

# Fact Sheet:

## Separate Rate for The Parade Precinct

The City of Norwood Payneham & St Peters is seeking comments from The Parade, Norwood business community on the proposal to continue the Separate Rate on The Parade commercial properties for a further three (3) years.

The Separate Rate enables the Council to raise sufficient revenue to ensure high impact marketing and promotional programs for The Parade, whilst minimising the impact on individual ratepayers who will experience the benefits of these programs through increased patronage.

The Council is proposing that the Separate Rate be set at \$215,000 for the three (3) year period (2021-2022, 2022-2023 and 2023-2024), to market, promote and develop The Parade as one of Adelaide's premier retail precincts.

This Separate Rate model for The Parade has been designed to ensure that The Parade remains viable in an increasingly competitive market, whilst bearing in mind the additional cost to the property owners and businesses.

For the 2020-2021 financial year The Parade Separate Rate was not collected due to the impacts of the COVID-19 Pandemic. The budget generally generated by the collection of the Separate Rate was instead funded by the Council.

This Fact Sheet provides information about how the Separate Rate (sometimes known as a Trader Levy) would work if it were to be continued and has been prepared to assist business and commercial property owners to make comment on the proposal. No decision will be made on whether or not to continue the Separate Rate on The Parade, until after the consultation period has concluded.

The Separate Rate for The Parade was initially implemented for a three (3) year period from 1 July 2008 – 30 June 2011. It was then extended again for a further three (3) years from 1 July 2011 – 30 June 2014, again on 1 July 2014 - 30 June 2017 and again from 1 July 2017 – 30 June 2020 (final year not collected as stated above).

Previous consultation regarding the Separate Rate resulted in the Council offering a 50% rebate on offices and consulting rooms on The Parade and this is proposed to be continued.

Each year, the Council's Norwood Parade Precinct Committee develops an Annual Business Plan detailing how the revenue raised from the Separate Rate will be spent and has prepared a Draft Plan for 2021-2022. The Council would continue to provide the resources required to deliver all of the initiatives proposed within the Draft Plan with the revenue raised from the Separate Rate.

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## **What is a Separate Rate?**

Councils in South Australia may declare a Separate Rate on a particular and specifically defined part of the Council area. Revenue raised from a Separate Rate must then be used expressly for the benefit of the area from which it is raised and for the property owners who pay the Separate Rate.

Under the Local Government Act 1999, *“a council may declare a separate rate on rateable land within a part of the area of the council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area”*.

A Separate Rate is in addition to the General Council Rate which is applied to each property.

## **Why do we need a Separate Rate?**

Mainstreets like The Parade, Norwood are in competition with other Mainstreets as well as the ‘big box’ shopping centres that are becoming a more and more common sight on the retail landscape. The predominant competition for The Parade retailers are Burnside Village and other centres such as Westfield Tea Tree Plaza and the Adelaide CBD and indeed other mainstreet precincts such as Rundle Street, Unley Road, King William Road, Prospect Road and Jetty Road. A further threat to traditional retail shopping is presented by the emergence of online shopping.

Whilst it can be argued that mainstreet shopping strips like The Parade, Magill Road, Jetty Road, Unley Road and King William Road, for example, have much more character and offer a totally different experience to the ‘big box’ shopping centres, they are also disadvantaged by their lack of coordination due to fragmented ownership.

Shopping centres are under centre management which coordinates everything in the centre, including marketing and promotions, infrastructure and retail mix. The small businesses on mainstreet shopping strips simply do not have the time or resources to compete with or undertake these functions on their own.

A Separate Rate on The Parade enables the Council’s Norwood Parade Precinct Committee (NPPC) to act as a de facto ‘centre manager’ for the benefit of the whole strip. This model is currently applied to other mainstreets such as Unley Road, King William Road, Goodwood Road, Glen Osmond Road and Jetty Road, The Parade’s other major competitors. In order to stay relevant in Adelaide’s increasingly competitive and challenging COVID-19 commercial environment, The Parade cannot afford to rest on its laurels. To ensure its shoppers return to the mainstreet to contribute to The Parade’s ongoing success, the Council needs to continue to market The Parade Precinct as Adelaide’s premier shopping destination and to ensure it stays ahead of the game in terms of promotion and development.

By being the co-ordinator of marketing, promotion and infrastructure, the Council will be able to ensure that The Parade continues to prosper and compete with other nearby centres. The

Council believes that a healthy business sector is fundamental to the wellbeing and quality of life of its citizens.

### **Where would the Separate Rate apply?**

The Separate Rate would be applied to all commercial properties within the District Centre Norwood Zone, the Business Zone and the Mixed Use Business Centre, as well as part of the Mixed Use Historic (Conservation) Zone surrounding The Parade between Fullarton and Portrush Roads. Please refer to The Parade Zoning Map for more detail.

### **For how long would the Separate Rate be applied?**

The Council is proposing that the Separate Rate be applied for a further three (3) year period, commencing on 1 July 2021 until the end of June 2024.

At the end of this period, the Council would again consult with business and commercial property owners within The Parade Precinct to determine whether the Separate Rate should be applied for a further three (3) year period.

### **How much will be raised under the Separate Rate?**

The Council is proposing that the Separate Rate be set at \$215,000 for the three (3) year period (2021-2022, 2022-2023 and 2023-2024), to market, promote and develop The Parade as one of Adelaide's premier retail precincts. CPI increases are not taken into consideration for this three (3) year period.

### **What will the Separate Rate be used for?**

The revenue collected from the Separate Rate will be allocated to the Norwood Parade Precinct Committee (NPPC), which is responsible for developing an Annual Business Plan which outlines exciting initiatives and programmes that promote The Parade, Norwood as an ideal place to live, work and play.

The role of the NPPC is to market, promote and develop The Parade through a number of different programmes and initiatives. The NPPC has drafted a *20221-2022 Annual Business Plan*, which illustrates how the Separate Rate revenue would be used to benefit The Parade businesses during the 2021-2022 financial year. The Draft Annual Business Plan, which outlines how the Committee proposes to use the Separate Rate Revenue, is currently out for consultation.

### **How is the Separate Rate be calculated?**

The Separate Rate is calculated based on the capital value of the land. The Council considers this to be the most equitable method and is consistent with how the Council calculates its general rates.

### **How much extra will I have to pay?**

The Council has prepared for your information, a Sample Effect for the 2021-2024 Separate Rate based on Capital Value. This illustrates the impact of a Separate Rate on the rate assessments of commercial properties on The Parade, in order to generate total revenue of \$215,000.

Given that the properties on The Parade have a wide range of values means that a wide range of Separate Rate amounts that would be paid. For more information please refer to the 'Sample Effect of Separate Rate on The Parade', enclosed.

### **How you can have your say**

The Council is keen to hear from business and commercial property owners regarding its proposal to extend the Separate Rate on The Parade.

Feedback can be provided in writing to PO Box 204, Kent Town SA 5071 or via email to [townhall@npsp.sa.gov.au](mailto:townhall@npsp.sa.gov.au), by no later than 5.00pm, Wednesday 28 April 2021.

For further information, or the opportunity to meet with a Council representative, please contact the Council's Economic Development Unit on 8366 4616.

### **What happens next?**

The consultation period ends on Wednesday 28 April 2021, at which time all feedback will be compiled and reported to the Council for its consideration at its May 2021 meeting.