

Submission to: City of Adelaide

In response to: Draft 2023/24 Business Plan and Budget



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About SECRA

The South East City Residents Association (SECRA) is an organisation that represents the residents of the south-east precinct of the City of Adelaide in the area bounded by South Terrace, East Terrace, King William Street, Hutt Street, Bartels Road, and the adjoining Parklands.

SECRA undertakes activities on behalf of its members to achieve specific objectives including those that:

1. promote the interests of the residents of the South-East Precinct of the City of Adelaide and adjoining areas
2. preserve and enhance the inherent character and heritage of the neighbourhood including the adjacent area of parklands and, in particular, Victoria Park
3. support the provision of local retail and service facilities whilst retaining the village atmosphere of Hutt Street

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1 Introduction

The South East City Residents Association (SECRA) is pleased to provide feedback on the *Draft 2023/24 Business Plan and Budget* ('the Draft Budget') for the City of Adelaide (CoA) published on the YourSay Adelaide [website](#).

SECRA notes the CoA statement that the Draft Budget has a focus on "Post-COVID-19 budget repair and upgrades to City infrastructure to support future sustainability and City pride".

The Draft Budget is a very lengthy and complex document and SECRA has made its best endeavours to understand it within the limitations of relying on volunteer committee members in developing this submission. The views expressed in this submission are those of the committee being representatives of the broader membership. A wider range of views may exist within the community and SECRA is pleased that CoA has sought broad community feedback through its own various feedback mechanisms.

2 Submission

SECRA provides comments on the Draft Budget below.

2.1 Overall budget

The Draft Budget plans for expenditure of \$268 million with a relatively modest allocation of \$6 million for "strategic projects".

SECRA understands that the total expenditure has not grown significantly in the past decade in comparison with the economy in general, and on this basis, urges the CoA to consider the long-term sustainability when preparing future budgets. In particular, there is concern that some services and infrastructure have been neglected due to limited funding resources.

Forecasted growth in population and residents in the City of Adelaide of 63% (or 18,000 people) over the period 2023 – 2041, in addition to significant growth projected in surrounding suburbs leading to increased visitors and workers accessing the city, are likely to put services and infrastructure under considerable strain.

In this context, SECRA is concerned that greater increases in both revenue for and efficiency of expenditure by the City of Adelaide will be needed in the future.

SECRA also notes a significant increase in expenditure for staffing (27.7FTE) for additional and expansion of services. Whilst this is welcome, SECRA expects that CoA will ensure that this increase in expenditure delivers a commensurate increase in service provision.

2.2 Revenue

SECRA recognises that in the current times of increasing inflation, CoA revenues will need to increase in order to at least maintain services and infrastructure, which arguably may be already degraded or limited. The alternative of not increasing revenue will inevitably erode future financial sustainability.

SECRA understands from the Draft Budget that rates are going to increase. However, SECRA also recognises the significant cost-of-living challenges faced by many individuals at the current time, and notes that ratepayers may not readily accept rate increases at the moment, and such increases should be minimised to the maximum extent possible. Therefore, it becomes increasingly important for CoA to seek growth in revenue by means other than simply raising rates.

Rates represent around 60% of total revenue, whilst fees and charges are the next largest contributor at around 37%. SECRA notes that rates are linked to a property's 'market value', which can be volatile, and we therefore question whether it may be appropriate to shift this proportion somewhat so that fees and charges make a greater contribution in the future rather than the reliance on the more volatile property market values and potential new development. In the following discussion we provide a few suggestions for opportunities to increase revenue that CoA may wish to give further consideration.

2.2.1 Parking fees

Parking is never free. Increases in the fees from on-street parking provides an opportunity to potentially provide a significant increase in revenue if it is done in a smart way, such as that proposed by Prof. Donald Shoup¹. Varied pricing for on-street parking will also have the effect of turning over customers for city businesses.

We suggest that all revenue raised by the City of Adelaide from a significant increase in the price of on-street parking could then be used directly to provide for public transport improvements, separated cycleways, improved footpaths and enhanced pedestrian amenity.

Further, a significant budget should be allocated to communicate to residents and city visitors the purposes of this changed parking strategy.

2.2.2 Parklands usage fees and remediation

The parklands are not free land for unbridled development. The parklands cost the ratepayers of the CoA considerable amounts to maintain, and it provides benefits to many well beyond the city centre. All beneficiaries should share in the cost.

Where commercial activities, especially temporary, are undertaken on parklands, the full costs should be passed on to the operators as fees for usage in addition to all the costs of remediation after any damage is caused (e.g. lawn replacement after Fringe hubs). Furthermore, there is a need to account for the cost of loss of amenity to the community when they can't access the parklands during set-up, operation and pack-up – we suggest such a usage fee should be based on the product of area lost and number of days to encourage more efficient operation. An option might be to hypothecate some or part of these fees as a 'tree levy' for directly funding increased vegetation planting in the parklands. SECRA would be willing to further discuss this concept with CoA.

Clearly the parklands are used by significant numbers of residents that live outside the city of Adelaide. There appears to be strong growth in residential developments outside and adjacent to the parklands, and no doubt part of the attraction is the existence of the parklands. Therefore, it would seem that there may be a strong case for surrounding councils to make a contribution to the maintenance and enhancement of the parklands and SECRA would encourage CoA to pursue this vigorously as a source of revenue.

2.2.3 Vacant premises surcharge on rates

SECRA notes that there are different rates charged for commercial, residential and vacant land. The preponderance of both commercial and residential premises being left vacant for long periods of time is an ongoing concern that diminishes vibrancy in the city. Perhaps a surcharge on rates for premises remaining vacant for a 'long time' (this would need some clear definitions) might act as a disincentive for landlords and lead to more productive use of their assets. Further, if those assets were put to assisting easing homelessness and housing unaffordability, and where this can be clearly defined and demonstrated, then perhaps a reduction in rates might be offered. A similar approach might be applied to short-term rentals where they are under-utilised.

¹ A cheat sheet on Professor Donald Shoup's groundbreaking work, Parkade, June 2019; accessed [here](#)

2.3 Expenditure

There are several areas where SECRA believes more expenditure may be required and justified and we outline some key areas for consideration below. We also raise some questions about some areas of expenditure where further scrutiny may be warranted to identify if reductions in expenditure can be made.

In general, SECRA believes that all expenditure should be made in the most efficient manner possible, but even before that, all proposals should be subject to rigorous cost-benefit analyses to ensure that ratepayers are getting value for their money.

2.3.1 Opportunities to increase expenditure

2.3.1.1 Public transport

SECRA commends the continuing financial commitment for ongoing support to the City Connector bus service as this is a key issue for many of our members who support and value the service.

SECRA is concerned about the lack of shelters at some of the bus stops, in particular those on the City Connector routes and seeks a commitment from CoA to allocate funding for such improvements.

2.3.1.2 Bikeways

With an increasing population projected for Adelaide, bikeways are likely to greatly assist in avoiding and minimising future road congestion. SECRA understands that there is strong evidence that cycling infrastructure in dense cities almost always provides a strongly positive outcome in cost-benefit in contrast to motor vehicle roadways. SECRA therefore question if the amount allocated to the North-South bikeway is sufficient and may warrant an increase in allocation. Furthermore, SECRA believes that more bikeways, including possibly East-West connections, should be considered and some additional allocation should be made towards developing the concept now.

2.3.1.3 Homeless and Vulnerable People Project

The amount allocated to this is relatively low at \$157,000 in the context of the increasing phenomenon of homelessness. Whilst SECRA is unsure of the details of the projects, this may be an item worthy of consideration for an increase in funding allocation.

2.3.1.4 Park Lands Greening

The amount allocated to this is very low at \$30,000. Enhancing the parklands is a key issue for many of our members and we advocate for consideration for an increase in funding allocation.

2.3.1.5 Victoria Park Master Plan Implementation

The amount allocated to this is very low at \$50,000. We understand from earlier version of the Budget that the 'whole of life' project allocation is some \$8.3 million, however, this amount and the level of commitment over future years is not at all clear from the Draft Budget.

This is a key issue for SECRA members. At the urging of SECRA, Council unanimously passed a motion in October 2021 acknowledging that there was an excessive heat load in the park because of a lack of tree canopy across the park and the considerable bitumen and concrete in the northern section, both legacies of the park's motor racing history, and requested Council take steps to develop "a new landscaping proposal to achieve enhanced greening - in particular tree canopy for shade across Victoria Park." We submit that because of increasingly longer and hotter summers there is an urgent need to address this issue and to allocate much more funding in the 2023/24 Draft Budget toward the immediate

implementation of the Victoria Park Master Plan. The Master Plan clearly articulates where trees and pockets of understory should be planted to shade pedestrians, cyclists and spectators and enhance biodiversity, and describes other measures to reduce the heat island effect created by excessive bitumen and concrete.

SECRA seeks assurance from CoA that these climate proofing measures will be given higher priority in its budget planning for 2023/24, and that other measures to improve public access and amenity will be delivered in full over a clearly defined timeframe.

2.3.1.6 Parklands Action Plan

The allocation of \$75,000 to Cultural Mapping of the Adelaide Park Lands is likely to be welcomed by many of our members, however the details of the projects and their relative value remains unclear to SECRA at present.

2.3.2 Opportunities to decrease expenditure

2.3.2.1 Activation projects

A large number of items listed as 'Activation' projects are listed under the City Shaping Portfolio within the Culture section, amounting to \$534,000 under Operational Expenses and another \$400,000 as Strategic Projects.

SECRA is concerned about the value for money that these might deliver and suggest that cost-benefit analyses be carried out to determine their relative worth. Anecdotally, SECRA members observe that some past 'Activation' activities have not appeared to deliver any lasting benefit to the community. We suggest that further scrutiny is required before deciding on committing the proposed funding to these projects.

2.3.2.2 Community Impact Grants

The amount allocated to this is relatively high at \$816,000, which raises the question as to whether the benefit-cost ratio has been determined. We suggest that further scrutiny is required.

2.3.2.3 Climate Change Action Initiatives

The amount allocated to this is relatively high at \$783,000, which again raises the question as to whether the benefit-cost ratio has been determined and we suggest that further scrutiny is required.

2.3.2.4 Hutt Street (South)

SECRA is concerned that the significant allocation to the Hutt Street Entry Statement project (apparently \$3 million in total 'whole-of-life') may be neither good value nor necessary, especially in the light of recent improvements made to Davaar House.

SECRA firmly believes that better walkways are required along both sides of Hutt Road, however a project of greater complexity and cost may be unnecessary. This item is worthy of further scrutiny and money reallocated to the greening of Victoria Park (as mentioned above) and/or streets in the south-east of the city.

2.3.2.5 Adelaide's New Year's Eve

The operational expenditure for this item appears to be quite high (\$473,000) and SECRA is concerned that any benefit gained may not be worth this level of cost, noting further that this cannot be determined either way unless a cost-benefit analysis is transparently provided to ratepayers.

End of submission