

# Adelaide Economic Development Agency

## Quarter 2 Report

1 October 2024 – 31 December 2024

### Executive Summary

Between 1 October 2024 and 31 December 2024, AEDA:

- Delivered Adelaide Fashion Week with over 2,200 tickets sold to events
- Commenced Rundle Mall City Sessions live music program with 51 musical performances
- Achieved record breaking spend and foot traffic results on Black Friday and the lead up to Christmas.
- Engaged with 54 businesses (YTD) as investment leads that have the potential to add 1,717 jobs in the City.
- Supported 7 events through the Events and Festivals Sponsorship program which were delivered in the quarter with a combined anticipated attendance of 586,000 and an estimated gross economic impact of \$33 million. Supported 7 events through the Commercial Events Sponsorship Program which were delivered in the quarter with a combined anticipated attendance of 96,000 and an estimated gross economic impact of \$7.7 million.
- Finalised the AEDA Strategic Plan 2024/25-2028/29
- Conducted the AEDA 2023/24 Annual General Meeting

### Financial Report

| Operating Position                        | December YTD       |                      |              | Annual               |                           |              |
|-------------------------------------------|--------------------|----------------------|--------------|----------------------|---------------------------|--------------|
|                                           | 2024/25<br>Actuals | 2024/25<br>Q1 Budget | Variance     | 2024/25<br>Q1 Budget | 2024/25<br>Revised Budget | Variance     |
| <b>\$000s</b>                             |                    |                      |              |                      |                           |              |
| <b>Income</b>                             |                    |                      |              |                      |                           |              |
| Rundle Mall Levy                          | 2,031              | 2,024                | 7            | 4,017                | 4,017                     | -            |
| Rundle Mall User Charges                  | 309                | 190                  | 119          | 380                  | 380                       | -            |
| CoA Appropriation of Funds                | 3,395              | 4,268                | (873)        | 8,636                | 8,779                     | (143)        |
| Other Income                              | 4                  | 10                   | (6)          | 19                   | 19                        | -            |
| <b>Total Income</b>                       | <b>5,739</b>       | <b>6,492</b>         | <b>(753)</b> | <b>13,052</b>        | <b>13,195</b>             | <b>(143)</b> |
| <b>Expenses</b>                           |                    |                      |              |                      |                           |              |
| Employee Costs                            | 1,955              | 2,266                | 311          | 4,829                | 4,743                     | (86)         |
| Materials, Contracts and Other Expenses   | 2,623              | 2,247                | (376)        | 4,628                | 4,608                     | (20)         |
| Sponsorship, Contributions and Donations  | 1,148              | 1,711                | 563          | 3,549                | 3,749                     | 200          |
| Depreciation, Amortisation and Impairment | 45                 | 44                   | (1)          | 88                   | 88                        | -            |
| <b>Total Expenses</b>                     | <b>5,771</b>       | <b>6,268</b>         | <b>497</b>   | <b>13,094</b>        | <b>13,188</b>             | <b>94</b>    |
| <b>Operation Surplus / Deficit</b>        | <b>(32)</b>        | <b>224</b>           | <b>256</b>   | <b>(42)</b>          | <b>7</b>                  | <b>49</b>    |

### Year to Date (YTD) Financial Summary

#### Income

- Rundle Mall user charges income \$119k favourable to YTD budget.
- CoA Contribution represents AEDA expenditure (excluding Rundle Mall activities) in the first half of the financial year.

#### Expenditure

- Employee Costs has a \$311k favourable variance.
- Materials, Contracts and Other Expenses has an unfavourable variance of (\$376k) mainly due to timing of payments for Rundle Mall Security Services (\$177k) and stage hiring (\$130k)

- Sponsorships, Contributions and Donations has a favourable variance of \$563k, mainly due to timing related to receipt of invoices for Event and Festival Sponsorship and inclusion of \$200k additional funding for Commercial Events and Festivals Sponsorship (to be considered at Q2 Budget review).

## Projected Annual Financial Summary

### Proposed Quarter 2 Variances and Budget Requests

- Sponsorships, Contracts and Other Expenses: \$200k – funding has been identified for the Commercial Events Fund Strategic Project. Total funding for 2024/25 is \$500k in line with the Decision of Council to prioritise the funding
- Employee Costs: (\$86k) due to the City of Adelaide restructure, 1.0 FTE Reduction of Executive Advisor within AEDA from 6 January 2025
- Materials, Contracts and Other Expenses: (\$20k) from Rundle Mall operating budget to fund the capital project of Decorative Twin Lighting Installations
- The City of Adelaide appropriation of funds has increased by \$143k to fund the increase in expenditure (net of Rundle Mall activity)

### Risks and Opportunities

- Expansion of the Burnside Shopping Centre
- Potential changes in interest rates impacting on consumer disposable income
- Creation of Adelaide University and changes in international student enrolments
- Resource availability to deliver the AEDA Strategic Plan

NB: AEDA's strategic risks are included within the City of Adelaide's Strategic Risk Register, which is reported through the Strategic Risk and Internal Audit Group that then reports into the Audit and Risk Committee

## Board and Advisory Committee Term Changes

- Emma Kardachi was appointed to the AEDA Board for a 2.5 year period following Council's decision on 26 November 2024.
- Leah Grantham's term on the Advisory Committee expired during the reporting period. A recruitment process has been undertaken with recommendations to fill the vacancies on the AEDA Advisory Committee to be considered at the AEDA Board meeting on 12 February 2025

## Board Annual Performance Review

The AEDA Charter requires the Board to undertake an annual review of its performance and provide Council with a report on its outcomes.

The views of Board Members were canvassed via a survey endorsed by the Board at its meeting in November 2024. In summary, the review was positive. With the main findings being:

- The role of the Board is well understood by members;
- The composition and nature of the Board's membership is a strength;
- The Board has a vision, purpose and strategy but would benefit from a reporting process that aligns to the strategic plan;
- Risk management processes are in place, but there are opportunities for the Board to focus on this a little more;
- Processes and systems are generally adequate;
- Better use could be made of the Advisory Committee;
- The Board has a constructive culture, solid processes respects, confidentiality, and a respectful relationship exists between Board and administration; and
- The Chair and the General Manager are effective in discharging their roles and responsibilities;

Proposed actions responding to observations made by Board members through the Review are:

- Identifying opportunities to streamline the Board and Advisory Committee selection processes;
- Developing a reporting process that aligns with the AEDA Strategic Plan now that it has been adopted by the Board;
- Including a risk and emerging challenges section in the General Manager's report to each Board meeting;
- Identifying opportunities on which to seek the input of the Advisory Committee;

- Clearly differentiating agenda items for which a decision is sought from the Board and those that are being workshopped to gain early Board input; and
- Board members to identify opportunities to utilize their networks to progress the objects of the Agency.

## Grant Funding Approved

No grant funding was approved in the second quarter of 2024/25. Applications were opened for the Commercial Events and Festivals Sponsorship Program and the Strategic Partnerships Program.

## Business Plan & Budget and Strategic Plan Measures

The 2024/25 AEDA Business Plan and Budget includes 18 measures across the four key areas, Business, Investment & Residential Growth; Visitor Economy; Rundle Mall and Brand and Marketing.

As at the end of quarter two, progress against the measures is as follows:

- *Six measures have been marked 'Complete/Achieved' which would indicate they have been finalised or the annual target met;*
- *Five measures are 'On Track', meaning the pro-rata measure is tracking ahead or in-line with the target;*
- *Three measures are 'Partially complete', which indicates some progress has been made towards the target, but are not tracking ahead of the pro-rata benchmark and;*
- *Four measures are 'Active' which means work is being done towards the target but no numerical figure towards the target has been recorded.*

## Business, Investment and Residential Growth

| Key Performance Indicator                                                                                                                               | Status             | Annual Measure                                        | Actual | Pro Rata Difference* |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------|--------|----------------------|
| 50 inward investment proposals/local expansions supported with at least 1,500 jobs                                                                      | Complete/Achieved  | 50                                                    | 54     | +29                  |
| Increase of bookable tourism experiences in the city (delivery of Strategic Project)                                                                    | On-Track           | Consultant procured and industry engagement commenced |        |                      |
| 30+ vacant shopfronts/premises activated                                                                                                                | Partially Complete | 30                                                    | 12     | -3                   |
| Deliver 3 industry briefing events                                                                                                                      | On Track           | 3                                                     | 2      | +0.5                 |
| Outcomes from collaborative partnerships with MTPConnect; SouthStart and University of Adelaide/ Thinklab to support small businesses to grow and scale | Complete/Achieved  | Programs completed. Acquittals due 28 March 2025      |        |                      |
| 5 projects/market interventions to support emerging industries in the city                                                                              | Complete/Achieved  | 5                                                     | 5      | +2.5                 |
| Supported/ facilitated 6 networking/knowledge transfer events for businesses.                                                                           | Complete/Achieved  | 6                                                     | 13     | +10                  |

## Rundle Mall

| Key Performance Indicator                                                                    | Status             | Annual Measure              | Actual    | Pro Rata Difference* |
|----------------------------------------------------------------------------------------------|--------------------|-----------------------------|-----------|----------------------|
| Demonstrate uplift in market share and foot traffic across 3 core campaigns                  | Complete/Achieved  | 3                           | 3         | +1.5                 |
| 5 new brands commit to Rundle Mall                                                           | Complete/Achieved  | 5                           | 5         | +2.5                 |
| 2 public realm infrastructure projects completed                                             | On Track           | 2                           | -         | -                    |
| A minimum of \$20M new capital investment delivered or committed in the Rundle Mall precinct | On Track           | \$20m                       | \$12.792m | +\$2.792m            |
| 10 Business or industry media stories relating to Rundle Mall                                | Partially Complete | 10                          | 2         | -3                   |
| Uplift in Rundle Mall small business sentiment index over FY24/25                            | Active             | Baseline figure established |           |                      |

## Visitor Economy

| Key Performance Indicator                                         | Status             | Annual Measure                                                                                      | Actual | Pro Rata Difference* |
|-------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------|--------|----------------------|
| Delivery of the new Experience Adelaide Visitor Centre            | Active             | -                                                                                                   | -      | -                    |
| 20 new bookable city tourism products/experiences                 | Partially Complete | 20                                                                                                  | 0      | 10                   |
| Visitor sentiment and community sentiment index (being developed) | Active             | Visitor sentiment index (baseline) 84<br>Community sentiment index due to be captured in early 2025 |        |                      |

## Brand & Marketing

| Key Performance Indicator                                                                                                                                                                    | Status   | Annual Measure | Actual    | Pro Rata Difference* |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------|-----------|----------------------|
| 10% increase to \$2.2m on 2023/24 in media mentions (advertising space rate) with reference to AEDA. – Maintain a variance of 85% – 95% neutral and/or positive sentiment of media mentions. | On Track | \$2.42m        | \$925,382 | -\$284,618           |
| Increase the brand health metric for Adelaide as a destination to visit to 6.5/10. (Currently 6.35)                                                                                          | Active   | 6.5            | 6.35      | -n/a                 |

\*Difference relates to the difference between the measure and the quarter 2 pro-rata benchmark, not the full KPI.

## Key Achievements



### Adelaide Fashion Week

Adelaide Fashion Week was held from 11-13 October 2024. Over 2,200 tickets were sold across 40 events, an increase of 12% over ticket sales in 2023.

AFW debuted its central hub, The Loft, as a destination for events such as the SAFIA industry breakfast (South Australian Fashion Industry Association), where local brands showcased and retailed their product, along with interstate designers interested in testing the Adelaide market.

Feedback from industry and participants was overwhelmingly positive, indicated by a 90% satisfaction rating and NPS score of 8 out of 10 for the event, via intercept and online surveys



### Rundle Mall Activity Levels

Rundle Mall achieved record breaking spend and foot traffic results on Black Friday and the lead up to Christmas.

AEDA actively promoted Rundle Mall as Adelaide's premier shopping destination and the only shopping centre to stay open until midnight for Black Friday. The range of initiatives and activations were delivered included concierge and valet services, provision of DJs and Rundle Mall City sessions provided music to help boost the mood across the four days. City-wide expenditure during Black Friday 2024 exceeded \$23.5 million, making it the biggest spending day in the City of Adelaide on record. Total spending on Black Friday (Friday, November 29) alone increased by 6% compared to Black Friday 2023. Expenditure was up 52% compared to the 12-month average for Fridays.

The National Pharmacies Christmas Pageant returned to Rundle Mall on Saturday 2 November. From Beehive Corner, Father Christmas was led by a band and dance groups through Rundle Mall to a landing stage at the Gawler Place Canopy where he delivered his Christmas message to the people of South Australia.

AEDA with the City of Adelaide saw the return of the Santa Course, an interactive and decorative city-wide experience that saw nine giant inflatable, illuminated and bespoke Santa's around the city, with 4x located in Rundle Mall. Complementing the Santa Course, Rundle Mall played host to 3x giant swinging bells, twinkling Christmas and bespoke trees. With focus on the 12 days of Christmas, Rundle Mall delivered 34 activations including the Australian Girls Choir, roving Christmas entertainment, free kids' craft, Santa's Spritz Bar and more. Foot traffic in December 2024 was up 6% vs. December 2023. From 20 to 22 December 2024 Rundle Mall saw a record-breaking weekend as over 600k visitors were counted, making it the busiest weekend recorded through sensor data, even surpassing the peak period of the Adelaide Fringe.





### AEDA Strategic Plan

The AEDA Board endorsed its Strategic Plan 2024/25 – 2028/29 at its meeting on 25 October 2024. The Plan addresses AEDA’s obligations under its Charter, Council’s Strategic Plan and Council’s Economic Development Strategy. The Strategic Plan was noted by Council in November 2024.

#### AEDA Reviews Implementation

Since Council’s adoption of the AEDA Review Implementation Plan on 24 October 2023, which detailed how the 36 actionable recommendations from the Deloitte and KPMG reviews of AEDA would be addressed, 35 actions have been completed, including seven this quarter.

The seven actions completed this quarter were:

- Develop the AEDA Strategic Plan
- Better target strategic AEDA KPIs towards economic development outcomes
- Diversify economic development activation activities (beyond current retail focus) and Investigate additional investment opportunities
- Conduct a review of current AEDA resourcing and requirements
- Explore moving Mainstreets, Precincts, and Place Co-ordinators to AEDA
- Investigate the options and benefits of merging the City Experience team into the AEDA model and Review AEDA’s Mainstreet Precincts engagement model
- Implement an ongoing assurance model for AEDA

The final outstanding action has been significantly progressed and is expected to be completed by the end of February 2025.

### Sponsored Events and Festivals

In quarter one, the following events took place that were sponsored by the **Events and Festivals Sponsorship Program**:

- Nature Festival
- Adelaide Film Festival
- OzAsia festival
- Chihuly in the Botanic Gardens
- Feast Festival
- National Pharmacies Christmas Pageant
- Carols by Candlelight

Through the Events and Festivals Sponsorship Program a total of \$415,000 was invested into the events/festivals in quarter two with an estimated gross economic impact of \$33 million and an estimated total attendance of 618,000.

*\*please note estimated figures are derived from initial applications.*

In the quarter the following events supported by the **Commercial Events and Festivals Sponsorship Program** took place:

- CheeseFest
- Poppin’ Out
- Sphere’s Restaurant
- Summer Sessions – Vardon Avenue
- Asia Street Food Festival
- Adelaide Polo Classic

Through the Commercial Events and Festivals Sponsorship Program a total of \$119,000 was invested into events/festivals in quarter two with an estimated gross attendee expenditure of \$7.7 million and an estimated total attendance of 95,700.

*\*please note estimated figures are derived from initial applications.*



### Investment Attraction

64 businesses have been engaged year to date as investment leads that have the potential to add 2,824 jobs into the City. Over the quarter, 14 additional businesses were engaged as leads and 8 businesses have confirmed an investment in the city representing 402 actual jobs.



### Rundle Mall City Sessions (Live Music Program)

Between Friday 11 October and Sunday 22 December over 51 musical performances by South Australian artists were curated as part of Rundle Mall City Sessions.

The Rundle Mall City Sessions program is delivered in partnership with the City of Adelaide and UNESCO City of Music. The program will continue into 2025.

### Conclusion of SouthStart, MTP Connect and ThinLab Programs

The ThinLab, SouthStart and MTP Connect programs concluded in December 2024. The programs assisted 37 start-up companies and entrepreneurs. The South Start program worked with 10 companies to prepared them for seed stage investment, MTP worked with 10 emerging companies in the bio-med sector and ThinLab supported 17 emerging companies looking for seed stage investment and provided some seed investment to several companies. Although final reports are yet to be received, early feedback indicates participants in the programs have improved their investability, growth potential, ability to enter new markets and building of networks within Adelaide's entrepreneurship ecosystem.

## Up Next

Coming up from 1 January 2025 to 31 March 2025

- Extending the previous advertising campaign, "See for yourself" from January through to April 2025. This campaign extension will place additional focus on young families (ages 30-49) Adelaide Fashion Week commences 11 October
- Property Council Office Market Report (6 February 2025)
- Visitor Economy Industry Update (19 February 2025)
- Assessment of Strategic Partnership Program and Commercial Event Fund applications
- Opening of Events and Festivals Sponsorship Program for applications

- Rundle Mall activations including Lunar New Year, Mallfest and LIV Golf
- Completion of Rundle Mall Marketing and Events and Strategy

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