

Draft Economic Development Strategy for Public Consultation

Strategic Alignment - Our Economy

Public

Tuesday, 19 March 2024
City Planning, Development and Business Affairs Committee

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EXECUTIVE SUMMARY

The purpose of this report is to present a draft City of Adelaide (CoA) *Economic Development Strategy – An economy that works for all* (the draft Strategy), for the purpose of public consultation.

With an anticipated doubling of the CBD population by 2036, the city is transitioning to a once-in-a-generation period of population growth. The draft Strategy outlines how to leverage the city's competitive advantages and seek to optimise its economic opportunities and outputs as the State's Capital and commercial centre.

The economic vision and ambition for the future of our city is outlined in the draft Strategy and includes goals and targets that reflect the aspirations and directions of the City of Adelaide Strategic Plan 2024-2028.

The draft Strategy communicates our role as a capital city, the significant contribution the city makes to the State's Gross State Product (GSP) and key immediate and long term trends and competitive advantages we will seek to leverage across education, housing, a transitioning green economy and festivals. These goal areas include:

- Goal 1: A gateway to South Australia
- Goal 2: A transitioning economy that works for all
- Goal 3: A centre for education and collaboration
- Goal 4: Liveable Adelaide, towards 50,000
- Goal 5: Australia's festival and creative capital
- Goal 6: An easy place to grow business

An earlier draft Strategy was presented at the City Planning, Development and Business Affairs Committee ([Link 1](#)) on 7 November 2023, where Committee recommended that Council direct the Administration to engage independent advice to inform a new draft Strategy to be presented to the City Planning, Development and Business Affairs Committee in early 2024.

To inform the draft Strategy, an Economic Development Strategy Roundtable was held on 14 December 2023 and included an address from independent experts, a panel discussion and collaborative discussion with invitees at tables.

Key changes resulting from engagement of independent experts and roundtable discussions include strengthening of key themes relating to climate, housing, Adelaide's brand, neighbourhoods and precincts, collaboration and youth, updated goals based on City of Adelaide's role as a capital city and local government area, and the inclusion of additional data and endorsed targets from the City of Adelaide Strategic Plan 2024-2028. The draft Strategy was amended to incorporate independent and sector advice.

Council Members and Adelaide Economic Development Agency (AEDA) Board Members participated in a combined strategic workshop on 30 January 2024. As an outcome of the workshop, Administration undertook additional engagement with the AEDA Board on 13 February 2024 to build on previous feedback received from AEDA and incorporate additional advice into the draft Strategy. The advice from the AEDA Board is contained in this report together with an administrative response.

RECOMMENDATION

The following recommendation will be presented to Council on 26 March 2024 for consideration

THAT THE CITY PLANNING, DEVELOPMENT AND BUSINESS AFFAIRS COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Endorses the draft City of Adelaide Economic Development Strategy – An economy that works for all, contained in Attachment A to Item 4.1 on the Agenda for the Special meeting of the City Planning, Development and Business Affairs Committee held on 19 March 2024, for the purpose of public consultation.
 2. Endorses the draft City of Adelaide Economic Development Strategy, Engagement Plan contained in Attachment B to Item 4.1 on the Agenda for the Special meeting of the City Planning, Development and Business Affairs Committee held on 19 March 2024.
 3. Authorises the Acting Chief Executive Officer or delegate to make minor, typographical or syntactical updates to the documents contained in Attachment A and Attachment B to Item 4.1 on the Agenda for the Special meeting of the City Planning, Development and Business Affairs Committee held on 19 March 2024, for the purposes of finalising the documents for public consultation.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<p>Strategic Alignment – Our Economy</p> <p><i>In ten years Adelaide will be the strong economic focal point of the state, attracting investment and talent from around the world. New and diverse industries will complement and build on our economic strengths and city businesses will be successful and connected to global opportunities.</i></p>
Policy	This report is to establish a City of Adelaide Economic Development Strategy, including policy statements for economic development.
Consultation	<p>The draft Strategy is informed by a workshop held on 3 October 2023 at the City Planning, Development and Business Affairs Committee (Link 2) and Council’s Strategic Plan 2024-2028.</p> <p>Internal consultation to develop the draft Strategy occurred across the City of Adelaide, Adelaide Central Market Authority (ACMA) and Adelaide Economic Development Agency (AEDA) in September 2023. Targeted stakeholder consultation was undertaken via an Economic Development Strategy Roundtable held on 14 December 2023.</p> <p>An amended draft Strategy was considered by the AEDA Board on 13 February 2024 and subsequently updated.</p> <p>If the draft Strategy is endorsed for the purpose of consultation, targeted stakeholder and broad community consultation will be undertaken in accordance with Council’s Community Consultation Policy.</p>
Resource	Resourcing for implementation of the City of Adelaide Economic Development Strategy will be considered through Council’s annual business plan and budget processes.
Risk / Legal / Legislative	<p>The City Planning, Development and Business Affairs Committee (CPDBA) Terms of Reference (Link 3) was established in January 2023 and its purpose includes:</p> <p><i>To review and, if necessary, guide the development of a city-wide economic development strategy and a local heritage strategy and policy.</i></p> <p>The draft Strategy delivers a City of Adelaide priority and responds to recommendations from the independent reviews of AEDA.</p>
Opportunities	The development of an Economic Development Strategy will clarify the role of Council, AEDA, ACMA, other levels of government and the private sector in economic development and set strategic directions for the City of Adelaide and its subsidiaries.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	The item that is the subject of this report is currently unfunded. A budget proposal has been submitted for consideration through the 2024/25 annual business plan and budget process for year 1 implementation of the draft Strategy. Any required funding for this item is subject to, and needs to be considered in the context of, the prioritisation of projects, initiatives and service enhancements for the development of the 2024/25 budget, and within the parameters of the Long Term Financial Plan to ensure long-term financial sustainability.
Life of Project, Service, Initiative or (Expectancy of) Asset	The draft City of Adelaide Economic Development Strategy has a ten-year planning horizon and four-year delivery focus from 2024-2028.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The purpose of this report is to present a draft City of Adelaide (CoA) *Economic Development Strategy – An economy that works for all* (the draft Strategy), for the purpose of public consultation.
2. An earlier draft of the Economic Development Strategy was presented to the City Planning, Development and Business Affairs Committee ([Link 1](#)) on 7 November 2024. At the following Council Meeting ([Link 4](#)) on 14 November 2024, Council resolved to:

Engage independent advice to inform a new draft of the City of Adelaide Economic Development Strategy to be presented to the City Planning, Development and Business Affairs Committee in early 2024.

Consultation to inform the draft Strategy

3. The draft Strategy contained in **Attachment A**, is informed by a Council workshop held on 3 October 2023 ([Link 2](#)) at the City Planning Development and Business Affairs Committee, an Economic Development Strategy Roundtable held on 14 December 2023 and Council's Strategic Plan 2024-2028.
4. A significant body of targeted engagement and research has informed the development of the draft Strategy, including:
 - 4.1. Economic Profile – preparation of an Economic Profile for the City of Adelaide to inform Council's Strategic Plan 2024-28 (completed in June 2023).
 - 4.2. Night Time Economy – University of Melbourne's Melbourne Centre for Cities Night Shift Project Team (commenced May 2023).
 - 4.3. Council of Capital City Lord Mayors' Economic Development and Research Working Group – Night Time Economy Research and City Pulse Reports (ongoing).
 - 4.4. South Australian Economic Statement – State Government through discussions on the South Australian Economic Statement (July 2023).
 - 4.5. Housing Research – CoA Housing Audit and Need Analysis which considers economic and economic development factors relating to housing in the CoA (June to September 2023).
 - 4.6. City Plan – City Plan Studio Sessions including Magnet City and New Urban Form (September 2023).
 - 4.7. Internal consultation - occurred across the City of Adelaide, Adelaide Central Market Authority (ACMA) and Adelaide Economic Development Agency (AEDA) in September 2023.
 - 4.8. AEDA Board - a workshop was held with the AEDA Board in September 2026 to receive feedback on the framing for the draft Economic Development Strategy.
5. As an outcome of the Council Member and Adelaide Economic Development Agency (AEDA) Board strategic workshop on 30 January 2024, the City of Adelaide was invited to submit a report and table the amended draft Economic Development Strategy at the AEDA Board meeting on 13 February 2024. Advice of the AEDA Board has been addressed in the draft Strategy.

Economic Development Strategy Roundtable

6. A Roundtable was held on 14 December 2023 in response to a decision by the Council to seek independent advice to inform a new draft of the Economic Development Strategy.
7. The Roundtable included an address from independent experts, and a panel and collaborative discussion at tables to inform the Economic Development Strategy. Experts included:
 - 7.1. Professor Michele Acuto, Director Melbourne Centre for Cities, University of Melbourne
 - 7.2. Dr Susan Stone, Credit Union SA Chair of Economics, UniSA Business
 - 7.3. Brenton Caffin, Executive Director, Strategy and Policy, Department of the Premier and Cabinet, Government of South Australia
 - 7.4. Ryan Williams, Playford Professor Business Growth & Director, Australian Centre for Business Growth UniSA Business.
8. The Roundtable was attended by 51 participants including:
 - 8.1. Business leaders, University sector, leaders in arts and cultural festivals
 - 8.2. State Government representatives and economic development experts
 - 8.3. AEDA Board and Advisory Committee Members

- 8.4. Council Members.
9. Key changes as a result of engagement of independent experts and Roundtable discussions include:
- 9.1. Updated goals based on the City of Adelaide's role as a capital city and local government area.
- 9.2. The strengthening of themes throughout the draft Strategy, including:
- 9.2.1. Climate – noting the multi-faceted and encompassing impacts of climate, this is woven through the draft Strategy including as a global trend, an advantage for Adelaide through the renewable energy grid, and most directly through Goal 2: A transitioning economy that works for all.
- 9.2.2. Housing – noting the relationship between housing, population and economic growth. This includes description of the Housing Strategy in the section on Strategic Alignment, and Goal 2: A transitioning economy that works for all.
- 9.2.3. Adelaide's brand (attraction) – including a greater focus in Goal 1: A gateway to South Australia, inclusion of 'promote' as a defined role for the City of Adelaide in economic development, and recognition of the City of Adelaide's green brand as a priority in Goal 2: A transitioning economy that works for all.
- 9.2.4. Neighbourhoods and precincts – noting the importance of well-planned neighbourhoods and precincts for activation and to create vibrancy in our city both night and day, including as a priority in Goal 2: A transitioning economy that works for all.
- 9.2.5. Collaboration – including a greater focus in Goal 1: A gateway to South Australia, Goal 3: A centre for education and collaboration, inclusion of 'promote' as a defined role for the City of Adelaide in economic development, and a section on Partnering.
- 9.2.6. Youth – a focus on talent and engagement with young people in the city in Goal 3: A centre for education and collaboration, and inclusion of key statistics about the City of Adelaide community.
- 9.3. Inclusion of the economic vision from the City of Adelaide Strategic Plan 2024-2028.
- 9.4. Targets from the City of Adelaide's Strategic Plan 2024-2028 have been incorporated, including:
- 9.4.1. Increase in the percentage of businesses who think the city is a good place to do business from 64% to 75%.
- 9.4.2. Increase the number of new businesses and investment in the city.
- 9.4.3. Increase the number of people who visit the city from 2.1 million to 2.5 million by 2028 through local, interstate and international visitation.
- 9.4.4. Increase foot traffic in key and emerging precincts annually in line with the draft Strategy.
- 9.4.5. Increase the use of social enterprises and Aboriginal Torres Strait Islander owned businesses through City of Adelaide procurement.
- 9.5. Further consideration of the relationship with City of Adelaide strategic documents including the Housing Strategy – *Investing in our Housing Future*, draft Integrated Climate Strategy and City Plan (in development).
- 9.6. Clear statements regarding roles and responsibilities.
- 9.6.1. The draft Strategy extends across the operations of the City of Adelaide and its subsidiaries of AEDA, ACMA and Kadaltilla / Adelaide Park Lands Authority (Kadaltilla).
- 9.6.2. It also serves as a strategic direction for the city to partner and collaborate on economic development across the city and North Adelaide, and with other levels of government and the private sector.
10. Following the Economic Development Strategy Roundtable, an amended draft Strategy was presented to the AEDA Board at its meeting on 13 February 2024 for advice from the skills-based Board.
11. The advice is provided in the table below together with an administrative response.

AEDA Board Advice	Response
There is a greater need to be bold, aspirational and innovative in identifying projects or activities that will unlock economic growth in the City (in the same	No specific examples were provided for incorporation.

AEDA Board Advice	Response
<p>which in which Small Bar legislation had a profound change on the CBD).</p>	<p>The draft Strategy presented to AEDA Board contained three goal areas based on the city's competitive advantages and roles as a central business district, central experience district and central living district. Goal areas have continued to be refined and are expressed as outcome statements relating to the City of Adelaide's role as a capital city and local government area.</p>
<p>The strategy should reinforce Adelaide's role as South Australia's capital and strengthen the symbiotic relationship that exists between the CBD (as the centre of higher order services, civic functions, cultural activities, etc) and the rest of South Australia.</p>	<p>The draft Strategy presented to AEDA Board contained a section titled Our Role in Economic Development which reinforced Adelaide's role as the economic heart of South Australia.</p> <p>The existing content has been presented earlier in the draft Strategy to increase its prominence.</p>
<p>The Strategy needs to be explicit/upfront about its economic intentions and how AEDA and Council plan to deliver on that. It also needs to be explicit around Council and AEDA's roles. For example, the document would be helped by clearly identifying those actions and services where Council will lead, what specifically Council will be advocating for and specific identification of what it will do to enable.</p>	<p>There were no specific examples or proposals provided to incorporate into the draft Strategy.</p> <p>The draft Strategy presented to AEDA Board contained a section titled Governance and Implementation – Roles and Responsibilities which included role statements for the City of Adelaide, Adelaide Economic Development Agency, Adelaide Central Market Authority and Kadaltilla / Adelaide Park Lands Authority.</p> <p>Priority projects in each goal area included the roles of Council and its subsidiaries in the project description.</p> <p>Priorities now include a separate heading identifying the lead responsibility as either CoA or a subsidiary.</p>
<p>The strategy could be improved with a vision...a statement of what Council wants the City's economy to become. This should include building on those niche areas where Adelaide is seen as a global and national leader. The current document identifies comparative advantages but these do not seem to carry through to the priority projects.</p>	<p>There was no specific example provided for incorporation into a vision statement.</p> <p>The draft Strategy presented to AEDA Board contained the aspiration for Our Economy contained in the City of Adelaide Strategic Plan 2024-2028:</p> <p><i>In ten years Adelaide will be the strong economic focal point of the state, attracting new investment and talent from around the world. New and diverse industries will complement and build on our economic strengths and city businesses will be successful and connected to global opportunities.</i></p> <p>The City of Adelaide's economic vision has been moved forward in the document to the Introduction section in the amended draft Strategy.</p> <p>Goal areas have continued to be refined and are expressed as outcome statements relating to the City of Adelaide's role as a capital city and local government area.</p>
<p>There needs to be clear understanding of the audience – is it an internal Council document, or is it a sign to the private sector including investors of Council's vision for the City's economy and what it will be putting in place to support the flow of capital, workers and visitors into it? If the latter, is it sufficiently compelling? From an investment attraction perspective it should be a bold and pragmatic statement of how Council will support</p>	<p>The Strategy is a City of Adelaide public facing document.</p> <p>The intended audience is the public (inclusive of the business, investors, visitors and residents) and potential partners.</p> <p>The Strategy sets the strategic direction for the city's economic development rather than acting solely for investment attraction.</p>

AEDA Board Advice	Response
and develop economic activity and businesses in the City.	The draft Strategy aligns with content published by AEDA in 2023 as an Investment Prospectus (Link 5).
Generating greater economic activity includes increasing the flow of capital and people to a location. Given the global competition for both capital and people the strategy should have a national/global perspective on how Adelaide's position is improved as a 'magnet city' for people and capital. There would be merit in looking globally at similar cities who could either be collaborators or competitors – there would be value in clearly identifying what would make Adelaide stand out from other tier 2 cities and what would enhance that positioning in a way that brings greater economic benefit.	The draft Strategy presented to AEDA was informed by a City of Adelaide Magnet City, City Plan Studio Session in September 2023, and global perspectives shared at the Economic Development Strategy Roundtable held on 14 December 2023. Further refinement of this content and language is made in the amended draft Strategy.
The AEDA Board suggests it could be useful for the draft document to outline the consultation approach that is proposed. Targeted industry consultation on the draft is important and AEDA can assist in facilitating this given our strong networks with business.	The AEDA Board offered City of Adelaide access to AEDA consultation and event formats for the purposes of consulting on the draft Strategy. A draft consultation plan is provided in Attachment B which includes opportunities for AEDA to contribute to the stakeholder consultation process. AEDA Administration has identified the AEDA Summit on 22 May 2024 as an opportunity for engagement with business and industry on the Economic Development Strategy.

Draft Economic Development Strategy

12. The draft Strategy contained in **Attachment A** provides a focus on how the City of Adelaide can enable economic activity and contains six goals each with key priorities:
 - 12.1. Goal 1: A gateway to South Australia - Adelaide's unique experiences and opportunities attract visitors to our city and into the State's regions, building our global profile.
 - 12.1.1. Priority: Showcase Adelaide as a premier tourism location.
 - 12.1.2. Priority: A thriving visitor economy.
 - 12.1.3. Priority: Capitalise on our connection with Adelaide airport to increase visitation.
 - 12.2. Goal 2: A transitioning economy that works for all - An inclusive, equitable and thriving economy that helps grow the broad range of sectors that contribute to Gross State Product (GSP), supports our community and nurtures people and planet.
 - 12.2.1. Priority: Leverage and grow the green economy and green brand
 - 12.2.2. Priority: Support SME growth to increase the city's contribution to GSP
 - 12.2.3. Priority: Support First Nations enterprises
 - 12.2.4. Priority: Extend the daily cycle of the city into the night.
 - 12.3. Goal 3: Adelaide as a centre for education and collaboration - A city that is a test best for ideas, research and collaboration, attracting the best and brightest minds to invent and innovate.
 - 12.3.1. Priority: Strengthen Adelaide's reputation as a centre for health and education.
 - 12.3.2. Priority: Export knowledge for the global green transition.
 - 12.3.3. Priority: Support international student wellbeing and sense of belonging.
 - 12.4. Goal 4: Liveable Adelaide, towards 50,000 - Grow the city's population to 50,000 through a pipeline of investment and housing.
 - 12.4.1. Priority: Enable a pipeline of housing addressing the needs of a diverse market, ensuring accessibility and affordability to attract workers and investment to our city.

- 12.4.2. Priority: Enable our University sector to grow and create density in key parts of our city through increased student accommodation.
- 12.4.3. Priority: Encourage repurposing, adaptive reuse and improvement of buildings and facilities.
- 12.4.4. Priority: Invest in well-planned neighbourhoods and key destination precincts.
- 12.5. Goal 5: Australia's festival and creative capital - Leverage our creative strengths and experience in the arts and culture to attract home grown and world class talent to power the economy.
 - 12.5.1. Priority: Events and experiences of every size and scale.
 - 12.5.2. Priority: Build the economic contribution of the creative industry sector.
 - 12.5.3. Priority: Thriving small venues and live music scene.
 - 12.5.4. Priority: Art in our streets and the Adelaide Park Lands.
- 12.6. Goal 6: An easy place to grow business - Attract, retain and grow businesses through a dynamic, holistic economy.
 - 12.6.1. Priority: The city as a key driver of South Australia's economy.
 - 12.6.2. Priority: Enable start-ups and entrepreneurship.
 - 12.6.3. Priority: Jobs in emerging sectors that support a growing population.
 - 12.6.4. Priority: Support small and medium enterprises to scale-up.
- 13. The draft Strategy is amended to provide additional data about the city's economy. Progress and success will be assessed with reference to economic datasets and the impact of the Strategy on economic opportunity, employment, city visitation and climate resilience.

Next Steps

- 14. Pending decision by Council, consultation on the draft *Economic Development Strategy – An economy that works for all*, will be undertaken as outlined in **Attachment B**.
- 15. Consultation is planned to commence from April 2024, with a summary of consultation to be presented to City Planning, Development and Business Affairs Committee of Council by June 2024.
- 16. The draft City of Adelaide Economic Development Strategy is targeting finalisation in the first quarter of 2024/25.

DATA AND SUPPORTING INFORMATION

Link 1 – [City Planning, Development and Business Affairs Committee, Tuesday, 7 November 2023](#)

Link 2 – [City Planning, Development and Business Affairs Committee, Tuesday, 3 October 2023](#)

Link 3 – [City Planning, Development and Business Affairs Committee \(CPDBA\) Terms of Reference](#)

Link 4 – [Council, Tuesday, 14 November 2023 – Minutes](#)

Link 5 – [AEDA Investment Prospectus](#)

ATTACHMENTS

Attachment A – Draft City of Adelaide Economic Development Strategy – An economy that works for all

Attachment B – Draft City of Adelaide Economic Development Strategy, Engagement Plan

- END OF REPORT