

City of Adelaide

Economic Fact VS Fiction

21 August 2024

Presented by John Kim



Agenda

- Economic Overview
 - National, State and Greater Adelaide
 - City of Adelaide
- Economic Fact VS Fiction
 - Greater Adelaide's economy is falling behind other capital cities
 - The City struggles with high unemployment

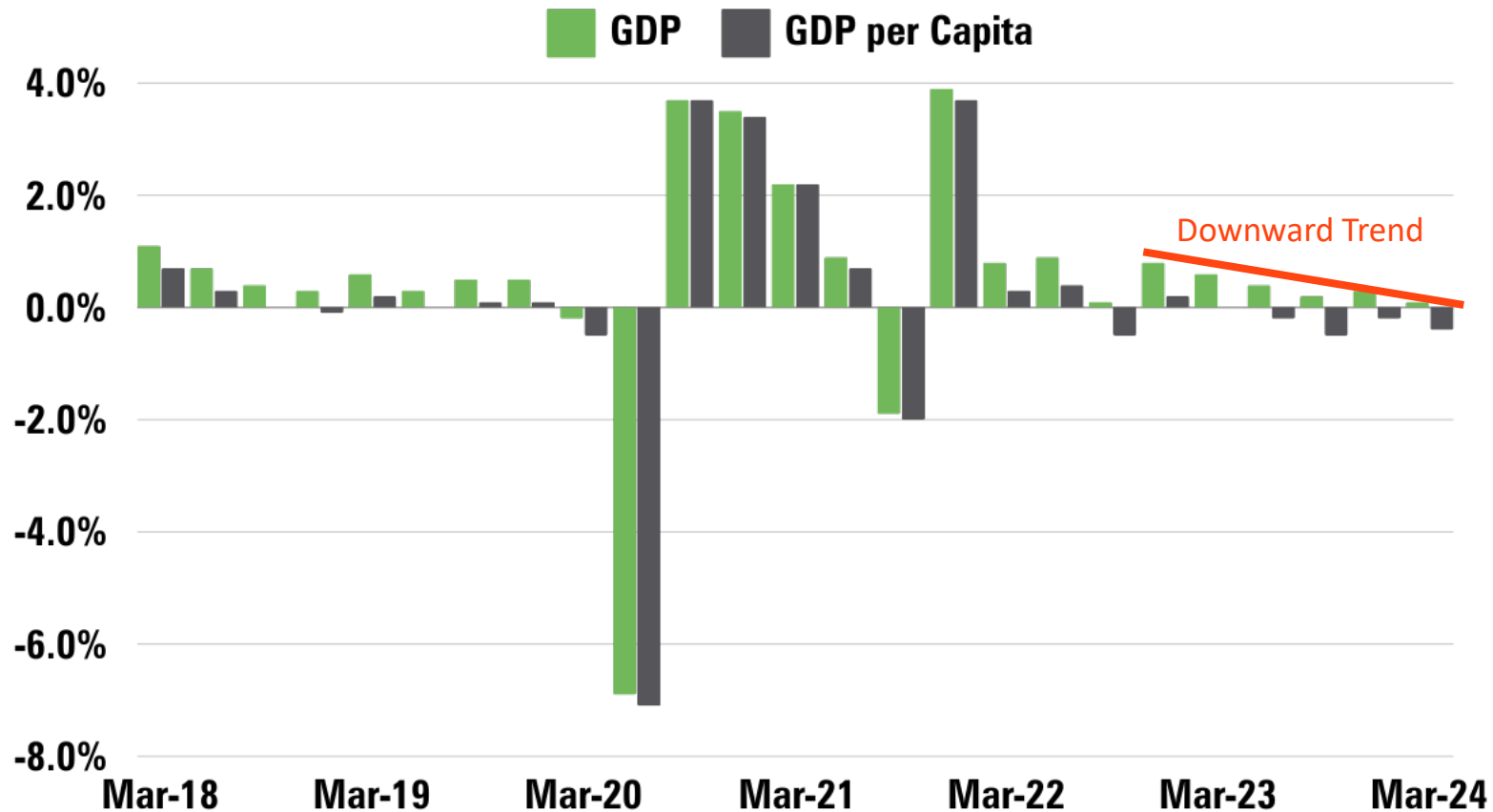
Economic Overview



GDP growth is back to pre-COVID levels, but we have actually had 4 quarters of negative GDP per Capita changes



Change in Australia's GDP - Quarter compared to previous year's quarter



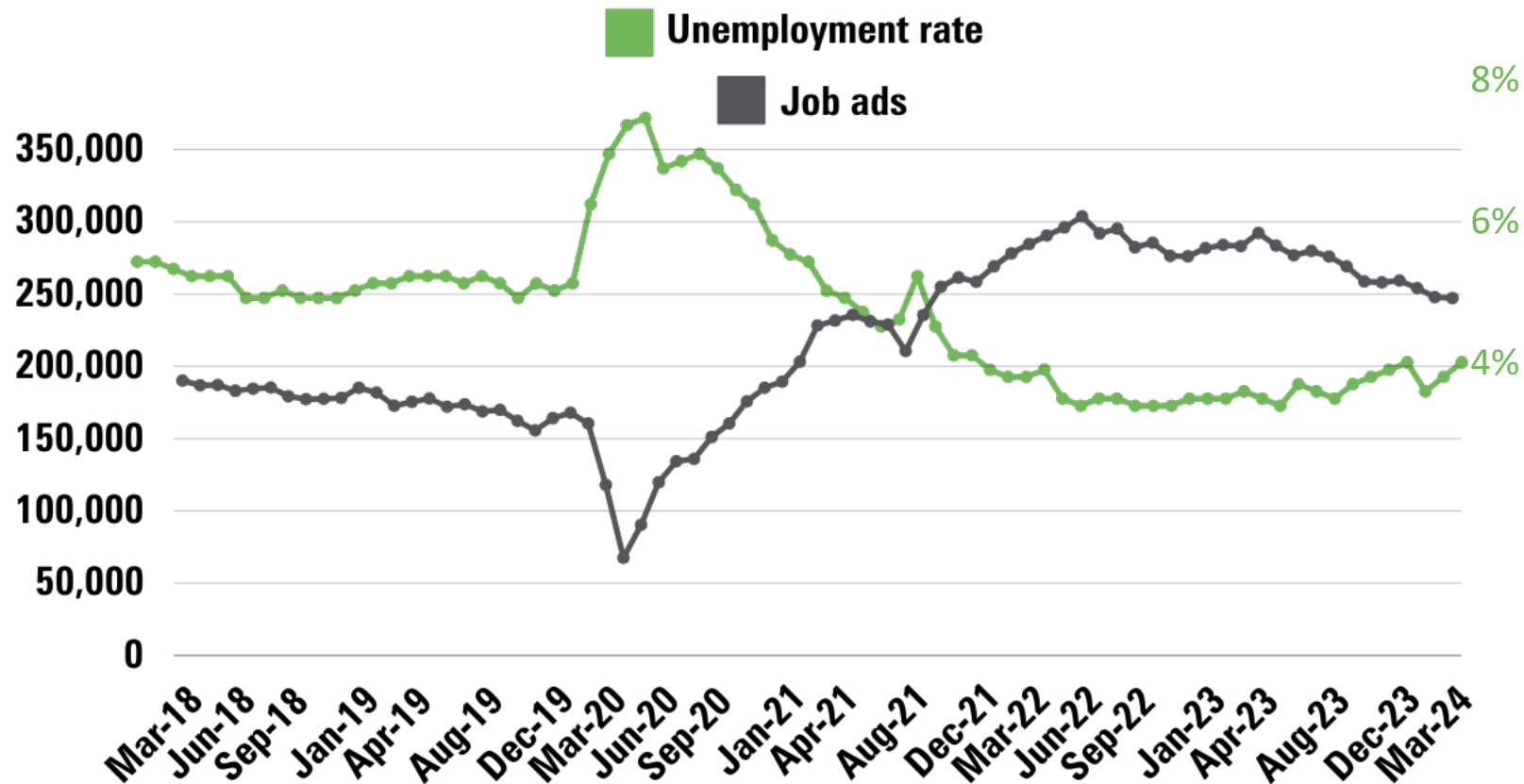
Place implication: Weaker growth especially for places exposed to interest rate-sensitive parts of the economy

Source: ABS, Australian National Accounts

The Unemployment Rate is still low hovering around 4%. However, job ads have eased



Australia's Unemployment Rate - Rolling 3 month Average



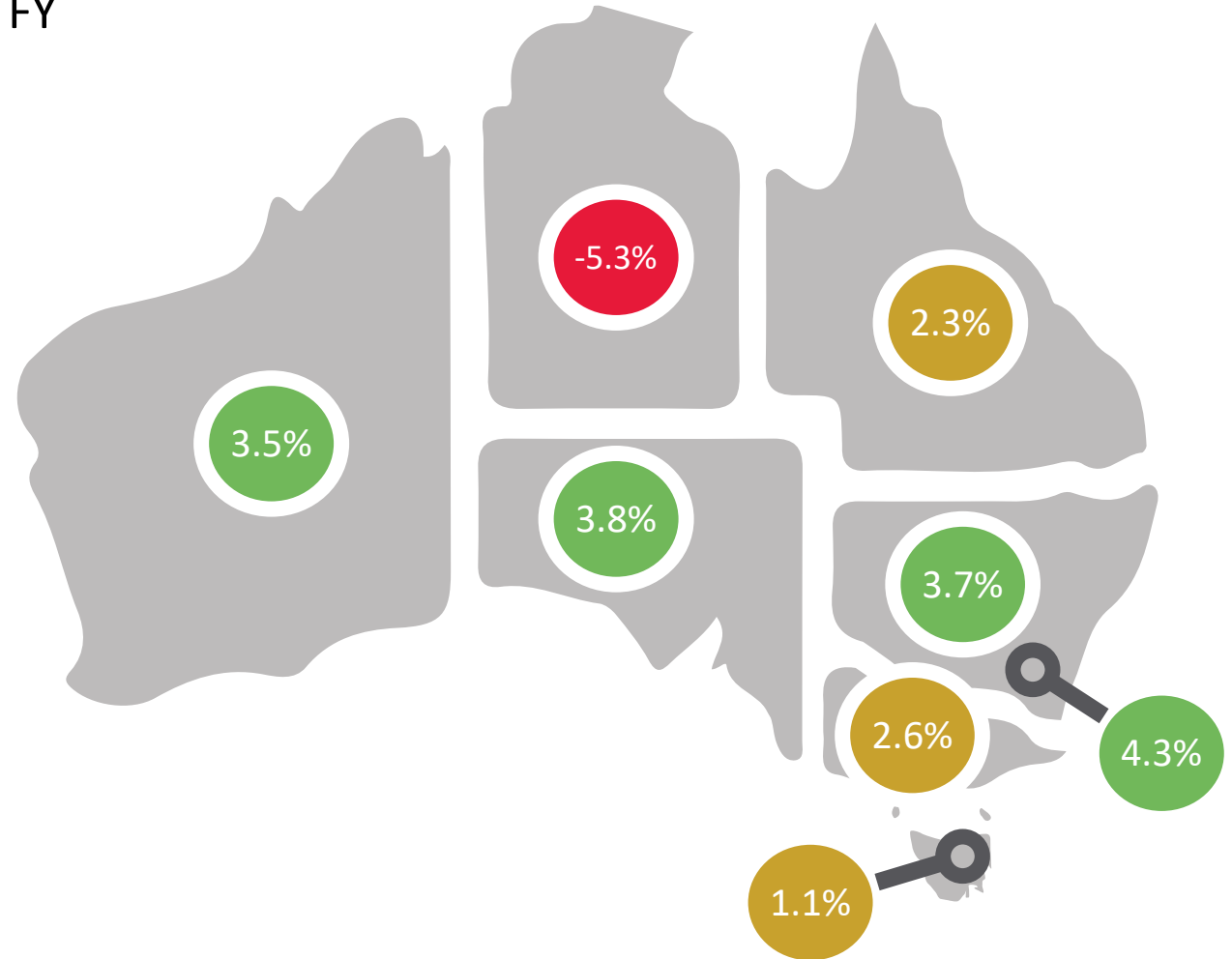
Source: ABS, Labour Force

Place implication: Tight labour markets in most areas, but especially regional. Pressure on wages.

SA'S ECONOMY WAS NUMBER ONE STATE IN THE NATION

Australia's states and territories have very distinct economies dependent on their size and access to resources, infrastructure and human capital.

Annual Change in Gross State Product, 2022/23 FY



Source: ABS, Australian National Accounts: State Accounts, 2022-23

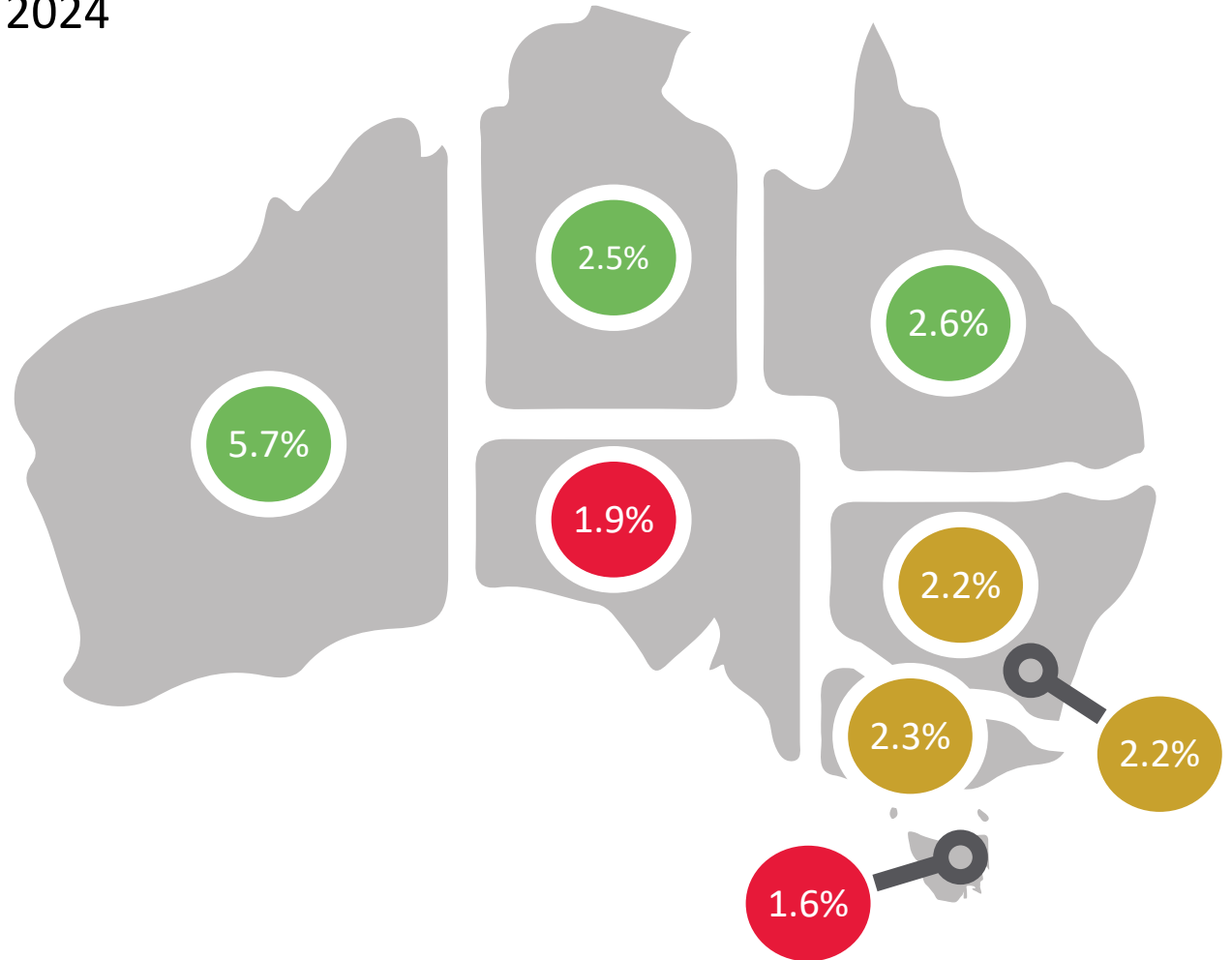
RESOURCES BOOM IS DRIVING GROWTH IN WA IN 2023/24

Australia's two largest states have slowed.

NT has recovered, while SA coming off the boil. Tasmania is growing the slowest.

QLD has consistent growth supported by population growth and resources.

Change in State Final Demand, 3 Quarters to March 2024



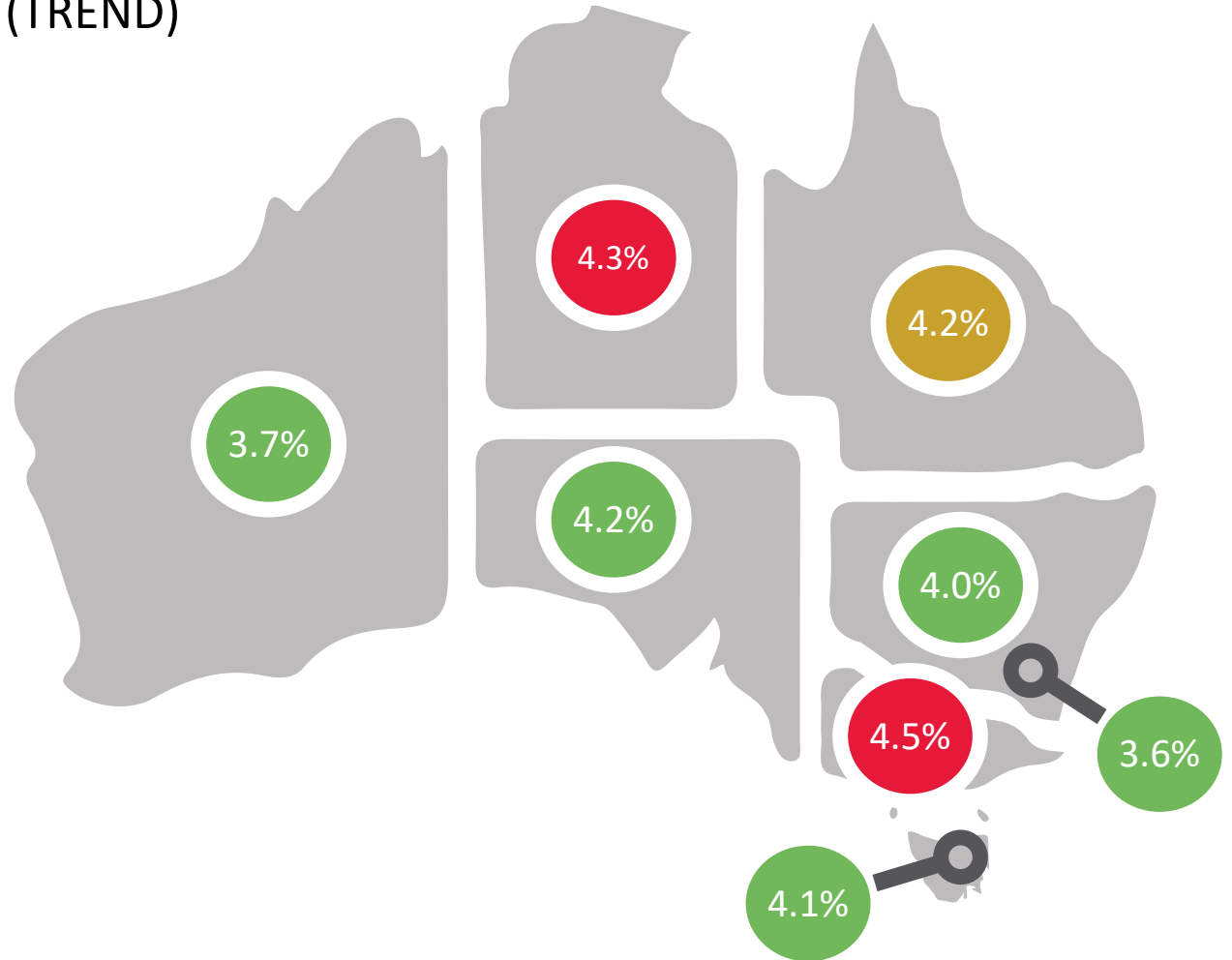
Source: ABS, Australian National Accounts: National Income, Expenditure and Product

UNEMPLOYMENT IN SA TICKED UP

The Unemployment Rate rose in the largest states in 2022/23:

- Victoria +0.80%
- New South Wales +0.70%
- Australia +0.50%
- South Australia +0.30%
- Australian Capital Territory +0.2%
- Western Australia +0.10%
- Queensland 0.20%
- Tasmania -0.10%
- Northern Territory -0.30%

Unemployment Rate July 2024 (TREND)



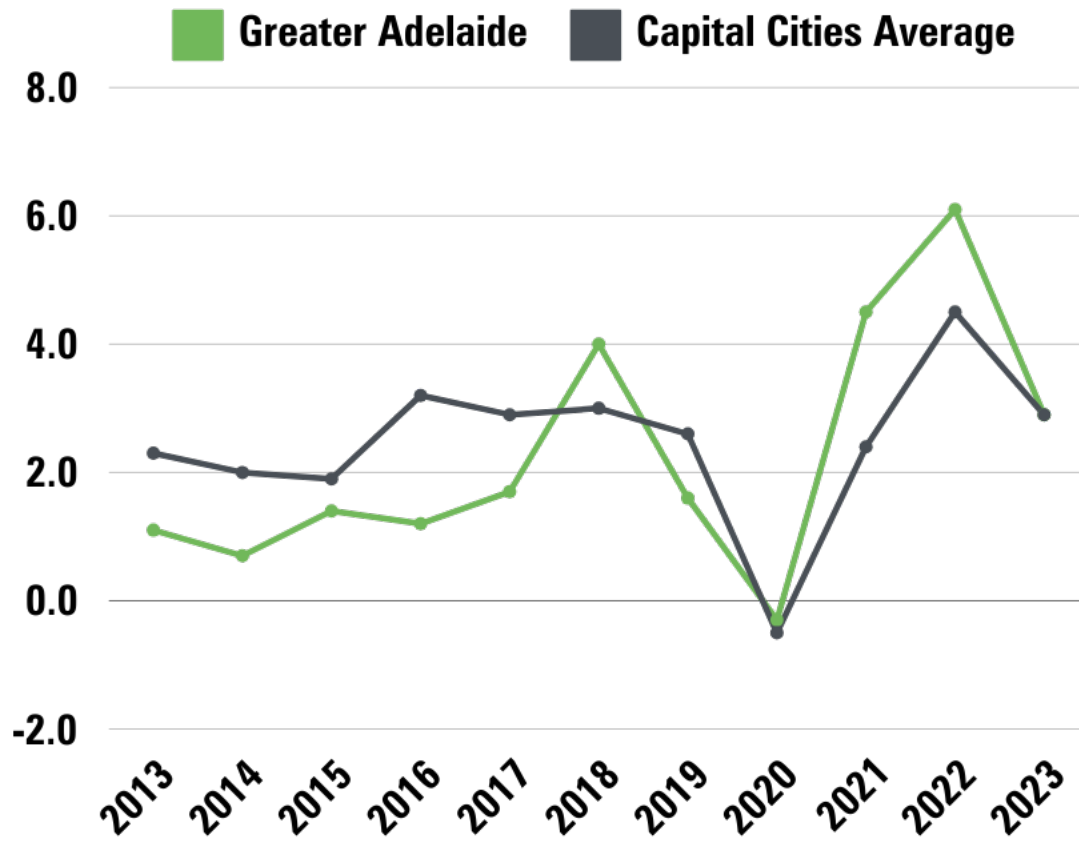
Source: ABS, Labour Force

GREATER ADELAIDE'S ECONOMY IS BOOMING

If we exclude population growth, then Adelaide's GRP increased by 0.9%.

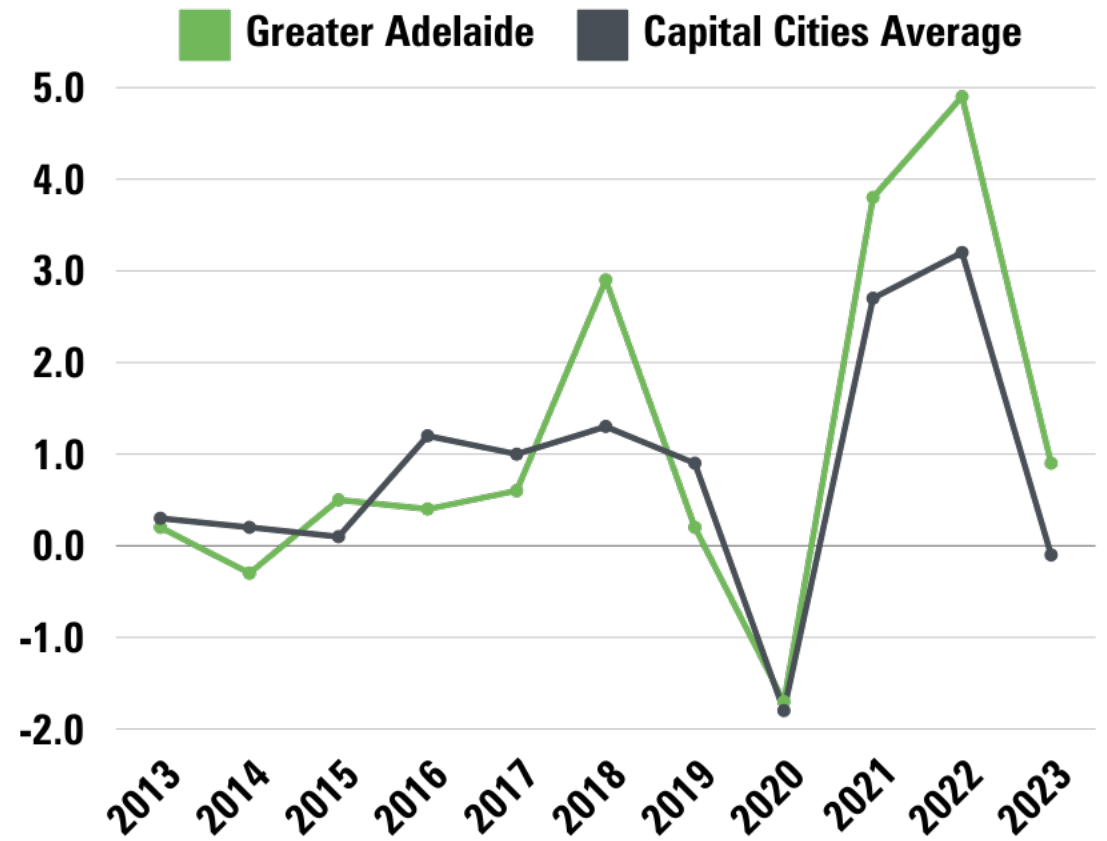


Annual % Change in GRP



Source: NIEIR, State of the Regions Data 2024

Annual % Change in GRP per Capita



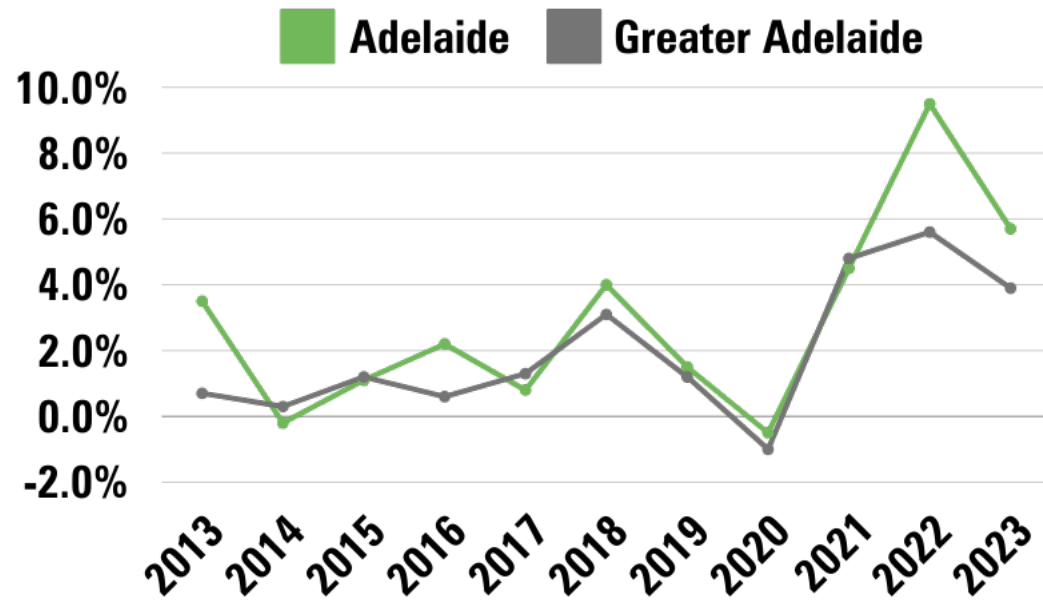
Source: NIEIR, State of the Regions Data 2024

City of Adelaide Economic Overview

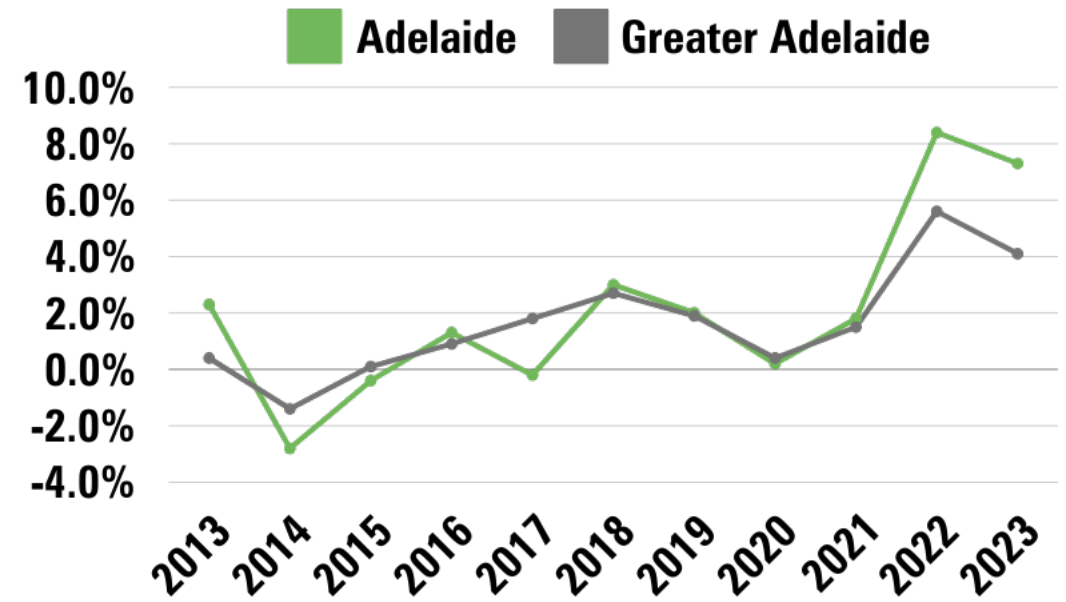
A nighttime photograph of the Adelaide city skyline. The image shows a mix of modern and traditional architecture. A prominent feature is a large, curved glass structure, likely the Adelaide Oval, which is brightly lit from within. To its left is a tall, cylindrical skyscraper with many windows. In the foreground, a body of water reflects the city lights, and a grassy area with a few trees and streetlights is visible. The overall scene is illuminated by warm, yellowish lights, creating a vibrant urban atmosphere.

City of Adelaide Jobs and Economy continue to soar in 2023

Economic growth



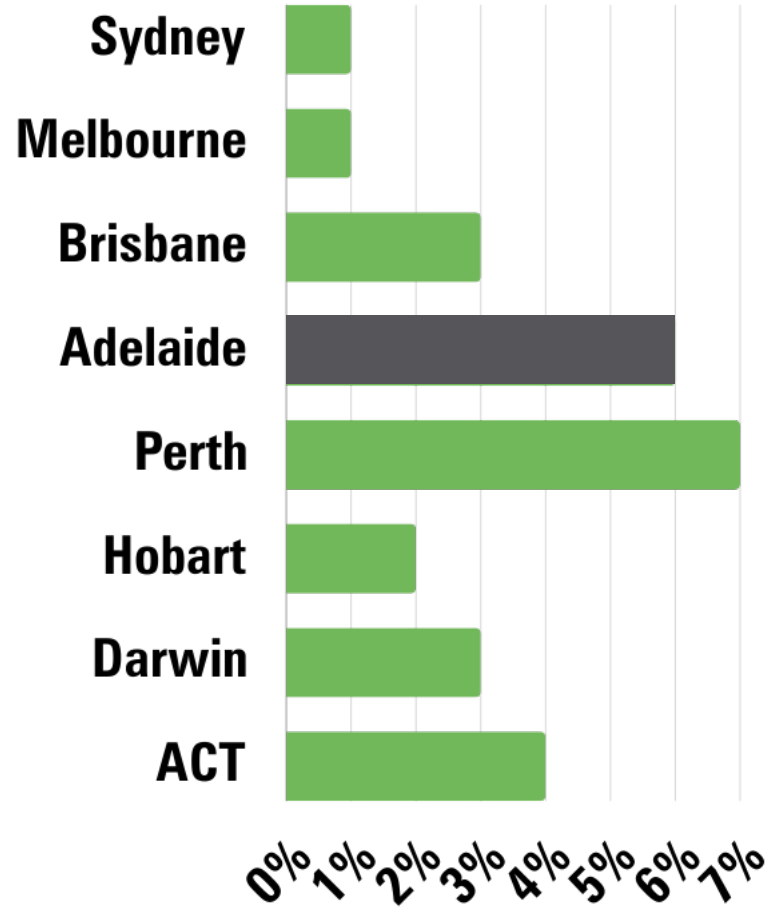
Jobs growth



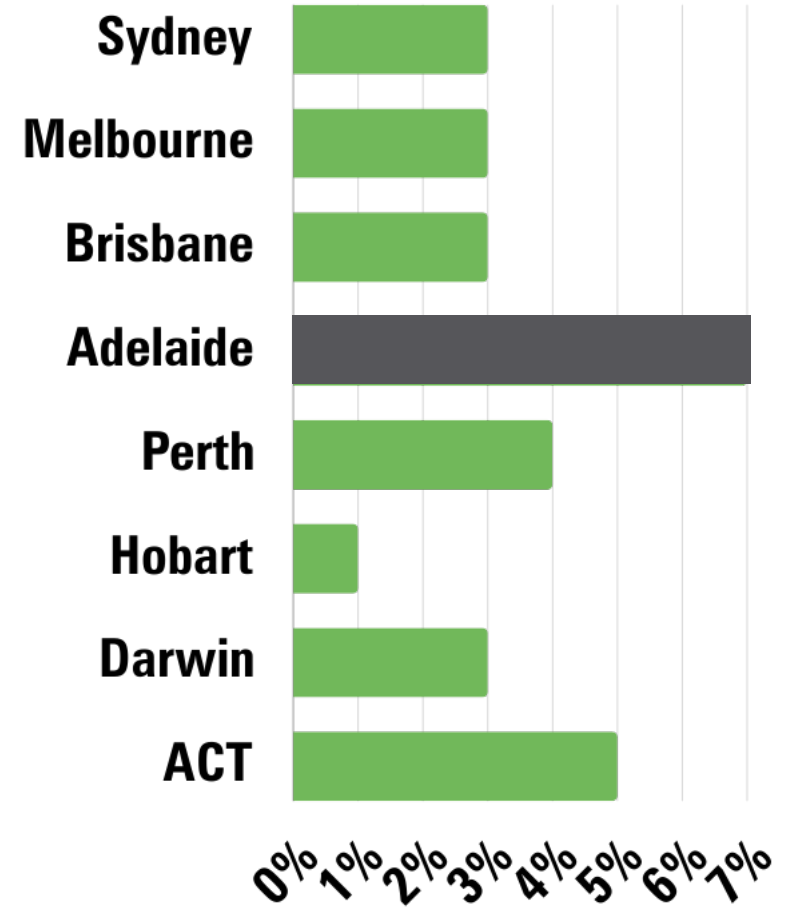
Source: economy.id (including NIEIR and ABS)

Top Jobs growth among Capital Cities

GRP growth, 2022-23



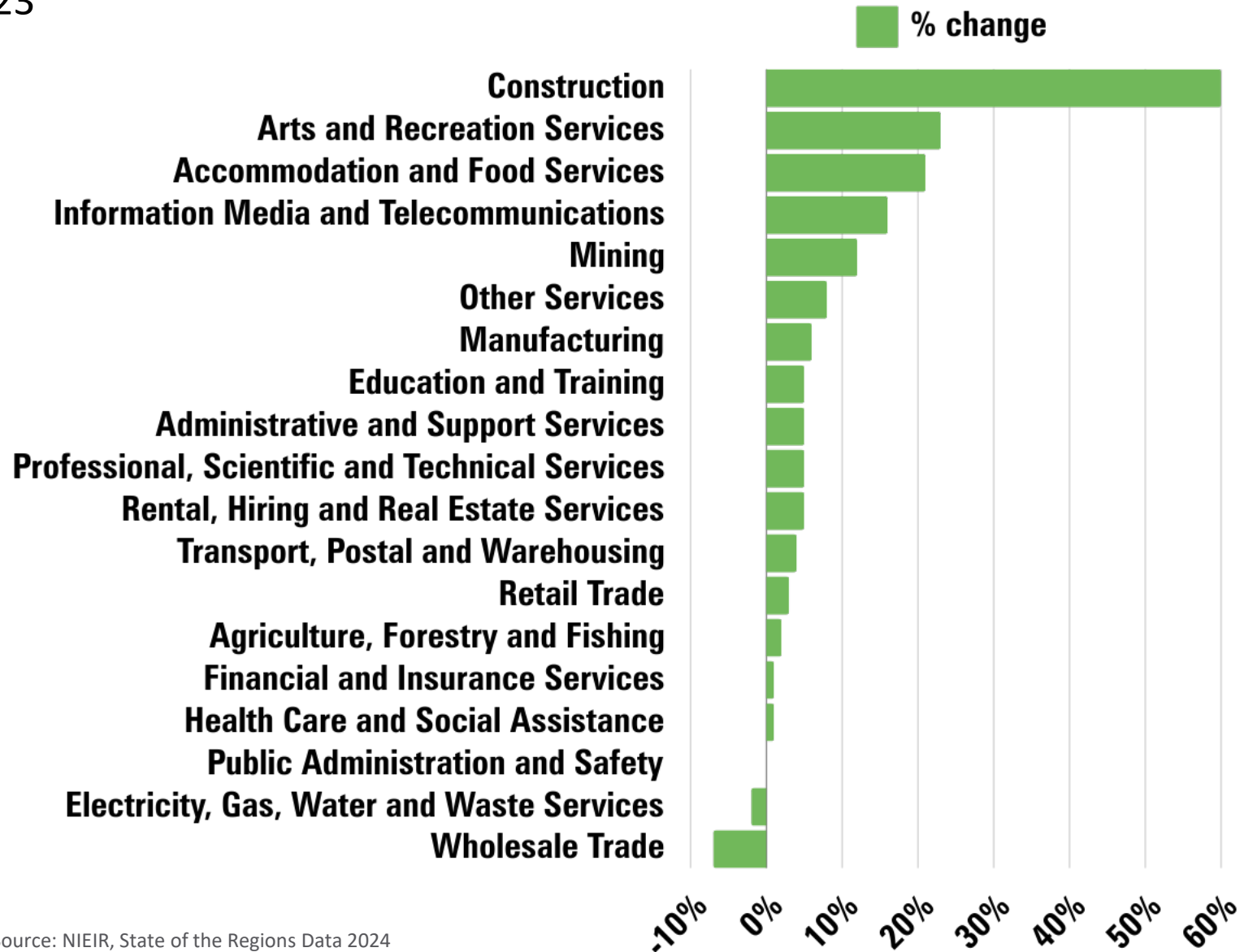
Jobs growth, 2022-23



Source: economy.id (including NIEIR and ABS)

City of Adelaide

Contribution to annual growth in industry value added, 2022-23

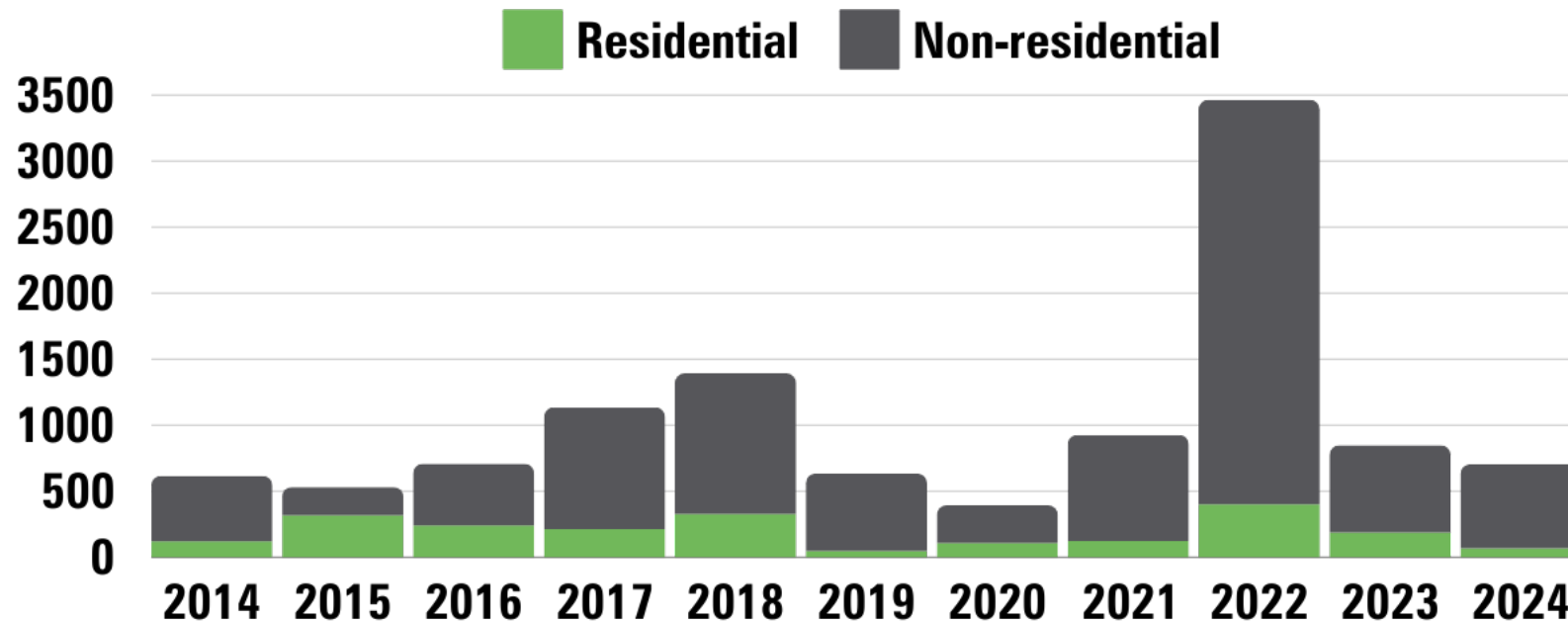


Source: NIEIR, State of the Regions Data 2024

Construction,
hospitality,
recreation and
entertainment
sectors fuel strong
economic growth

Construction boom highlights the City's economic strength

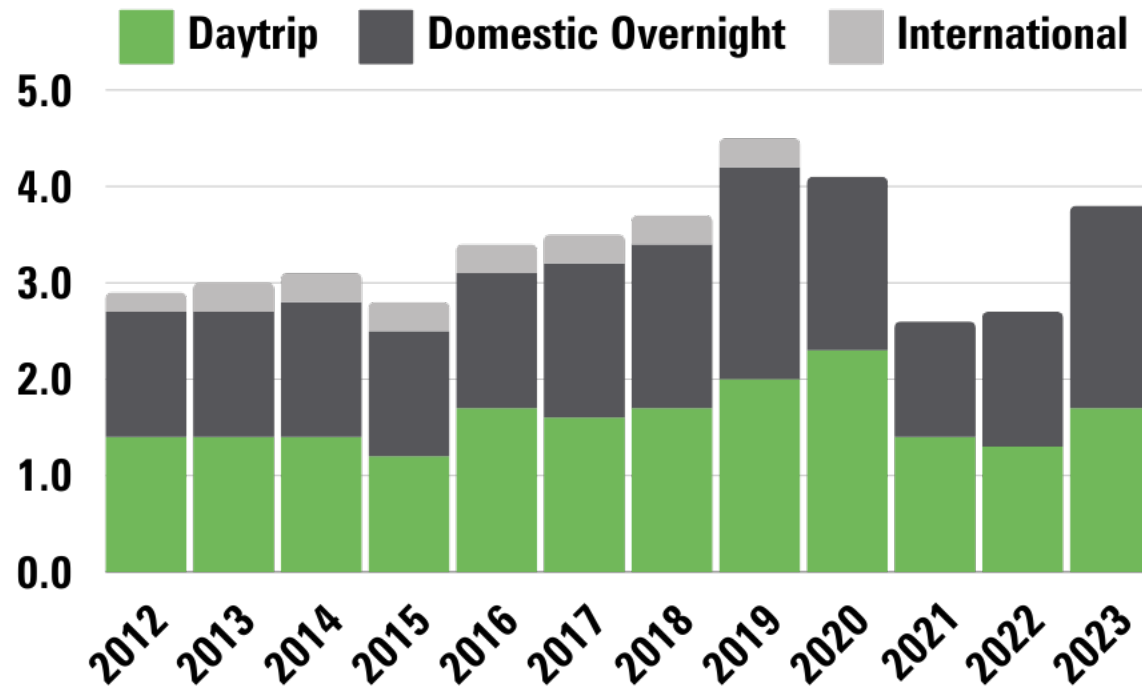
Building approvals, (\$M)



Source: ABS Building Approvals

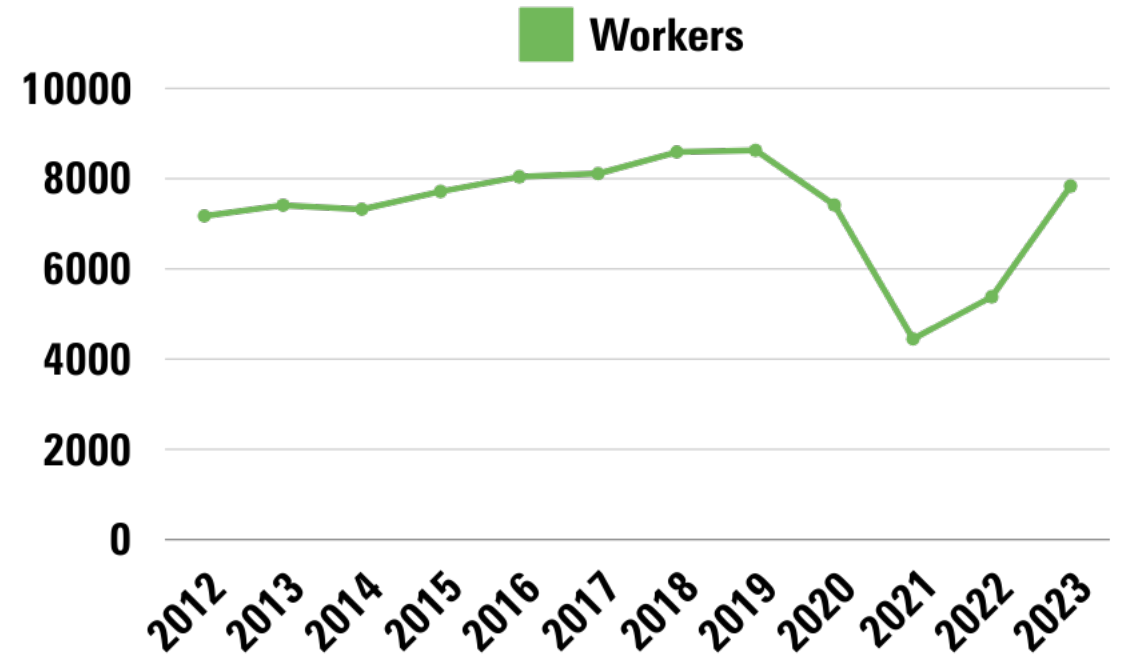
Strong rebound in tourism

Tourism visitors, millions



Source: Tourism Research Australia

Tourism workers



Source: NIEIR, State of the Regions Data 2024

Adelaide has a higher overall Liveability compared to other capital cities*

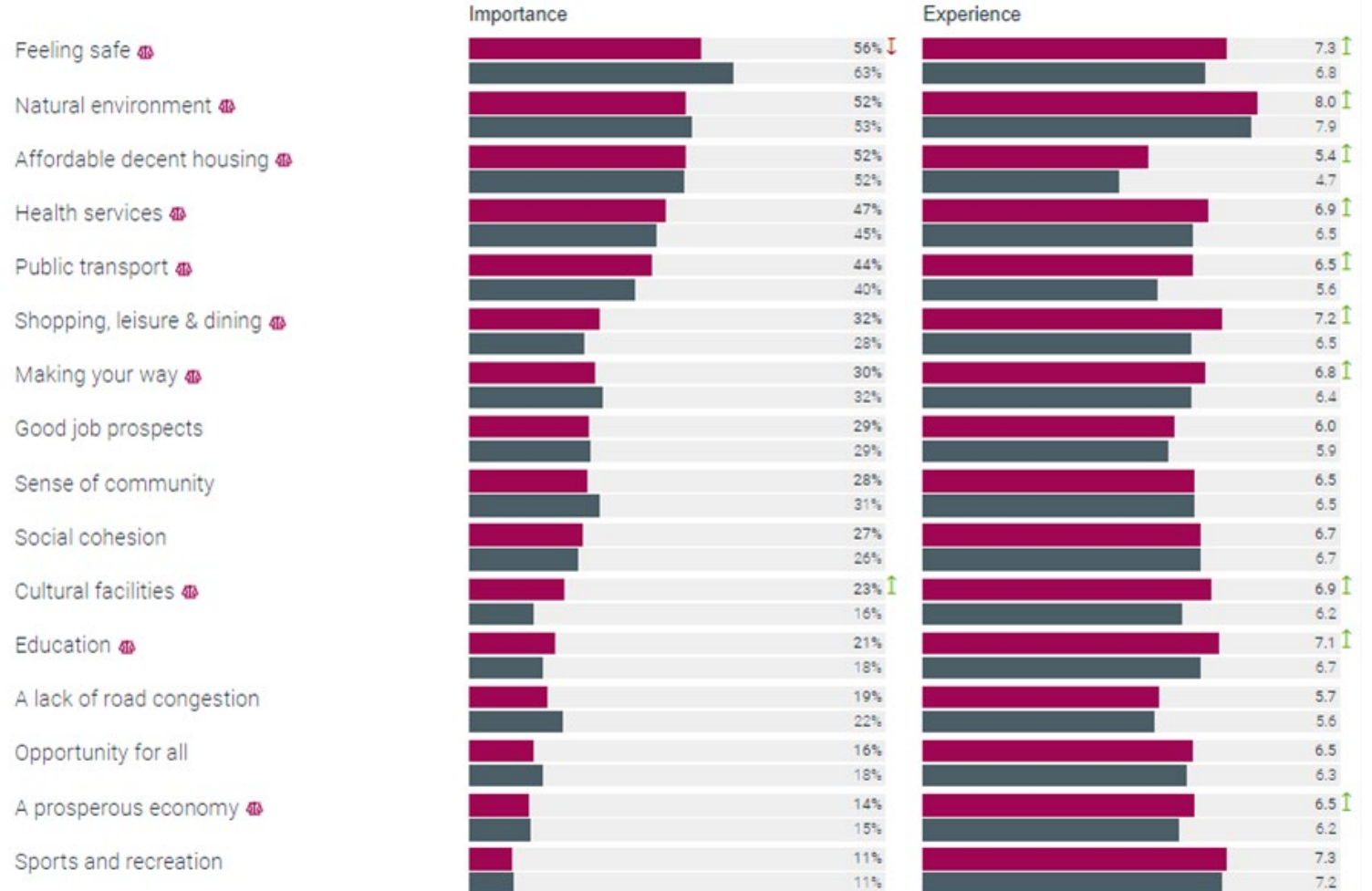
* Based on Ipsos and .id resident survey 2024

Residents rate Adelaide's liveability higher than other cities, including Sydney and Melbourne

Adelaide Overall Liveability Index



Australia Overall Liveability Index

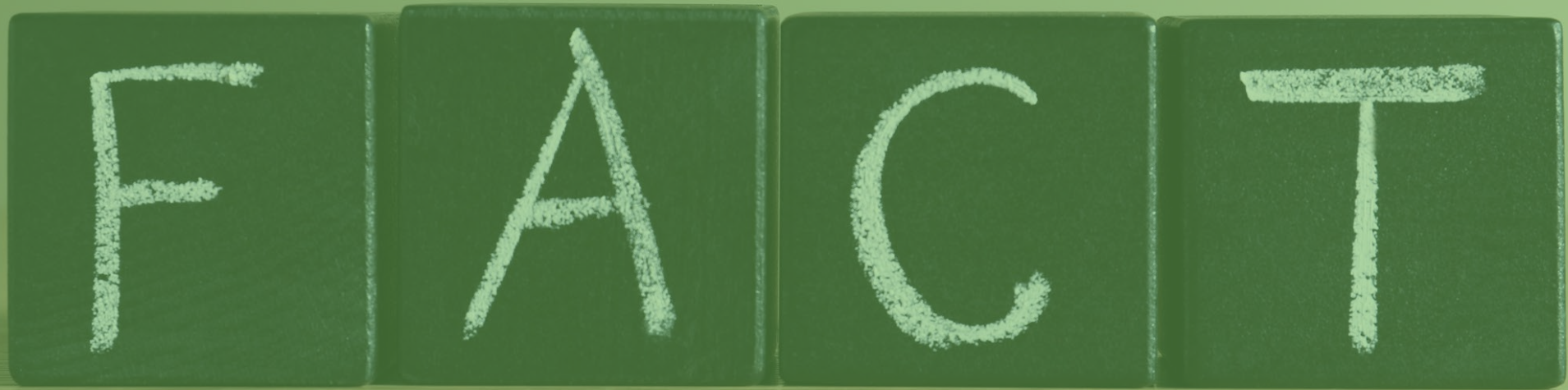


Source: .id informed decisions

↑ Significantly higher ↓ Significantly lower

Economic Fact VS Fiction

F A C T

Four wooden blocks are arranged in a row on a reflective surface. Each block has a white letter written on it in a chalk-like font. The letters, from left to right, are 'F', 'A', 'C', and 'T'. The blocks are dark brown and the background is a solid light green color.



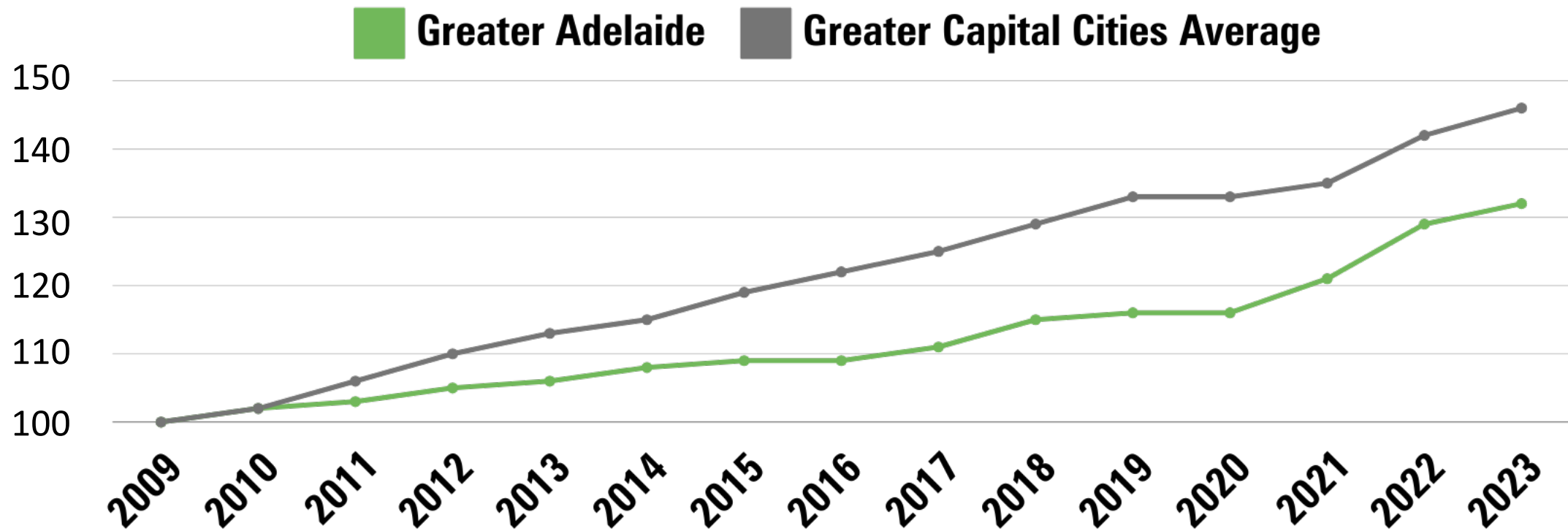
Myth #1 Greater Adelaide's economy is falling behind other capital cities

FIG.2



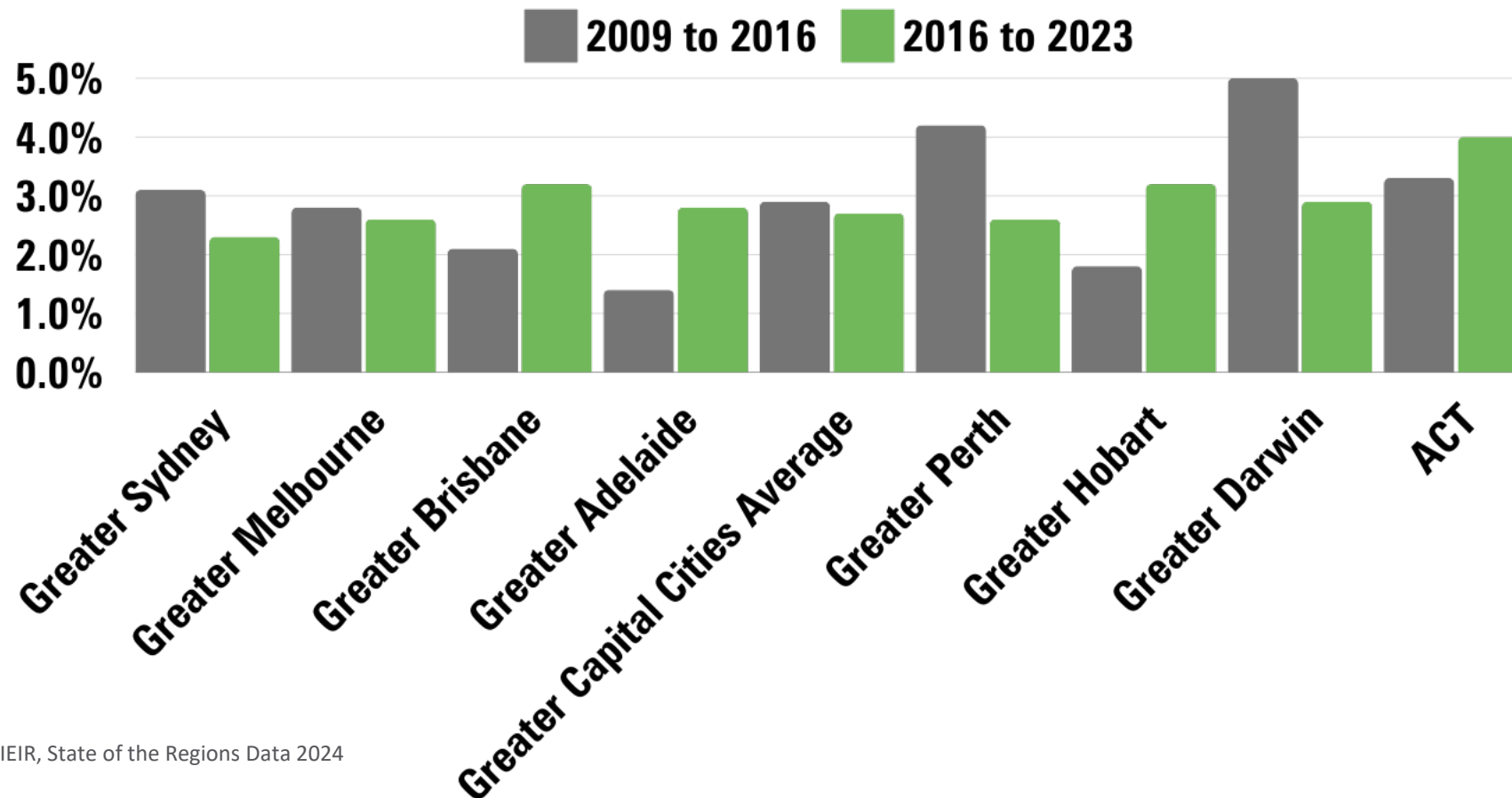
Greater Adelaide's historical economic growth slower than the capital cities average

GRP - Indexed, 100 = 2009



From 2016, Greater Adelaide's economic growth bounced back, inline with the capital cities average

Annual average GRP growth



Greater Adelaide's economic growth from 2016 to 2023 (2.8%) will be higher at 3.1% per annum, if factor in the Car Manufacturing loss

Myth #1 Greater Adelaide's economy is falling behind other capital cities

Fact #1 Greater Adelaide's economy bounced back from 2016



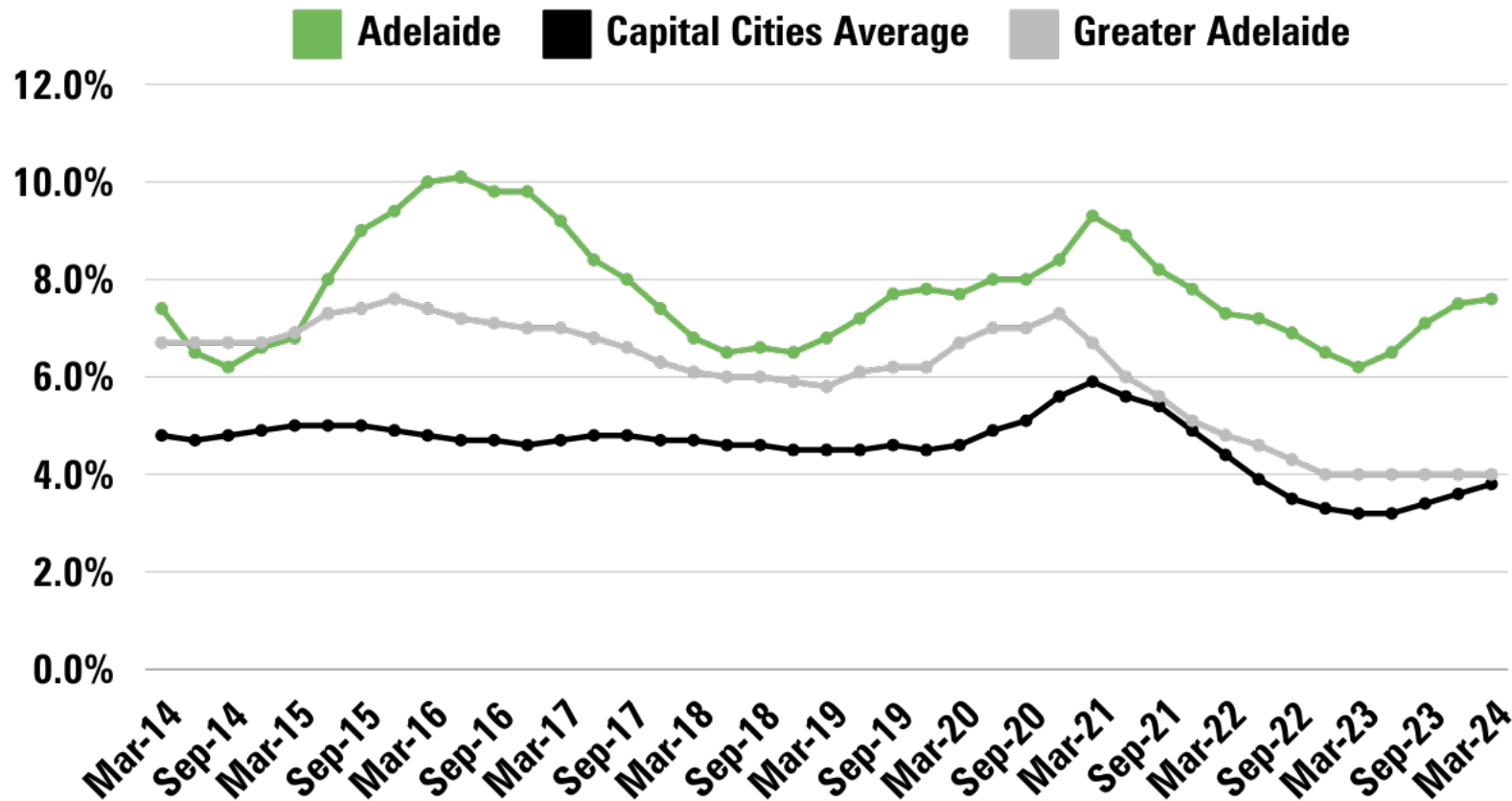
A magnifying glass is positioned over a newspaper's job advertisement section. The word "JOBS" is prominently displayed in large, bold letters. Below it, the text "EMPLOYMENT / HELP WANTED" is visible. Further down, there are two columns with the headings "EMPLOYMENT" and "PRO". The background shows a computer keyboard and other newspaper text, all with a green tint.

Myth #2 The City struggles with high unemployment

Changing careers in a slow economy

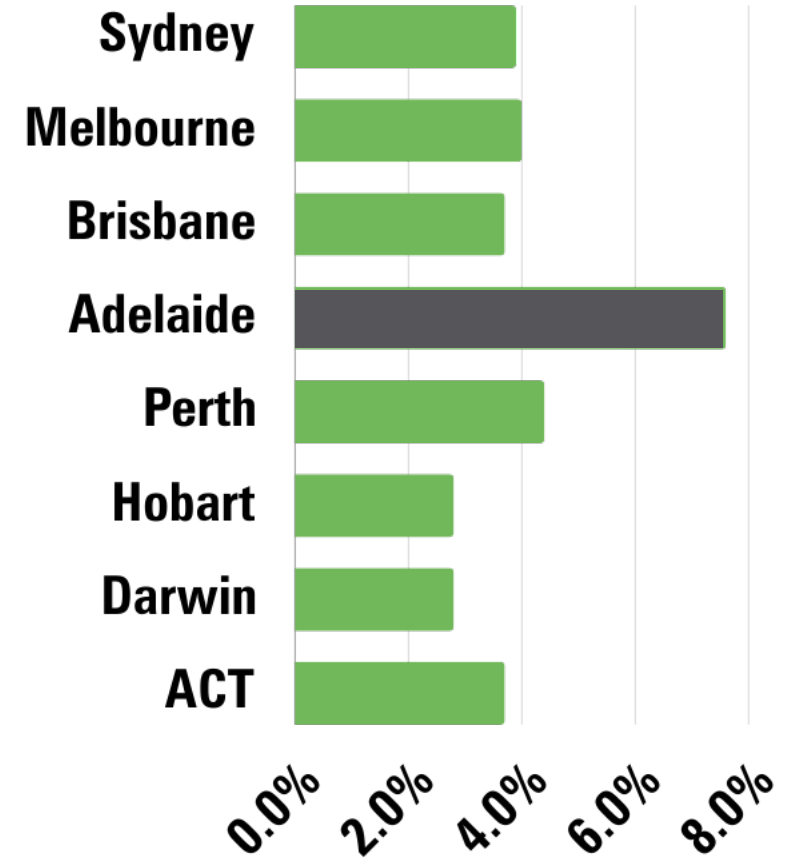
Adelaide City has a higher unemployment rate than benchmarks

Unemployment Rate



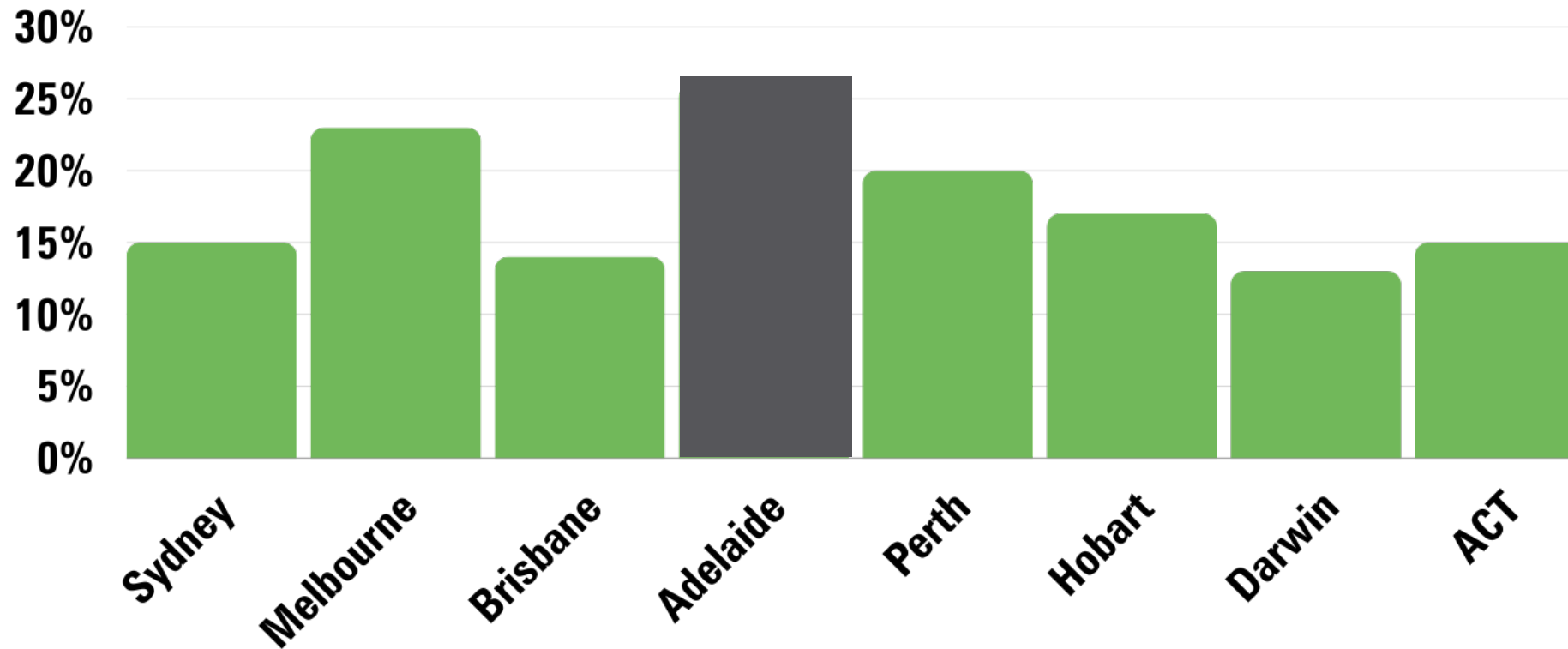
Source: Small Area Labour Markets

Unemployment Rate, March 2024



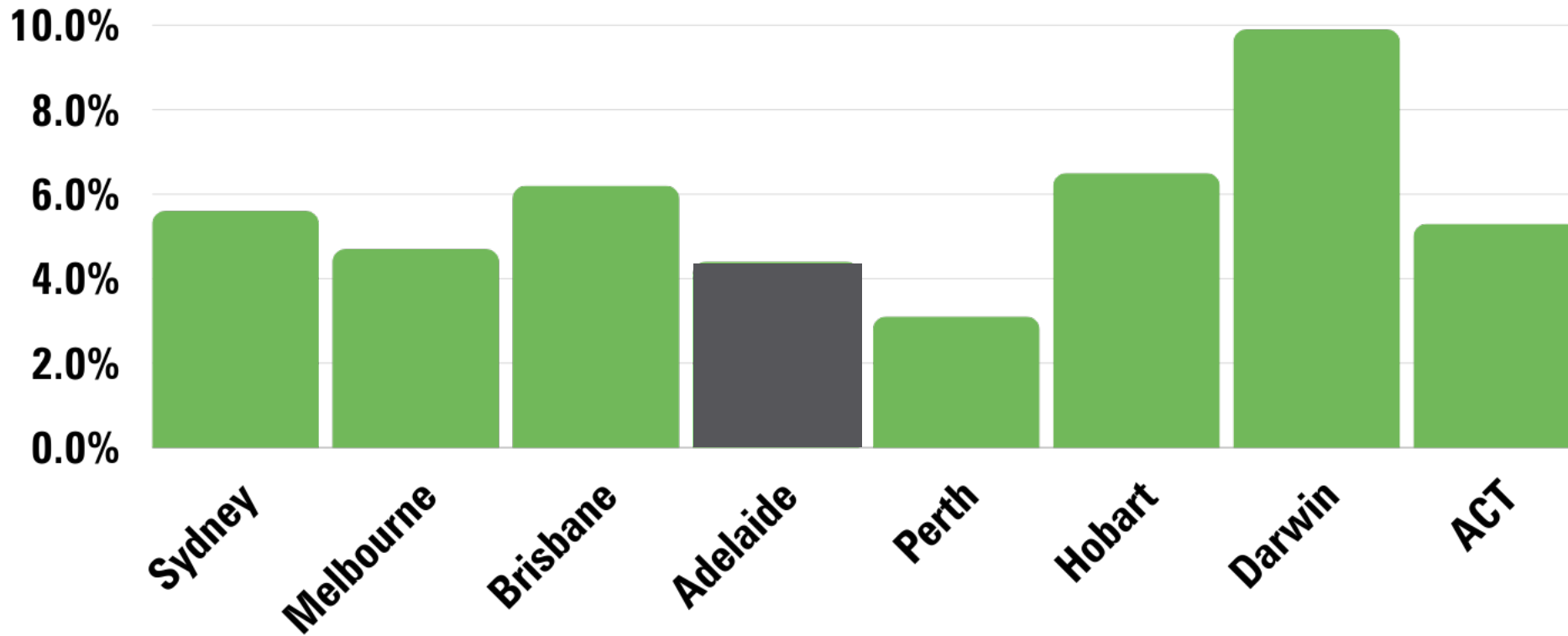
High tertiary student resident base contributing to higher unemployment

Residents attending Tertiary Education, 2021



The City has the second lowest level of disengaged youth

Share of Disengaged youth, %, 2021



Myth #2 The City struggles with high unemployment

Fact #2 The City boasts a high number of tertiary students and low youth disengagement



For more information regarding the
State of the Regions dataset, access:



economy@id.com.au

.id informed
decisions

AEDA Insights

City's Economy

Fact vs Fiction



FACT

vs

FICTION

FACT

vs

FICTION



The city's economy is going backwards



The city is so quiet



City businesses have not recovered from COVID



The office towers and shopfronts are empty

Myth No.1

The city's economy
is declining



Myth – “The city’s economy is declining”

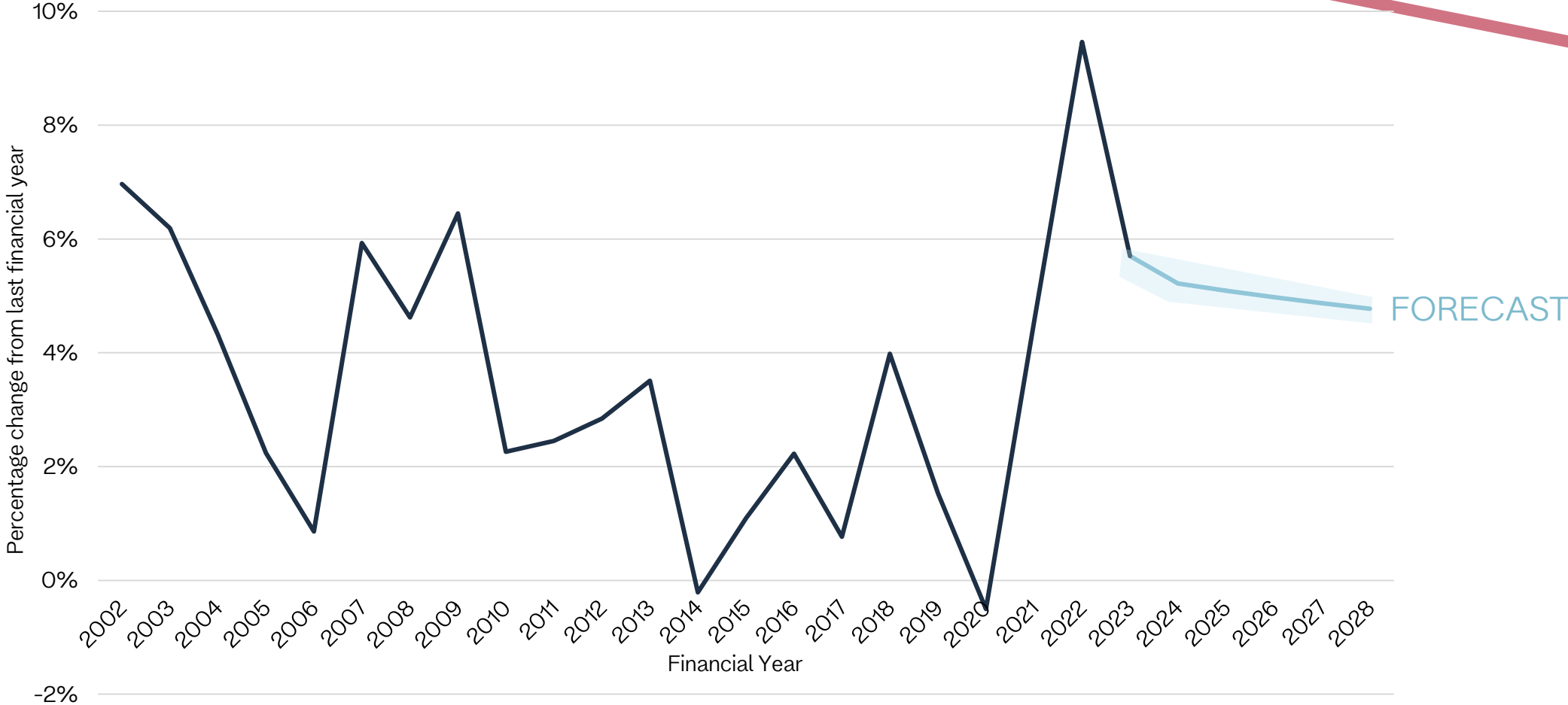


Gross Regional Product (GRP)	GRP YoY change (3 year average)	GRP YoY change (as of 2022-23)
City of Perth	9.3%	7.2%
City of Adelaide	6.6%	5.7%
City of Brisbane	3.6%	2.7%
Tasmania region	3.4%	1.2%
City of Melbourne	2.9%	1.0%
City of Sydney	2.9%	1.1%
Canberra region	2.9%	6.2%
RDA Northern Territory	-5.9%	-5.2%

Myth – “The city’s economy is declining”

FICTION

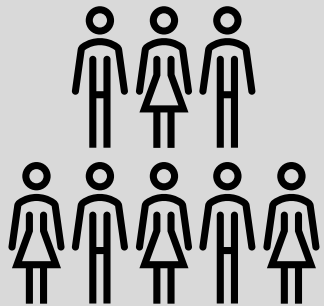
City of Adelaide GRP (Percentage change from last financial year and forecast rate)



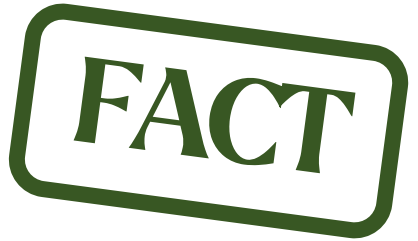
Source: National Institute of Economic and Industry Research (NIEIR) ©2024. ©2023. Compiled and presented in economy.id by .id (informed decisions). Forecasted by AEDA.

Truth...

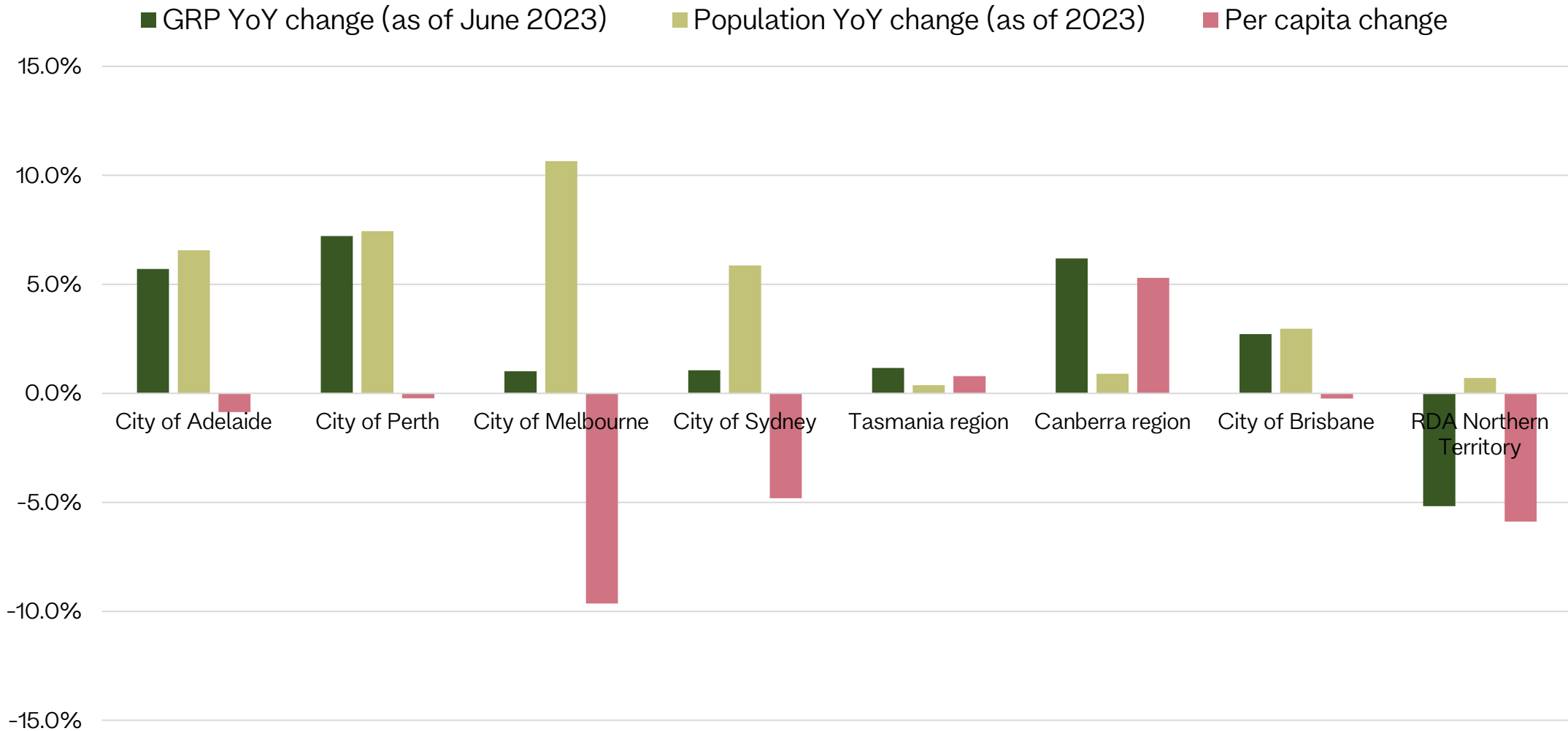
The city's economy is in
a per capita recession



Truth – “The city’s economy is in a per capita recession”

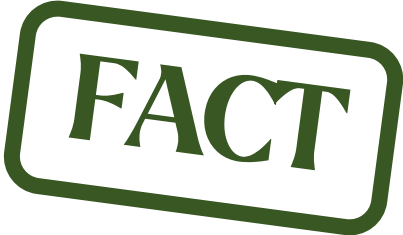


GRP per capita



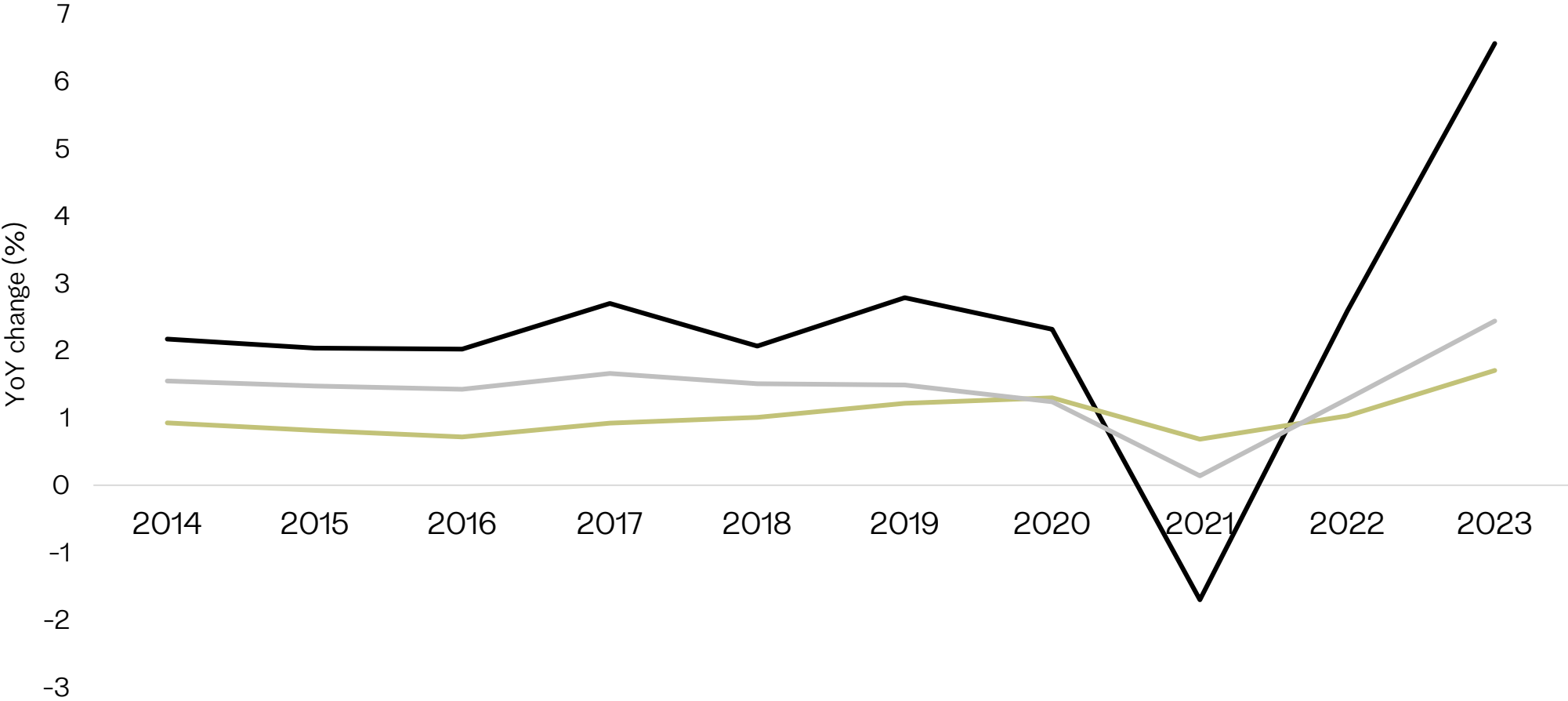
Source: National Institute of Economic and Industry Research (NIEIR) ©2024. ©2023. Compiled and presented in economy.id by .id (informed decisions).

Truth – “The city’s economy is in a per capita recession”



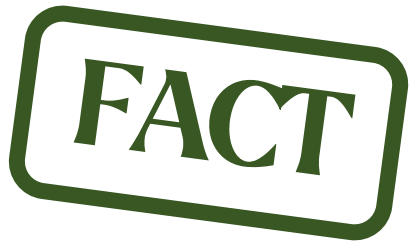
Estimated Resident Population

— City of Adelaide — South Australia — Australia



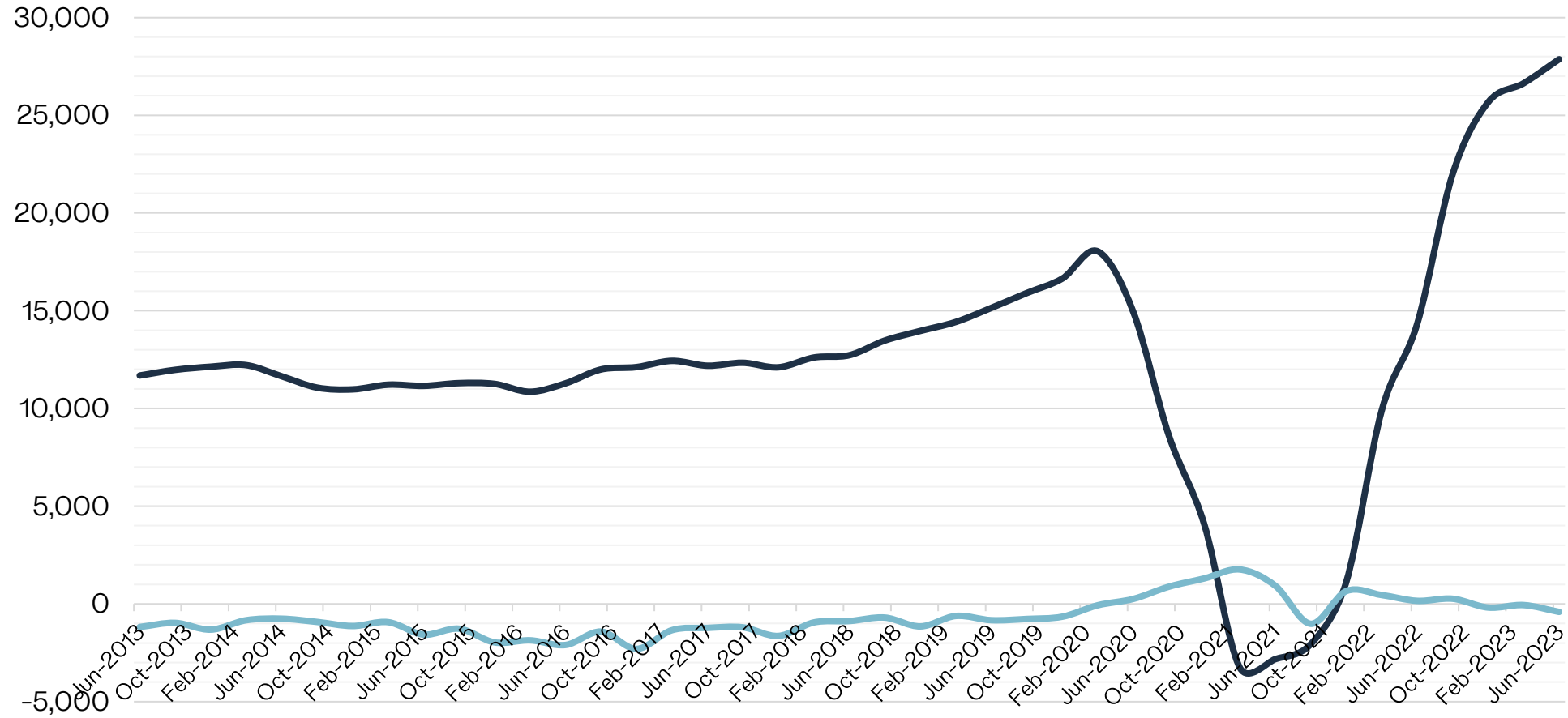
Source: National Institute of Economic and Industry Research (NIEIR) ©2024. ©2023. Compiled and presented in economy.id by .id (informed decisions).

Truth – “The city’s economy is in a per capita recession”



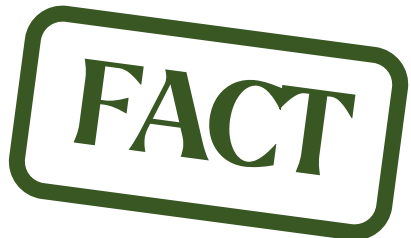
Migration (South Australia)

— Net Overseas Migration — Net Interstate Migration

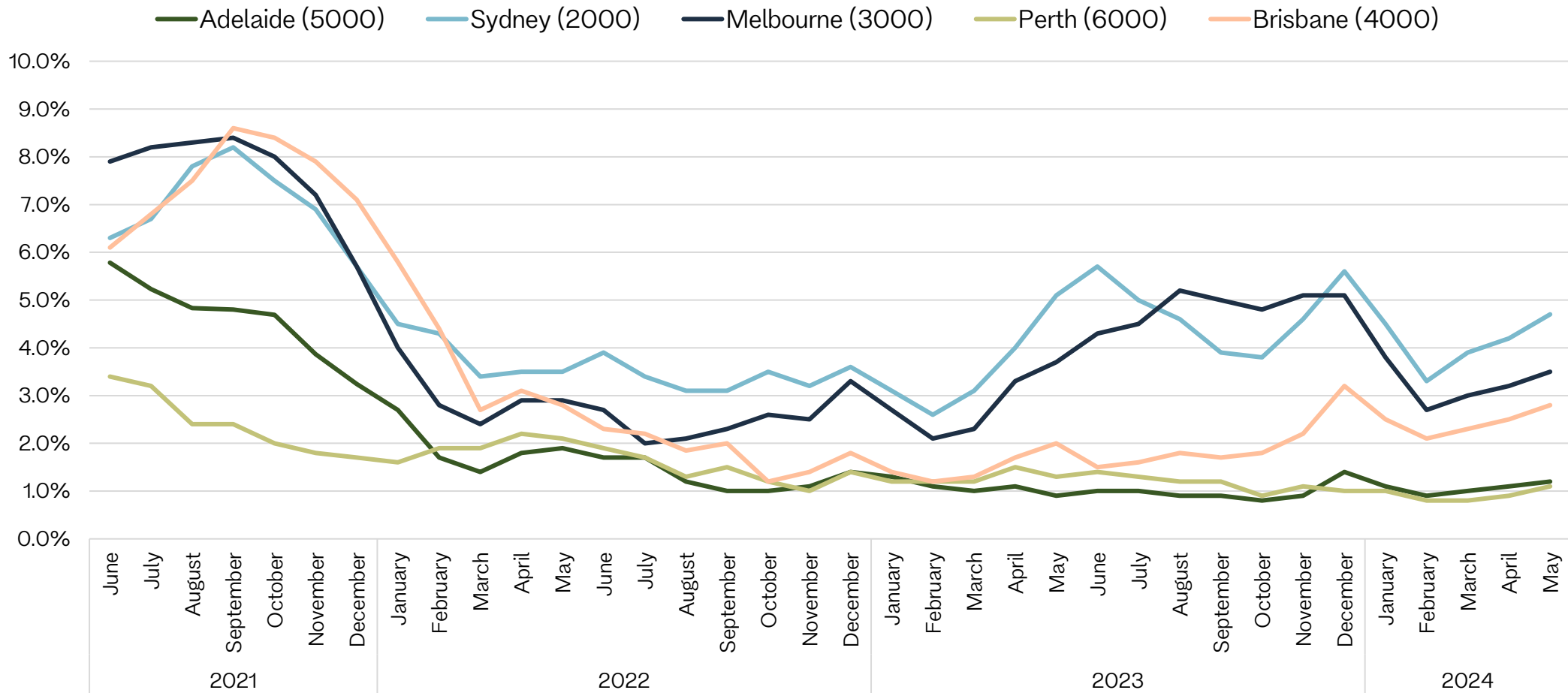


Source: Australian Bureau of Statistics

Truth – “The city’s economy is in a per capita recession”



Residential Rental Vacancy Rate (Post codes level for the major capital cities)



Source: SQM Research

Myth No.2

The city is so quiet



Myth – “The city is so quiet”

FICTION



Residents

27,901



No. of business

12,338



No. of workers

169,940



Daily city users

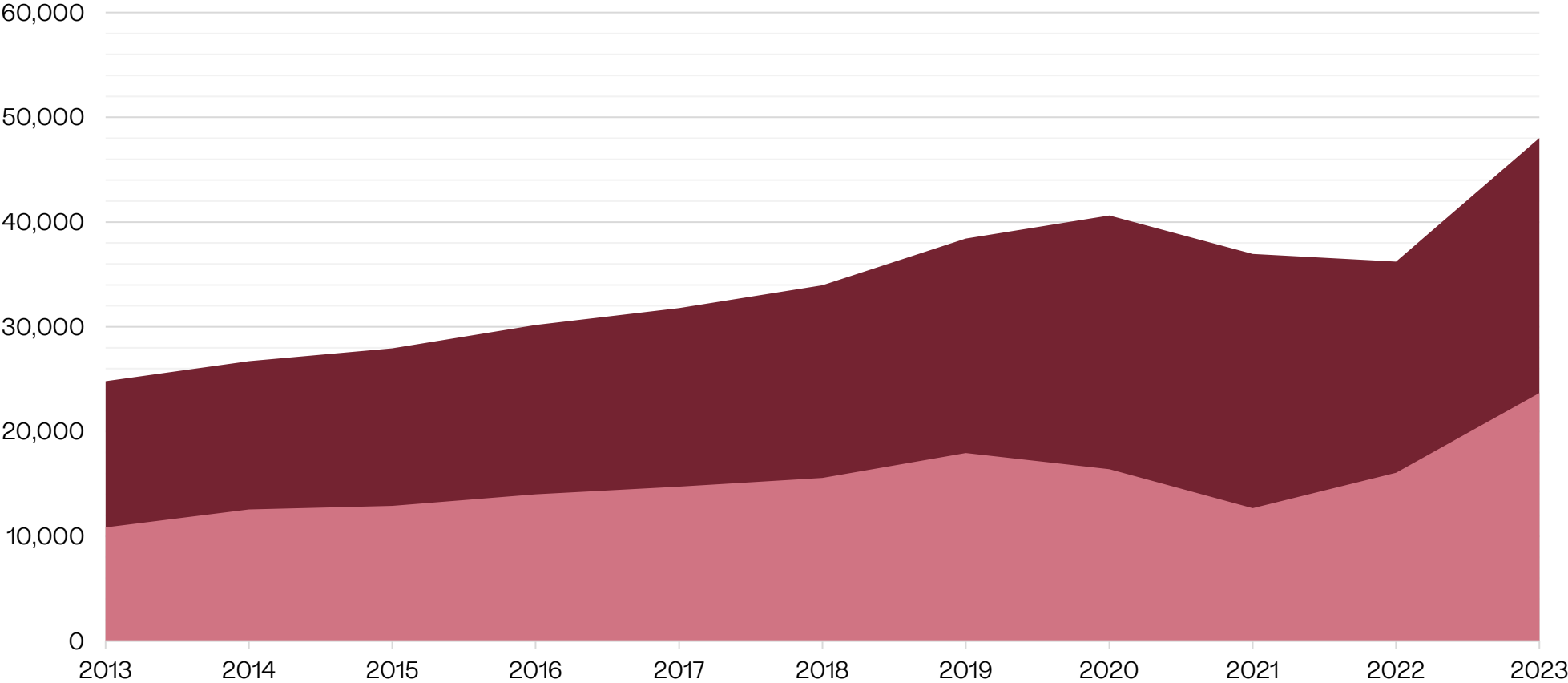
390,000+

Myth – “The city is so quiet”

FICTION

International Students (South Australia)

■ Enrolments ■ Commencements

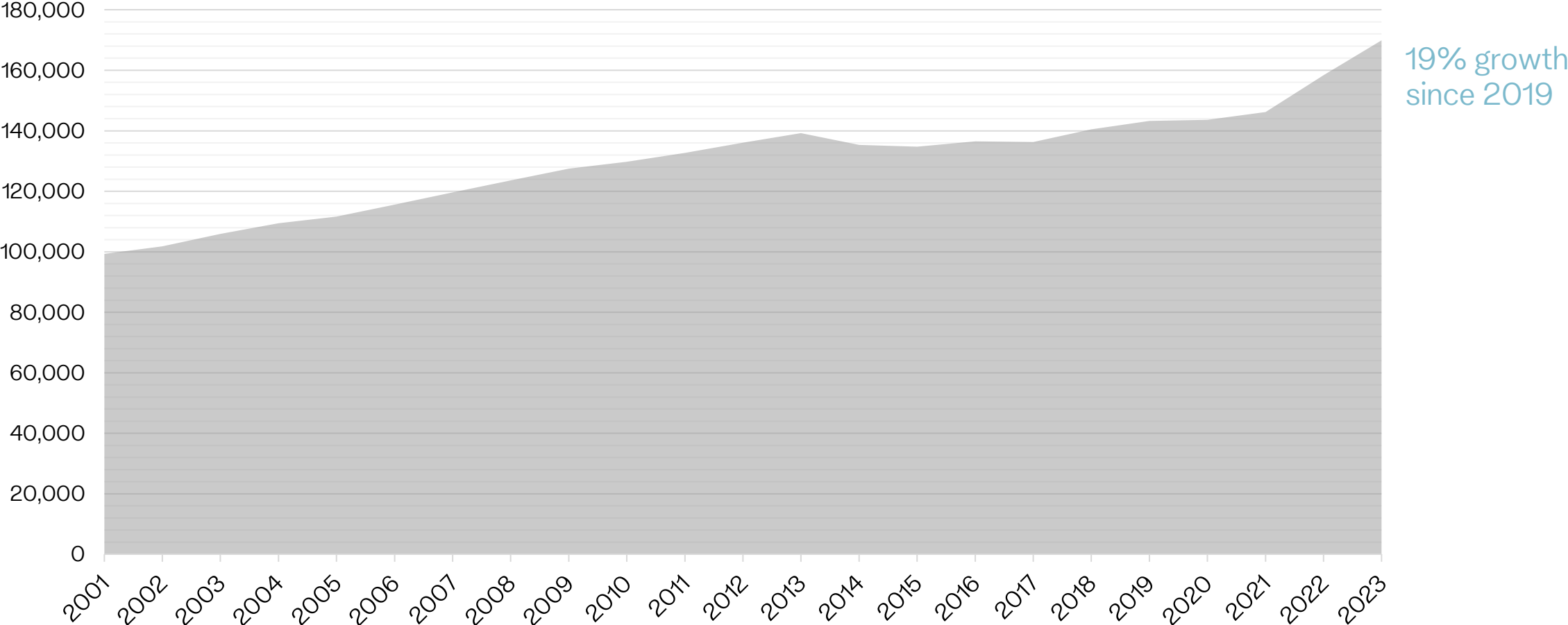


Source: StudyAdelaide

Myth – “The city is so quiet”

FICTION

Local Jobs (City of Adelaide)



Source: National Institute of Economic and Industry Research (NIEIR) ©2024. Compiled and presented in economy.id by .id (informed decisions)

Myth – “The city is so quiet”

FICTION

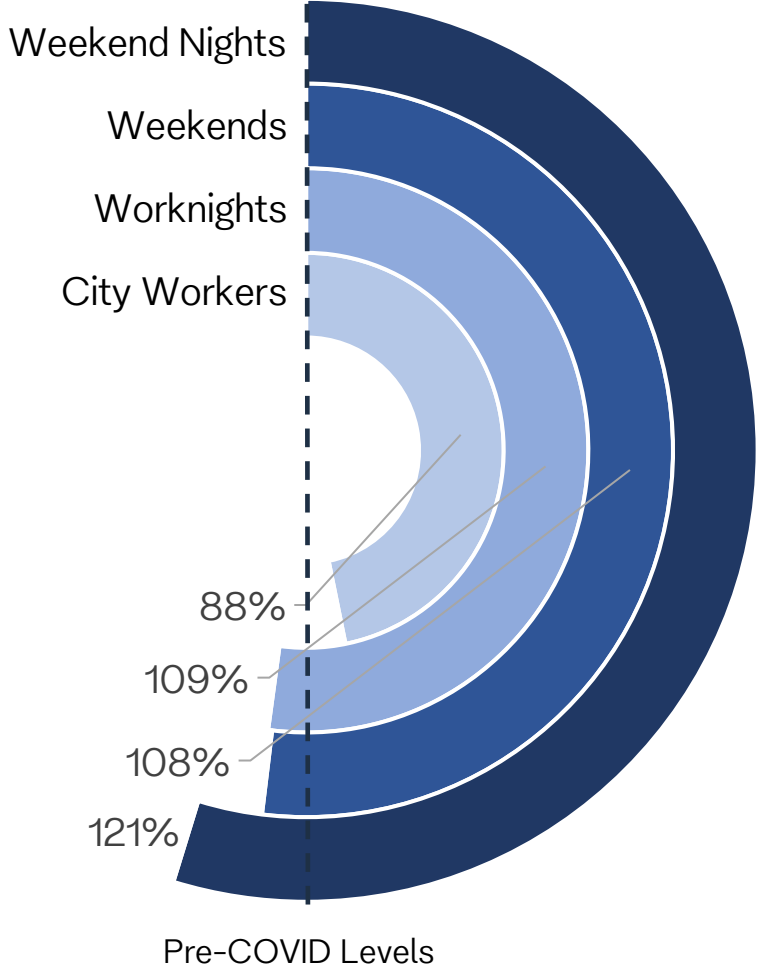
City Office Worker Levels (Q1 2024 levels benchmarked as a percentage of pre-COVID)

■ Average weekly score ■ Peak days (Tue, Wed & Thur)



Myth – “The city is so quiet”

City Visits Benchmarked to Pre-COVID Levels (City of Adelaide – April 2024)



Source: DSpark commissioned by Tourism & Transport Forum (TTF)

Myth – “The city is so quiet”

FICTION



57.8m

Transactions
per year



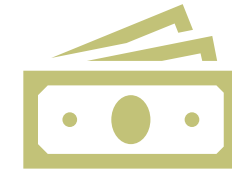
\$4.6b

Annual
consumer
expenditure



158k

Transactions
per day

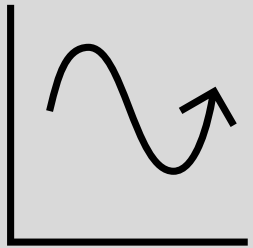


\$12.6m

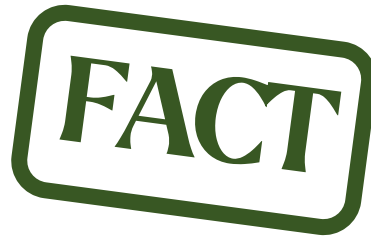
Daily average
city spend

Truth...

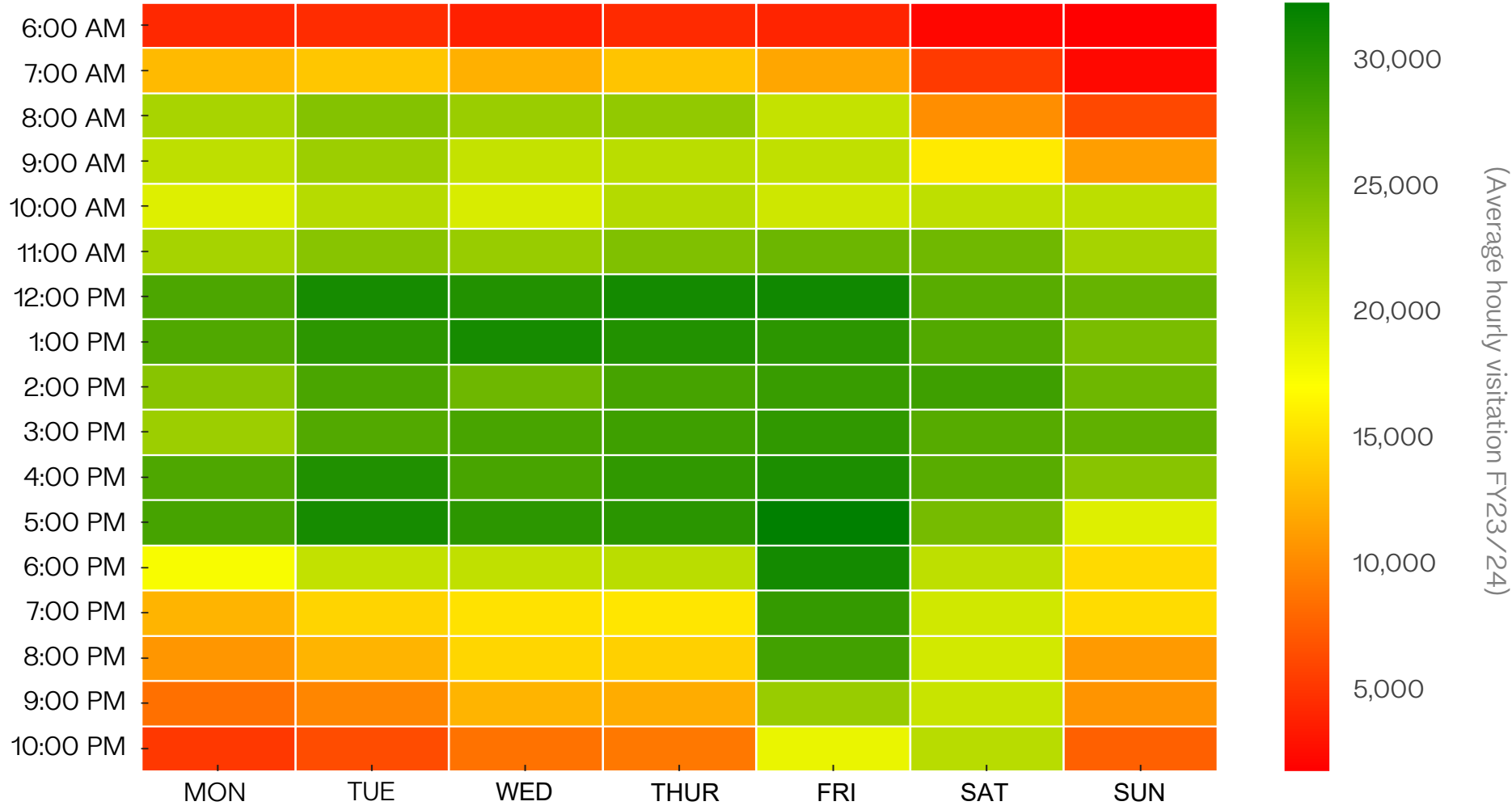
City activity levels differ in
each region, throughout the
year / week / day



Truth – “City activity levels differ throughout the week and day”

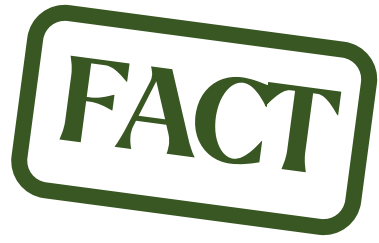


Foot-traffic
(Average hourly visitation FY23/24)

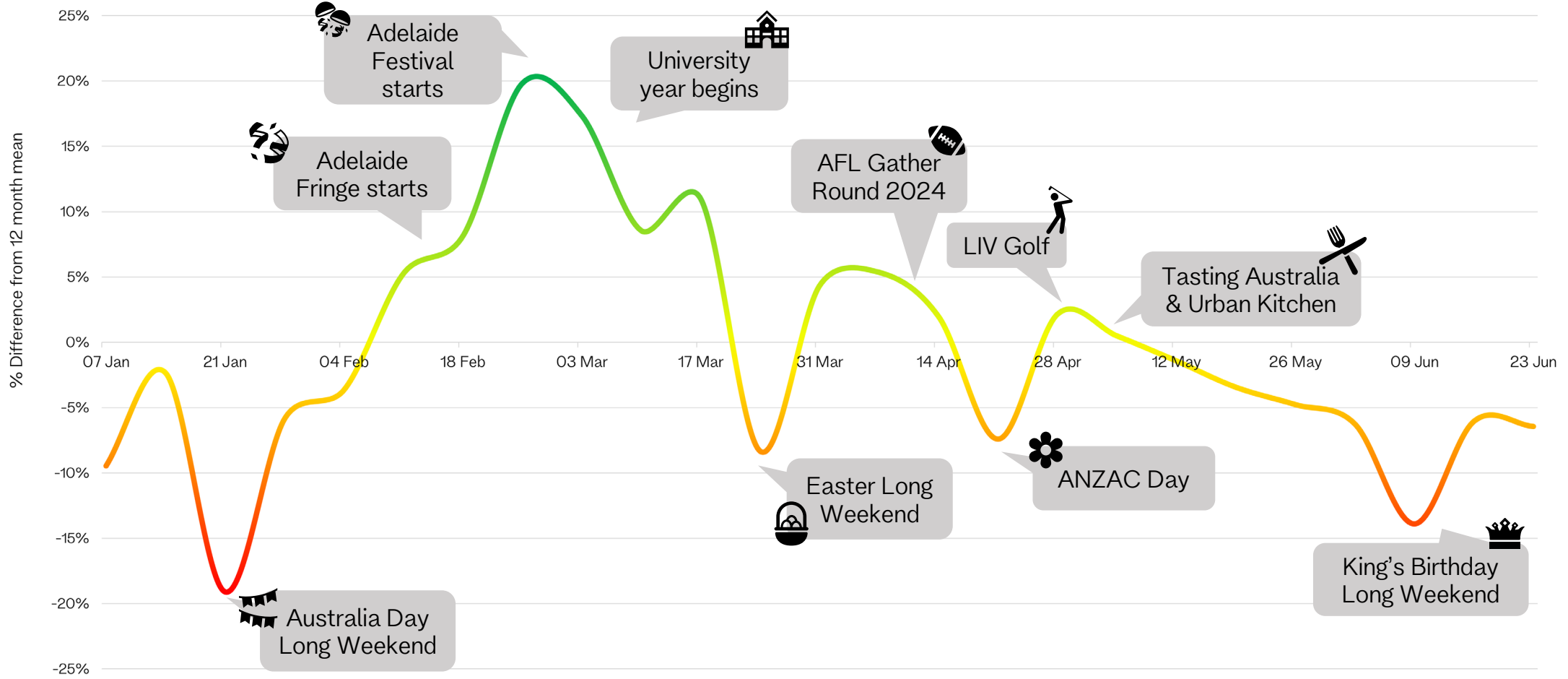


Source: Kepler Analytics – City of Adelaide all sensors

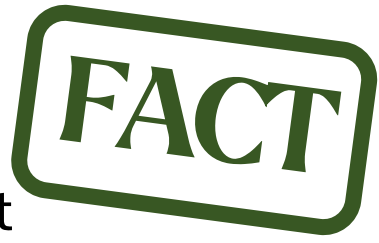
Truth – “City activity levels differ throughout the year”



Weekly Activity Levels (Difference from 12 month ave. in City of Adelaide)

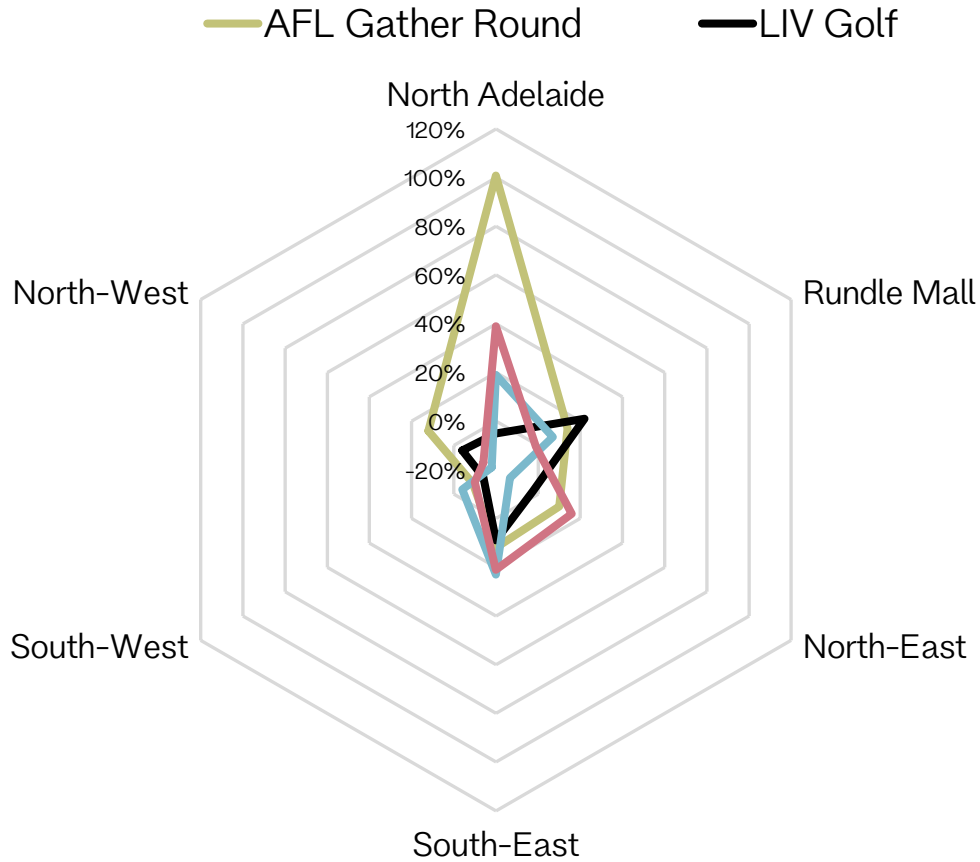


Truth – “City activity levels differ in each region”



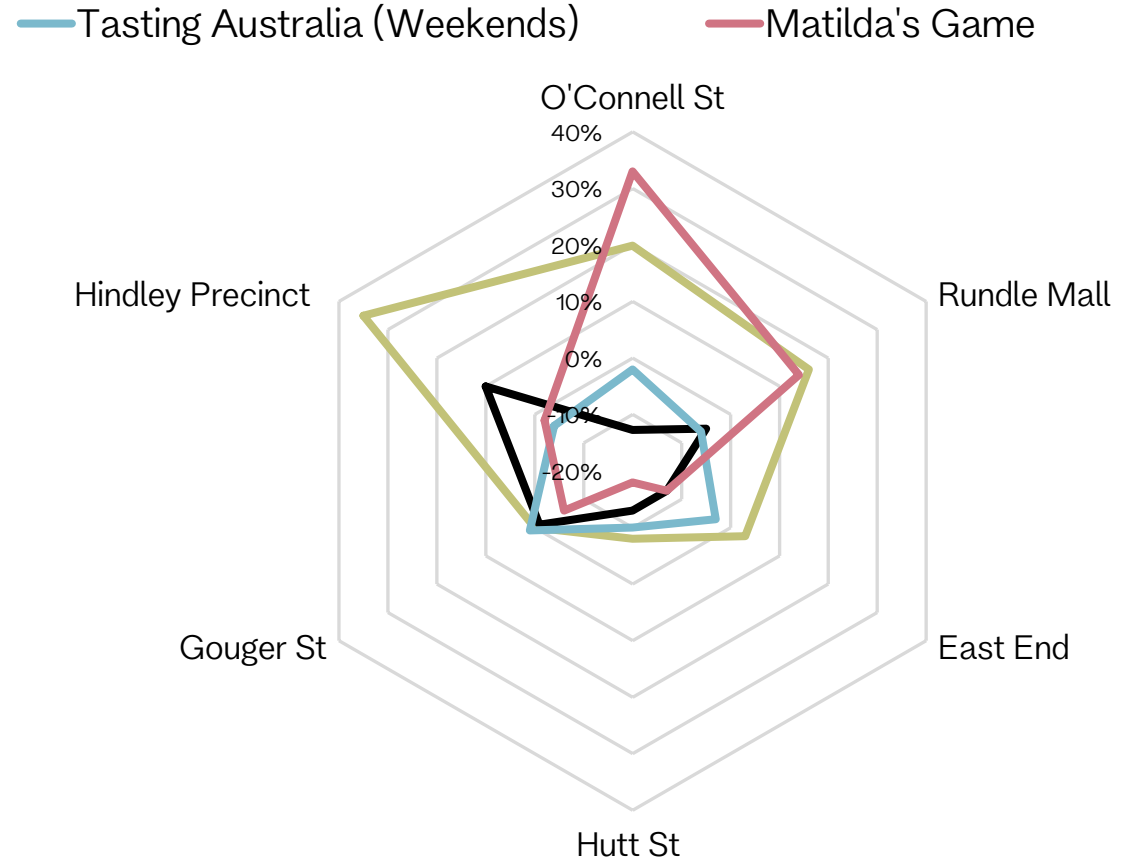
Expenditure by Subregion

(Difference from 12 month ave. in City of Adelaide)

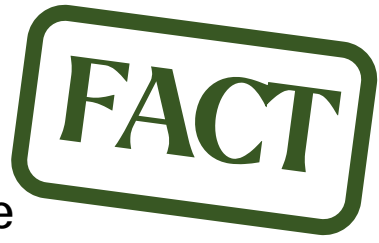


Total Visits by Mainstreet

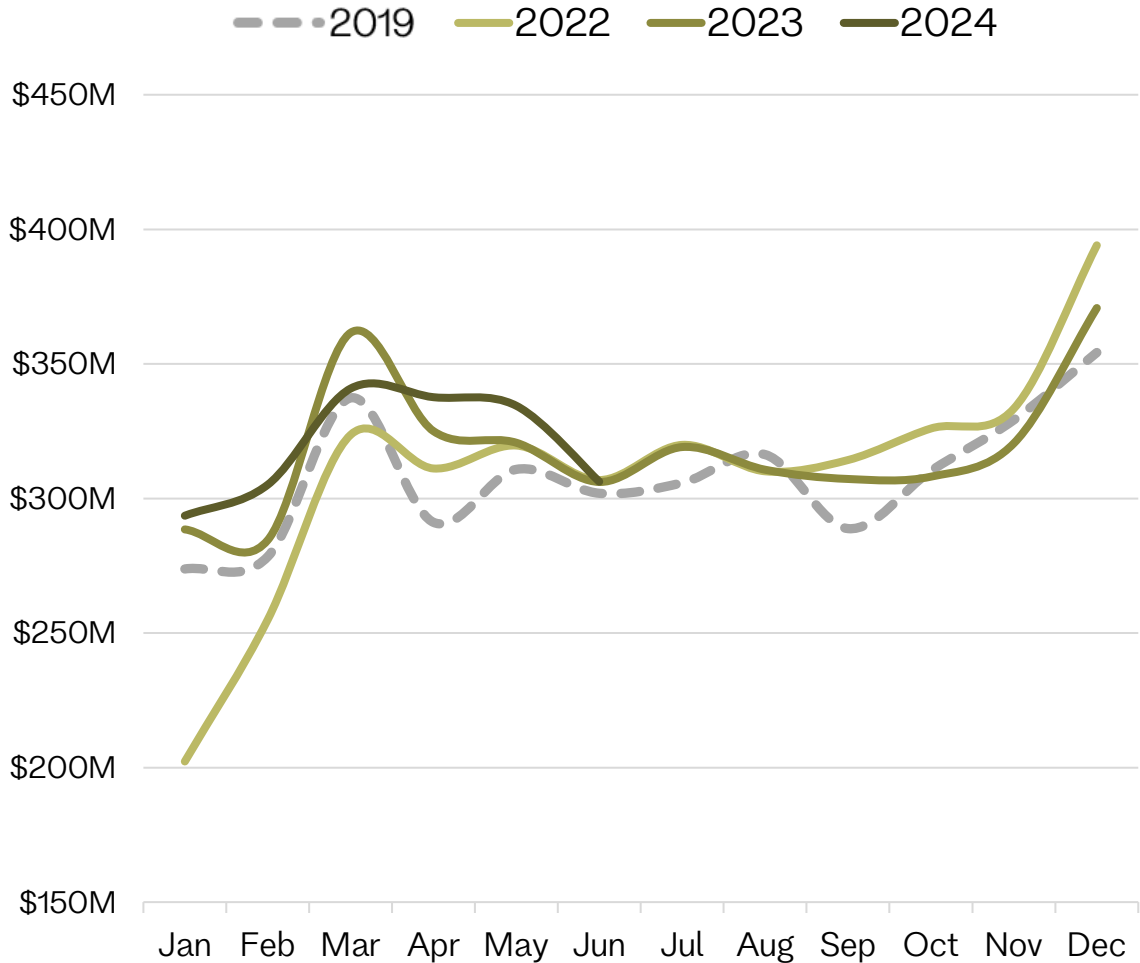
(Difference from 12 month ave. in City of Adelaide)



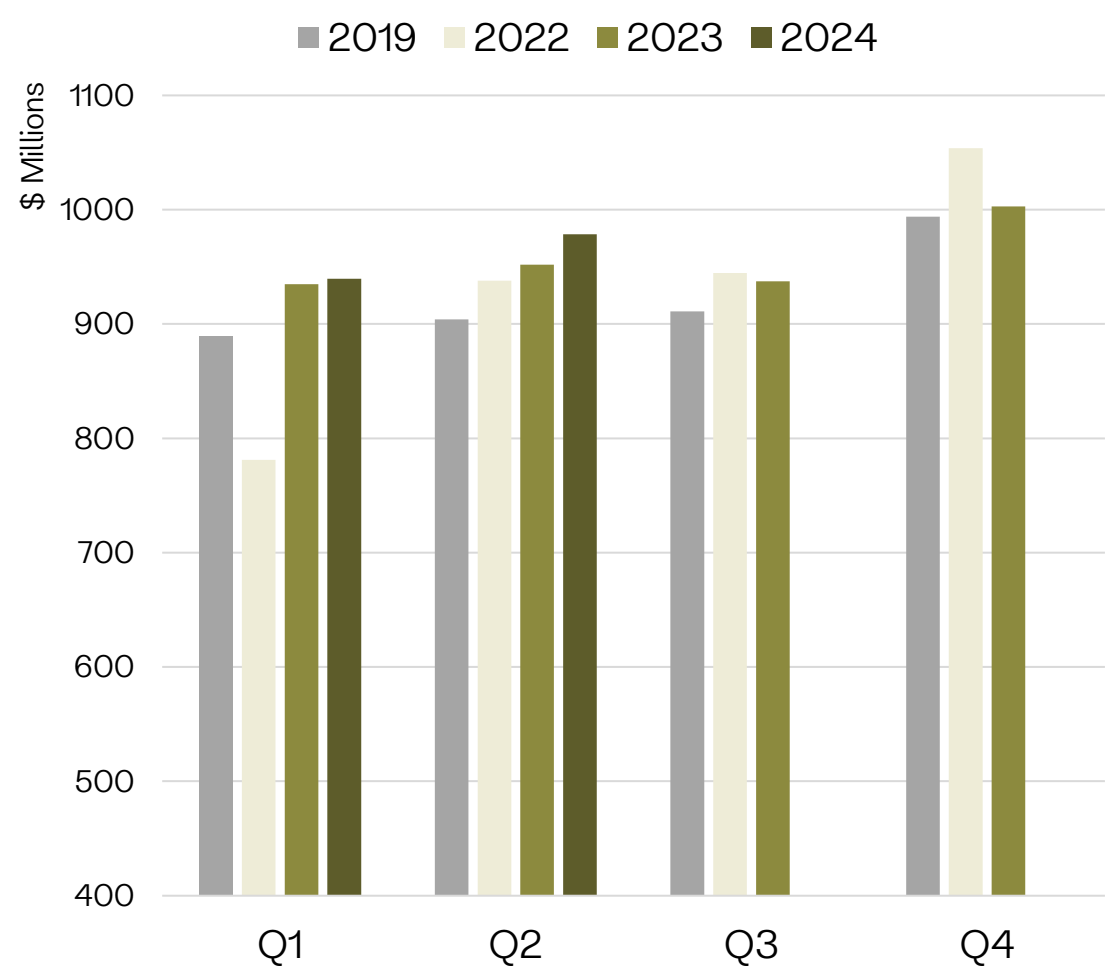
Truth – “City activity levels differ throughout the year”



Total Real Expenditure
(City of Adelaide - Inflation Adjusted to 2019)



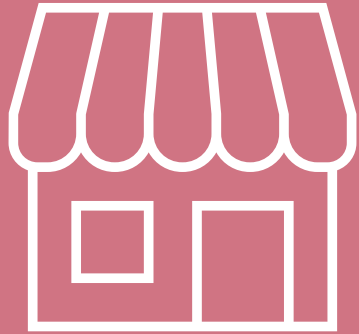
Total Real Expenditure
(City of Adelaide - Inflation Adjusted to 2019)



Source: Spendmapp by Geografia

Myth No.3

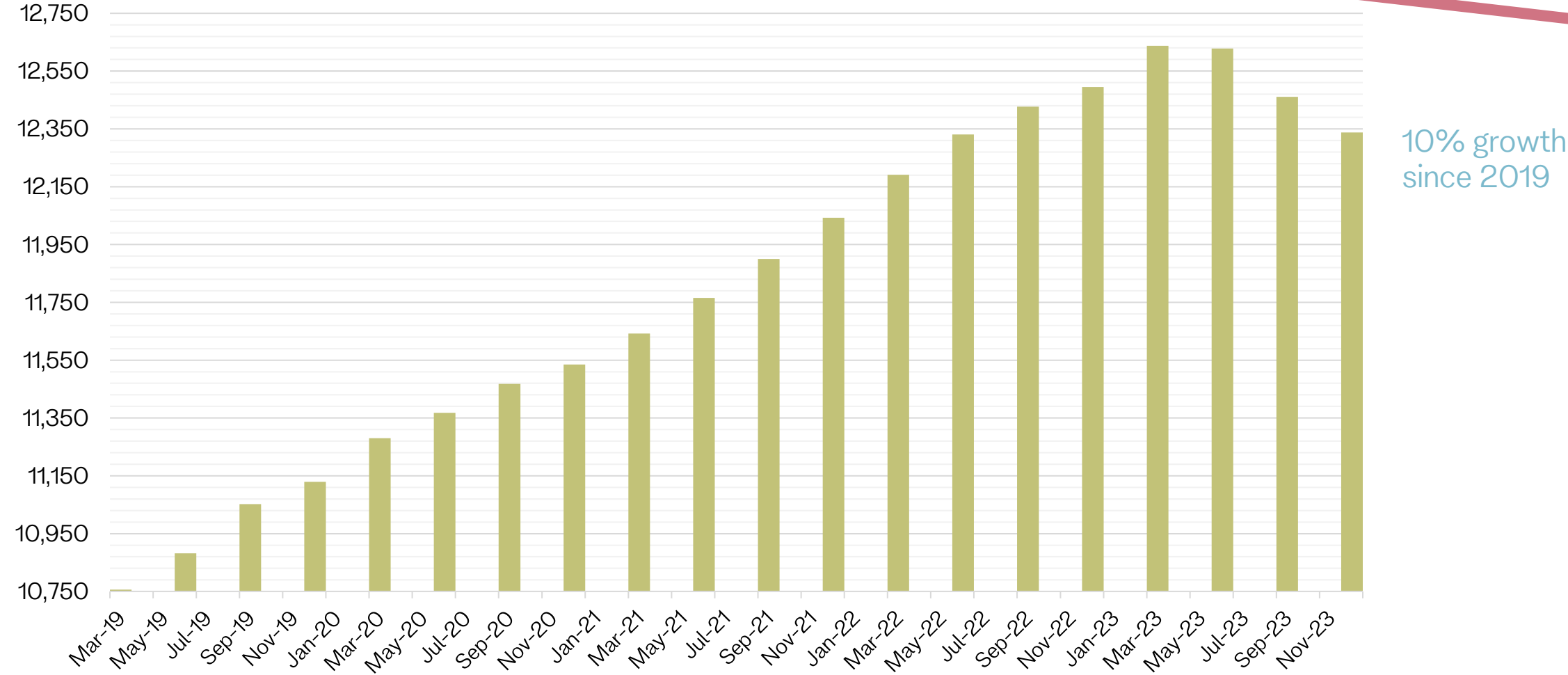
City businesses have not
recovered from COVID



Myth – “City businesses have not recovered from COVID”

FICTION

GST Registered Businesses (City of Adelaide)



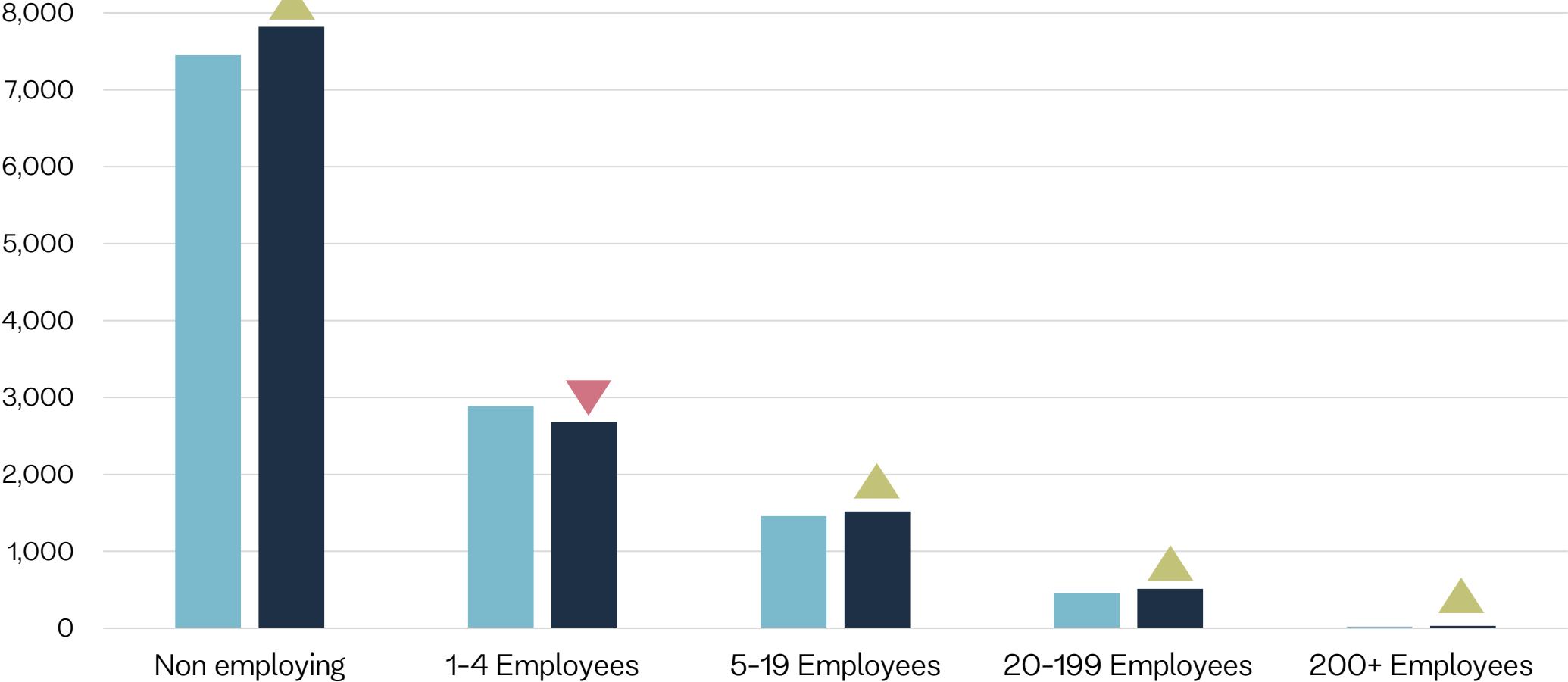
Source: Australian Business Register. ©2024 Compiled and presented in economy.id by .id (informed decisions).

Myth – “City businesses have not recovered from COVID”

FICTION

Businesses by size (City of Adelaide)

■ 2022 (YE June) ■ 2023 (YE June)

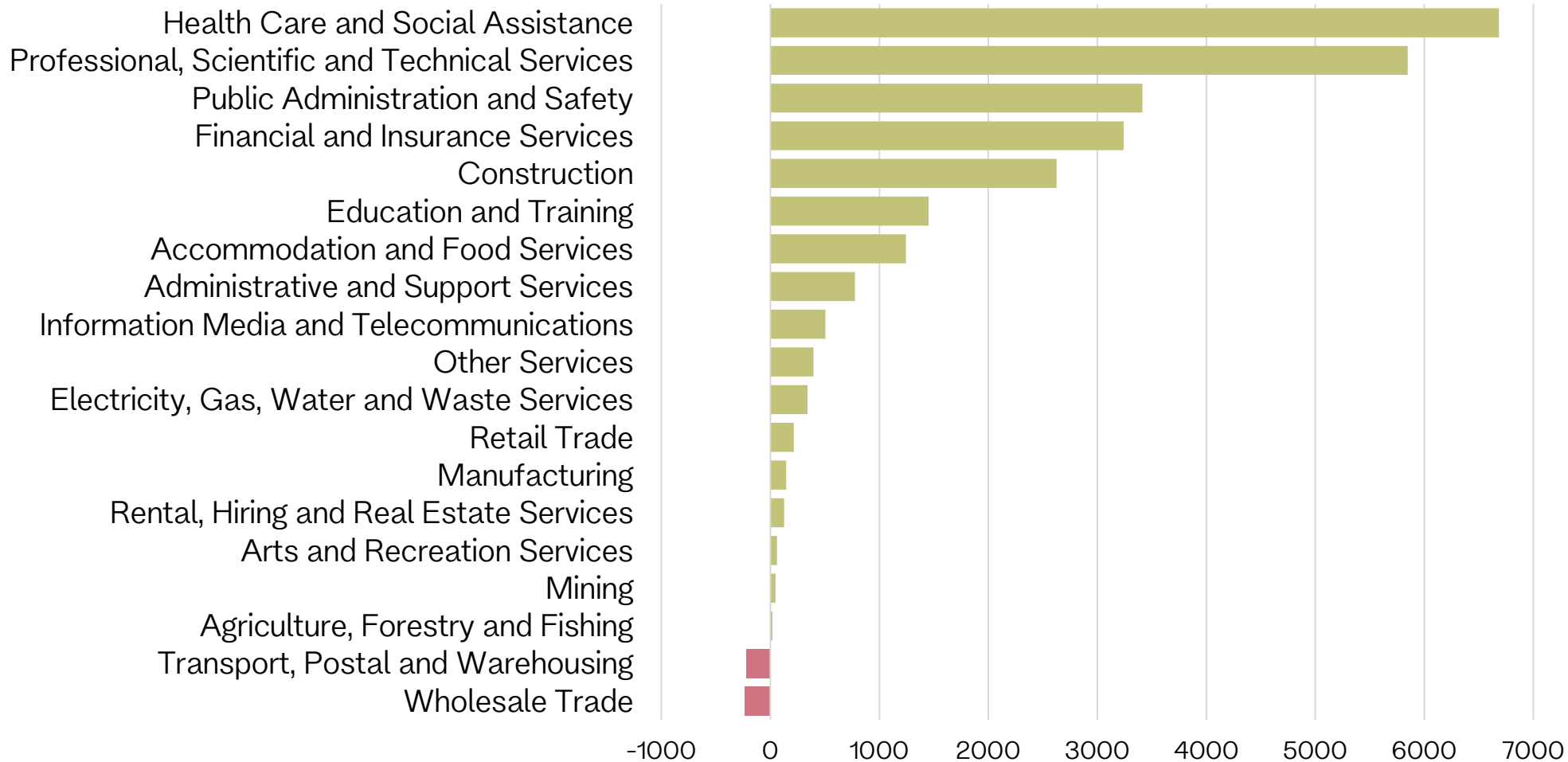


Source: Australian Business Register. ©2024 Compiled and presented in economy.id by .id (informed decisions).

Myth – “City businesses have not recovered from COVID”

Change in employment by industry sector
(City of Adelaide 2023 vs 2019)

FICTION

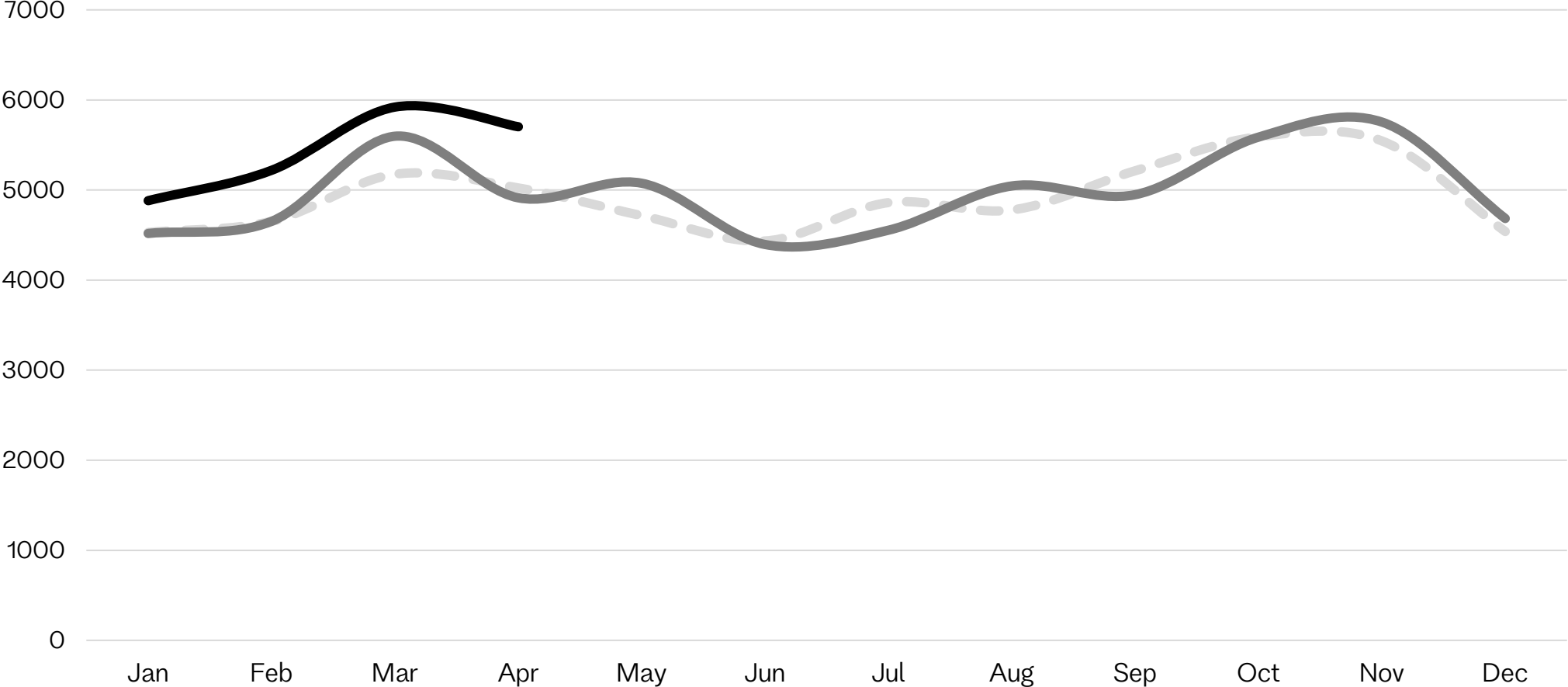


Myth – “City businesses have not recovered from COVID”

FICTION

Hotel Rooms Booked (City of Adelaide)

— 2019 — 2023 — 2024

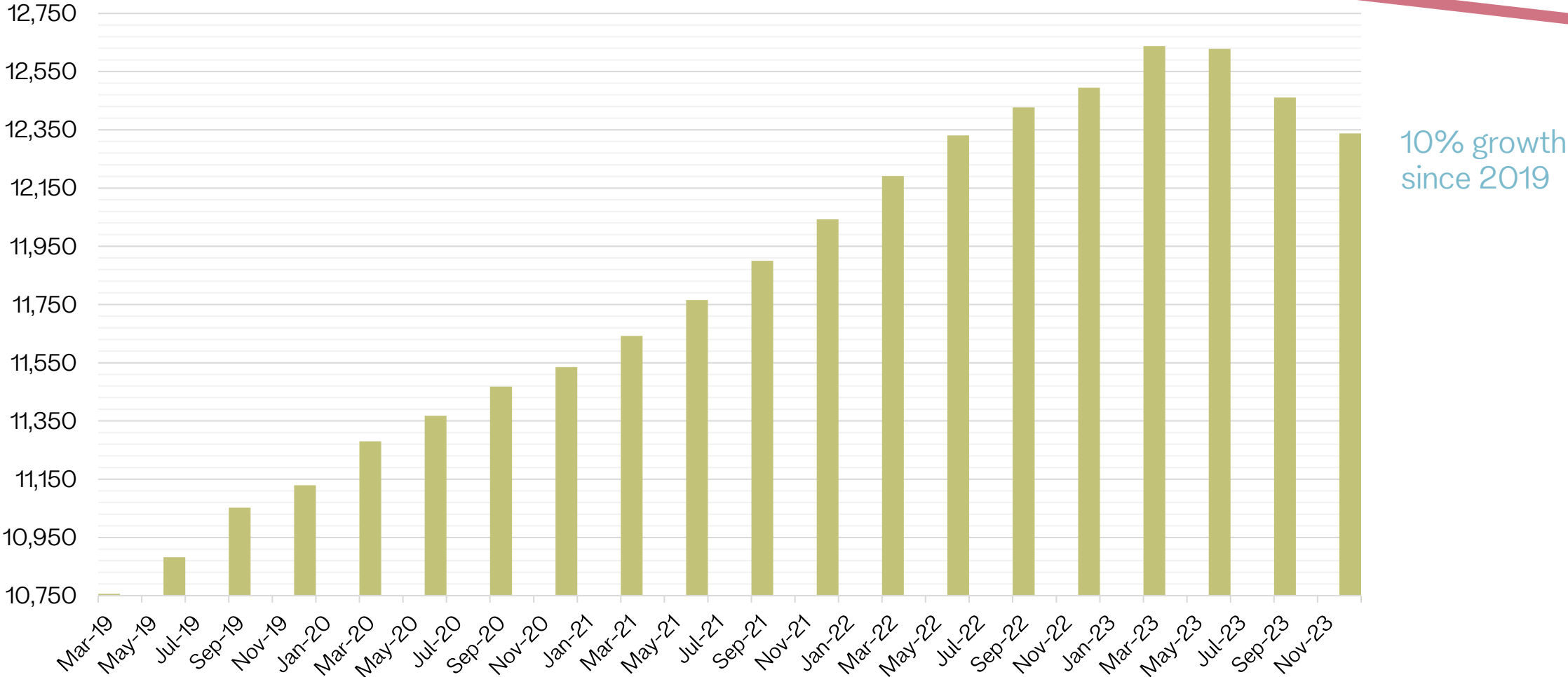


Source: str

Myth – “City businesses have not recovered from COVID”

FICTION

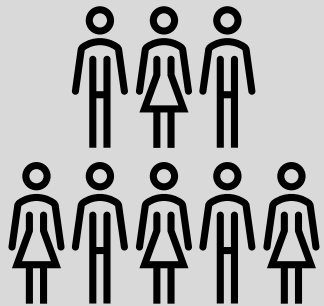
GST Registered Businesses (City of Adelaide)



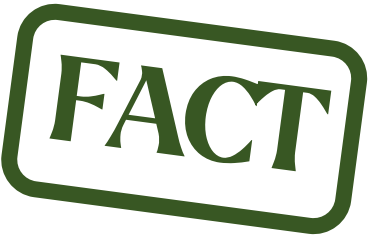
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Truth...

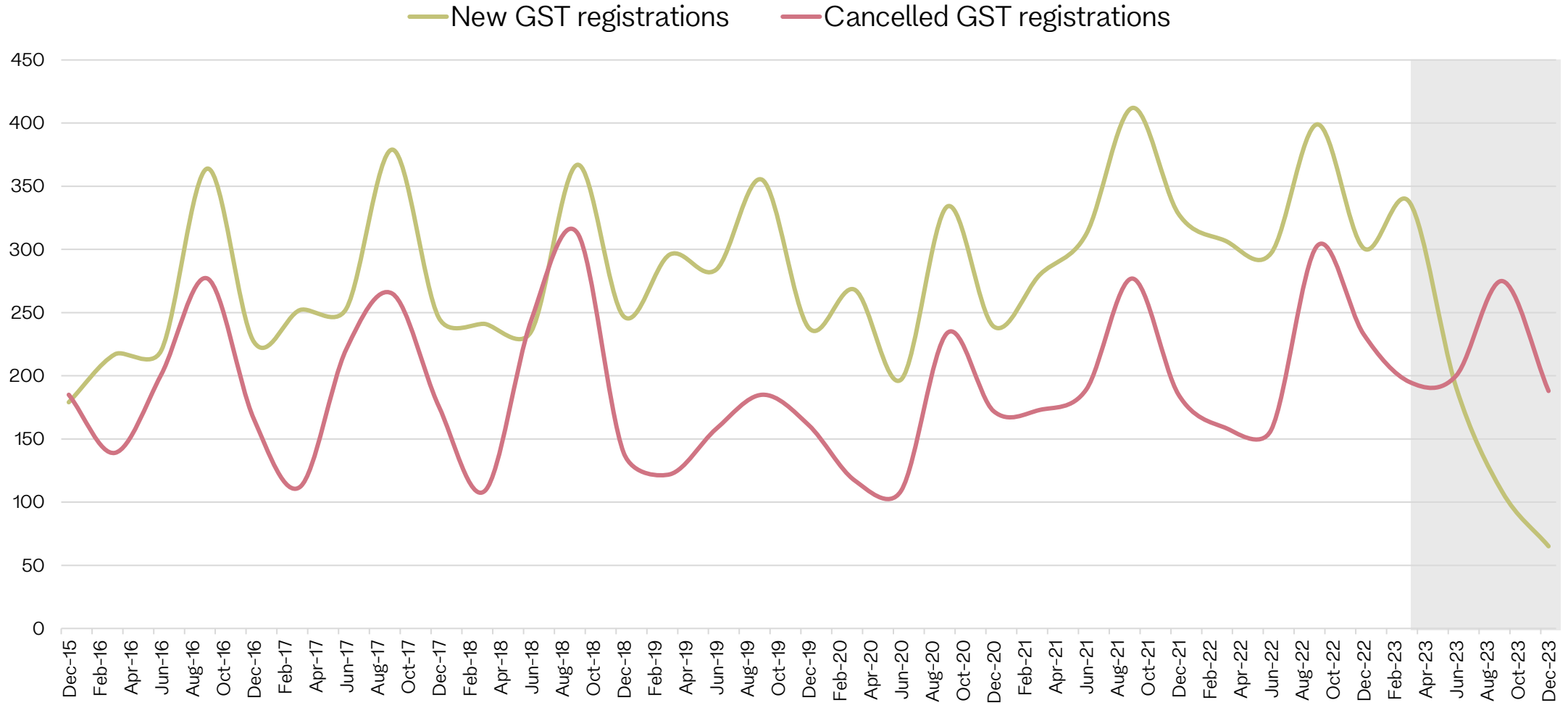
Capital cities have experienced
less new businesses of late



Truth – “Capital cities have experienced less new businesses of late”

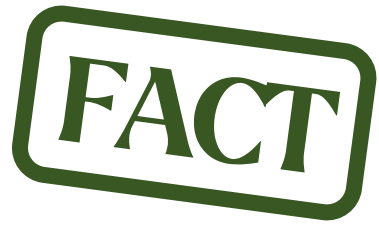


GST Registered Businesses (City of Adelaide)

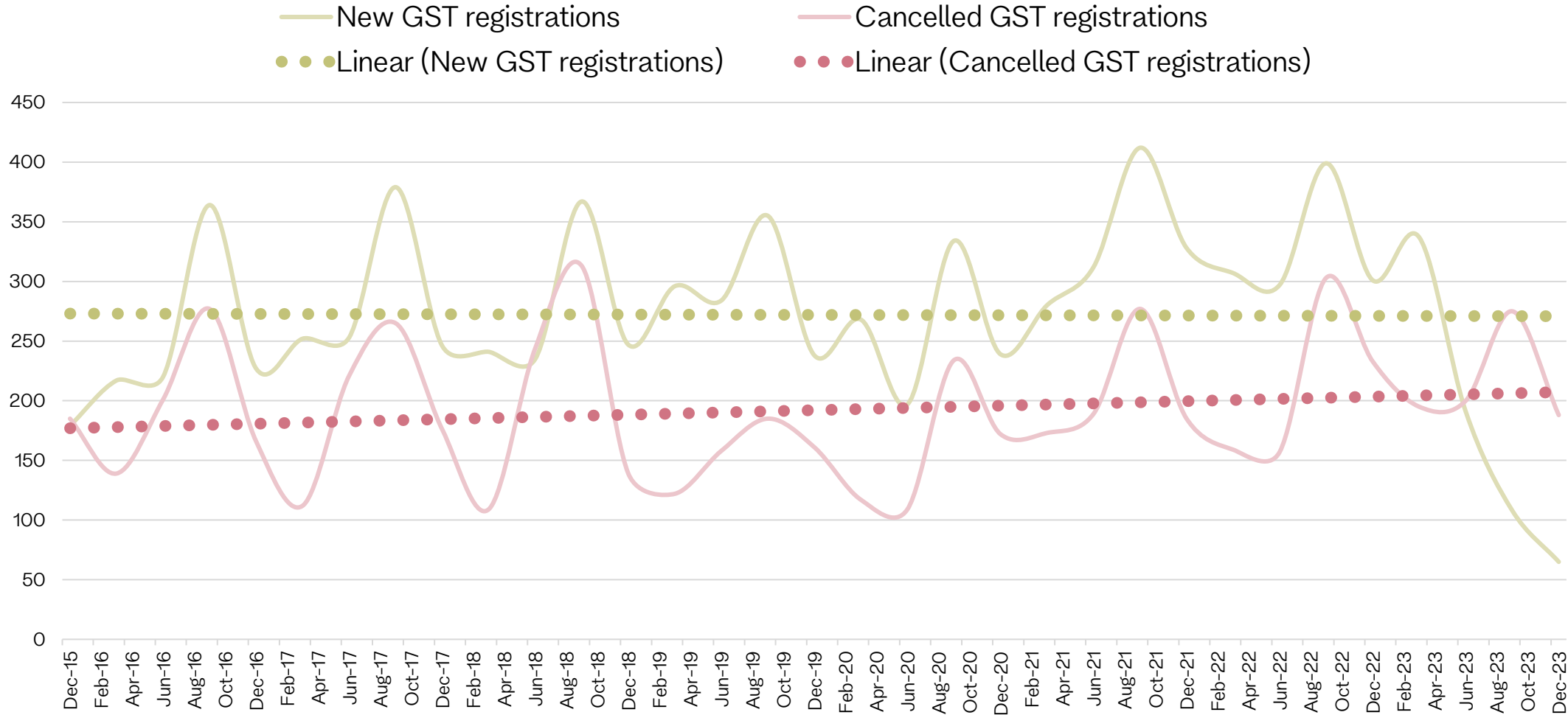


Source: Australian Business Register. ©2024 Compiled and presented in economy.id by .id (informed decisions).

Truth – “Capital cities have experienced less new businesses of late”

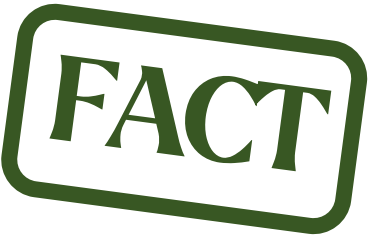


GST Registered Businesses (City of Adelaide)

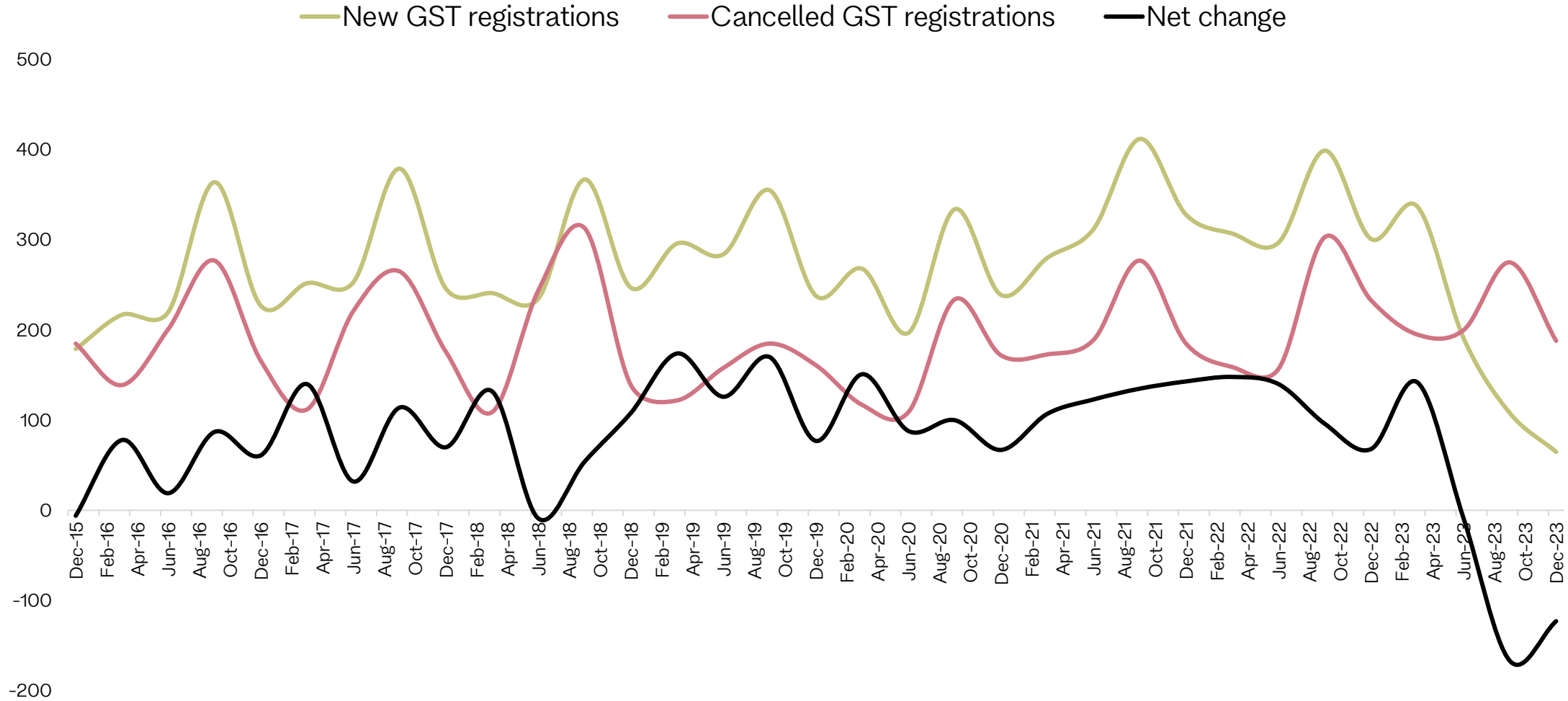


Source: Australian Business Register. ©2024 Compiled and presented in economy.id by .id (informed decisions).

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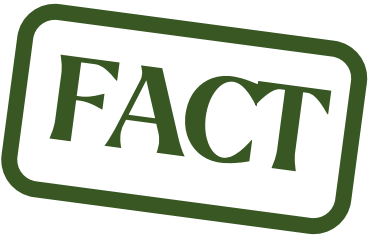


GST Registered Businesses (City of Adelaide)



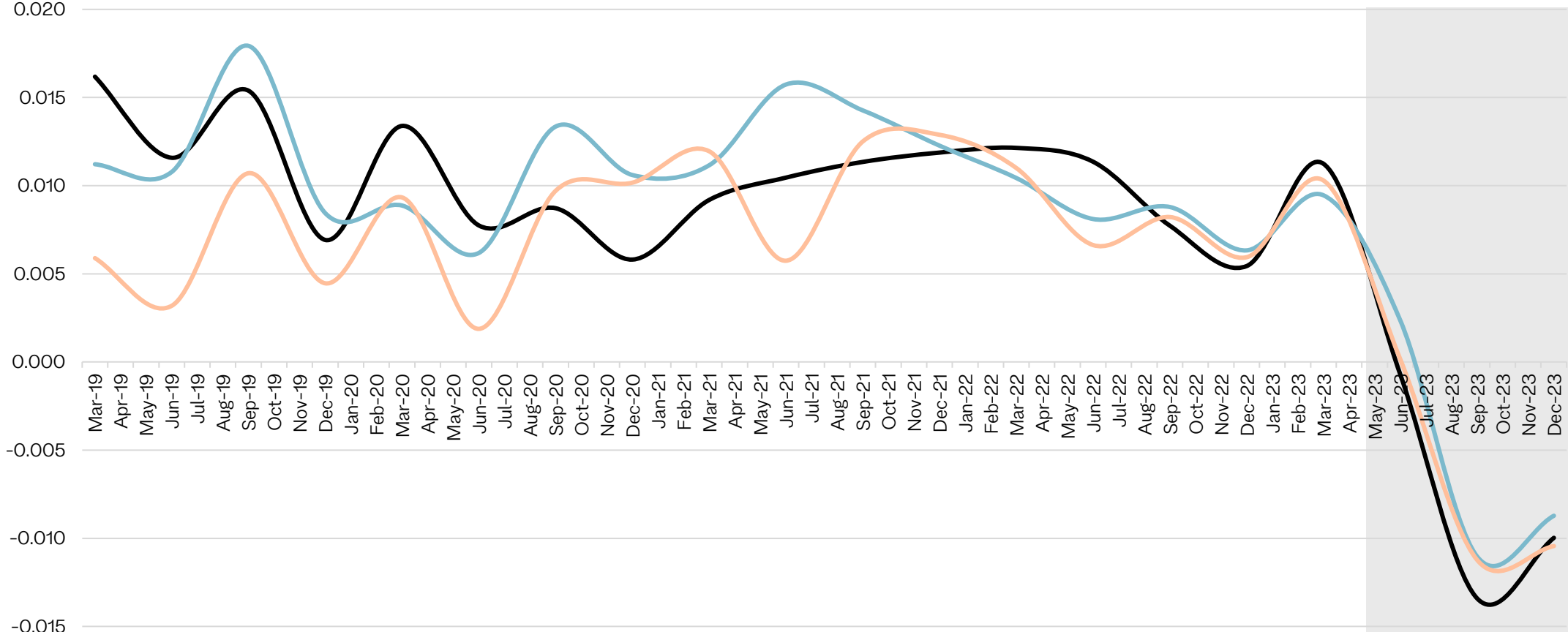
Source: Australian Business Register. ©2024 Compiled and presented in economy.id by .id (informed decisions).

Truth – “Capital cities have experienced less new businesses of late”



Net change in GST Registered Businesses (Per Number of Businesses by Region)

— City of Adelaide — City of Sydney — City of Perth



Source: Australian Business Register. ©2024 Compiled and presented in economy.id by .id (informed decisions).

Myth No.4

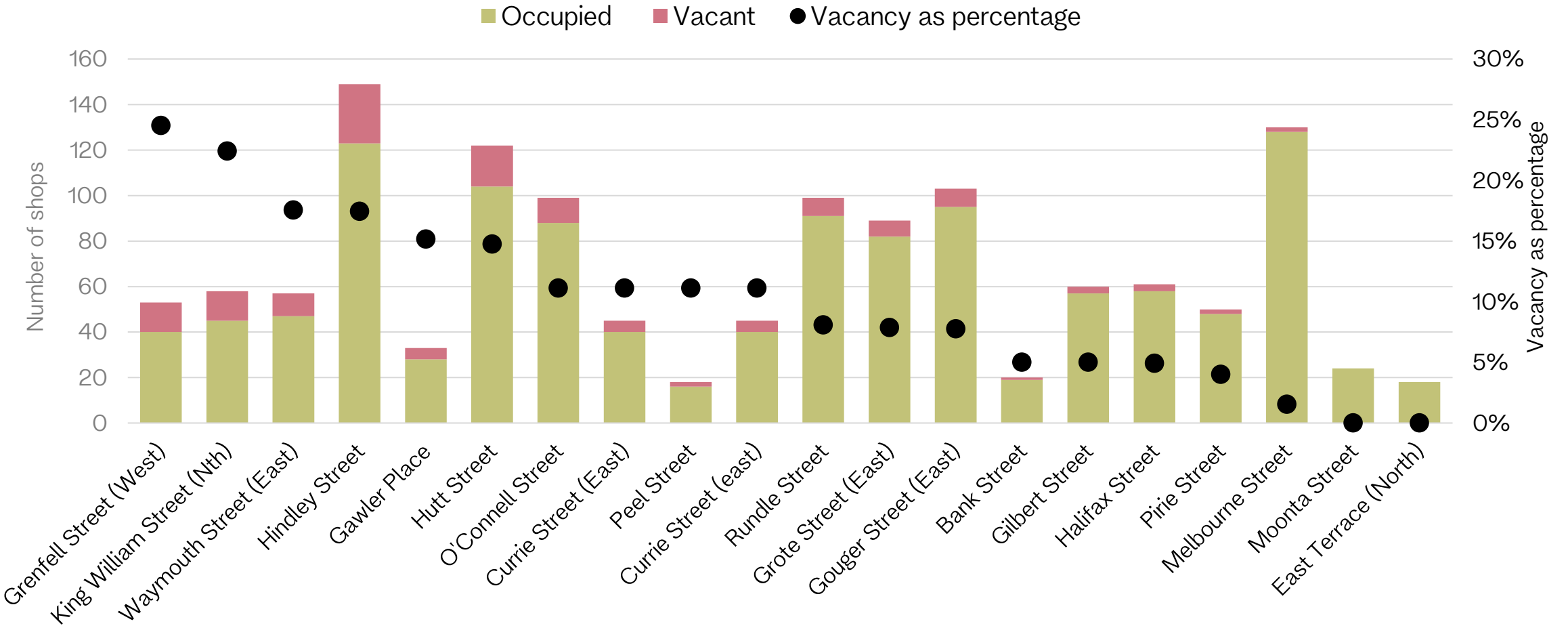
The office towers and shopfronts are empty



Myth – “The office towers and shopfronts are empty”

Shopfront Tenancy Levels

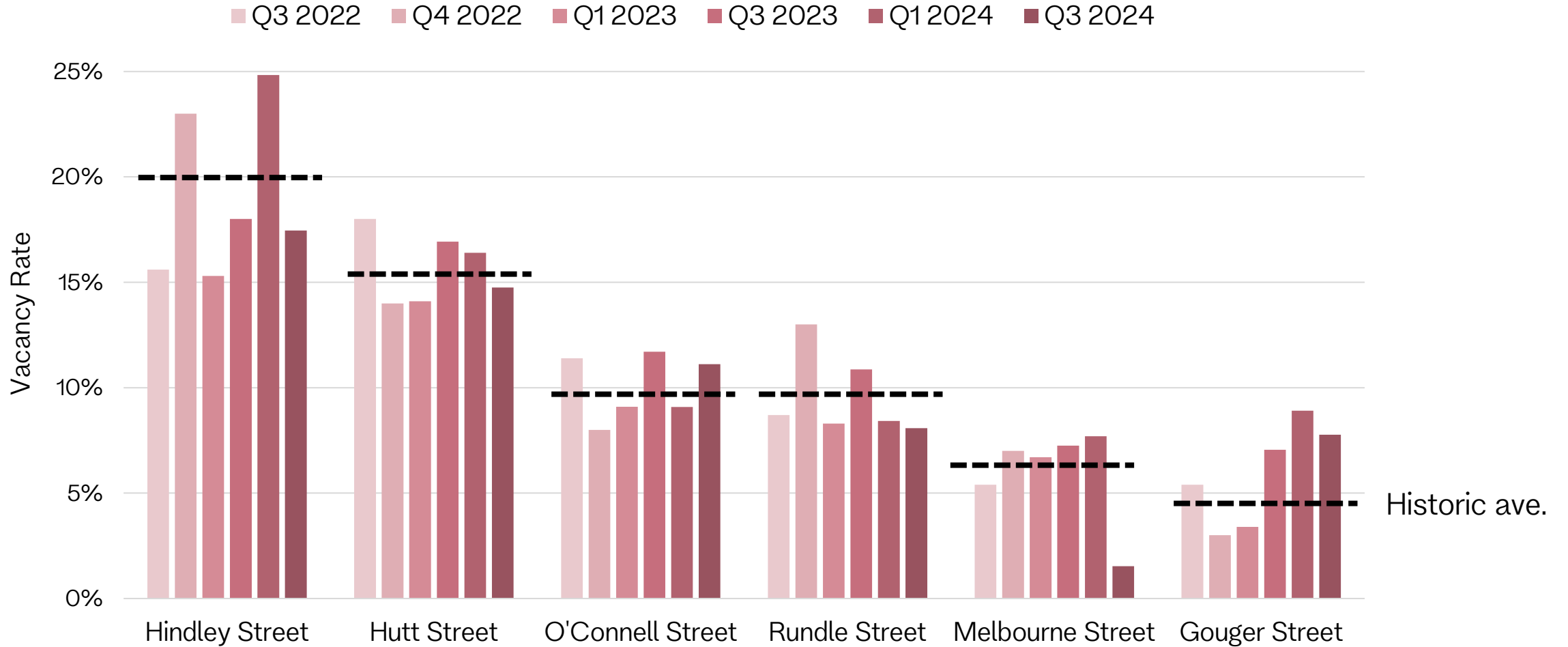
(City of Adelaide - Q3 2024)



Myth – “The office towers and shopfronts are empty”

Main Street Shopfront Vacancy Levels

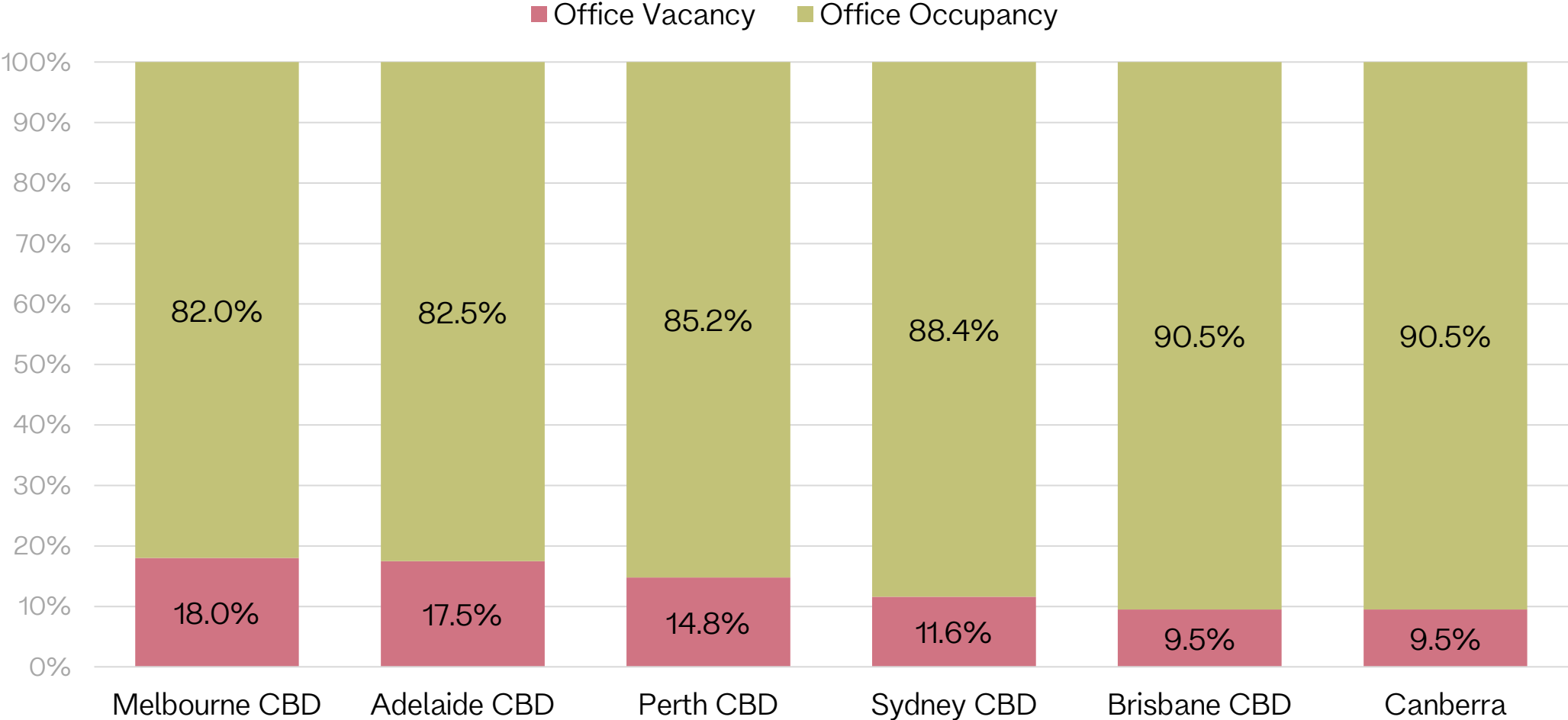
(City of Adelaide - Historic Comparison)



Source: AEDA

Myth – “The office towers and shopfronts are empty”

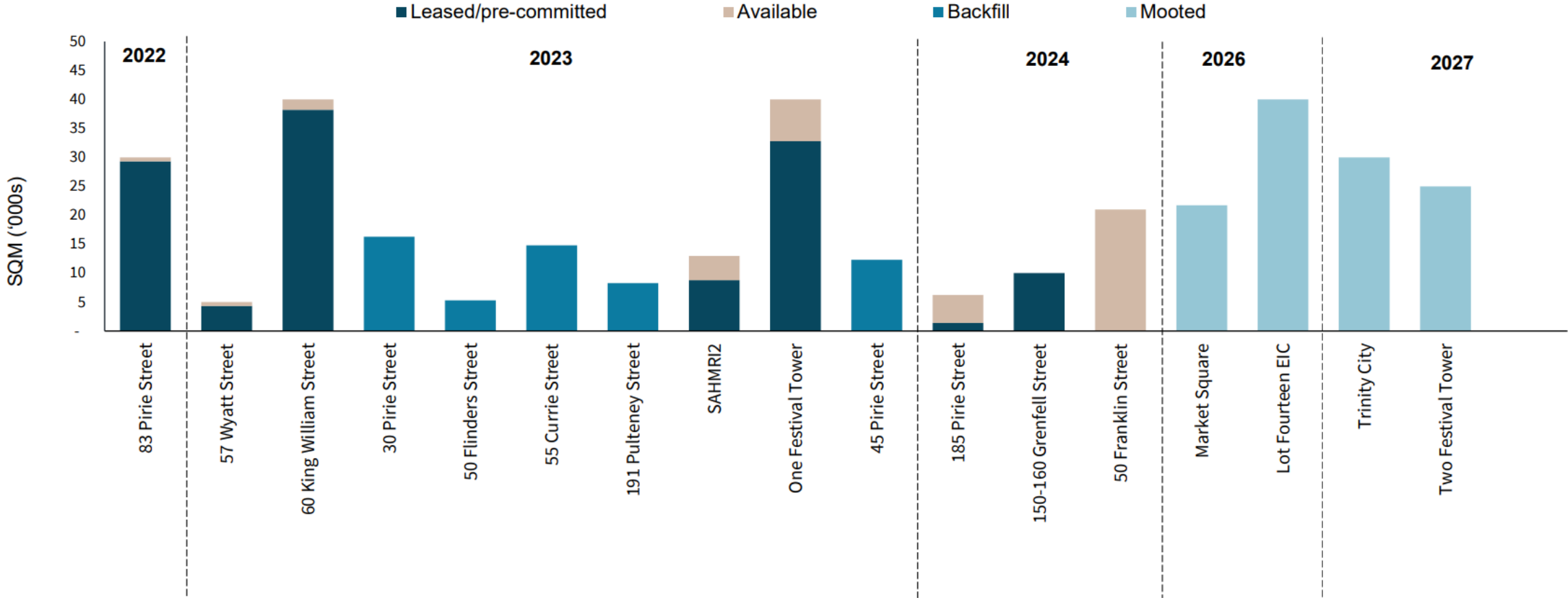
Commercial Office Floorspace Utilisation (July 2024)



Source: Property Council of Australia

Myth – “The office towers and shopfronts are empty”

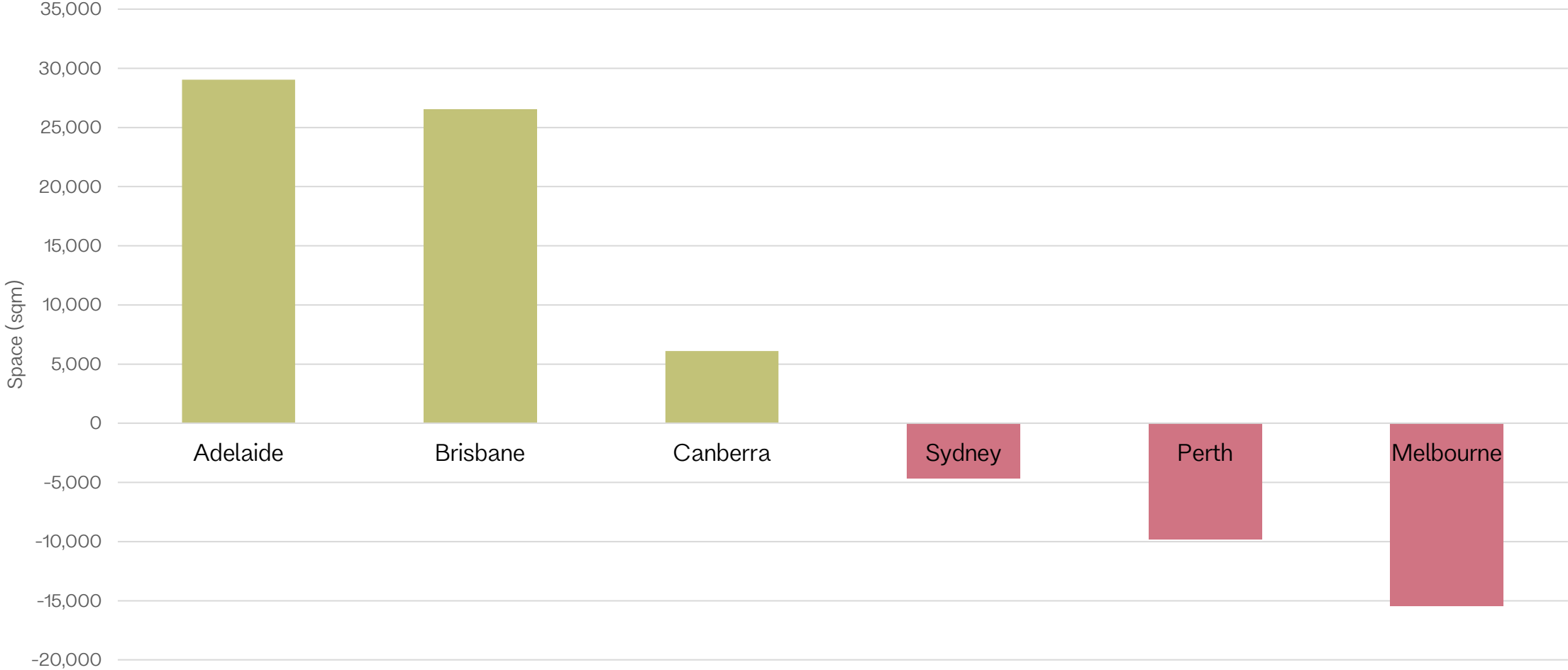
Adelaide CBD Supply Pipeline and Back-fill Options – Q1 2024



Source: JLL

Myth – “The office towers and shopfronts are empty”

Audited Net Absorption by Capital City (6 months to July 2024)



Source: Property Council of Australia

FACT

vs

FICTION

FICTION The city's economy is going backwards

- The city's economy is growing at a record rate, higher than the Eastern seaboard capital cities but not as fast as the population

FACTS

FICTION The city is so quiet

- The number of residents, students and visitors to the city has surpassed pre-COVID levels
- The workforce is well ahead of 2019 levels, although flexible working arrangements remain
- Overall activity and expenditure are strong, but activity varies depending on the time of the day, week, month and region

FACTS

FICTION City businesses have not recovered from COVID

- There are more businesses in operation when compared to 2019 but in 2023, those numbers softened, whilst smaller businesses faced the brunt of rising costs, the city experienced growth in medium-to-large sized and non-employing businesses
- Different sectors are ever evolving and emerging in the city

FACTS

FICTION The office towers and shopfronts are empty

- Some main streets are completely occupied whilst others have longer-term leasing challenges, with many factors at play
- Adelaide has recently experienced a significant commercial office development and has quickly filled these tenancies with both existing city business relocations and new firms to the city

FACTS



Thank you

Data & Insights

Scan to access



data*4lunch*

See for Yourself

Campaign Snapshot



Our approach

Adelaide perception research, following the lead of state agencies working on SA Place Brand

Data indicated the “vibe” was in fact correlating to positive business and visitor activity

Our intent was to be bold, in line with our trajectory as a state and city but also our values at AEDA

This campaign will act as a springboard into a Brand Adelaide project, in line with State Brand

Our objective was to motivate and inspire metro Adelaide residents to visit or explore businesses they weren't aware of

It was important to communicate the feeling you get from visiting the city, distinct to the suburbs or the regions



Creative rationale

“Adelaide’s boring” ... “There’s nothing to do” ... “It’s a ghost town”.

We’ve all heard it before.

But these views about Adelaide are ignorant, outdated, and more often than not, held by people who have never really experienced all the great things our city has to offer.

So we thought, to encourage people to visit the city and spend their hard earned, let’s show how wrong these preconceptions are.

Our campaign “See for Yourself”, is designed to do just that. It takes the idea that the city is boring and flips it, with dynamic, playful photography, video and music – creating a bold, fun and unapologetic campaign that celebrates our city.

Featuring real images of people enjoying local businesses and experiences – sourced from social media and street photography – See for Yourself is a playful invitation for people to be part of our city.

Campaign details

14 June – 31 July (paid ad burst),
organic activity only in August

See ADL.com.au landing page to help navigate the city's attractions, plan a night out, or discover Adelaide's best kept secrets

Custom soundtrack, business spotlights, street-talks with visitors about their favourite things to do in the city

"Where to next" outdoor ads use QR codes to reveal nearby places and experiences to discover

Meta, YouTube, Binge and Nine Now

Outdoor bus stops, street posters, UParks

PR and city businesses social channels



"THERE'S NOTHING TO DO IN THE CITY"



9 Gouger Street

See for yourself.
Adelaide City.



"EVERYTHING SHUTS EARLY"



9 Osteria Oggi, 9:43pm

See for yourself.
Adelaide City.



"THERE'S NEVER ANYTHING ON"



9 East End

See for yourself.
Adelaide City.



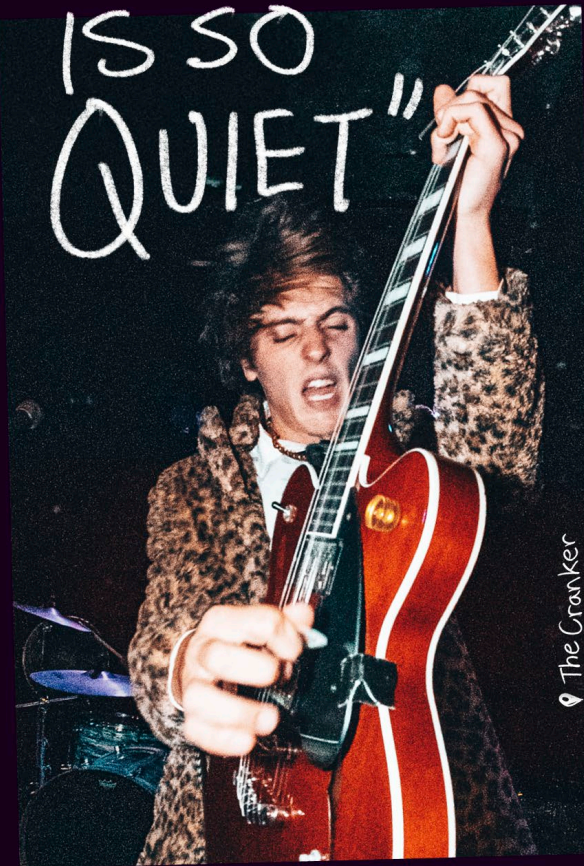
"THERE ARE NO
COOL SHOPS"



See for yourself.
Adelaide City.



"THE CITY
IS SO
QUIET"



The Crankier

See for yourself.
Adelaide City.



If Jacinta Allan thinks Adelaide goes to sleep after 5pm, it might be time for her to actually visit 'The Most Beautiful City In The World'



By Kelly Noble

Posted on August 2, 2024



Jacinta Allan @JacintaAllanMP

That's cool and all, but if you need a place to eat after 5pm, hit us up!



Peter Malinauskas @PMalinauskasMP

This is something we've known for a while now.

But now it's official.

Adelaide has been named the most beautiful city in the world by @ArchDigest.

Whether you're planning a date night, a catch-up with your besties, or just want to explore, Adelaide has got you covered.



AUG 19, 2024

HAPPENING

Crown & Anchor 'pop-up' considered after development deal

The unprecedented deal to save the Crown & Anchor hotel has stirred debate about planning laws, as the public considers a new site to keep the business and dozens of jobs afloat during the enforced shutdown looming as part of the compromise.

MORE

LATEST NEWS

AUG 18, 2024

HAPPENING



Cranker saved from demolition under historic deal and legislation

The Crown & Anchor hotel will be guaranteed a long-term future as a pub and live music venue under a landmark agreement between the state government, Save The Cranker campaign and the developer which wanted to build a student housing tower on the site - but the compromise deal comes at a cost.

MORE

AUG 15, 2024

CULTURE



Discovering colonial encounters in our own backyard

Colonial encounters between Aboriginal peoples and settlers in South Australia have been compiled in an interactive map, allowing South Australians to learn more about the history in their own backyards.

MORE

AUG 15, 2024

HABITS

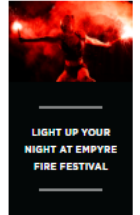


Sunny's Shop rises from the ashes

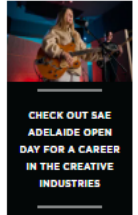
CityMag sat down with Sunny's Shop owner, Aaron Ratanatray, to chat about the business legacy, inspiration, and how it recovered from tragedy.

MORE

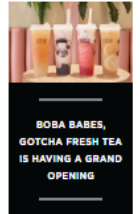
WHAT'S ON



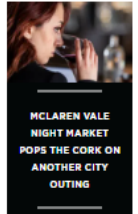
LIGHT UP YOUR NIGHT AT EMPYRE FIRE FESTIVAL



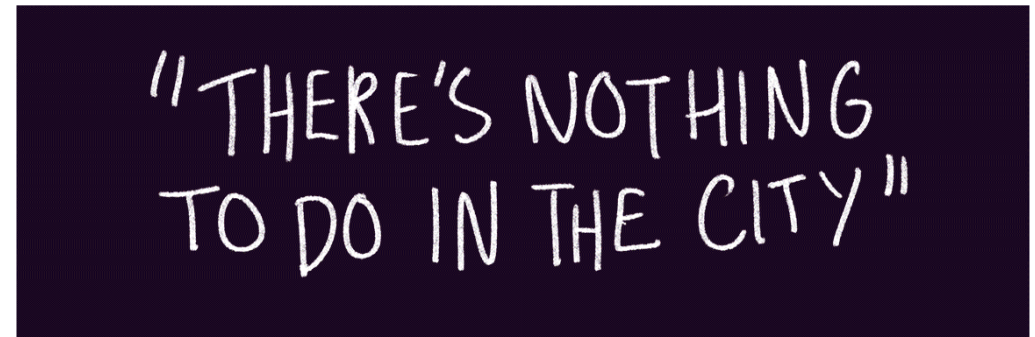
CHECK OUT SAE ADELAIDE OPEN DAY FOR A CAREER IN THE CREATIVE INDUSTRIES



BOBA BABES, GOTCHA FRESH TEA IS HAVING A GRAND OPENING



MCLAREN VALE NIGHT MARKET POPS THE CORK ON ANOTHER CITY OUTING



Results so far

115+ businesses / events profiled

11,341 campaign page visits

2,235 leads

13,000 TikTok song plays

PR value TBD, includes national TV coverage via HelloSA

Voted Top 6 Outdoor Ads worldwide by BestAds



Don't take my word for it

Love this campaign. Think you guys have nailed it.

What a cool campaign. I shared this with my team, and we all agreed it made us want to get out and eat, drink and explore the city.

This campaign looks <sensor> amazing! The crew behind it from inception to completion should be super proud of themselves.

Great initiative. Happy to help as much as we can. This is what people need to hear about our fantastic city.



What's next

Still time to get involved, utilise our social template

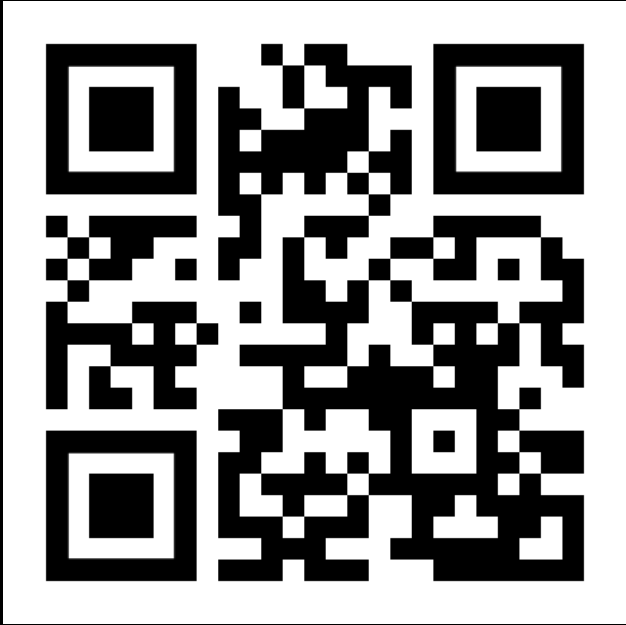
Talk to us about your ideas

Developing tools to provide industry marketing activity insights

Greater engagement with industry ahead of time for planning



Experience ADL



City Business



ADL Fashion Week



ADL
FASHION
WEEK

11 — 13
OCTOBER
2024

