.1 Maintain the independence of the AEDA brand to drive increased engagement and participation with external stakeholders. <ul style="list-style-type: none"> Stakeholders recognise and value the agility and decision-making efficiency of AEDA, which increases engagement levels. 	LONG
6.2 Acknowledge partnership with the CoA as a key funding body for large events / campaigns. <ul style="list-style-type: none"> For strategic events and campaigns, AEDA should acknowledge the CoA as a major partner / sponsor as part of their marketing. 	IMMEDIATE
6.3 Articulate and document roles and responsibilities, and the of principles of collaboration between AEDA and CoA marketing business units. <ul style="list-style-type: none"> It is understood that a responsibility matrix (i.e. RACI) is currently being developed. This should also set the framework for active collaboration between relevant parties. Formal documentation should be made available to interested internal and external stakeholders. 	LONG
6.4 Review established panel contracts for marketing and event management services to ensure they meet the current needs of both AEDA and CoA marketing business units. <ul style="list-style-type: none"> Broadly includes consideration of event management, campaign strategy, marketing and data analytics services. Important that procurement of external services are streamlined to mitigate and manage procurement and engagement risks (including standard contractual terms and condition). 	MEDIUM

PRIORITY	COMMENCEMENT TIMEFRAME
IMMEDIATE	0 - 6 months
MEDIUM	6 - 12 months
LONG	12+ months





Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organisation” serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 312,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte Australia

The Australian partnership of Deloitte Touche Tohmatsu is a member of Deloitte Asia Pacific Limited and the Deloitte organisation. As one of Australia’s leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, risk advisory, and financial advisory services through approximately 8000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at <https://www2.deloitte.com/au/en.html>.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.