

# Business & Economic Development Committee Minutes

**1 March 2022**

## **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** 6.30pm

**PRESENT**

**Committee Members** Mayor Robert Bria (Presiding Member)  
Cr Scott Sims  
Cr Carlo Dottore  
Cr Garry Knoblauch  
Cr John Callisto  
Mr John Samartzis  
Ms Skana Gallery

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

**APOLOGIES** Ms Trish Hansen, Professor Richard Blandy

**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 2 NOVEMBER 2021**

*Cr Dottore moved that the minutes of the Business & Economic Development Committee meeting held on 2 November 2021 be taken as read and confirmed. Seconded by Cr Callisto and carried unanimously.*

**2. PRESIDING MEMBER'S COMMUNICATION**

Nil

**3. STAFF PRESENTATION**

3.1 State of Norwood Payneham & St Peters' Economy

A presentation was made by Council staff in relation to this matter.

Cr Sims left the meeting at 7.06pm.  
Cr Sims returned to the meeting at 7.12pm.

**4. STAFF REPORTS**

## 4.1 PROGRESS REPORT ON THE 2021 – 2026 ECONOMIC DEVELOPMENT STRATEGY

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**REPORT AUTHOR:** Economic Development Coordinator  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4616  
**FILE REFERENCE:** qA89121  
**ATTACHMENTS:** A – I

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### 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 its meeting held on 2 November 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 four (4) 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 Precinct 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 commence the delivery of the Year 2 actions. Some of the Year 2 and ongoing 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. In January 2022, the Council approved a third assistance package for local businesses impacted by restrictions imposed by the State Government, and Council Staff have begun investigations to deliver a 'Hospitality Voucher' program for City businesses.

## 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 the following events that were held during the month of October 2021. *Raising the Bar Adelaide*, *Spring Shopping Day* and *The Extended – Eastside Happy Hour Live* music event.

In the upcoming months, the Events Unit will assist the Economic Development Unit to deliver *Art on Parade* which runs for the entire month of April and the *2022 Eastside Business Awards Night*, which is scheduled for 12 April 2022.

## 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 2 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 the 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.

At its meeting held on 2 November 2021, the Committee resolved the following in relation to the reporting against the Economic Development Strategy:

*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.*

In accordance with the Committee's resolution, Staff have now summarised the programs and initiatives that have been delivered or initiated under the four (4) key themes in the first year of the Strategy, into an *Economic Development Strategy: 2021 – Year 1 in Review* document, which is contained in **Attachment I**. It should be noted that the document is still in draft form and will be finalised following the Committee's consideration.

## 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 for the past two (2) years, 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**

1. That the report be received and noted.
  2. That the draft *Economic Development Strategy: 2021 – Year 1 in Review* as contained in **Attachment I** be endorsed as being suitable to present to the Council for its consideration and endorsement.
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*Cr Knoblauch moved:*

1. *That the report be received and noted.*
2. *That the draft Economic Development Strategy: 2021 – Year 1 in Review as contained in Attachment I be endorsed as being suitable to present to the Council for its consideration and endorsement.*

*Seconded by Cr Dottore and carried unanimously.*

## 4.2 MAGILL ROAD OCCUPANCY LEVELS ANNUAL ASSESSMENT

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**REPORT AUTHOR:** Economic Development Officer  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 8366 4512  
**FILE REFERENCE:** qA89121  
**ATTACHMENTS:** Nil

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### PURPOSE OF REPORT

The purpose of this report is to provide the *Business & Economic Development Committee*, with an assessment of occupancy and vacancy levels along Magill Road.

### BACKGROUND

In response to a bi-annual report produced by JLL Australia, which analyses the occupancy levels of Adelaide's major high street precincts, including The Parade, Norwood, an annual assessment of The Parade Precinct's occupancy levels is now undertaken by Council Staff to compare the results. The results of both the JLL Australia report and the Staff analysis are presented annually to both the *Business & Economic Development Committee* and the *Norwood Parade Precinct Committee* to determine how The Parade is performing and how it compares to other mainstreets in the Metropolitan Adelaide region.

In recognition that vacancy rates provide a strong measure of how a mainstreet is performing and provides an indication of the likely demand on the rental market, it was decided that a similar assessment should be undertaken for Magill Road. This will allow for a better understanding of the overall health of the Precinct, as well as creating a complete database of businesses that exist, allowing for more targeted marketing and promotion of Magill Road.

### DISCUSSION

For the purpose of this report, vacancy rates are defined as a percentage of all available occupiable commercial properties (residential is not included), within the Magill Road Precinct. Both ground floor and non-ground floor tenancies 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 entirety of Magill Road that falls within the Council area, which extends from Fullarton Road to Portrush Road, both sides of the road and then from Portrush Road to Glynburn Road only on the northern side of the road, recognising that the southern portion falls within the City of Burnside. The assessment undertaken by Council Staff was conducted on Friday 1 February 2022 and all details from the assessment 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 was for lease;
  - tenancies that had signage indicating that the tenancy was 'Leased', yet the Council was not aware of a new business preparing to occupy the space; and
  - tenancies that did not have any signage but were empty and the Council was not yet aware of any new business preparing to occupy the space.



The assessment conducted by Council Staff found the following:

- there is a total of 215 tenancies (excluding residential) within the Magill Road Precinct;
- 205 tenancies were occupied by a business;
- there were ten (10) vacant tenancies, resulting in a vacancy rate of 4.7%;
- nine (9) vacancies are located on the northern side of Magill Road, which is to be expected given the extended length of the Precinct on the northern side;
- The northern side has a vacancy rate of 6.4% (9 out of the 141 tenancies are vacant);
- one (1) vacancy is located on the southern side of Magill Road and the southern side has a vacancy rate of 1.4% (1 out of the 74 tenancies is vacant);
- Magill Road, between Fullarton Road and Osmond Terrace has a vacancy rate of 4.8% (3 vacant tenancies out of 63);
- Magill Road, between Osmond Terrace and Portrush Road has a vacancy rate of 2.5% (2 vacant tenancies out of 81); and
- Magill Road, between Portrush Road and Glynburn Road (north side only) has a vacancy rate of 7% (5 vacant tenancies out of 71).

Being the first assessment undertaken for the Magill Road Precinct, it is difficult to understand whether this has been an improvement or a decline in vacancy rates. Nonetheless, a vacancy rate of 4.7% is extremely positive for the Precinct and when comparing this to The Parade's vacancy rate of 5.16%, it could be argued that Magill Road is performing better than The Parade. Furthermore, when comparing the performance of Magill Road to other Adelaide high street's measured by JLL Australia, Magill Road ranks equal second behind only Prospect Road (3%).

The ten (10) vacant tenancies are spaced sporadically along Magill Road, with there being only one (1) instance where there are two (2) vacant tenancies situated side by side and this occurs between Hereford Avenue and Breaker Street in a small block of tenancies.

Magill Road generally consists of the retail (homewares, furniture and fashion), professional services and dining and entertainment businesses.

Known new businesses to begin operating along Magill Road are:

- **Blush Girl** (located at 49-51 Magill Road, Stepney and are pending Development Approval);
- **Studio Spring** (location at 129 Magill Road, Stepney);
- **Cachemira** (located at 137 Magill Road, Stepney);
- **Sada Store** (located at 147 Magill Road, Stepney);
- **Dogs 4 Eve & Meg** (located at 163-165 Magill Road, Maylands);
- **Deconstruct Digital** (located at Shop 2/223 Magill Road, Maylands);
- **Movement in Mind – Exercise Physiology** (located at 415 Magill Road, St Morris);
- **Panacea Pilates** (located at Level 1/138 Magill Road, Norwood – relocated from The Parade);
- **Sueno Hair** (located at 349 Magill Road, St Morris – relocated from southern side of Magill Road); and
- **P4B Solar** (located at 108 Magill Road, Norwood).

Known businesses to have left Magill Road are:

- **Asser & Co** (moved to 22 Fullarton Road, Norwood);
- **Botanica** (moved back to being a home-based business);
- **P&K Pets** (permanently closed);
- **The Injury Lab** (closed their Adelaide location);
- **James Stevens MP** (relocated to The Parade); and
- **Espresso Royale** (permanently closed).

Given the importance of monitoring the vacancy rates within the City, Council Staff will continue to conduct annual occupancy and vacancy assessments and provide written reports to the *Business & Economic Development Committee*. This information will help to inform upcoming strategies and decisions regarding marketing and promotion of Magill Road.

## OPTIONS

Not Applicable.

## CONCLUSION

Despite the ongoing impacts of the COVID-19 Pandemic and restrictions imposed, the Magill Road Precinct appears to have performed well with respect to business survival and attracting new businesses to establish within the Precinct. A vacancy rate of 4.7%, in conjunction with no obvious pattern of vacant tenancy location, signifies that the both the property market is healthy and also that the street has attractive elements (i.e. high vehicular and pedestrian traffic area). By mapping the businesses within the Precinct in order to obtain the vacancy rate, the Council will be able to develop targeted responses to further support and market Magill Road.

## COMMENTS

Whilst it is acknowledged that a low vacancy rate (which is the case for Magill Road) is a positive representation of the health of the Precinct, research has shown that when vacancy rates fall below 5%, the rental market is considered to be in a good state. This can unfortunately lead to landlords subsequently increasing rents, which in turn can have a negative impact on the tenancy mix. It also means that landlords can afford to be selective about the type of tenants that they place in individual tenancies. Staff will continue to monitor this activity to identify any such patterns, should they arise.

## RECOMMENDATION

1. That the report be received and noted.
  2. That the Committee notes that an annual assessment of Magill Road's occupancy levels will be undertaken, with the results of the assessment to be presented back to the *Business & Economic Development Committee*.
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*Cr Callisto moved:*

1. *That the report be received and noted.*
2. *That the Committee notes that an annual assessment of Magill Road's occupancy levels will be undertaken, with the results of the assessment to be presented back to the Business & Economic Development Committee.*

*Seconded by Mr John Samartzis and carried unanimously.*

**5. OTHER BUSINESS**

Nil

**6. NEXT MEETING**

Tuesday 14 June 2022

**7. CLOSURE**

There being no further business the Presiding Member declared the meeting closed at 7.32pm.

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**Mayor Robert Bria**  
**PRESIDING MEMBER**

Minutes Confirmed on \_\_\_\_\_  
(date)