

Business Plan & Budget 2021-22



AEDA acknowledges the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations.

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Adelaide Economic Development Agency

About Us

The City of Adelaide recognised the importance of accelerating economic growth in the city, and as part of its 2020-2024 Strategic Plan, sought to design and implement a new city-wide business model. This led to Council at its meeting on 6 October 2020 resolving to establish the new Adelaide Economic Development Agency (AEDA) as a subsidiary of the City of Adelaide.

AEDA commenced operating on 18 January 2021.

AEDA will work closely with businesses, industry groups, State Government agencies and other relevant organisations to deliver a range of programs designed to stimulate the city's economic growth. The focus will be on investment attraction, growing our visitor economy, residential growth, marketing the city as a whole and promoting Rundle Mall as Adelaide's premier shopping destination.

Business Plan & Budget Summary

Under Section 34 of the AEDA Charter, AEDA is required to produce an annual business plan and budget consistent with the Charter and submitted to Council for approval.

The annual business plan and budget must set out or include:

- The performance targets the subsidiary is to pursue
- The performance measures that are to be used to monitor and assess the performance against targets
- A statement of the financial and other resources and internal processes that will be required to achieve the subsidiary's performance targets

AEDA Team

AEDA Board

AEDA was established as a Section 42 Subsidiary under the *Local Government Act 1999* (SA), and in all things acts through the Board. The Board has responsibility to manage the business and other affairs of the subsidiary, ensuring that AEDA acts in accordance with the Local Government Act and the AEDA Charter.

The Board is skills-based including expertise across hospitality, property development, place making, business development, investment, events and tourism. The Board consists of a Chairperson, one Elected Member (the Lord Mayor of the day) and up to 7 Directors (including one representative from the Advisory Committee).

AEDA Team

AEDA is supported by an agile team, resourced to achieve the strategic outcomes of the organisation.

Led by a Managing Director, the team is made up of experienced and passionate professionals in retail, events, property, investment, business support, tourism, brand and marketing.



L-R: Manuel Ortigosa (Director), Fairlie Delbridge (Director), Steve Maras (Director), Nikki Govan (Chairperson), Craig Holden (Director), Sandy Verschoor (Lord Mayor), Oliver Brown (Director), Ian Hill (Managing Director)

City Trends & Insights

The biggest challenge facing Adelaide for 2021-22 is recovering from the impacts of the COVID-19 pandemic. In developing this Business Plan there have been a number of challenges and complex issues to be considered. Some of these challenges, however, have also given rise to opportunities.

The following trends and insights have helped to prioritise and inform the strategies, outcomes and actions that AEDA has identified.

In the coming twelve months AEDA will focus on providing great experiences to attract more businesses, workers, visitors, students and residents into the city. This will ultimately drive more people back to the city to spend more money.

COVID-19 Response

Cities will play a key role to implement recovery strategies post COVID-19. There will be an accelerated approach and shift towards how we need to re-build from this. As have most cities across the globe, we too have become exposed in certain areas of business and the health and wellbeing of our community.

Consequently, society has accelerated their environmental awareness and started to change habits and behaviours in their decisions and thinking regarding the environment and more broadly the circular economy.

Digitalisation was a major game changer during the crisis. This will remain and be the future with how we work and do business.

These challenges and changes give rise to opportunities for the city. To close the gap in the recovery period, as a city we need to act on how to support local business, the future economy and environmental sustainability of our city.

Never has there been a better time to talk to our vision to make Adelaide the most liveable city in the world.

**City
visitation**
has reduced



SA consumer
confidence is up

SA
one of the
**safest
places**



**International
student**
numbers have reduced

Flexible Working

Flexible workplaces are a global trend that are here to stay. With more people craving a greater work/life balance, businesses will need to adapt to find new ways of operating.

This presents challenges for capital cities who have less people coming into the city and the ripple effect into secondary economic drivers including hospitality, retail, and the night-time economy. It is critical moving forward that we activate and create experiences to incentivise people to visit the city and capitalise on the city's point of difference.



More people are
**working
from home**

City Trends & Insights

Emotional Impacts

2020 was a year like no other, and the unprecedented nature of the global pandemic has impacted communities all over the world. Many Australians have been impacted by fear, anxiety, and panic about COVID-19. This anxiety amplified as people felt a sense of despair regarding financial and job uncertainty, isolation, loss of connection, and fear for their physical and mental health.

Moving forward as a city we need to market and communicate the benefits of health and wellbeing. As a city we are committed to maintaining a high standard of liveability and vibrancy and will invest in a range of initiatives, projects and programs to support health and wellbeing. Being surrounded by Park Lands means we have 760 hectares of backyard to explore and escape to, with a number of walking trails, runs and outdoor activities.

We will continue to build trust and hope in our community by creating opportunities for connection, authenticity, positivity, being outdoors in nature, hope, inspiration, community, family, love and fun.



People are craving
connection

The City of Adelaide's
operations are powered by

100% renewable energy

Experiential

After a year of working from home, being isolated from family and friends, more than ever people are looking for new and unique experiences.

People want to learn new skills, try new things, be out with friends and family and enjoy 'money-can't buy' opportunities that connect them to people and places.

Events, activations, retail and hospitality experiences are going to be important to bring people into the city, and to create vibrant, dynamic spaces. As a city that is full of surprising places, we have the opportunity to create a city experience that make people feel delighted, fulfilled and the desire to explore more.

Brands must
**adapt and
innovate**

Green/Sustainability

Sustainability issues are increasingly becoming mainstream and embedded into business practices. This has been demonstrated from some of the largest ASX companies in Australia, Australian and State Governments. There is a rising trend that more companies will make sustainability a core part of their brand identity in 2021. This will range from beauty to transport, sports to technology. There is an expectation to see companies put sustainability at the forefront of their brand identity.

Within the broader area of sustainability, the strongest drivers of change are related to the circular economy and responding to climate change. Because of the increasingly stringent corporate governance around climate change, it is likely to become important in the year ahead as the primary sustainability driver for issues such as energy, transportation and waste management.

City Trends & Insights

Online/Digital/Omnichannel Retailing

Most businesses (particularly retail) have seen an increase in online shopping, with market share being diverted away from traditional bricks and mortar operations.

Many retailers have been pursuing omnichannel strategies for over a decade. At the end of 2019, an omnichannel approach referred to the combination of a store, website and app, with limited interaction between these channels. This approach now has many retailers re-thinking omnichannel as the full suite of ways a consumer can engage with a brand. This still includes a store, website and brand-owned app, but may also include a marketplace presence and selling on social media.

There is an opportunity for businesses to provide multi-platform experiences for their customers both in their physical stores and online. As a city, the opportunity is to create both interesting experiences and attract and retain physical stores, combined with rethinking distribution and online e-commerce platforms.

Online shopping
has increased



Buying local

is more important than ever

Supporting Local

COVID-19 has seen buying habits change dramatically in the past 12 months. It is evident that even with restrictions lifted, shopping behaviours have remained such as an increase in online shopping and food deliveries. More people are staying close to home and spending money in their local shopping district rather than travelling into the city.

Consumer habits have shown they want to buy from local and independent retailers. This is something that has continued to increase during the pandemic. There is a clear appetite for small, independent businesses with unique offerings and personalised customer service

Innovation and re-creating new ways of doing business will be key. The opportunity will be to create event and retail experiences that city workers and visitors cannot have or buy in their local area or online.



More people are travelling
within SA

Regionalisation and Decentralisation

An impact of COVID-19 will see a change in people's behaviours and changes in their habits both professionally and personally. Regionalisation is going to be more common. From an Australian and State Government perspective regionalisation is going to be high on their political agenda to see growth and ensure that regional businesses and communities survive post the pandemic. There will be greater investment into infrastructure and jobs in the regions.

As a city we will need to look at opportunities to encourage residential growth and attract people from intra and interstate to the city to build the local economy and make it thrive. We will need to look at the attributes of the city i.e. connectivity, sustainability, ease of mobility, affordability and how to secure business and investment for future growth.

Vision, Mission & Purpose

Vision

To make Adelaide the most liveable city in the world

Mission

To accelerate economic growth in the city by attracting investment and supporting businesses, growing the visitor economy, supporting residential growth, growing an annual events calendar and marketing the city as a whole including Rundle Mall

Purpose

Attract

Get more people, businesses, visitors, students and residents into the city

Enjoy

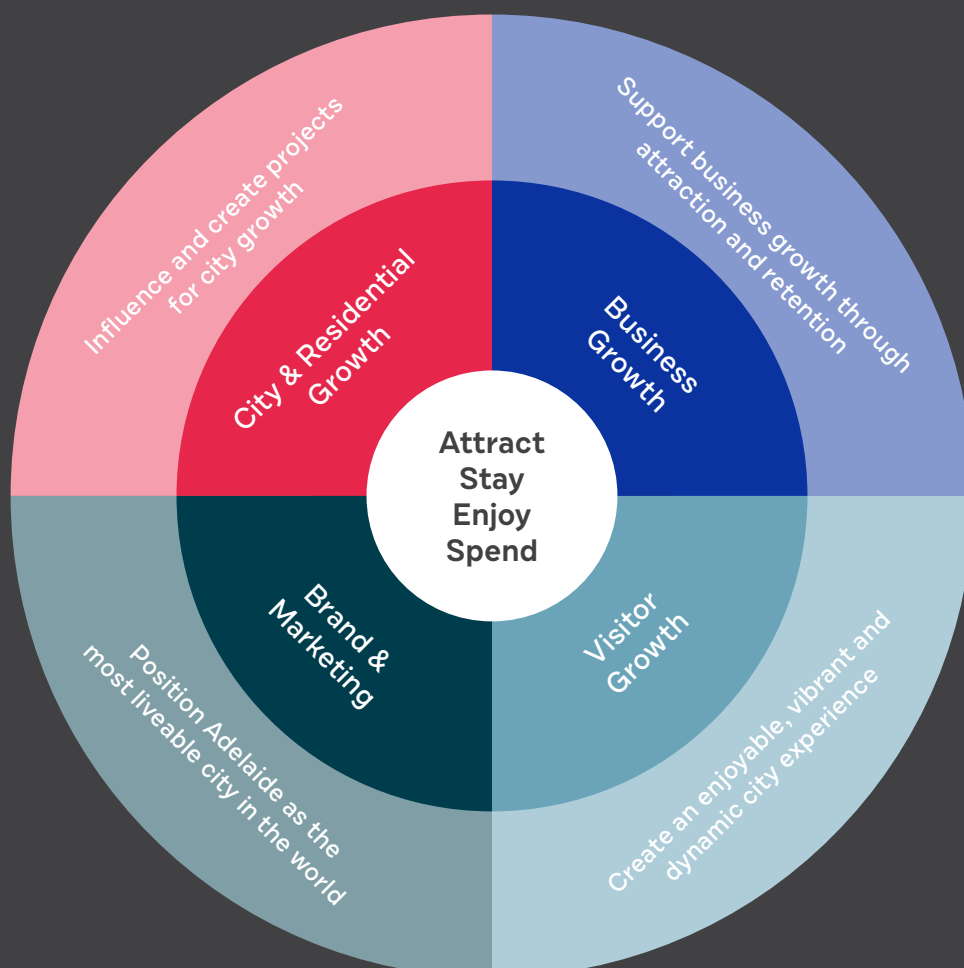
Provide a positive experience to people while they are here

Stay

Ensure that people stay longer, move around the city, return more often

Spend

Stimulate economic growth by providing more reasons to spend in the city



Strategies & Actions

STRATEGIC FOCUS 1

City & Residential Growth

Influence and create projects for city growth

OUTCOMES & OBJECTIVES

- Support the delivery of the world's most liveable city vision
- Grow the residential population
- Grow the student population and support their wellbeing
- Work with State Government, private investors and industry groups to deliver and advocate for positive outcomes for the city

| STRATEGIES | 2021-22 ACTIONS | MEASUREMENT |
|--|--|---|
| Residential Growth <ul style="list-style-type: none"> • Promote the city living experience • Work with CoA and State Government to develop incentives to stimulate residential growth | <ul style="list-style-type: none"> • Work with industry partners, property developers and owners to create residential growth • Create a campaign to attract ex-pats back to Adelaide • Work with CoA to upgrade public realm and infrastructure projects to support residential growth | <ul style="list-style-type: none"> • Grow residential population |
| Student Growth <ul style="list-style-type: none"> • Grow student numbers that live, visit, and experience the city • Work with CoA to support the wellbeing of international students | <ul style="list-style-type: none"> • Develop economic development relationships with city universities • Identify opportunities for international student traineeships | <ul style="list-style-type: none"> • Maintain student population |
| Advocacy <ul style="list-style-type: none"> • Deliver innovative market solutions through 'Test Bed 5000' program • Identify and actively seek supplementary revenue and funding • Work with Australian and State Governments and business/industry groups to further the growth of the city • Ensure the 'Adelaide City Deal' funding supports key city projects | <ul style="list-style-type: none"> • Deliver the 'Digital Market Place' platform • Explore digital signage opportunities for revenue generation • Work with businesses and State Government on trading hours legislation • Leverage Lot 14 opportunities • Support CoA to secure Australian Government funding for 'Adelaide City Deal' projects including Adelaide Free Wi-Fi, CCTV, Smart Visitor Experience Centre and City Digital Experience | <ul style="list-style-type: none"> • Establish Digital Market Place with city businesses signed up • Australian Government approval on business cases for 'Adelaide City Deal' funding projects |

Strategies & Actions

STRATEGIC FOCUS 2

Business Growth

Support business growth through attraction and retention

OUTCOMES & OBJECTIVES

- Support major city developments
- Provide ongoing support to city businesses
- Work with CoA to achieve business sustainability outcomes
- Create opportunities for business events
- Ensure Rundle Mall is the state's premier retail destination

| STRATEGIES | 2021-22 ACTIONS | MEASUREMENT |
|--|---|--|
| Major City Developments <ul style="list-style-type: none"> • Work with CoA and private industry to support major city developments • Support CoA to deliver the 'Strategic Property Review' | <ul style="list-style-type: none"> • Support the successful delivery of key city projects e.g. 88 O'Connell and Central Market Arcade | <ul style="list-style-type: none"> • Increase CBD workers and office occupancy |
| Business Support <ul style="list-style-type: none"> • Provide business support services to assist city business growth • Create opportunities for new business attraction and investment • Work with CoA to grow opportunities for 10 Gig Adelaide • Work with CoA to support and promote parking and transport campaigns • Support city precinct groups and CoA to deliver mainstreet activation • Support business recovery from COVID-19 | <ul style="list-style-type: none"> • Work with industry partners to support business growth • Continue partnership with Business SA • Identify new businesses and retail brands to attract to the city • Work with leasing agents/property owners to support business attraction • Work with TPG to connect new businesses to 10 Gig Adelaide network • Collaborate with businesses on 10 Gig Adelaide opportunities • Commission research to understand flexible working trends | <ul style="list-style-type: none"> • City businesses supported through Business SA partnership program • Reduce retail vacancy • Attract new retail brands to the city • Connect new businesses to 10 Gigabit Adelaide |
| Business Sustainability <ul style="list-style-type: none"> • Support city businesses to achieve CoA's sustainability objectives | <ul style="list-style-type: none"> • Support businesses to conduct energy efficiency audits | <ul style="list-style-type: none"> • Support businesses to complete the energy efficiency audit |
| Business Events <ul style="list-style-type: none"> • Create new, and leverage existing business events in the city | <ul style="list-style-type: none"> • Secure more business events • Drive initiatives for business conference delegates to linger longer | <ul style="list-style-type: none"> • Grow business event numbers |
| Rundle Mall <ul style="list-style-type: none"> • Promote Rundle Mall as the state's premier retail destination • Support CoA to deliver Rundle Mall operations | <ul style="list-style-type: none"> • Develop and execute a marketing plan and budget for Rundle Mall • Create a 12-month calendar of activity and events for Rundle Mall • Deliver supplementary income opportunities for Rundle Mall • Bring new retail experiences and brands to Rundle Mall • Work with CoA and contractors to ensure Rundle Mall is safe, clean and delivered to a premium operational standard | <ul style="list-style-type: none"> • Deliver all Rundle Mall objectives |



Strategies & Actions

STRATEGIC FOCUS 3

Visitor Growth

Create an enjoyable, vibrant and dynamic city experience

OUTCOMES & OBJECTIVES

- Deliver new events, activations and experiences that bring people into the city
- Position Adelaide as a 'go-to' event destination
- Drive tourism initiatives

| STRATEGIES | 2021-22 ACTIONS | MEASUREMENT |
|---|--|---|
| Events, Activations & Experiences <ul style="list-style-type: none"> • Create an event and activation plan • Leverage and expand industry partnerships, magnet events and activations across the city • Deliver the 'Events and Festivals Sponsorship Program' | <ul style="list-style-type: none"> • Develop and deliver a 12-month event and activation calendar • Create a campaign to stimulate night-time activation • Work with industry partners to support city events and festivals • Deliver new, and expand existing city-based events through partnerships • Work with funded partners to deliver sponsorship agreements | <ul style="list-style-type: none"> • Grow city visitor numbers and spend • Deliver 2 new magnet events • Establish satisfaction metrics for visitor experience • Measure economic impact for each event |
| Tourism Initiatives <ul style="list-style-type: none"> • Operate the Visitor Information Centre, Visitor Services, and provide ongoing support to the volunteer program • Scope a new innovative 'Smart Visitor Experience Centre' • Create and deliver a 'Greater Adelaide' tourism alliance • Deliver ongoing tourism programs and activity • Create a tourism marketing campaign to promote Adelaide | <ul style="list-style-type: none"> • Support CoA's heritage tourism plan • Secure a multi-year partnership with SA Tourism Commission • Leverage SA Tourism Commission's 'Adelaide' campaigns • Create an interstate marketing campaign • Curate and promote city experiences through digital channels | <ul style="list-style-type: none"> • Grow city tourism in line with SA Tourism Commission measures |

Strategies & Actions

STRATEGIC FOCUS 4

Brand & Marketing

Position Adelaide as the most liveable city in the world

OUTCOMES & OBJECTIVES

- Promote Adelaide city as a destination
- Develop ongoing marketing, communication and engagement strategies to promote Adelaide's reputation
- Create digitally led campaigns and platforms
- Create marketing and promotional campaigns to support the growth of the city

| STRATEGIES | 2021-22 ACTIONS | MEASUREMENT |
|--|--|---|
| 'Designed for Life' brand <ul style="list-style-type: none"> • Grow and develop the 'Adelaide. Designed for Life' brand • Deliver positive stories and outcomes to grow the city's reputation • Collaborate with State Government and industry partners on joint marketing initiatives | <ul style="list-style-type: none"> • Collaborate with stakeholders to promote the city brand • Continue to create content for Adelaide Living channels • Engage PR and media agencies, and social media influencers | <ul style="list-style-type: none"> • Achieve positive PR coverage |
| Communication & Engagement <ul style="list-style-type: none"> • Develop and implement an annual marketing plan including the promotion of events and activations | <ul style="list-style-type: none"> • Develop content for digital and social media channels • Support all AEDA program and deliverables | <ul style="list-style-type: none"> • Engaging, digital led content created |
| Digital & Social Media <ul style="list-style-type: none"> • Develop and grow the AEDA website, social media channels and digital assets • Further develop a Customer Relationship Management tool | <ul style="list-style-type: none"> • Launch the 'Experience Adelaide' website • Grow and maximise electronic databases | <ul style="list-style-type: none"> • Establish and grow social media channels • Grow Electronic Direct Marketing (EDM) database • Drive page views and visits to Experience Adelaide website |
| Marketing Campaigns & Promotions <ul style="list-style-type: none"> • Create and deliver new and ongoing marketing campaigns | <ul style="list-style-type: none"> • Deliver tourism, residential, student, city worker and business attraction marketing campaigns | <ul style="list-style-type: none"> • Campaign measures for each promotion |

AEDA Budget Summary

| AEDA INCOME SUMMARY | AEDA 2021-22 BUDGET |
|-----------------------------------|---------------------|
| General Rates (CoA) | \$7,098,160 |
| City Stimulus Event Funding | \$1,000,000 |
| Rundle Mall Levy | \$3,840,304 |
| Rundle Mall Supplementary Revenue | \$599,000 |
| Total Income | \$12,537,464 |

| AEDA EXPENDITURE SUMMARY | AEDA 2021-22 BUDGET |
|--|---------------------|
| Resource Costs (including Rundle Mall) | \$4,061,399 |
| General AEDA Operating Costs | \$145,507 |
| City & Residential Growth | \$74,200 |
| Business Growth | \$1,396,140 |
| Visitor Growth | \$3,046,519 |
| Brand & Marketing | \$409,000 |
| Rundle Mall Marketing & Events | \$2,764,777 |
| Rundle Mall Operations | \$639,922 |
| Total Expenditure | \$12,537,464 |
| Total Nett | \$0 |

Rundle Mall Levy

The AEDA Business Plan encompasses the Rundle Mall Precinct which is bound by North Terrace, King William Street, Grenfell Street and Pulteney Street. The Precinct includes a mix of retail, hospitality, commercial, educational and residential offerings.

The Rundle Mall Precinct forms the Rundle Mall Levy Area with funds being raised through a separate rate on rateable land declared by Council. The Rundle Mall Levy for 2021-22 is \$3,840,304.

These funds are provided to AEDA and must be expended by the Agency in accordance with the Annual Business Plan and Budget and upon projects specially designated and approved by the Board and Council (Section 8.13 of the AEDA Charter).





