

## Councillor Noon - MoN - Parklet Operators who pay an additional fee

Tuesday, 28 May 2024  
Council

**Council Member**  
Councillor Carmel Noon

Public

**Contact Officer:**  
Ilia Houridis, Director City Shaping

## MOTION ON NOTICE

**Councillor Carmel Noon will move a motion and seek a seconder for the matter shown below to facilitate consideration by the Council:**

'That Council:

Noting that parklets connected to restaurants enhance the ambiance of an area, the City of Adelaide team has been promoting parklets and supporting businesses to increase their number since the initiative began in 2021. Currently, there are 19 parklet operators in the city. Besides the parklet permit fee, 5 of these operators are charged an additional fee to compensate for the loss of revenue from the car parks removed to make space for the parklets.

That the additional fee charged to parklet operators be discontinued commencing the next fiscal year, and this change is reflected in the Fees & Charges section of the Budget for 2024/25, which will be a reduction to this line item of \$20k.'

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## ADMINISTRATION COMMENT

1. In 2021 Council supported increased outdoor dining opportunities via endorsing a Parklet Operating Guideline: Link 1 [operating-guidelines-parklet.pdf \(d31atr86jnqrq2.cloudfront.net\)](https://d31atr86jnqrq2.cloudfront.net/operating-guidelines-parklet.pdf).
2. Following the success of the first trials, there are now 19 parklets in operation.
3. Parklets are considered premium value when compared to standard outdoor dining permits, and hence attract a higher fee. This is because parklets:
  - 3.1. Privatised the use of public space
  - 3.2. Are in place 24/7 and not removed at the end of trade
  - 3.3. Reduce on-street parking and in turn decrease Council revenue generation.
4. This initiative balances the ambition to support activation of parts of the city by expanding the opportunity where existing public realm is limited, for example narrow footpaths that have limited ability to provide outdoor dining, against other public amenity uses, such as parking.
5. Parklet fees are charged on a per square metre basis, based on the space they occupy.
6. For parklets which occupy a paid parking bay, the reduction of revenue received from that paid parking bay is calculated and on-charged to the business, in addition to the permit fee.
7. The calculation of paid parking revenue impact is specific to the street and therefore different for each venue.
8. Currently, 5 of the 19 parklets in operation occupy parking bays which were previously paid parking.
9. Of the 19 parklet operators, 15 have paid their fees for the current year, with 4 in the process of paying or yet to pay. As these fees relate to the 2023/24 year, operators will be required to pay the existing fees, which include paid parking revenue impacts.

10. Parklets fees were waived in 2021/22 and 2022/23.
11. When parklet fees were reinstated in the 2023/24 Annual Budget, it was at a 50% discount on the standard per square metre rate.
12. The proposed fee rate for parklets in the 2024/25 draft Fee Schedule is \$0.88 per square metre per annum, which continues the 50% discount to the standard rate as offered in 2023/24.
13. In addition, in 2024/25 a 75% discount on the standard rate is proposed for any business operating a parklet which does not have the ability to offer outdoor dining on the footpath. The concept of larger discount is to support businesses to have some level of outdoor offering via a parklet, at a lower rate than businesses which already have outdoor dining, and choose to have additional dining space in the form of a parklet.
14. Based on the fee rates proposed in the draft 2024/25 fee schedule and the square metre area that various businesses elect to occupy:
  - 14.1. The fee for parklets range from \$765 to \$9,500 per annum per business.
  - 14.2. For the 5 parklets which occupy paid parking bays, the additional fee on-charged for the reduction in paid parking ranges from \$2,000 to \$8,500 per annum per business.
15. In 2024/25, a revenue budget of \$52,000 is forecast for parklet fees.
16. The reduced paid parking revenue component accounts for approximately \$20,000 of this figure. These figures will vary dependant on increases or decreases in the use of parklets and the area they occupy.
17. Council sets an on-street paid parking budget each year. Reducing paid parking bays will impact this budget.
18. In the event that paid parking revenue is not on-charged for parklets, options may include consideration of increasing paid parking elsewhere in city to balance the impacts.
19. Should Council resolve to support the proposed motion, the commensurate reduction to the revenue budget projections for 2024/25 and the fee schedule will be adjusted.

Should the motion be carried, the following implications of this motion should be considered. Note any costs provided are estimates only – no quotes or prices have been obtained:

Public consultation	Not as a result of this report
External consultant advice	Not as a result of this report
Legal advice / litigation (eg contract breach)	Not as a result of this report
Impacts on existing projects	Not as a result of this report
Budget reallocation	\$20,000 as a result of loss of paid parking revenue. This figure will increase as more parklets are implemented.
Capital investment	Not as a result of this report
Staff time in preparing the workshop / report requested in the motion	Not as a result of this report
Other	Not as a result of this report
Staff time in receiving and preparing this administration comment	To prepare this administration comment in response to the motion on notice took approximately 5.5 hours.

- END OF REPORT -