

# Our Corporation

## AEDA 2024/25 Business Plan and Budget

This workshop seeks Council Members' feedback on the AEDA 2024/25 draft Business Plan and Budget.

Adelaide Economic Development Agency  
Greg Ratsch, General Manager



- The draft AEDA 2024/25 BP&B has been prepared in consideration of the CoA Strategic Plan and Long-Term Financial Plan
- The BP&B is underpinned by the objects and purposes of the Agency and feedback received through consultation
- This draft Budget has been approved by the AEDA Board.

**KEY QUESTION**

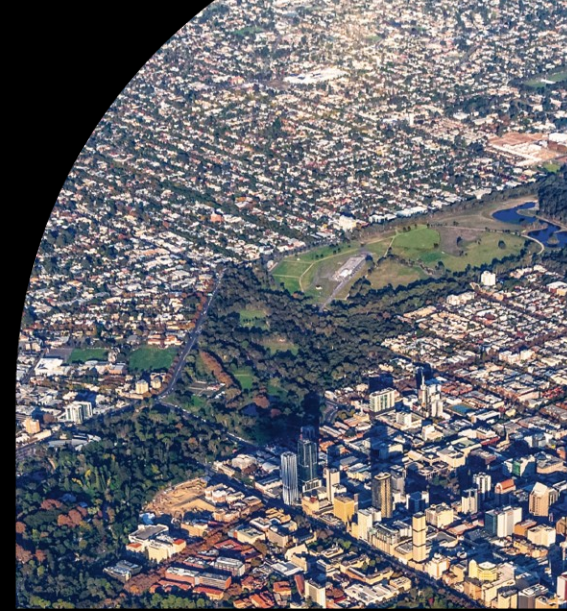
Do Council Members  
have any feedback on  
the draft 2024/25  
AEDA Business Plan  
and Budget?

# Adelaide Economic Development Agency

## Draft 2024/25 Business Plan and Budget

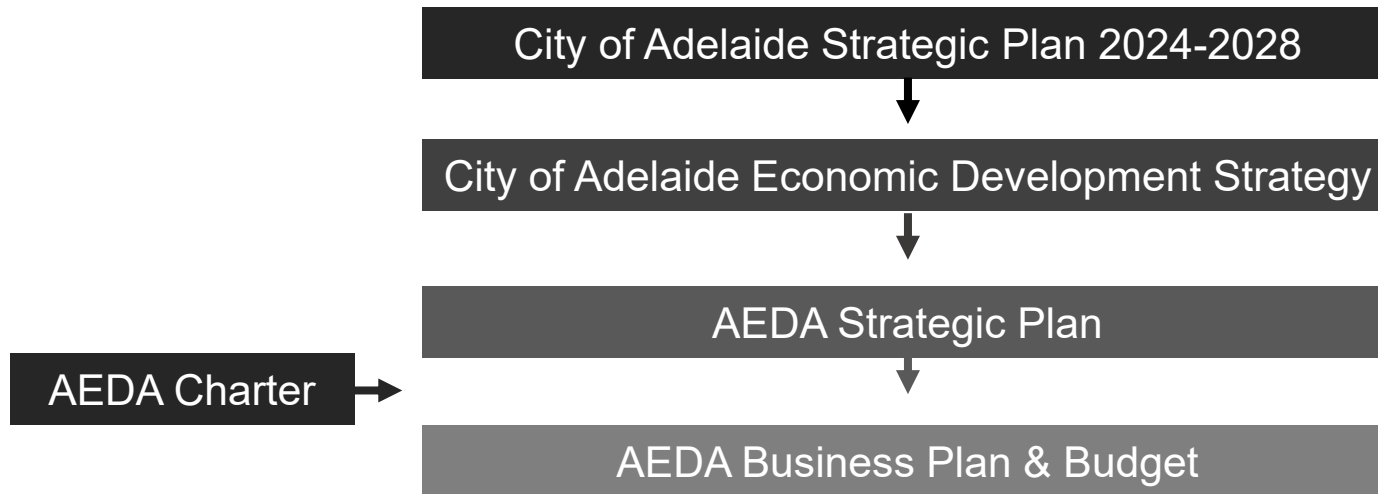


Adelaide  
Economic  
Development  
Agency



# Overview

The annual Business Plan and Budget (BP&B) of the Agency fits in with the Council's strategies and documents as follows:



# CoA Strategic Plan Alignment

The CoA Strategic Plan is a key overarching document to the AEDA BP&B, particularly whilst the Economic Development Strategy is being developed with its potential impact on the AEDA Strategic Plan.

CoA's Strategic Plan contains an action to *“continue the support for the Adelaide Economic Development Agency (AEDA) Subsidiary and the delivery of the AEDA Charter and Business Plans”* with an associated indicator of success being *“support the delivery of the key actions of the AEDA Strategic Plan to support investors, emerging sectors, entrepreneurs and business owners to be successful, innovative and responsive to a changing business environment.”*

Specific actions of particular relevance to AEDA in CoA's Strategic Plan include:

Partner with the State Government, universities, associations, community and advocacy groups to activate and upgrade precincts to stimulate investment, visitation and maximise opportunities

Refresh the way in which information is provided to visitors to the city

Support increased residential growth and housing affordability through partnerships and advocacy

Create partnerships to grow and develop current and emerging sectors such as medical, technology, creative and professional services sectors

Provide services and information that contribute towards a high productivity economy

Reinforce the position of Adelaide as the State's central business district and amplify Adelaide's reputation as a place to learn, work and start a business

Elevate the City's reputation for exceptional and unique arts and cultural experiences by encouraging and providing arts, culture and events partnerships, grants and sponsorship opportunities

Work with partners, universities and businesses to attract investment and improve employment opportunities

# Objects & Purposes of AEDA

The AEDA Charter outlines the objects and purposes of the Agency, which are:

To accelerate economic growth in the City of Adelaide by attracting investment and supporting businesses, festivals and events, as well as visitor, student and residential growth

To promote the City of Adelaide as a destination and 'magnet city' and increase its visitation and use by residents, workers, visitors and the community in general

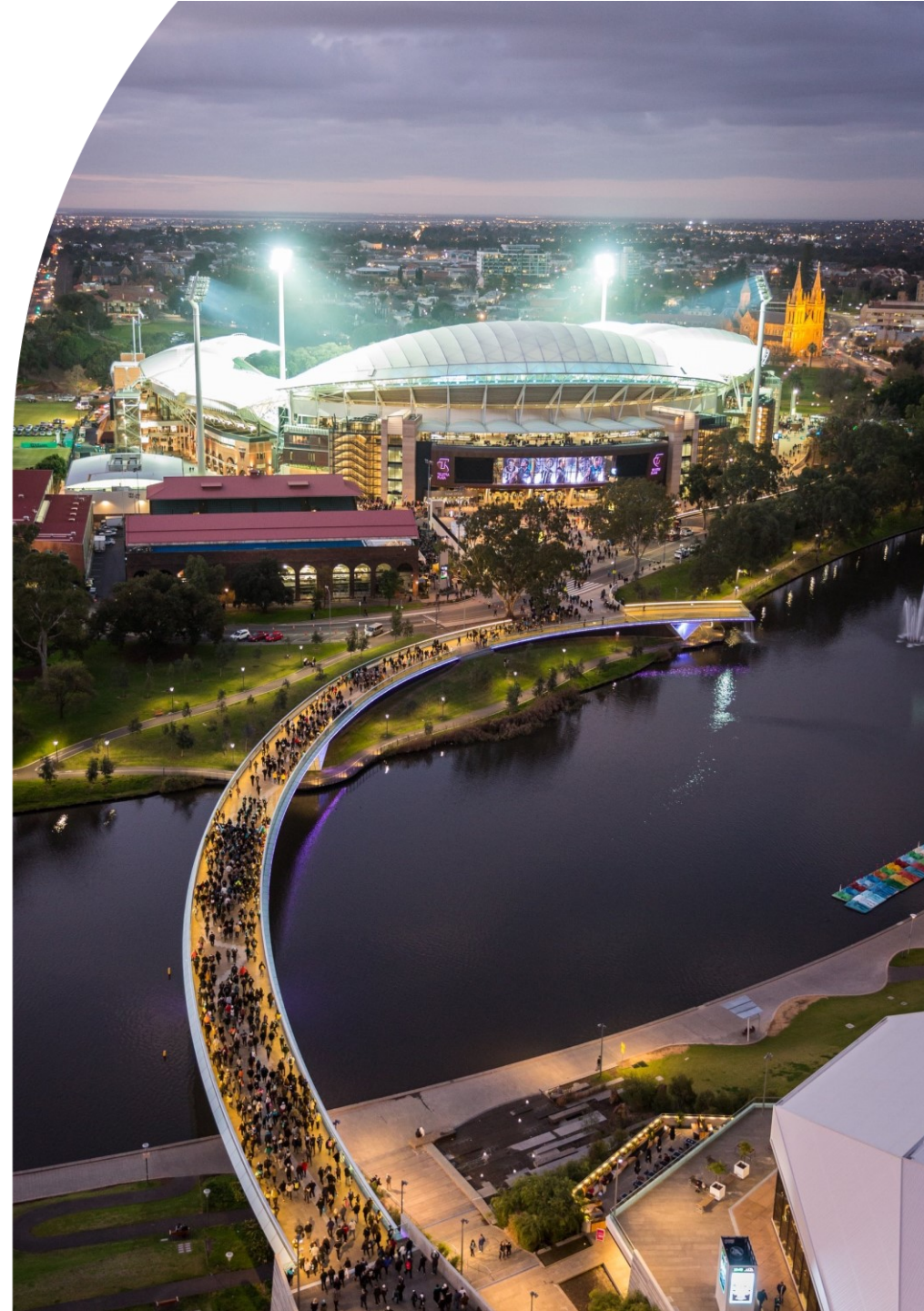
To position the Rundle Mall as the State's premier retail and commercial shopping precinct in order to sustain retail, business and economic viability

To ensure that the Agency operates within the terms of this Charter and the Council's Strategic Plan

# Context

The 2024/25 AEDA draft BP&B has been informed by:

- Engagement with the AEDA Board
- Engagement with the AEDA Advisory Committee
- Review of the CoA Strategic Plan Feedback
- AEDA Strategic Plan Consultation with AEDA Board, Advisory Committee & Staff





# Strategies & Actions

# Business, Investment & Residential Growth

*An environment that attracts investment, supports new businesses to start, existing businesses to grow and increases the city's population.*

<p><b>CoA Strategic Plan Alignment</b></p>	<ul style="list-style-type: none"> <li>• Activate and upgrade precincts to stimulate investment, visitation and maximise opportunities</li> <li>• Provide services and information that contribute to a high productivity economy</li> <li>• Work with partners, universities and businesses to attract investment and improve employment opportunities</li> <li>• Grow and develop sectors such as medical, technology, create and professional services</li> <li>• Deliver economic data and insights to our business community</li> <li>• Support increased residential growth</li> </ul>
<p><b>Outcomes</b></p>	<ul style="list-style-type: none"> <li>• The position of the State's Central Business District is reinforced and its strengths and opportunities are known nationally and globally</li> <li>• Existing businesses grow and new firms including retailers, medical, technology, creative and professional services choose the city</li> <li>• Knowledge based industries grow and innovation networks develop further</li> <li>• Investment and business decision makers in the city have access to reliable data</li> <li>• Enhanced partnerships with the state government, private investors and industry groups to stimulate residential and commercial investment</li> </ul>

City Indicators that will be impacted	Key Result Area Measures
<ul style="list-style-type: none"> <li>• Commenced international student numbers maintained at 2023 levels (29,143 as of October)</li> <li>• 2+% increase in the number of city workers above 2022/23 levels (157,000) to 160,647</li> <li>• 2+% increase in the number of city businesses above 2022/23 levels (12,558) to 12,809</li> </ul>	<ul style="list-style-type: none"> <li>• 50 inward investment proposals/local expansions supported, with at least 1,500 jobs created</li> <li>• 750 Welcome to Adelaide employee introduction packs distributed</li> <li>• Increase of bookable tourism experiences in the city</li> <li>• 30+ vacant shopfronts/premises activated</li> <li>• Deliver 3 industry briefing events</li> <li>• Outcomes from collaborative partnerships with MTPConnect; SouthStart and University of Adelaide/Thinlab to support small businesses to grow and scale</li> <li>• 5 projects/market interventions to support emerging industries in the city</li> <li>• Supported/ facilitated 6 networking/knowledge transfer events for businesses</li> </ul>

# Visitor Growth

*Visitors have an enjoyable, vibrant and dynamic city experience so that they are encouraged to return again and become ambassadors for the Adelaide as a destination of choice*

<b>CoA Strategic Plan Alignment</b>	<ul style="list-style-type: none"><li>• Increase the number of people who visit the city through local, interstate and international visitation</li><li>• Refresh the way in which information is provided to visitors to the city</li></ul>
<b>Outcomes</b>	<ul style="list-style-type: none"><li>• Adelaide is a world class events city hosting a diverse range of festivals and events, including business events, spread across the city over the year</li><li>• Strengthened partnerships and programs to increase awareness of the city, leading to increased bookings from regional, national and international visitors</li><li>• Visitors are highly satisfied with their experience and can easily find information about planning their trip before they arrive and during their visit</li><li>• A sustainable tourism sector, that continues to grow by diversifying and expanding product offerings, job growth, and attraction of new operators</li></ul>

<b>City Indicators that will be impacted</b>	<b>Key Result Area Measures</b>
<ul style="list-style-type: none"><li>• City hotel occupancy above 70%</li><li>• Jobs filled &amp; businesses data (<i>AEDA refining and sourcing target</i>)</li><li>• TiCSA Tourism Barometer Report<ul style="list-style-type: none"><li>○ industry confidence &amp; forward booking sentiment</li><li>○ workforce sentiment</li><li>○ Adelaide operators compared to total sentiment (<i>AEDA refining and sourcing target</i>)</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Delivery of the new Experience Adelaide Visitor Centre</li><li>• 20 new bookable city tourism products/experiences</li><li>• Visitor &amp; community sentiment index (<i>to be developed</i>)</li></ul>

# Rundle Mall

*Rundle Mall, the State's premier retail and commercial shopping precinct, energises city life and enriches the Adelaide experience*

## CoA Strategic Plan Alignment

- Activate and upgrade precincts to stimulate investment, visitation and maximise opportunities
- Reinforce the position of Adelaide as the State's central business district to amplify Adelaide's reputation as a place to learn, work and start a business
- Deliver quality street and laneway upgrades, Mainstreet's, precincts and neighbourhood revitalisation and improvements that make Adelaide well-designed, safe and unique.

## Outcomes

- Rundle Mall evolves and regenerates with new capital investment
- Rundle Mall develops a reputation as a food, wine and hospitality precinct
- A vibrant and multi-dimensional day and night destination that's curated and programmed with memorable events, festivals, activations, and installations.
- Rundle Mall is a healthy and vibrant mix of world class flagships, local brand heroes and gems that you can't find anywhere else
- Through shading, greening and other initiatives, Rundle Mall remains an attractive place to visit as climate variations become more extreme

## City Indicators that will be impacted

- Increased spend in the city
- Reduced retail vacancy rates from 15.3%
- Increased market share in hospitality categories

## Key Result Area Measures

- Demonstrate uplift in market share and foot traffic across 3 core campaigns
- 5 new brands commit to Rundle Mall
- 2 public realm infrastructure projects completed.
- A minimum of \$20m new capital investment delivered or committed in the Rundle Mall precinct.
- Completed concept plans for Twin Street upgrades.
- 10 Business or industry media stories relating to Rundle Mall.
- Uplift in Rundle Mall small business sentiment index over FY24/25

# Brand and Marketing

*The voice of the city to consumers through Experience Adelaide and to businesses as the Adelaide Economic Development Agency*

<p><b>CoA Strategic Plan Alignment</b></p>	<ul style="list-style-type: none"> <li>• Reinforce the position of Adelaide as the State’s central business district and amplify Adelaide’s reputation as a place to learn, work and start a business</li> <li>• Provide services and information that contribute to a highly productive economy</li> <li>• Partner with State Government, universities, associations and community to activate and upgrade precincts to stimulate investment, visitation and maximise opportunities</li> <li>• Refresh the way in which information is provided to visitors to the city</li> </ul>
<p><b>Outcomes</b></p>	<ul style="list-style-type: none"> <li>• Unified key messaging and branding of the city to intrastate, interstate and international audiences</li> <li>• More workers, residents, students, and visitors in the city</li> <li>• Increased spend in the city</li> <li>• AEDA is a partner of choice for businesses and other organisations with a mutual interest in enhancing the city’s economy</li> <li>• Adelaide is considered a destination of choice for leisure travellers</li> </ul>

City Indicators that will be impacted	Key Result Area Measures
<ul style="list-style-type: none"> <li>• Increased awareness of AEDA among target audience(s)</li> <li>• Increased foot traffic in key precincts and areas</li> <li>• Total city expenditure above \$4.45b</li> </ul>	<ul style="list-style-type: none"> <li>• 10% increase to \$2.2m on 2023/24 in media mentions (advertising space rate) with reference to AEDA</li> <li>• Maintain a variance of 85% – 95% neutral and/or positive sentiment of media mentions</li> <li>• Increase awareness of AEDA amongst target audience by X% (metrics to be determined by research scheduled for completion in May)</li> <li>• Brand health metric for “city” and Adelaide” as a destination to visit (metrics to be determined by May)</li> </ul>

# Draft Budget

# Program Plan Overview

## AEDA

## Plan & Budget

Adelaide Economic Development Agency

2024/25

**Accelerate economic growth in the CoA by attracting investment, supporting businesses to grow, funding festivals, growing the visitor economy, supporting residential growth, managing Rundle Mall and marketing the city as a destination and 'magnet city'.**

### Functions supported

- Business Support and Investment
- Economic Data and Insights
- Event and Festival Sponsorship
- Marketing the City
- Precinct Group Funding
- Residential Growth
- Rundle Mall Management, Activations and Marketing
- Funding for strategic partnerships
- Visitor Economy
- Visitor Information Services

### Responsibility

General Manager, Greg Ratsch

### Strategic link

Our Economy

### Outputs for the year ahead

Rundle Mall management, marketing and attraction of new brands

Provision of \$3 million+ of sponsorship to event organisers and partner organisations

Events and data that stimulate thinking about the City's economy and investment into the economy

Initiatives that increase the number of workers in the City by supporting businesses to grow or locate in the City

Marketing campaigns that position the City as a place to work, invest and visit

Delivery of Visitor Information Services to more than 35,000 people and an increase in tourism products to grow the visitor economy

# Program Plan Budget

## Portfolio Budget for the year ahead (\$'000)

Budget Summary	2023/24 Q2				2024/25			
	FTE	Income	Expenditure	Total (net)	FTE	Income	Expenditure	Total (net)
Revenue *	-	4,354	-	4,354	-	4,399	-	4,399
Employee Costs	32.6	-	(4,620)	(4,620)	33.6	-	(4,996)	(4,996)
Materials, Contracts and Other Expenses	-	-	(4,960)	(4,960)	-	-	(4,489)	(4,489)
Sponsorships, Contributions and Donations	-	-	(3,187)	(3,187)	-	-	(3,182)	(3,182)
Depreciation, Amortisation and Impairment	-	-	(42)	(42)	-	-	(42)	(42)
Finance Costs	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>32.6</b>	<b>4,354</b>	<b>(12,809)</b>	<b>(8,455)</b>	<b>33.6</b>	<b>4,399</b>	<b>(12,709)</b>	<b>(8,310)</b>
Budget by Activity	FTE	Income	Expenditure	Total (net)	FTE	Income	Expenditure	Total (net)
General Manager AEDA	3.0	-	(748)	(748)	3.0	-	(855)	(855)
Business and Investment	7.0	50	(2,519)	(2,470)	8.0	-	(2,640)	(2,640)
Marketing	8.0	35	(1,882)	(1,847)	8.0	-	(1,915)	(1,915)
Rundle Mall Management	9.6	4,250	(4,468)	(218)	9.6	4,380	(4,422)	(42)
Visitor Economy	5.0	19	(3,191)	(3,172)	5.0	19	(2,877)	(2,858)
<b>TOTAL</b>	<b>32.6</b>	<b>4,354</b>	<b>(12,809)</b>	<b>(8,455)</b>	<b>33.6</b>	<b>4,399</b>	<b>(12,709)</b>	<b>(8,310)</b>

\*Excludes the appropriation of Funds from the City of Adelaide



# Program Plan Budget

## Project Delivery (\$'000)

Budget for Operating Projects <i>(embedded in budget activity)</i>	2023/24 Q2		2024/25	
	Income	Expenditure	Income	Expenditure
Adelaide Fashion Week	35	(335)	-	(308)
AEDA Summit	50	(50)	-	-
NYE Events Incentives	-	(100)	-	-
Business Growth - Business Support	-	(179)	-	(184)
Digital Marketing	-	(57)	-	-
Event and Festival Sponsorship	-	(1,810)	-	(1,864)
General Marketing	-	(340)	-	(408)
Main streets Development Grants	-	(179)	-	(184)
Strategic Partnerships	-	(1,073)	-	(1,103)
Visitor Growth - Tourism Projects	-	(174)	-	(179)
WellFest Adelaide	-	(400)	-	-
<b>TOTAL</b>	-	<b>(4,512)</b>	-	<b>(4,230)</b>

Budget for Strategic Projects	2023/24 Q2		2024/25	
	Income	Expenditure	Income	Expenditure
Destination Adelaide Promotion	-	(300)	-	-
Promoting the City during Adelaide 500	-	(75)	-	-
Commercial Events Funding Program	-	(600)	-	(500)
Welcome to Adelaide	-	(120)	-	(75)
Rundle Mall Live Music Program	-	-	-	(100)
Tourism and Business attraction	-	-	-	(133)
<b>TOTAL</b>	-	<b>(1,095)</b>	-	<b>(808)</b>

# Program Plan Budget

## Relevant Strategic Plan 2024-2028 Indicator of Success/Measures/Targets

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### Indicator of Success/Measures/Targets

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

Increase in foot traffic in key and emerging precincts annually in line with the Council's Economic Development Strategy

Increase spending across the city

Council and AEDA to partner with key stakeholders to progress economic development and growth outcomes across all sectors in the City to increase city contribution to Gross State Product

Support the delivery of the key actions of the AEDA Strategic Plan to support investors, emerging sectors, entrepreneurs and business owners to be successful, innovative and responsive to a changing business environment

Deliver economic data and insights to our business community

An increase of businesses who think the city is a good place to do business from 64% to 75%

An increase in the number of new businesses and investment in the city

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# Budget

The AEDA Budget has been prepared consistent with the 2024/25 City of Adelaide BP&B process, built on the basis of budget repair and consistent with Council's Strategic Plan and Long-Term Financial Plan. It has been prepared with a view to efficient delivery of the actions outlined in the draft business plan and received AEDA Board approval on 12 March 2024 for submission to Council as a draft budget for consultation purposes.

- \$13.5m annual budget including Rundle Mall levy and strategic projects equating to 5.9% of the City of Adelaide's annual budget
- \$9.1m CoA appropriation which is approximately 4.0% of City of Adelaide's total budget
- AEDA has 33.6 FTE budgeted (including vacancies), equating to 4.3% of the City of Adelaide's total FTE count.



# Rundle Mall Fees & Charges

The AEDA Board considered proposed changes to the Rundle Mall Levy and Casual Mall Lease rates at their 13 February 2024 Board meeting and endorsed the following:

## Rundle Mall Levy

- Increase the Levy by 2.8% in line with the standard indexation being applied by Council for the upcoming budget, and with Long-Term Financial Plan parameters and principles
- This table outlines the implications of the proposed increase on forecast Rundle Mall income:

	2023/24	2024/25	% Increase
Gross Rates	3,937,808	4,048,067	2.8%
Rebates	(17,802)	(18,301)	2.8%
Objections	(30,000)	(30,000)	-
Net	3,890,006	3,999,766	2.8%

## Casual Mall Leases

- An increase of 2.8% for the Casual Mall Lease (CML) rates in 2024/25. An approximate 2.8% increase is applied to individual fee amounts as opposed to an exact 2.8% to ensure the fees consist of practical denominations.



# Thank You



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