

Adelaide Economic Development Agency – Quarterly Update

Greg Ratsch, Acting Managing Director AEDA

November 2023



Financial Reporting – September 2023

Page 60

Operating Position	September YTD			Annual		
	2023/24 Actuals (000's)	2023/24 Adopted Budget (000's)	Variance (000's)	2023/24 Forecast (000's)	2023/24 Adopted Budget (000's)	Variance (000's)
Income						
Rundle Mall Levy	980	962	18	3,890	3,890	0
Rundle Mall User charges	125	90	35	360	360	0
CoA Contribution	0	0	0	9,423	9,191	232
Other Income	3	5	-2	19	19	0
Total Income	1,107	1,057	51	13,692	13,460	232
Expenses						
Employee Costs	895	1,041	146	4,579	4,579	0
Materials, Contracts and Other Expenses	881	1,225	344	5,970	5,794	-176
Sponsorships, Contributions and Donations	622	752	130	3,319	3,087	-232
Depreciation, Amortisation and Impairment	10	0	-10	42	0	-42
Total Expenses	2,408	3,018	611	13,910	13,460	-450
Operating Surplus / (Deficit)	-1,300	-1,962	661	-218	0	-218

Income

- Rundle Mall income has been spread evenly across the year. The financial table now recognises Year to Date (YTD) income
- The levy income is currently slightly favourable to the YTD budget as there have been no objections received and the annual budget for objections is \$30k
- Other income includes retail sales from the Visitor Information Centre.

Expenditure

- A favourable expense variance is currently the result of timing.

Variations and Budget Requests

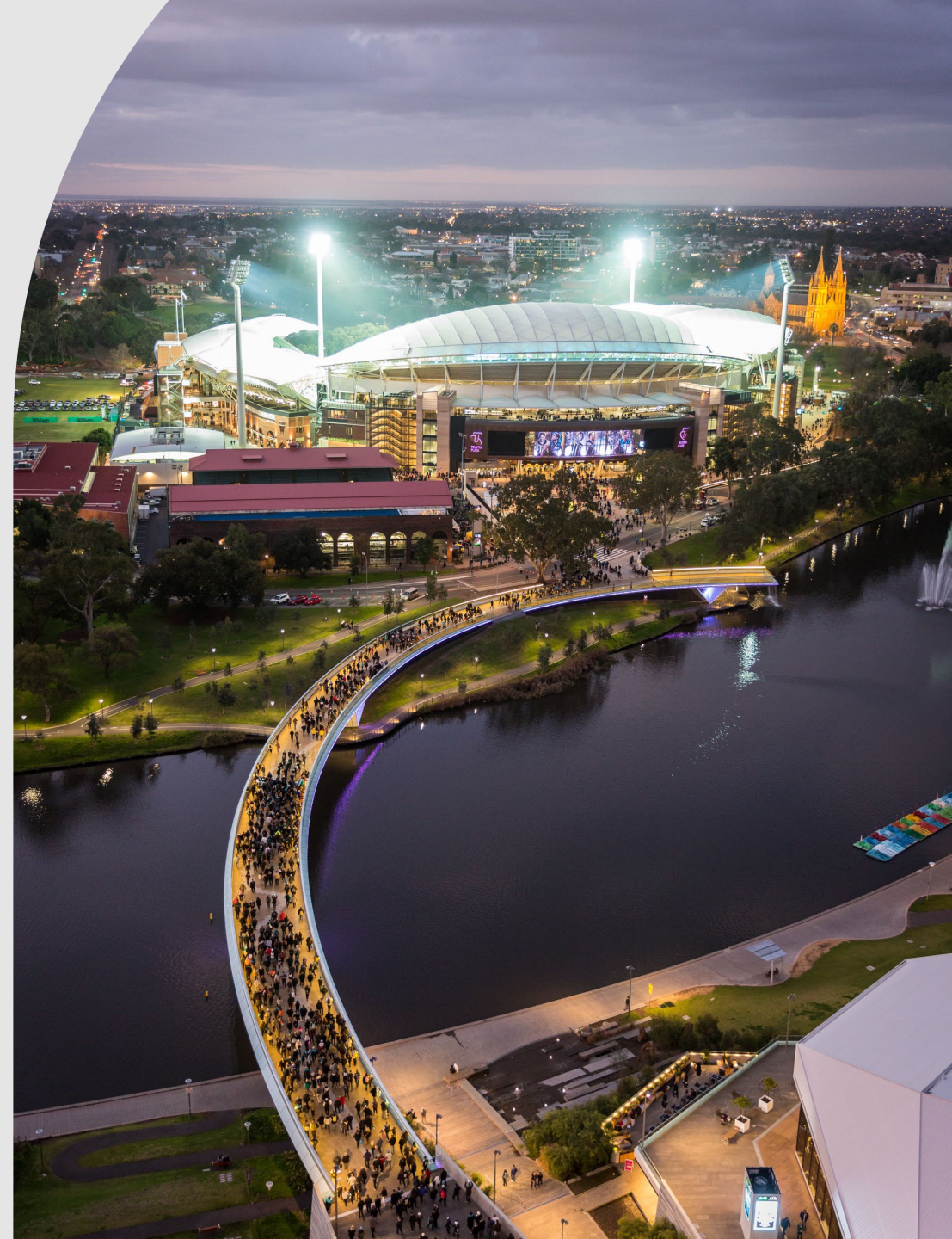
- Current variances recognised include:
 - \$232k of unallocated Strategic Partnership Funding from prior years that has been recognised in this budget and will increase the end of year contribution from CoA
 - \$176k and \$42k representing prior year surplus from Rundle Mall Levy.
- Following endorsement by Council on 8 August 2023, the New Years Eve Activities and Event Fund for businesses has resulted in a BR1 budget request of \$100k.

Risks & Opportunities

- The increasing construction costs and potential associated impact on feasibility of capital projects, continued rising interest rates and cost of living pressures subsequent impact on potential spend in city businesses and lack of residential accommodation for key workers and students all pose a continuing risk

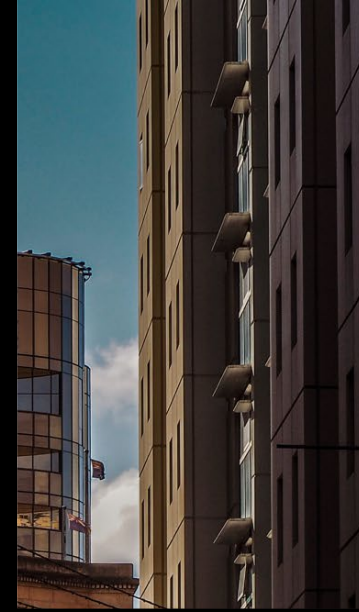
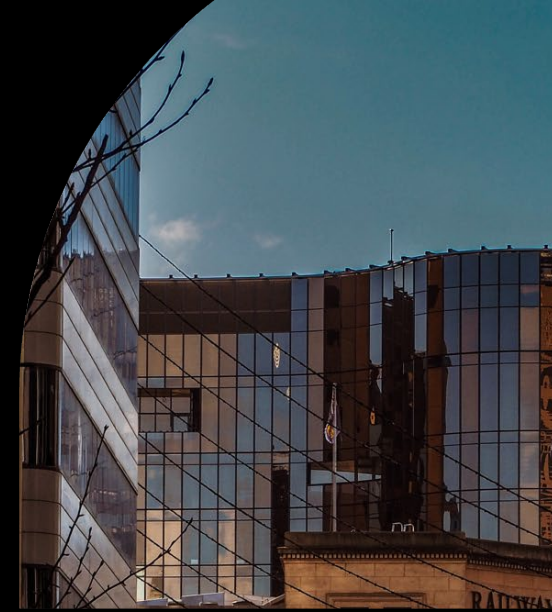
The completion of the AEDA reviews and their consideration by Council provides opportunity to increase impact and efficiency, improve governance and develop a longer term approach to economic development in the city

- The overall reduction in retail spend in Australia due to economic conditions poses a continuing risk.



AEDA Business Plan & Budget Measurements

Q1 2023/24



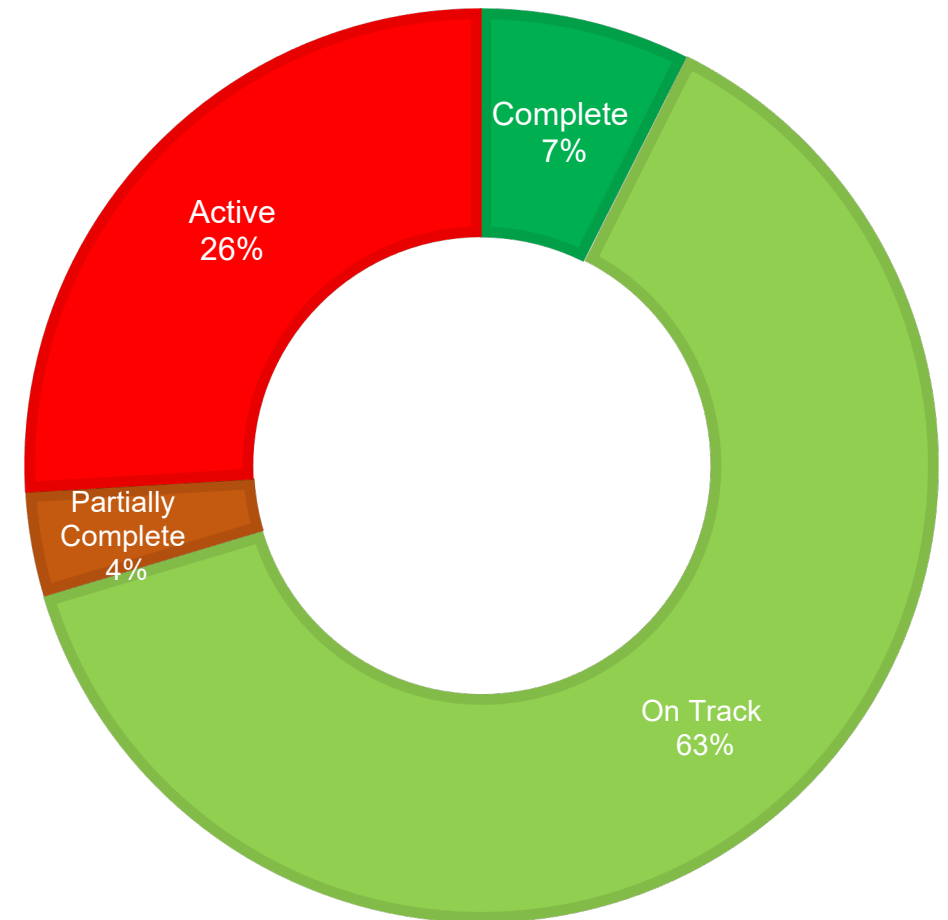
Summary

The 2023/24 AEDA Business Plan & Budget includes **27 measures across four Key Result Areas:**

Business, Investment & Residential Growth; Visitor Economy; Rundle Mall, and; Brand & Marketing.

As at the end of quarter 1 the current progress against the measures is:

- 2 measures have been 'Complete';
- 17 measures are On Track, meaning the pro-rata measure is tracking ahead or in-line with the target;
- 1 measures is 'Partially complete', as some progress has been made towards the target but we are not tracking ahead of the pro-rata benchmark and;
- 7 measures are 'Active' which means work is being done towards the target but no numerical figure towards the target has been recorded.



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

Visitor Economy

Key Performance Indicator	Status	Measure	Q1 Pro-rata Benchmark	Actual	Difference	Comment
Delivery of the new Experience Adelaide Visitor Centre	Active	1	-	0	-	Project planning in progress.
Maintain accreditation of the Visitor Information Centre	Complete	1	-	1	-	Accreditation finalised September 2023. Renewal will be due August 2024.
8 training sessions with VIC volunteers and staff	On Track	8	2	4	2	<ul style="list-style-type: none"> National Wine Centre Famil - 26 July Flamboyance Tour - Jimmy C Street Art Tour - 29 August Hotel famil (HotelMOTEL, Hotel Alba and The Terrace Hotel) – September OzAsia & Sealink, Good Governance training - September
2 destination marketing campaigns or initiatives with the state government to increase the number of people visiting the city	On Track	2	0.5	1	0.5	SATC launched a major campaign 'Travel Our Way' on 29 Sept. AEDA is investing in amplifying the city's share of voice, and driving leads to operators, as part of the SATC digital and advertising strategy
20 new bookable city tourism products/experiences	On Track	20	5	10	5	Product development in progress with 10 established to date, with support from supplier partner 'Tourism Accelerator'.
City hotel occupancy above 70%	On Track	70%	-	68%	-2%	There has been an extra 500 rooms added to Adelaide's hotel supply since the same time last year, Hotel Alba opened in September

Business, Investment & Residential Growth

Key Performance Indicator	Status	Measure	Q1 Pro-rata Benchmark	Actual	Difference	Comment
50 inward investment proposals/local expansions supported, with at least 10,000sqm of office space committed to	On Track	50	12.5	19	6.5	
1,000 Welcome to Adelaide employee introduction packs distributed	On Track	1,000	250	272	22	
30+ vacant shopfronts/premises activated	Partially Complete	30	7.5	3	-4.5	3 new ventures launched by Renew Adelaide
Deliver AEDA Business Summit	On Track	1	-	0	-	Planned for May 2024
Deliver 3 industry briefing events	On Track	3	0.75	1	0.25	DataAfterDark hosted 24/7/23 and Data4Lunch to be hosted on 8/11/2023
Enrolled international student numbers 5+% above 2019 levels (44,318 students across all segments)	On Track	44,318	40,341	48,019	7,678	This is a record level for South Australia.
2+% increase in the number of city workers above 2020/21 levels (148,369)	Active	2%				Data not yet available, Economy.id will release in Nov
2+% increase in the number of city businesses above 2020/21 levels (12,018)	Active	2%				Data not yet available, Economy.id will release in Nov
2 campaigns/projects/market interventions to support emerging industries in the city	On Track	2	0.5	1	0.5	Extended our support for Games Plus Support Program- offering 20 supported co-working spaces to support early career development

Rundle Mall

Key Performance Indicator	Status	Measure	Q1 Pro-rata benchmark	Actual	Difference	Comment
3 recommendations from Rundle Mall place vision workshop implemented	On Track	3	0.75	1	0	<ul style="list-style-type: none"> "Bring Local Brand heroes and fill fashion gaps ": RM Williams Flagship store launched on mall. "Optimise the mix: Brands, Dining and Entertainment": Entertainment Place at Rundle Place scheduled to open in November. "Laneway curation/activation": Charles Street Plaza project commenced; James Place laneway project commenced. "Improved event infrastructure": Upgraded Rundle Mall Sound system project commenced. "FB-driven activations/nostalgic events / new rituals": New Rundle Mall and city-wide Christmas trail developed that aligns with these principles
5 major brands committed to Rundle Mall	On Track	5	1.25	1	4	Decjuba launched in Q1. 5 others scheduled to open Q2&Q3
Stakeholders agree that the volume and quality of communication and data/insights to stakeholders has improved over the previous 12 months	On Track	1	-	-		Agreement statement will be developed to measure this
Rundle Mall average strip vacancy rates below 8%	Active	8%				Data not yet available
Average vacancy rates below 20% for arcades, centres and laneways in the Rundle Mall precinct	Active	20%				Data not yet available
3 significant campaigns that are aligned with exclusive city events and festivals	On Track	3	0.75	1	2	Illuminate Adelaide
Uplift in foot traffic across 3 major events/festivals	On Track	3	0.75	1	2	Illuminate Adelaide(passer-by traffic up 28% on 2022)
Uplift in market share across 3 major events/festivals	Active	3				Data not yet available
MAT market share remains above 5%	Complete	5%		5.5%		Current annual market share is 5.5%

Brand & Marketing

Key Performance Indicator	Status	Measure	Q1 Discount	Q1 Pro-rata Benchmark	Actual	Difference	Comment
Generate \$2 million in advertising space rate with reference to City of Adelaide/AEDA	On Track	\$2m	25%	\$500,000	\$1,174,012		Events such as ADL Fashion Week and WellFest have been a significant contribution for media mentions, along with announcements such as business openings and the release of city trends such as spend and visitor economy data.
Support 200 city businesses to establish or extend their e-commerce capability on byADL.com.au	Active	200	25%	50	88		
Total city expenditure above \$4.45b	On Track	\$4.450b	25%	\$1.113b	\$1.126b	\$13.6M	

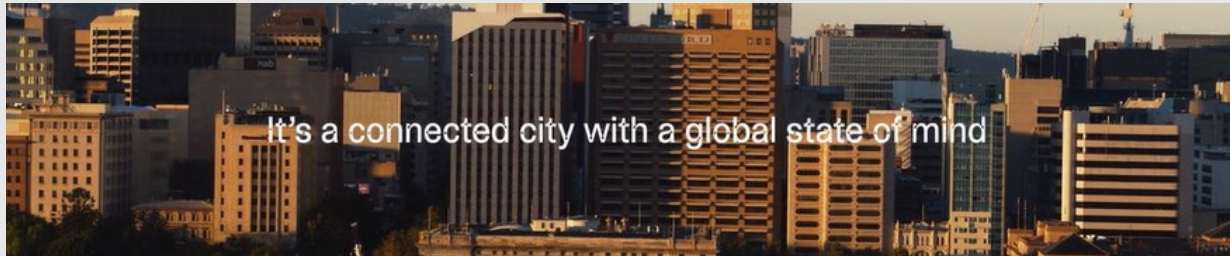
Key Activities – July – September 2023

- Invest Adelaide Campaign
- ADL IS ON Campaign – Phase 2
- New Year’s Event Business Activations Grants
- ADL Fashion Week
- ‘Travel Our Way’ Co-campaign
- Black Friday Campaign Development
- TripAdvisor & SATC Partnership Campaign
- The Games Plus Support Program
- Strategic Partnership Program
- Commercial Events Fund
- Welcome to Adelaide
- Business Support
- Rundle Mall Activations including Illuminate, Frida & Diego, Gathered Market, NAIDOC in the Mall & FIFA Women’s World Cup
- Rundle Mall Welcome Packs
- Christmas 2023 Campaign Development



Invest Adelaide Campaign

- Invest Adelaide was the first large-scale investment attraction campaign developed by AEDA and City of Adelaide since Covid. The purpose was to position the city as a location of choice for investment, and to highlight its competitive advantage. The campaign was run in South Australia, Sydney, Melbourne, Brisbane, and overseas (Singapore and Kuala Lumpur). The campaign was displayed 5.7 million times to the target audience and led to over 26,000 page views of the dedicated investment campaign page, where the investment prospectus was downloaded 270 times.



Destination Adelaide Campaign – Phase 2

- Phase 2 of the ADL IS ON campaign that aimed to attract visitors to the city by promoting event and festivals in Adelaide concluded in quarter 1. Website traffic increased by 54% during the second phase. The campaign generated a total of 9,879 leads to city operators, a 61% increase compared to the average for July and August.



ADL Fashion Week

- Throughout the quarter project management for ADL Fashion Week, including AFW feature event planning, advertising campaign management, retailer and event operator communications and monitoring ticket sales has been undertaken. An advertising campaign launched week commencing 11 September.



Black Friday Campaign Development

- Council at its 29 November 2022 meeting resolved to '*request AEDA explore the option to implement a dedicated marketing campaign to draw more people in the City during the event (Adelaide 5000 / Black Friday) next year*'. Funding of this was endorsed through the Business Plan and Budget process. Throughout quarter one the Black Friday campaign has been in development stages, in partnership with an advertising agency to source and review data to inform and finalise the creative brief for the campaign.

Co-operative Marketing Campaign with SATC

- Project management for co-operative marketing campaign with South Australian Tourism Commission, was undertaken throughout quarter 1 for preparation of the campaign launch in October. The purpose of the campaign is to leverage the state campaign 'Travel Our Way' with a strong focus on city tourism experiences and deliver leads to operators, measurable through ATDW. AEDA has been working closely with SATC to ensure city and state promotion is complimentary and investment is used effectively, and to ensure duplication is avoided.

Meeting Incentive Conferences & Events (MICE)

- Page 71
- Meeting Incentive Conferences & Events (MICE) Project commenced with the development of 10 new tourism products and experiences suitable for large groups. This initiative was established to support Business Events Adelaide, who identified a gap of city-centric product available for incentive groups coming to South Australia.

Tourism Partnership Campaign

- The results for the TripAdvisor and SATC Partnership campaign promoting travel to Adelaide to interstate and intrastate audiences in May and June 2023 have been finalised. The campaign achieved 1.7M impressions across all media with 10,000 clicks. Total revenue generated was AUD\$385,351 (\$60,302 hotels, \$325,049 experiences) with a total of 2,565 people booking either a hotel or experience.

Business Support & Investment Attraction

- Discussions regarding new purpose-built student accommodation investments and support provided to indie game developer Paper Cactus Games to attend GamesCom
- The Mainstreet Development program grant guidelines were released
- AEDA were a finalist for Economic Development Australia's "Economic Development Strategic Thinking" for the Economic Dashboard project
- 272 Welcome to Adelaide bags that were distributed to: URPS, Big Ant Studios and RAA.

Page 72

Sponsorship & Funding Programs

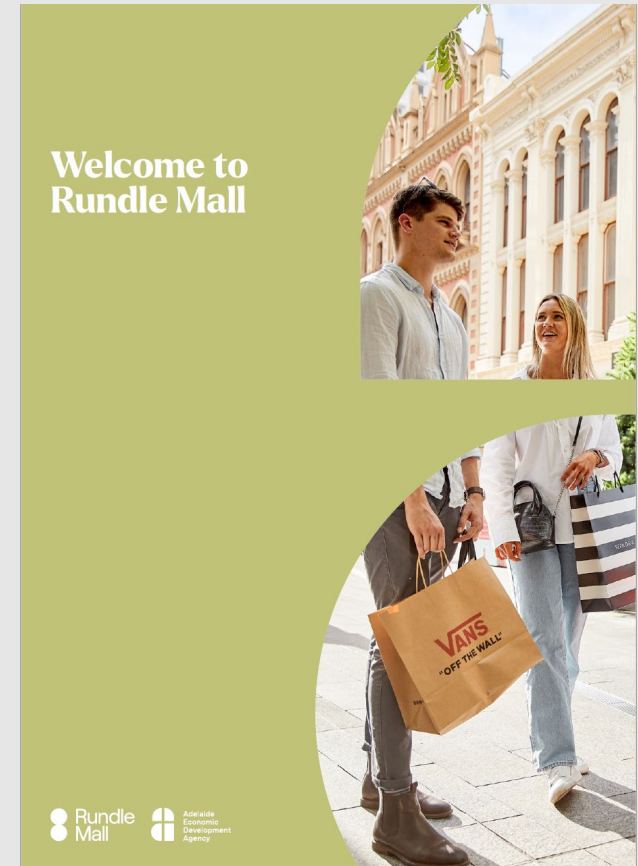
- Following a request of Council at the City Community Services and Culture Committee on 6 June 2023, AEDA developed a grant funding program including framework and assessment criteria to support organisations to provide additional activities on New Years Eve. Following endorsement by Council on 8 August 2023, the New Years Eve Activities and Event Fund for businesses opened for submissions late August. Eight applications were received, and applicants will be advised of the outcome in early quarter 2.
- The Games Plus Support Program accepted 16 successful applications
- The Strategic Partnership Program funding round aimed at Business Support opened and received 23 applications
- The Commercial Events Fund opened and received 19 applications

Rundle Mall



Welcome to Rundle Mall Packs

- Two new documents were created to provide a go-to guide with everything businesses need to know about Rundle Mall. Welcome to Rundle Mall is designed to help businesses new and existing uncover and rediscover the benefits of operating within the Rundle Mall Precinct, and what opportunities are available to them. The pack includes the Rundle Mall Security Guide which is a reference of who to call when incidents occur.
- 400 hard copies were distributed across the precinct with digital copies made available to over 1400 Rundle Mall business eDM subscribers.



Page 73

Rundle Mall Foot Traffic & Expenditure

July

Foot Traffic for July

Total Traffic* | +23% July YoY

Passer-by Traffic** | +23% July YoY

Retail Spend

\$118M

-1.9% on July 2022

Overall Spend

\$384M

+4.87% on July 2022

August

Foot Traffic for August

Total Traffic* | +10% August YoY

Passer-by Traffic** | +4% August YoY

Retail Spend

\$114M

-0.3% on August 2022

Overall Spend

\$739M

+5% on August 2022

September

Foot Traffic for September

Total Traffic* | +7 September YoY

Passer-by Traffic** | +1% September YoY

Retail Spend

\$120.15M

-0.9% on September 2022

Overall Spend

\$369.16M

+2.7% on September 2022

* Total traffic describes the number of visitors to the main pedestrianised strip of Rundle Mall, each day. Total traffic is a relativistic score, to enable relative comparison. It is not an absolute measure of pedestrian traffic.

** Passer-by describes the total number of sensors triggered by the visitors passing through the Mall. It is influenced by the amount of time visitors spend in the Mall and how much they move around. Passer-by traffic is a score, to enable relative comparison, and is not an absolute measure of traffic.

Rundle Mall Activations

A range of Activations and Events took place in Rundle Mall designed to enhance brand positioning and drive economic outcomes for the Rundle Mall precinct:

- Illuminate Adelaide Trumpet Flowers - From Friday 7 to Sunday 23 July, visitors could wander amongst the towering flowers of the glowing garden when Illuminate Adelaide's Trumpet Flowers decorated the Gawler Place Canopy as part of their famous City Lights Trail
- Frida & Diego City Trail: La Casa Azul - Throughout Winter Frida Kahlo's home, La Casa Azul, a tribute to Frida's home, now a dedicated museum to the artist in Mexico came to life in Rundle Mall
- rebel 'Home of Football' pop up - rebel's 'Home of Football' activation which ran until Sunday 20 August, located in the Gawler Place intersection
- Gathered Market in the Mall - To support the new shop trading legislation for 9 am trade on Sundays, and to encourage visitation to Rundle Mall, AEDA has programmed artisan markets otherwise known as the Gathered Markets to activate the Mall on select Sundays
- Adelaide Youth Orchestra "The Big Busk 2023" - 23rd September 2023
- NAIDOC in the Mall – 4th July 2023
- FIFA Women's World Cup Trophy Tour – 3rd July 2023
- SANFL Grand Final Eve Presentation - 23rd September 2023



Coming Up

What is happening from 1 October 2023 – 30 December 2023?

- ADL Fashion Week
- WellFest Adelaide
- Promoting the city during ADL500 (Black Friday campaign)
- Christmas in the Mall
- Black Friday in the Mall
- Pending announcements from Sponsorships/Funding Programs
- Data4Lunch

Page 75



aedasa.com.au

