

Business & Economic Development Committee Minutes

15 June 2021

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

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City of
Norwood
Payneham
& St Peters

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VENUE Mayors Parlour, Norwood Town Hall

HOUR 6.16pm

PRESENT

Committee Members Mayor Robert Bria (Presiding Member)
Cr Carlo Dottore
Cr Scott Sims
Cr Garry Knoblauch
Cr John Callisto
Ms Trish Hansen (entered the meeting at 6.17pm)
Mr John Samartzis
Professor Richard Blandy
Ms Skana Gallery

Staff Keke Michalos (Manager, Economic Development & Strategic Projects)
Nicole Rolfe (Strategic Planner)
Tyson McLean (Economic Development & Strategic Projects Officer)

APOLOGIES Nil

ABSENT Nil

TERMS OF REFERENCE:

The Business & Economic Development Committee is established to fulfil the following functions:

- *To assist the Council to facilitate and promote economic growth and development in the City of Norwood Payneham & St Peters.*
- *To provide advice to the Council and recommend actions, including the conduct of studies associated with business and economic development, as required, in order to facilitate the identification of opportunities, issues, strategies and actions.*
- *Provide advice to the Council where necessary, to facilitate the creation of business networks (both within South Australia and Australia), which provide benefits for the City of Norwood Payneham & St Peters.*
- *To oversee the strategic planning, the implementation of projects (including those identified in the Council's Business & Economic Development Strategy) and marketing and promotion associated with businesses and economic development.*

1. CONFIRMATION OF MINUTES OF THE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE MEETING HELD ON 16 MARCH 2021

Cr Knoblauch moved that the minutes of the Business & Economic Development Committee meeting held on 16 March 2021 be taken as read and confirmed. Seconded by Cr Callisto and carried unanimously.

Ms Trish Hansen entered the meeting at 6.17pm.

2. PRESIDING MEMBER'S COMMUNICATION
Nil

3. PRESENTATION

3.1 People, Place & Activities Strategy – Presented by Nicole Rolfe, Strategic Planner

4. STAFF REPORTS

4.1 PROGRESS REPORT ON THE 2021–2026 ECONOMIC DEVELOPMENT STRATEGY

REPORT AUTHOR: Economic Development Coordinator
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4616
FILE REFERENCE: qA69306
ATTACHMENTS: A - H

PURPOSE OF REPORT

The purpose of this report is to provide the Business & Economic Development Committee, with a progress report on the *2021-2026 Economic Development Strategy*.

BACKGROUND

The Committee and the Council have endorsed the *2021-2026 Economic Development Strategy*, which is designed to guide economic development within the City, identify the priority areas for the next five (5) years and articulate the Council's role in supporting business and economic development.

Following significant research, sector workshops and consultation with the business community, the *Draft 2021-2026 Economic Development Strategy* was developed and presented to the Committee at its meeting held on 16 June 2020. At that meeting, the Committee endorsed the Draft Strategy as being suitable to present to the Council for its consideration and endorsement to be released for community consultation and engagement.

Subsequently, the *Draft 2021-2026 Economic Development Strategy* was presented to the Council at its meeting held on 6 July 2020. At that meeting, the Council endorsed the *Draft 2021-2026 Economic Development Strategy* as being suitable to release for community consultation and engagement.

Following the conclusion of the consultation period, the results of the consultation and the revised final document were presented to the Committee at its meeting held on 15 September 2020. The Committee resolved to forward it to the Council for its endorsement. At its meeting held 6 October 2020, the Council endorsed the *2021-2026 Economic Development Strategy*.

This report provides an update on the key Strategies and Actions that have been progressed by the Council Staff since its last meeting held on 16 March 2021.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The *2021-2026 Economic Development Strategy* is the Council's blueprint to guide the growth of the City's economy over the next five (5) years. The Strategy sits within the Council's decision making framework and has been developed to align with other key strategic and policy documents.

The key strategies that have been used to inform, or that will work in conjunction with the *2021-2026 Economic Development Strategy* are listed below:

- *Growth State*
- *The 30-Year Plan for Greater Adelaide*
- *Norwood, Payneham and St Peters (City) Development Plan*
- *CityPlan 2030: Shaping Our Future – Mid Term Review*
- *Kent Town Economic Growth Strategy 2020 - 2025*
- *Norwood Parade Annual Business Plan*
- *Smart City Plan*

FINANCIAL AND BUDGET IMPLICATIONS

The Council's 2020-2021 Economic Development budget has been used to deliver some of the actions set out in the Table contained in **Attachment A**. Due to the significant concerns regarding the economic implications of the COVID-19 Pandemic, the Council allocated an additional \$150,000 in the 2020-2021 financial year, bringing the total budget for Economic Development to \$250,000.

At its meeting held on Monday 6 July 2020, the Council adopted the *2020-2021 Norwood Parade Precinct Annual Business Plan*, Budget and Declaration of Rates for 2020-2021, which includes the following in respect to The Parade Separate Rate:

Waiving of The Parade Development Separate Rate for businesses within the Norwood Parade Business Precinct.

As a result of the Council waiving The Parade Separate Rate, the *Draft 2020-2021 Annual Business Plan* was not released for consultation with The Parade business community. For the 2020-2021 financial year, the Council has allocated an amount of \$215,000, which is equivalent to the Separate Rate amount raised in the 2019-2020 financial year.

A total budget of \$100,000 to continue to deliver the Economic Development Agenda in the 2021-2022 financial year, is being proposed by the Council. The intent is that this budget will be used to fund the remaining actions in Year 1 of the Strategy and commence the delivery of the Year 2 actions.

At its meeting held on 7 June 2021, the Council endorsed the continuation of the Separate Rate for the Norwood Parade Precinct and endorsed its Annual Business Plan for the 2021-2022 financial year.

EXTERNAL ECONOMIC IMPLICATIONS

The success of the *2021-2026 Economic Development Strategy* may be impacted by the broader economic environment and worldly events such as the COVID-19 Pandemic. Whilst the Strategy acknowledges and addresses the Pandemic, specifically in Year 1, it does not state that COVID related initiatives cannot be delivered in Years 2-5 if the support in those areas is still required. This is why the Strategy needs to remain flexible and be able to respond to external economic issues as they arise.

SOCIAL ISSUES

Economic development impacts on both the business sector and the local community. Whilst the key focus of this Strategy is on the business sector, the two (2) are intrinsically linked and the prosperity of the local economy relies on creating a holistic environment where people want to invest, work, do business, live, shop and socialise.

CULTURAL ISSUES

Cultural and creative activity is increasingly recognised as important components of economic growth. Economic growth and sustainability through employment, vibrancy and growth are all important factors in achieving cultural vitality.

RISK MANAGEMENT

In establishing the Strategic Framework for the *2021-2026 Economic Development Strategy*, the Council took into consideration the economic and demographic profile of the City, the views of the business community and partners and the key influences and trends that have, and will, impact on the City's economy. In doing so, the Council has ensured that the Strategy appropriately addresses the wide range of opportunities and challenges facing businesses and economic growth in the City. The biggest risk to the Council and the business community is not delivering on the Actions outlined in the Strategy.

ENVIRONMENTAL ISSUES

A vital component in meeting the aspirations of current and future businesses in the City of Norwood Payneham & St Peters, is ensuring that issues relating to environmental sustainability are considered together with economic sustainability. A sustainable environment impacts on business investment decisions and is a key asset in the success of local businesses.

The Council will continue to promote programs such as 'Plastic Free SA' to local businesses and is leading by example with the Norwood Concert Hall being one (1) of the twenty-six (26) 'Plastic Free Champions' in South Australia. Plastic Free Champions are members that have eliminated all of the key plastic items (straws, coffee cups and lids, takeaway containers and lids, water bottles and bags, plus food ware which includes cutlery, plates and cups). Furthermore, from 1 March 2021, single-use plastic straws, cutlery and stirrers were prohibited from sale, supply and distribution in South Australia including bioplastic alternatives. The second phase of the legislation will be implemented on 1 March 2022.

The Council will continue to promote programs such as 'Plastic Free SA' to local businesses and aims to increase the awareness amongst businesses of sustainable business practices and the importance of the circular economy.

RESOURCE ISSUES

The *2021-2026 Economic Development Strategy* has been prepared internally by the Staff in the Economic Development & Strategic Projects Unit, however it will require additional support, from both internal and external resources to ensure its timely implementation.

Since its meeting held 16 March 2021, the Council's Events Unit has assisted the Economic Development Unit to deliver the following economic development initiatives. Further information on these initiatives is contained in **Attachment A**:

- *Food Secrets at the Green* (as a part of the *Adelaide Food Fringe* festival);
- *2021 Art on Parade*; and
- *2021 Eastside Business Awards*.

COVID-19 IMPLICATIONS

Prior to the COVID-19 Pandemic, the Council's *Economic Development Strategy* focused on growth, attraction and understanding the needs of business. However, the effects on businesses due to the Pandemic have been substantial, and for this reason it was essential that the *Economic Development Strategy* took into consideration the economic and social impacts that the Pandemic has caused and that these issues be reflected in the Actions.

The Council's *2021-2026 Economic Development Strategy* will play a significant role in the rebounding ability of the business community for a long period of time. The Strategy including its Vision, Outcomes, Objectives, Strategies and Actions, has been designed to help businesses recover and rebuild from the COVID-19 Pandemic and plan for sustainability and growth for when the economy reaches some level of normality. As a result of the impacts of the COVID-19 Pandemic, the *2021-2026 Economic Development Strategy* includes the overarching strategy of *Recover and Rebuild*, which cuts across all four (4) themes. This has been designed to assist the Norwood Payneham & St Peters business community in its recovery and rebuild phase and acknowledges that many businesses are currently in a mode of survival, rather than growth.

The fourteen (14) Actions set out in the *Recover and Rebuild* stage, are of the highest priority. The intent is that these actions will be delivered as part of Year 1 of the Strategy's implementation and does not state that COVID related initiatives cannot be delivered in Years 2-5 if the support in those areas is still required.

DISCUSSION

The implementation of the *2021-2026 Economic Development Strategy* commenced in January 2021 and to ensure that it is delivered in a timely manner, Council staff have developed a reporting structure that will be presented to the Business & Economic Development Committee at each of its meetings to track the progress of the Strategy's implementation and to provide direction and guide the Staff in its implementation.

The table contained in **Attachment A**, outlines progress on the Actions under each of the four (4) key themes that are currently being delivered in Year 1 of the Strategy or are 'Ongoing' Actions for the duration of the five (5) year Strategy. It should be noted that Actions that are yet to commence have not been included in the table, and if there is no update or additional information to report on, it is referenced against the Action.

The Table whilst detailed, should be read in conjunction with the *2021-2026 Economic Development Strategy* to obtain a better understanding of the individual Action and the Objective that the Council is proposing to achieve.

CONCLUSION

The *2021-2026 Economic Development Strategy* recognises the leadership role of the Council in setting a clear direction for economic development within the City and in supporting the business sector. Developing the Strategy with clear direction and focus provides the foundation for the Council to implement successful actions and initiatives and establish partnerships with different stakeholders (i.e. Federal and State Governments, developers, businesses and residents) in order to ensure the successful longevity of the City's business and economic sector.

COMMENTS

Notwithstanding that the COVID-19 Pandemic has had a significant impact on the economy at a local, national and international level, there is a significant opportunity for the Council to now implement its Vision for the City's business and economic sector. The primary focus at this stage is on recovery, growth, attraction and understanding the needs of business during the transition out of the COVID-19 Pandemic and beyond.

RECOMMENDATION

That the report be received and noted.

Cr Sims moved:

That the report be received and noted.

Seconded by Ms Trish Hansen and carried unanimously.

Ms Skana Gallery left the meeting at 7.48pm and did not return.

4.2 SPENDMAPP DATA UPDATE

REPORT AUTHOR: Economic Development & Strategic Projects Officer
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4512
FILE REFERENCE: qA69306
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to update the Business & Economic Development Committee on the most recent expenditure and purchase trends within the City of Norwood Payneham & St Peters using *Spendmapp* data.

BACKGROUND

At its meeting held on Tuesday 10 November 2020, the Business & Economic Development Committee was provided with a report which outlined the Council's purchase of the online application, *Spendmapp*. After considering the report, the Committee resolved the following:

The Business & Economic Development Committee notes that regular reporting will be provided to the Committee on expenditure patterns in the City of Norwood Payneham & St Peters.

The *Spendmapp* application provides an accurate, up-to-date and detailed picture of expenditure and purchase activity in, to and from a region. It does this by taking real banking transaction data (EFTPOS and credit/debit) and transforming it to create a comprehensive representation of the City's economy, taking into account a cash component which is informed by a survey conducted by the Reserve Bank of Australia (RBA). The process also ensures that "outlier" transactions do not skew the data and seeks to maintain the privacy of merchants and cardholders by applying a degree of randomisation when there are small transaction volumes. This transformation ensures that *Spendmapp* is detailed, trustworthy, and most importantly, safe.

At the Committee meeting held on 10 November 2020, the Committee was presented with *Spendmapp* data from July 2018 through until August 2020. The purpose of this report is to present the updated data to the Committee to show the trends and progression in the City of Norwood Payneham & St Peters economy, particularly since the beginning of 2021 as COVID-19 restrictions have progressively been eased in South Australia.

FINANCIAL AND BUDGET IMPLICATIONS

The Council purchased the *Spendmapp* application in August 2020, as a tool to assist in understanding the impacts of the COVID-19 Pandemic and associated restrictions and to identify opportunities for targeting marketing and promotion. The licence is for a period of twelve (12) months, at which time a decision will need to be made as to whether or not to extend the licence.

COVID-19 IMPLICATIONS

Spendmapp is a useful tool to better understand people's spending behaviour, especially pre, during and post (in terms of restrictions easing) the COVID-19 Pandemic. The data demonstrates how people reacted and responded financially to the economic conditions that have been continually changing as a result of the Pandemic and facilitates a better understanding of these behaviours to allow decisions to be made accordingly.

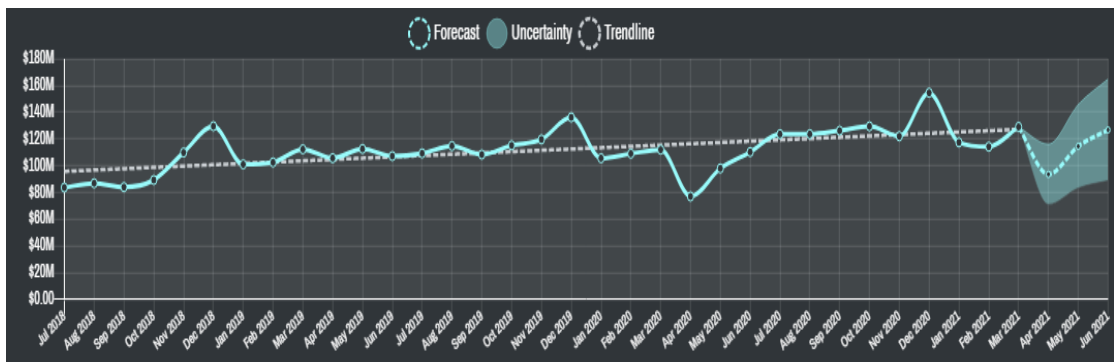
DISCUSSION

The *Spendmapp* data released since August 2020, has been extremely positive across the City as expenditure and transaction numbers have increased. A series of graphs and tables exported from *Spendmapp*, help showcase these increases in expenditure and transactions. It is interesting to note that much of this data also reflects an improved economic position in expenditure and transaction numbers to what was recorded prior to the Pandemic. All graphs and tables are presented in a larger scale in **Attachment A**.

As illustrated in Graph 1 below, the Total Expenditure in the City of Norwood Payneham & St Peters has continued to steadily increase, notwithstanding an obvious decline when the COVID-19 Pandemic began in Australia in March/April of 2020. However, the spike in the graph in December 2020, indicates a very successful Christmas and New Year’s period for businesses within the City of Norwood Payneham & St Peters. Interestingly, December 2020 has been the most successful month of the expenditure time series (July 2018 – March 2021), far exceeding both December 2018 and December 2019.

The forecast is for a slight decline before expenditure again rises through the second half of 2021. In summary, the overall trend line (white dotted line) indicates continual growth in total expenditure.

GRAPH 1: EXPENDITURE TIME SERIES (JULY 2018 – MARCH 2021 WITH PREDICTED TREND UNTIL JUNE 2021)



Another *Spendmapp* data set that emphasises the positive nature of expenditure in the City is shown in Table 1 below. This breaks the expenditure into five (5) overarching categories. Three (3) of these are referred to in Table 1:

- **Total Local Spend** which refers to all spend (Resident and Visitor Local Spend, including international visitor spends) in the region at local merchants;
- **Resident Local Spend** which refers to expenditure by cardholders and businesses located in the region spending at merchants also located in the region;
- **Visitor Local Spend** which refers to expenditure by cardholders and businesses located outside the region and spend at merchants located inside the region, representing the amount of external demand met by local supply:

TABLE 1: YEAR-ON-YEAR CHANGES TO CERTAIN EXPENDITURE CATEGORIES (MARCH 2020 COMPARED TO MARCH 2021)

Expenditure Type	March 2020	March 2021	Change
Total Local Spend	\$112M	\$129M	15.21%
Resident Local Spend	\$24.5M	\$26.2M	6.84%
Visitor Local Spend	\$87.5M	\$103M	17.55%

The remaining two (2) categories of expenditure are referred to in Table 2 and these are:

- **Resident Escape Spend** which refers to spend based on cardholders and businesses based in the region, spending outside of the region. This is useful for capturing and recognising the amount of local demand that is not adequately served by local supply; and
- **Resident Online Spend** which refers to the spend by local cardholders and businesses on online goods and services. As supply chains globalise and the cost of online shopping and e-commerce decreases, this figure is already forming a significant part of local expenditure and is likely to keep rising. The biggest challenge for the businesses in the City of Norwood Payneham & St Peters is to try and capture some of that spend.

These two (2) categories have been separated from the other three (3) categories because it is important that the Escape and Online spend be compared to pre-COVID figures to better understand if COVID-19 has changed the way that people shop and spend their money. The data shows that in March 2021, expenditure in these categories compared to March 2020, is substantially higher. There are a number of possible reasons for this. At the start of the COVID-19 Pandemic, people were not spending at all, or if they were spending, they were not doing it outside of what may be considered 'local' and / or were hesitant to buy online due to overseas shipping dates being lengthy periods of time etc. However, when comparing the March 2021 data to March 2019, the expenditure in Escape and Online spending, appears to be very similar. This indicates that people who live in the City of Norwood Payneham & St Peters are once again confident to move outside of the Council area to make purchases or do this online. Whilst this is not necessarily a positive for businesses in the Council area, it does reflect a confidence in buyers that was seen pre-Pandemic.

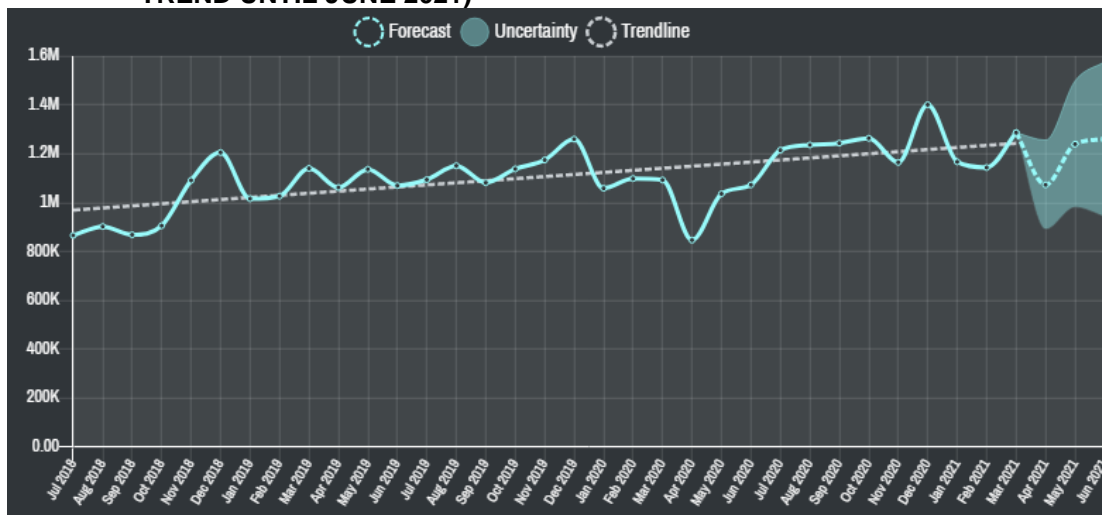
What is positive from analysing this data, is that a trend towards online shopping has not occurred as a result of the COVID-19 Pandemic. The Council has been trying to take advantage of this confidence through a number of events and initiatives such as the *'Book a Holiday – Win a Holiday'* competition on The Parade, *Eastside Happy Hour Series*, *Food Secrets at the Green*, *Concerts in the Park Series* and a number of events and initiatives scheduled for the second half of 2021.

**TABLE 2: YEAR-ON-YEAR CHANGES TO CERTAIN EXPENDITURE CATEGORIES
(MARCH 2019 COMPARED TO MARCH 2021)**

Expenditure Type	March 2019	March 2021
Resident Escape Spend	\$43.4M	\$48.1M
Resident Online Spend	\$30.2M	\$33M

Similarly, the number of transactions made throughout the City has followed the same trend as expenditure, as highlighted in Graph 2 below (and in the enlarged version contained in **Attachment A**). This is to be expected given that the increase in expenditure in the City is not as a result of an increase in the average value per individual transaction, but instead is as a result of more individual transactions.

GRAPH 2: TRANSACTIONS PER MONTH (JULY 2018 – MARCH 2021 WITH PREDICTED TREND UNTIL JUNE 2021)



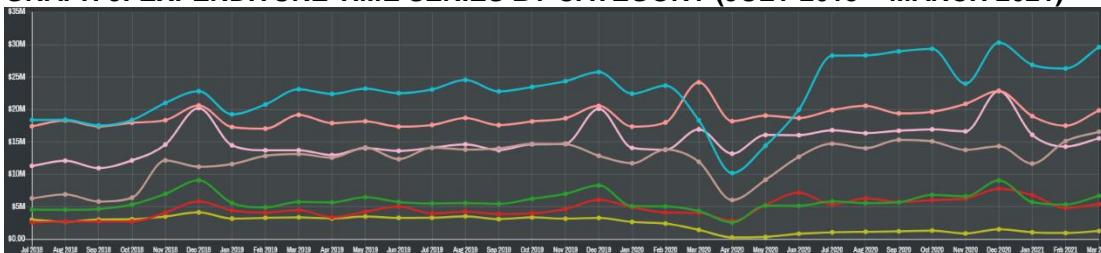
The ability to break down expenditure by industry sectors is also a great tool within *Spendmapp*. The following industry sectors and their representative colours are shown in Graph 3 below (and in the enlarged version contained in **Attachment A**):

- Dining & Entertainment (Blue);
- Grocery Stores & Supermarkets (Salmon);
- Specialised & Luxury Goods (Light Purple);
- Professional Services (Brown);
- Department Stores & Clothing (Green);
- Furniture & Other Household Goods (Red); and
- Travel (Yellow).

The visible decline in all of these sectors in March and April of 2020, shows that the COVID-19 Pandemic severely impacted upon expenditure in all sectors, except for 'Grocery Stores & Supermarkets' which increased as a result of 'panic buying'. The positive following the declines in almost all sectors, is that six (6) out of the seven (7) sectors highlighted in Graph 3, rebounded quickly and have even begun to see more transactions than pre-Pandemic.

Unfortunately and as expected, this is not the case for the 'Travel' sector which continues to be severely hindered by the lack of international travel and even the uncertainty surrounding interstate borders within Australia. It is for this reason that the Norwood Parade Precinct Committee (NPPC) endorsed to allocate a budget to run a competition specifically for the four (4) travel agencies located along The Parade. The purpose of this competition was to encourage people to book a holiday with one of the travel agencies for a chance to win a \$1,000 travel voucher. With the competition running for four (4) weeks and having four (4) weekly winners, 16 \$1,000 vouchers were given away as prizes. With the prizes being extremely enticing, the travel agencies noted the competition as a success and were extremely grateful for the support during what has been a difficult time for them.

GRAPH 3: EXPENDITURE TIME SERIES BY CATEGORY (JULY 2018 – MARCH 2021)



OPTIONS

Nil

CONCLUSION

The seven (7) months of data released on the *Spendmapp* application since the last presentation to the Committee, has shown some extremely positive for the City. The data demonstrates that consumer confidence has returned and has resulted in increases in expenditure and transaction numbers. Whilst the majority of the key industry sectors within the City have rebounded well from the peak of the COVID-19 Pandemic, the data has reinforced that there are a few sectors that are continuing to feel the impacts of the Pandemic. This information will assist the Council to make decisions on direct assistance, initiatives and events accordingly.

COMMENTS

The data highlighted in this report and presented to the Committee refers to City-wide expenditure across the City of Norwood Payneham & St Peters, however *Spendmapp* also has the capability to display data at a suburb level. This more localised data is used in project specific matters but can be provided to the Committee is desired.

RECOMMENDATION

1. That the report be received and noted.
 2. The Business & Economic Development Committee notes that regular reporting continue to be provided to the Committee on expenditure patterns in the City of Norwood Payneham & St Peters.
-

Cr Dottore moved:

1. *That the report be received and noted.*
2. *The Business & Economic Development Committee notes that regular reporting continue to be provided to the Committee on expenditure patterns in the City of Norwood Payneham & St Peters.*

Seconded by Mr John Samartzis and carried unanimously.

5. OTHER BUSINESS

Nil

6. NEXT MEETING

Tuesday 17 August 2021

7. CLOSURE

There being no further business the Presiding Member declared the meeting closed at 7.58pm.

Mayor Robert Bria
PRESIDING MEMBER

Minutes Confirmed on _____
(date)