

Business & Economic Development Committee Minutes

2 November 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

1.	CONFIRMATION OF MINUTES OF THE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE MEETING HELD ON 15 JUNE 2021	1
2.	PRESIDING MEMBER'S COMMUNICATION.....	1
3.	STAFF REPORTS	1
3.1	PROGRESS REPORT ON THE 2021 – 2026 ECONOMIC DEVELOPMENT STRATEGY.....	2
3.2	SPENDMAPP DATA UPDATE	6
3.3	THE PARADE PRECINCT OCCUPANCY LEVELS ANNUAL ASSESSMENT	11
3.4	SMALL BUSINESS FRIENDLY COUNCIL INITIATIVE (1 JULY 2020 – 31 MAY 2021).....	16
3.5	2022 SCHEDULE OF MEETINGS FOR THE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE	19
4.	OTHER BUSINESS	21
5.	NEXT MEETING	21
6.	CLOSURE.....	21

VENUE Mayors Parlour, Norwood Town Hall

HOUR 6.15pm

PRESENT

Committee Members Mayor Robert Bria (Presiding Member)
Cr Scott Sims
Cr Garry Knoblauch
Cr John Callisto
Ms Trish Hansen
Mr John Samartzis
Professor Richard Blandy
Ms Skana Gallery

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

APOLOGIES Cr Carlo Dottore

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 15 JUNE 2021

Cr Knoblauch moved that the minutes of the Business & Economic Development Committee meeting held on 15 June 2021 be taken as read and confirmed. Seconded by Ms Skana Gallery and carried.

2. PRESIDING MEMBER'S COMMUNICATION

Nil

3. STAFF REPORTS

3.1 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 - C

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 Council has 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 present 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 the last scheduled meeting on 17 August 2021, which unfortunately due to a lack of a quorum was cancelled.

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

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.

At its meeting held 5 July 2021, the Council adopted the *Annual Business Plan, Budget and Declaration of Rates for 2021-2022*, which includes the following in respect to The Parade Precinct Separate Rate and the Economic Development Precinct Management budgets:

- A total budget of \$215,000 will be collected through The Parade Precinct Separate Rate for the 2021-2022 financial year; and
- A total budget of \$97,750 has been allocated by the Council to continue to deliver the Economic Development agenda in the 2021-2022 financial year.

In addition, *Raising the Bar Adelaide 2021* and the *Eastside Business Awards 2022*, received separate project funding through the 2021-2022 Endorsed Initiatives & Projects.

It is proposed that the Council's 2021-2022 Economic Development budget will be used to deliver the remaining actions in Year 1 of the Strategy and commence the delivery of the Year 2 actions. Some of the actions are set out in the Table contained in **Attachment A**.

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.

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

The City is a culturally rich and diverse place, with a strong identity, history and sense of place. 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 Council will continue to work with the business community to ensure that the Strategies and Actions remain relevant and beneficial.

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 aligned with environmental actions, as well as look to introduce initiatives with a sustainable focus.

RESOURCE ISSUES

The *2021-2026 Economic Development Strategy* has been prepared by the Council Staff, however it will require additional support, from both internal and external resources to ensure its timely implementation. The Council's Events Unit has assisted the Economic Development Unit with logistics to deliver *Raising the Bar Adelaide 2021*, *Spring Shopping Day 2021* and *The Extended – Eastside Happy Hour Live* music event. Further information on these initiatives is contained in **Attachment A**.

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 *2021-2026 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. The Strategy does not preclude COVID related initiatives from being delivered in Years 2-5 if 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 only the Actions that have progressed since its last Committee meeting have been included.

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, Council Staff have been able to achieve a significant number of Actions for the City's business and economic sector. The focus at this stage is to continue to understand the needs of businesses and develop programs and initiatives that will assist with recovery and lead to future growth.

RECOMMENDATION

That the report be received and noted.

Mr Richard Blandy moved:

- 1. That the report be received and noted.*
- 2. That Staff prepare a draft Summary Report on the Economic Development initiatives that have been delivered in 2021 for the Committee's consideration at its 1 March 2022 meeting.*

Seconded by Ms Trish Hansen and carried unanimously.

Cr Sims left the meeting at 6.53pm.

3.2 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 and the State progresses towards vaccination targets.

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 and has recently been renewed for a further twelve (12) months.

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.

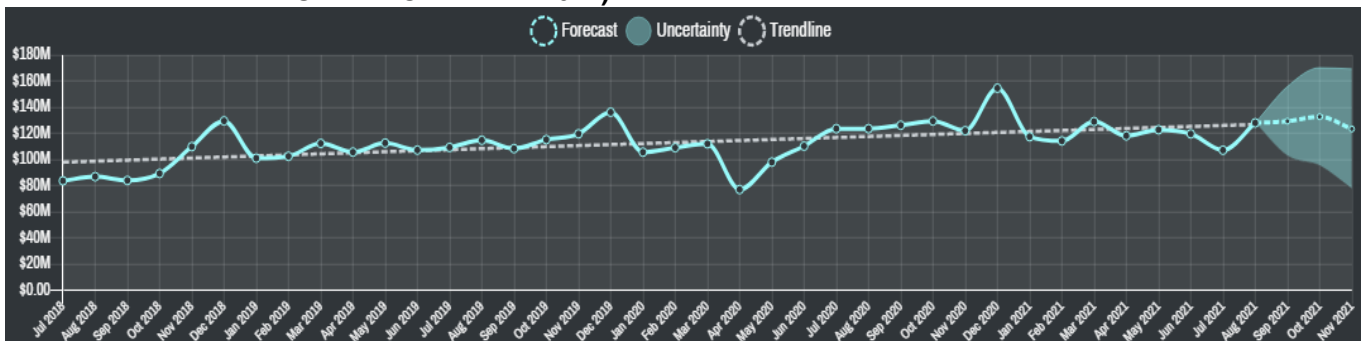
DISCUSSION

The *Spendmapp* data released since August 2020, has been extremely positive across the City as expenditure and transaction numbers have generally increased/trended in an upward manner. 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 increase steadily, notwithstanding an obvious decline when the COVID-19 Pandemic impacted Australia in March/April of 2020. However, the spike in the graph in December 2020, indicates a very successful Christmas and New Year 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 recent decline seen in July 2021, could be attributed to a number of factors such as the early stages of the vaccine rollout here in South Australia, case numbers being extremely high in both New South Wales and Victoria and it being a period where weather conditions are poor, all of which contribute to not as much activity occurring within the City. The forecast in the lead in to the Christmas period is relatively stable.

GRAPH 1: EXPENDITURE TIME SERIES (JULY 2018 – AUGUST 2021 WITH PREDICTED TREND UNTIL NOVEMBER 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: QUARTERLY CHANGES TO CERTAIN EXPENDITURE CATEGORIES (JANUARY 2020 TO JULY 2021)

Expenditure Type	January 2020	April 2020	July 2020	October 2020	January 2021	April 2021	July 2021
Total Local Spend	\$106M	\$77M	\$124M	\$130M	\$117M	\$118M	\$107M
Resident Local Spend	\$21.4M	\$18.7M	\$24.7M	\$26.1M	\$24.5	\$24.1M	\$23.6M
Visitor Local Spend	\$84.3M	\$58.3M	\$98.9M	\$103M	\$93M	\$94M	\$83.5M

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

- **Resident Escape Spend** which refers to spend based on cardholders and businesses 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 as 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. This has not been the case because whilst there was a decline in spending from local residents outside of the City during April 2020, which there could be a number of reasons, as of July 2021 this spend has returned to pre-COVID levels. This is a positive because it highlights a number of things, including that confidence has returned and people feel safe to move outside of their place of residence to spend, and secondly that there hasn't been a big trend to online shopping as can be seen by the online spend figures remaining very close to pre-COVID levels.

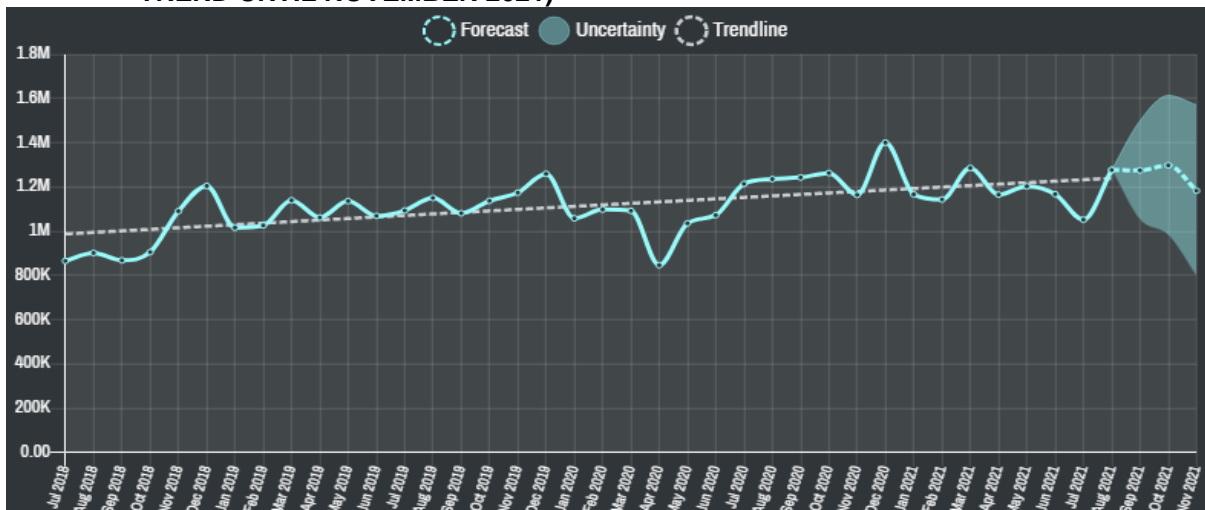
The Council has been trying to take advantage of this confidence through a number of events and initiatives such as the 'Book a Holiday – Win a Holiday' competition on The Parade, Eastside Happy Hour Series, Food Secrets at the Green, Concerts in the Park Series, Raising the Bar, Spring Shopping Day and a number of activations planned for the Christmas 2021 period.

**TABLE 2: QUARTERLY CHANGES TO CERTAIN EXPENDITURE CATEGORIES
 (JANUARY 2020 TO JULY 2021)**

Expenditure Type	January 2020	April 2020	July 2020	October 2020	January 2021	April 2021	July 2021
Resident Escape Spend	\$42.8M	\$22.3M	\$43.3M	\$46.9M	\$47.4M	\$47M	\$38.9M
Resident Online Spend	\$28.9M	\$22.1M	\$27M	\$29.1M	\$28.8M	\$31.4M	\$30.7M

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 – AUGUST 2021 WITH PREDICTED TREND UNTIL NOVEMBER 2021)



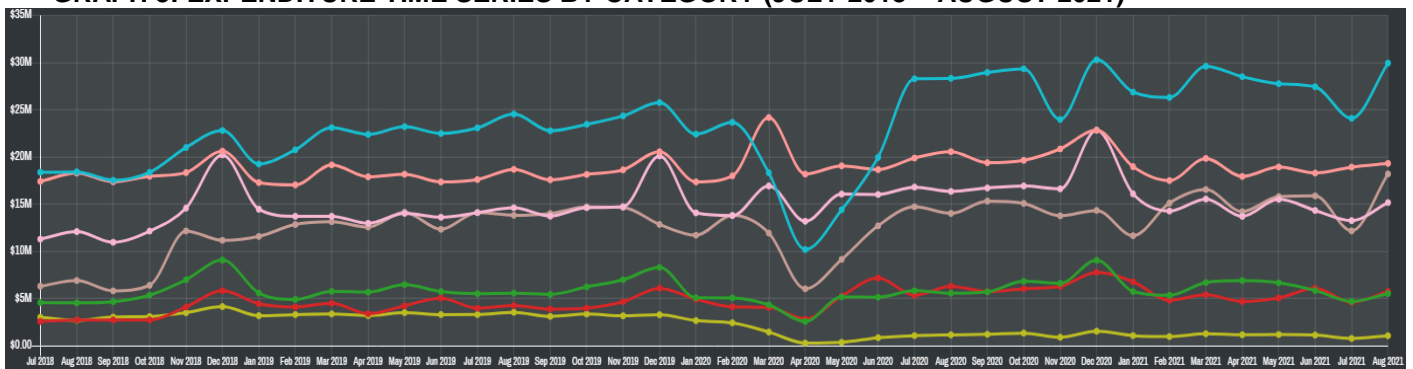
The ability to break down expenditure by industry sectors is also a great tool within *Spendmapp*. The following industry sectors and their representative colours are shown in Graph 3 below (and in the enlarged version contained in **Attachment A**):

- 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 expenditure 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 – AUGUST 2021)



OPTIONS

Nil.

CONCLUSION

The twelve (12) months of data released on the *Spendmapp* application since the last presentation to the Committee, has shown some extremely positive trends 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 will be provided to the Committee on expenditure patterns in the City of Norwood Payneham & St Peters.
-

Cr Knoblauch moved:

1. *That the report be received and noted.*
2. *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.*

Seconded by Cr Callisto and carried unanimously.

Cr Sims returned to the meeting at 6.55pm.

3.3 THE PARADE PRECINCT OCCUPANCY LEVELS ANNUAL ASSESSMENT

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 provide the *Business & Economic Development Committee*, with an annual updated assessment of occupancy levels within The Parade Precinct.

BACKGROUND

As part of the report to Council's *Business & Economic Development Committee* in November 2019, it was recommended that an assessment of The Parade Precinct's occupancy level be conducted annually and the findings presented back to the Committee to be noted, as well as be presented to the Council's *Norwood Parade Precinct Committee* and the Council.

The initial assessment was undertaken in response to a report published by JLL Australia relating to occupancy rates of Adelaide high streets. The high streets assessed by JLL Australia as part of the report include:

- The Parade, Norwood;
- Prospect Road, Prospect;
- Hindley Street, Adelaide;
- Rundle Street, Adelaide;
- King William Road, Goodwood;
- O'Connell Street, North Adelaide; and
- Jetty Road, Glenelg.

The latest report from JLL Australia is the *1Q21 Adelaide Retail High Street Overview*, a copy of which is contained in **Attachment A**. This report depicts a strong improvement in the majority of the high streets, none more so than The Parade, Norwood which had its vacancy rate decline by almost 50% from 14.7% in the third quarter of 2020 to 7.5% in the First Quarter of 2021. This reduction of vacant tenancies within what JLL Australia outline as their measuring scope for The Parade, which is all ground floor tenancies directly fronting The Parade between Osmond Terrace and Portrush road, resulted in The Parade moving from the high street with the largest vacancy rate to third, behind Prospect Road (small high street scope) and King William Road.

In October 2021, Council Staff undertook an assessment of The Parade Precinct (as defined by the *Norwood Parade Precinct Committee*) occupancy levels to understand the ongoing impacts of the COVID-19 Pandemic and how the Precinct may have 'bounced back' following improvements to consumer spending behaviour and also to compare research with the findings in the latest JLL Australia report.

South Australia has, to date, handled the movement of the virus efficiently and effectively, allowing "brick and mortar" businesses to return to a level close to "normal". In conjunction with this, the Federal Government's road map out of the Pandemic, centred upon the need to reach 80% of the eligible population being fully vaccinated, has assisted in slowly returning consumer's social and retail spending behaviours. The assessment of The Parade Precinct occupancy level was therefore a key task to undertake to determine how it has changed a year on from the last assessment and to get a baseline for an assessment to be again undertaken in a year's time when the impacts of the Pandemic may again be very different.

DISCUSSION

For the purpose of this report, vacancy rates are defined as a percentage of all available occupiable commercial properties (residential not included) in a particular area. In retail precincts such as The Parade, the vacancy rate is usually calculated on the commercial tenancies located on the ground floor predominately comprising of retail and commercial uses. However, given the small number of non-ground floor tenancies along The Parade, these have been included in the assessment. Generally the vacancy rate measures the health of the local property market by representing the level of activity and demand for property.

The assessment undertaken by Council Staff encompasses the entire Parade Precinct, which extends from Fullarton Road to Portrush Road, as depicted on the map contained in **Attachment B**. The assessment undertaken by Council Staff was conducted on Friday 1 October 2021 and all details from the research are correct as of that date.

It should be noted that in undertaking the assessment, Council Staff made the following assumptions:

- Tenancies noted as being vacant were those that:
 - had signage indicating that the premises or part of the premises (i.e. one (1) of the two (2) buildings was partly vacant) was for lease;
 - tenancies that had a 'Leased' sign and were still vacant and Council was not aware of a new business preparing to occupy the space; and
 - tenancies that did not have signage but were empty and the Council was not yet aware of any new business preparing to occupy the space.
- It is noted that there was one (1) site along Cairns Street, where it was unclear whether the tenancy was occupied or whether it was vacant and for this reason, this property has been excluded and does not form part of the vacancy figures.

The research conducted by Council Staff found the following:

- there is a total of 368 tenancies within The Parade Precinct;
- 349 tenancies were occupied by a business;
- there were nineteen (19) vacant tenancies (21 less than 2020) within The Parade Precinct, which equates to a vacancy rate of 5.16% (a decrease of 5.34% from 2020);
- eleven (11) vacant tenancies are located on the northern side of The Parade (17 less than 2020) and the northern side has a vacancy rate of 5.9% (11 out of the 188 tenancies are vacant); and
- eight (8) vacant tenancies are located on the southern side of The Parade (4 less than 2020) and the southern side has a vacancy rate of 4.4% (8 out of the 180 tenancies are vacant).

The decline in total number of tenancies is due to the construction of the COMO development commencing, leading to the demolition of a number of tenancies within the Norwood Mall (these will again be included at the completion of the project) and businesses such as People's Choice Credit Union and Cono, which have taken over multiple tenancies to operate their business, reducing the supply of tenancies available.

In comparison to the occupancy levels in 2020, the 2021 rate represents a significant decrease in the number of vacant tenancies within The Parade Precinct. A decline of 21 tenancies in the period of a year reflects a positive period for the Precinct given the COVID-19 Pandemic has continued to impact businesses across the world. When comparing the vacancy rate ascertained by Council Staff with that prepared by JLL Australia, there is just over 2% difference between the two (2) investigations with the Council rate being lower and more representative of the entire Precinct. Previously, this disparity was approx. 4%. Prior to COVID-19 and the development of new tenancy stock, JLL Australia noted that The Parade averaged a vacancy rate of 5.3% between 2015-2018 and as can be seen, the vacancy numbers identified by both Council Staff and JLL Australia in 2021, are reflecting a rate similar to that which occurred during 2015-2018.

Again, in a positive outcome for The Parade Precinct, a large number of new businesses have chosen to establish themselves within the Precinct, however an even better endorsement for the Precinct and the Norwood area in general, is that a number of businesses previously located in the Precinct have chosen to relocate to a new tenancy within the Precinct. New and relocated businesses contribute to a strong business mix within The Parade Precinct, adding to the resilience of The Parade Precinct. The relocated businesses, together with the new businesses include:

- **A Star is Worn** (relocated to Shop 2/45 The Parade);
- **Riccardo Di Fabio** (relocated to 65A The Parade);
- **APM** (relocated to Level 1/137 The Parade);
- **Beads on Parade** (relocated to 138A The Parade);
- **VDR** (relocated to 61A Edward Street);
- **Phil Hoffmann** (relocated to 151 The Parade);
- **People's Choice Credit Union** (relocated to 177/193 The Parade);
- **Fellow Barber** (relocated to 210C The Parade);
- **Professionals Real Estate Head Office** (located at 1 The Parade);
- **The Bod Squad** (located at 3 The Parade);
- **Black & Co Chartered Accountants & Business Advisers** (located at 4 The Parade);
- **The Usual Suspects Collective** (located at 28 The Parade);
- **Purity Massage** (located at 43-45 The Parade);
- **Evolve College** (located at 45 The Parade);
- **Only 1 Hair Salon** (located at 47 The Parade);
- **Monday Market** (47 The Parade);
- **Belroc Homes** (located at 53 The Parade);
- **The Light Impact** (located at 66 The Parade);
- **Heartland Wines** (located at 2/65A The Parade);
- **Eve Dry Cleaners** (located at 65A The Parade);
- **EFM Health Clubs** (located at 72 The Parade);
- **K-BabyQ** (located at 85 The Parade);
- **James Stevens MP** (located at 1/85 The Parade);
- **Exurbia – The Adventure Supply Company** (pending Full Development Approval, will be located at 134A The Parade);
- **Co.Lab** (located at 2/134A The Parade);
- **Australian Education Academy** (located at 136 The Parade);
- **OPSM** (located at Shop 5 Norwood Place, The Parade);
- **Yo-Chi** (located at 171A The Parade);
- **Betty's Burgers** (coming soon and will be located at 194 The Parade);
- **Pretty Flamingo** (part of Helloworld and located at 3/198-200 The Parade);
- **Chicken n Burger** (located at 9/185 The Parade);
- **Tang Dessert** (located at 202 The Parade);
- **The Nail Bar Norwood** (located at 215D The Parade);
- **Prompt Care** (located at 215C The Parade);
- **All Around Massage** (located at 215A The Parade);
- **Foodie Asian Grocery** (located at 217A The Parade);
- **Tollis & Co Lawyers** (located at 223 The Parade);
- **Pinot & Picasso** (located at 223 The Parade);
- **SOHO Hair** (located at 248 The Parade);
- **Miss Pho** (coming soon and located at 252 The Parade);
- **Johnny Slicks Barber Shop** (located at 254 The Parade); and
- **30 Acres** (located at 233 The Parade).

Some of the businesses that have left The Parade Precinct since the October 2020 assessment include:

- Boral;
- Catania;
- Beaurepairs;
- Tonik;
- Joe Romeo Hairdressing;
- Miss Norwood;
- Sequel Hair;
- Karma East;
- Uncle Dong;
- Equinox (COMO development);
- Dillon’s Newsagency (COMO development); and
- Captivated Soul.

The northern side of the Precinct continues to have more vacant tenancies, however the northern side also has more tenancies in total. The northern side of the precinct has 11 out of its 188 (5.9%) tenancies vacant, whilst the southern side has 8 out of its 180 (4.4%) vacant. Since 2020, the northern side has experienced a substantial decline in vacant tenancies with 17 fewer in 2021 and this is in comparison to the southern side which experienced a vacant tenancy decrease of just 4. The northern side, between Sydenham Road and Wood Street significantly improved with a number of new and relocating businesses occupying previously vacant tenancies. Similarly on the northern side between Queen Street and Portrush Road there were positive outcomes for the Precinct. On the south side of the Precinct, the section between Cairns Street and Portrush Road had vacant tenancies filled, including more of the new stock created as part of the Nuova Development. Similarly between Church Avenue and Edward Street, a number of tenancies have been filled.

The nineteen (19) vacant tenancies located within The Parade Precinct and are spread about, with the only real cluster being between Norwood Oval and Church Avenue, where there are eight (8) vacancies, five (5) of which are very close together including the former sites of Riccardo Di Fabio, Joe Romeo Hairdressing and Miss Norwood. Another small cluster of four (4) vacancies is located on George Street and includes the former sites of Brick + Mortar, Paloma & Co, APM and the Fellow Barber. Parade Central Manager, Mario Boscaini has advised that a number of these tenancies have been difficult to promote to tenants due to the pending works on George Street. The remainder of the vacant tenancies are spread all throughout The Parade Precinct.

A more in depth look at the spread of vacant tenancies can be achieved through segregating the Precinct into three (3) sections. The results are as follow:

- The Parade between Fullarton Road and Osmond Terrace = 5.6% (7 out of 126)
- The Parade between Osmond Terrace and George Street = 5.1% (7 out of 136)
- The Parade between George Street and Portrush Road = 4.7% (5 out of 106)

Whilst, the definition of The Parade as deemed by the Council and JLL Australia may differ, overall, both reports highlight extremely positive results for the Precinct in 2021, especially in comparison to other Metropolitan Adelaide retail high streets. **In fact, the JLL Australia report makes reference to The Parade leading the retail resurgence here in South Australia.** Council’s access to *Spendmapp* data further reinforces this claim with expenditure climbing to higher levels in general than before the Pandemic.

Other high street vacancy rates outlined in the JLL Australia report include:

TABLE1: RETAIL HIGH STREETS VACANCY RATES (1Q21) – JLL AUSTRALIA

Street	Vacancy Rate 1Q21	Vacancy Rate 3Q20	Change
Prospect Road, Prospect	2.9%	7.1%	-4.3%
Hindley Street, Adelaide	13.8%	14%	-0.2%
Rundle Street, Adelaide	11.5%	11.7%	-0.2%
King William Road, Goodwood	6.3%	7.9%	-1.6%
O’Connell Street, North Adelaide	10.4%	8.2%	+2.2%
Jetty Road, Glenelg	7.9%	6.6%	+1.3%
The Parade, Norwood	7.5%	14.7%	-7.2%

Based on the results of the JLL Australia report, The Parade has transitioned from the worst performing high street to the third best performing high street. In comparison, when the Council vacancy rate is applied, The Parade Precinct ranks second behind Prospect Road, which has a much smaller section of high street and a much smaller number of businesses. On this basis, it can be concluded that The Parade continues to perform extremely well, particularly against the other mainstreets across the Adelaide Metropolitan area. More importantly, it appears that The Parade has managed to be recovering well and is continuing to overcome the economic impacts of the COVID-19 Pandemic and can confidently maintain its status as Adelaide's Premier Mainstreet.

Given the importance of monitoring the vacancy rates within The Parade Precinct, Council Staff will continue to conduct annual occupancy and vacancy assessments and provide written reports to the Business & Economic Development Committee as well as the Council's Norwood Parade Precinct Committee and the Council to ensure a healthy and vibrant Precinct is maintained.

OPTIONS

Not Applicable.

CONCLUSION

The results of these investigations reflect the significant investment that both the Council and the *Norwood Parade Precinct Committee* have continued to make in supporting and promoting The Parade Precinct both during the COVID-19 Pandemic and prior to the Pandemic. Marketing and promotion of the mainstreet, competitions, events and activations have all been undertaken to benefit businesses within the Precinct and encourage new businesses to the Precinct to fill vacant tenancies.

COMMENTS

Whilst it is acknowledged that a low vacancy rate is a positive representation of the health of the Precinct, research has shown that when vacancy rates fall below five (5) percent, the rental market is considered to be in a good state and landlords consequently tend to increase rents which in turn can have a negative impact on tenancy mix. It also means that landlords can afford to be selective about the type of tenants that they place in the individual properties. Therefore, maintaining a vacancy rate of between 5% and 9% is the optimal level for a successful precinct.

RECOMMENDATION

That the report be received and noted.

Mr John Samartzis moved:

That the report be received and noted.

Seconded by Cr Callisto and carried unanimously.

3.4 SMALL BUSINESS FRIENDLY COUNCIL INITIATIVE (1 JULY 2020 – 31 MAY 2021)

REPORT AUTHOR: Economic Development Coordinator
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4616
FILE REFERENCE: qA1529
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to update the Business & Economic Development Committee, with the report that was submitted to the Small Business Friendly Council (SBFC) for the period 1 July 2020 – 31 May 2021.

BACKGROUND

On 30 August 2017, the Office of the Small Business Commissioner (OSBC) launched the Small Business Friendly Council (SBFC) Initiative. The SBFC Initiative aims to recognise councils that are working to support their small business communities.

The benefits of being small business friendly and supporting the growth of small business include:

- supporting the Council's local economic area, including job opportunities;
- meeting the needs of ratepayers through the provision of local goods and services; and
- creating the right environment to establish and grow a business.

At its meeting held on 6 November 2017, the Council considered a report on the SBFC Initiative and resolved to participate in the Initiative. Shortly after the Council's resolution, the Charter Agreement was signed. The Charter outlines what the Council agrees to do, which includes the following five (5) initiatives:

- implementing activities to improve the operating environment for small business within Council's area;
- establishing a business advisory group (if one does not already exist) to assist Council's understanding of small business needs in its local area;
- implementing a procurement policy which recognises and supports local small businesses wherever possible; paying undisputed invoices from small business suppliers within 30 days; and
- implementing a timely and cost effective dispute resolution process to manage disputes.

The Charter also requires the Council to submit annual reports which will assist the OSBC to identify best practice examples that can be shared with other participating councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The initiatives delivered during this reporting period, aligns with the following Outcome and Strategies as contained within *CityPlan2030: Shaping Our Future – Mid Term Review*:

Outcome 3: Economic Prosperity – A dynamic and thriving centre for business and services.

- ***Objective 3.1: A diverse range of businesses and services.***
 - *Strategy 3.1.1 Support and encourage local small, specialty, independent and family-owned businesses.*
- ***Objective 3.2: Cosmopolitan business precincts contributing to the prosperity of the City.***
 - *Strategy 3.2.1 Retain, enhance and promote the unique character of all our City's business precincts.*
 - *Strategy 3.2.3 Promote the City as a visitor destination.*
- ***Objective 3.3: Attract new enterprises and local employment opportunities to locate in our City.***
 - *Strategy 3.3.3 Promote and support local food and beverage manufacturing.*

- **Objective 3.5: A local economy supporting and supported by its community.**
 - 3.5.2 Retain accessible local shopping and services.
 - 3.5.4 Support opportunities for the community to access locally produced food and beverage produce.
 - 3.5.5 Encourage community support for and promote awareness of all businesses in our City.

The initiatives also align with the following Strategies set out in the *2021-2026 Economic Development Strategy*:

- **Objective: Support the growth and viability of the City's business sectors based on their competitive strength and strategic priority.**
 - Strategy 1.1: Focus on the support and growth of the City's priority sectors.
- **Objective 2: Increase the number of people who live, work and visit the City to enhance the community well-being of existing residents, workers and visitors.**
 - Strategy 2.1: Showcase and promote the City's attractions and events to facilitate growth in visitation.
 - Strategy 2.4 Work with local business operators to strengthen the viability of precincts and enhance the customer experience.

FINANCIAL AND BUDGET IMPLICATIONS

The total cost to prepare the *2021-2026 Economic Development Strategy* was \$20,061, which was spent during the 2019-2020 and 2020-2021 financial years. The total cost included the engagement services of URPS (Consultants) to facilitate five (5) key sector workshops with representatives from the business community and to undertake and promote community consultation including printed collateral, flyer distribution and public notices and advertisements. The remaining funds were allocated to engage Motiv Design to develop concepts, design and finalise the document for online as well as printing of the final document.

The three (3) initiatives that are outlined in the *Small Business Friendly Council* report and their respective spends, which include campaign development and execution are:

- Digital Christmas Advent Calendar (\$15,000);
- Food Secrets at the Green event (\$23,000); and
- Book a Holiday – Win a Holiday competition (\$20,500).

Funds were allocated from the Economic Development Precinct Management Budget and The Norwood Parade Precinct Committee Budget, to deliver these initiatives.

EXTERNAL ECONOMIC IMPLICATIONS

The success of the initiatives and ultimately the *2021-2026 Economic Development Strategy*, will continue to be impacted upon by the broader economic environment, which is subject to natural fluctuations in the global economy and the decisions made by the State and Federal Governments in response to the COVID-19 Pandemic. In 2020, the *Food Secrets at the Green* event was cancelled due to the Pandemic, but was successfully held in 2021, and the *Book a Holiday – Win a Holiday* competition was developed as a result of the effects that COVID-19 has and continues to have on the tourism industry, specifically the travel agencies. Notwithstanding this, the Council's focus will remain on developing the local economy in order to achieve the vision in the Strategy.

RESOURCE ISSUES

The delivery of the three (3) initiatives that are outlined in this report were initiated and managed by the Economic Development Unit, with assistance from the Council's two (2) Event Coordinators for the *Food Secrets at the Green* event.

COVID-19 IMPLICATIONS

The COVID-19 Pandemic and the affects that it has on both the business sector and the community has been challenging. Council Staff have ensured that initiatives, programs and events continue to be planned and delivered safely where and when possible.

DISCUSSION

Small business owners and operators create local employment, provide essential goods and services and help create attractive, liveable communities. The right mix of small businesses within a precinct, suburb and municipal, can create a sense of vibrancy, which attracts and excites people to live, work and visit in the area.

Government bodies, particularly local councils, have a key role in the establishment process of a business, as well as provide assistance and support throughout the lifecycle of a small business. For example, business owners and employees within the City of Norwood Payneham & St Peters have the ability to interact with a range of areas within the Council such as; customer service, economic development, planning department, finance and events to name a few.

The report contained in **Attachment A**, outlines the activities and initiatives that the Council delivered during the reporting period 1 July 2020 to 30 May 2021.

OPTIONS

Nil.

COMMENTS

Most interactions that business owners have with government are at a local level, which is why it is essential that the Council focuses on building stronger, more productive relationships, which result in better outcomes for the business and community.

Whilst the Council has delivered a fair and great service to all businesses within the City of Norwood Payneham & St Peters prior to its commitment to the Office of the Small Business Commissioner, specifically the Small Business Friendly Council initiative, it is now pleasing to continue the same level of service and to be officially recognised as a Council that is business friendly.

RECOMMENDATION

That the Committee notes that a Small Business Friendly Council report will be presented to the Business & Economic Development Committee on an annual basis.

Cr Callisto moved:

That the Committee notes that a Small Business Friendly Council report will be presented to the Business & Economic Development Committee on an annual basis.

Seconded by Cr Knoblauch and carried unanimously.

3.5 2022 SCHEDULE OF MEETINGS FOR THE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

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

PURPOSE OF REPORT

The purpose of this report is to provide the Business & Economic Development Committee with the proposed Schedule of Meetings for 2022.

BACKGROUND

In respect to meetings, the Terms of Reference state that:

8.3 The Committee shall meet at least quarterly at a place to be determined by the Chief Executive Officer in accordance with the responsibilities imposed upon within these Terms of Reference and otherwise on such dates and at such times determined by the Chief Executive Officer.

The purpose of this report is to present the proposed Schedule of Meetings for the 2022 calendar year to the Committee for its consideration.

DISCUSSION

In accordance with the Terms of Reference, the Chief Executive Officer has determined that all of the Committee Meetings will be held in the Mayor's Parlour, located in the Norwood Town Hall at 175 The Parade, Norwood.

In respect to the time and date of the meetings, it is recommended that all of the meetings of the Committee in 2022 commence at 6.15pm on a Tuesday night and that they be held on the dates outlined in Table 1 below. Based on this proposal and the fact that the Council will go into caretaker mode at the end of October 2022, meaning that the Committee will be dissolved at that point in time, it is recommended that the schedule of meetings outlined in Table 1 below, be approved by the Committee.

TABLE 1: BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE SCHEDULE OF MEETINGS 2022

Meeting	Date	Start Time
1	Tuesday 1 March 2022	6:15pm
2	Tuesday 14 June 2022	6:15pm
3	Tuesday 27 September 2022	6:15pm

RECOMMENDATION

That the Schedule of Meetings for 2022 as set out below, be approved.

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE SCHEDULE OF MEETINGS 2022

Meeting	Date	Start Time
1	Tuesday 1 March 2022	6:15pm
2	Tuesday 14 June 2022	6:15pm
3	Tuesday 27 September 2022	6:15pm

Cr Sims moved:

That the Schedule of Meetings, as set out below, for the first two (2) meetings for 2022 be approved, with the date of the third meeting to be determined taking into consideration the Council's caretaker provisions.

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE SCHEDULE OF MEETINGS 2022

Meeting	Date	Start Time
1	Tuesday 1 March 2022	6:15pm
2	Tuesday 14 June 2022	6:15pm

Seconded by Cr Callisto and carried.

4. OTHER BUSINESS

Nil

5. NEXT MEETING

Tuesday 1 March 2022

6. CLOSURE

There being no further business the Presiding Member declared the meeting closed at 7.24pm.

Mayor Robert Bria
PRESIDING MEMBER

Minutes Confirmed on _____
(date)