CITY GROWTH STORY
ADELAIDE CITY COUNCIL

CONTENTS

INTRODUCTION

This City Growth Story brings together information on the drivers of City growth to date as well as the future prospects for growth.

The City Growth Story takes a broad perspective on "city growth" and considers the drivers of change and the interrelationships between five dimensions of growth – social, physical economic, environmental and cultural.

In formulating this City Growth Story, we have drawn heavily on the information base prepared to inform the Picture Adelaide 2040 engagement process as well as a range of other reports and materials and new data such as the Adelaide City Census of Land Use and Employment 2014.

The Adelaide 2040 Plan and other strategic documents will be informed by this work.

Options and strategies for fostering and stimulating City growth are not explored here as this will be addressed through the development of a long-term plan for the City (Adelaide 2040) and in the shorter-term by Council's next 4 year Strategic Plan. Both will be supported by a City Growth Strategy and a suite of clear targets and measures by which City growth may be tracked.

The City Growth Story has been prepared for staff and Council to help create a shared understanding of City Growth to inform ongoing advice and a consistent base line for effective decision-making.

CHAPTER ONE
SOCIAL DIMENSION

Overview

The profile of people in Adelaide City is changing. As we head toward 2040 there will be more people requiring more housing, more jobs and increasing demand for services and facilities.

At the same time, the predominance of 20-34 year olds as City residents is set to continue, driven by a return to growth in international student numbers, many of whom fall within this age range. In the last decade, population growth in South Australia has been primarily driven by overseas migration and this is set to continue.

The proportion of the City and South Australian population aged 65 years and over is expected to increase significantly, with implications for services demand and ensuing opportunities for new businesses to establish in the City to meet that demand.

If trends continue, City households are likely to continue to be dominated by lone person households, with an ongoing low proportion of families with children living in the City.

Population growth and change

Population growth

Historically, the City population peaked around 1915 at just over 43,000 people. By the early 1980s it had reduced to below 13,000 persons. This reduction was the result of almost wholesale conversion of City premises to commercial uses and household preferences for suburban living. However, over the last 20 years, the City resident population has gradually increased as shown in Figure 1[1].

Significant growth occurred in the period 2001 to 2011, with the City of Adelaide's population increasing by 6,639 people[2] or 51%, an average annual population change of 4.2%. It should be noted that during this period, the Adelaide City Council had an explicit focus on growth which was supported by the delivery of four Growth Plans centred on increasing the numbers of residents, workers, visitors and students in the City. Population growth has been driven by younger people choosing the City as a place to live, a result of the attraction of the City for tertiary education, employment opportunities, and access to leisure and entertainment.

In 2011, in addition to the resident population of close to 20,000 people, there were a further 7,600 people staying overnight in the City in tourist accommodation, hospitals and institutions.

The ABS releases an estimated residential population (ERP) figure for every Local Government Area annually. The latest available ERP for the City of Adelaide is 22,690[3] at 30 June 2014. The estimated resident population from 2001 to 2014 is illustrated in Figure 2 (over page).

The 30 Year Plan for Greater Adelaide set a target for City residential growth of an additional 28,000 people, to reach 50,000 by around 2040. The State Government's recently released Economic Priorities for South Australia have reset the City of Adelaide's population target to 30,000 residents by 2017 and 50,000 by 2024. The achievement of the 2024 target would represent a very high rate of growth with 27,800 people to make their home in the City in just eleven years[4], equivalent to 2,527 persons per year. Extrapolating population growth at the same average number per year to 2040 (an additional 16 years) would see the City resident population increase to around 90,400 at 2040.

While there are projections as to likely population growth in the City and State Government targets for growth, the future rate and extent of population growth is significantly influenced by factors including:

- the availability and cost of housing
- the comparative offer of the suburbs
- the social and community infrastructure on offer
- jobs growth and employment opportunities
- the promotion and appeal of the lifestyle attributes of the City, and
- the impacts of climate change.

These aspects of City growth are addressed in the Physical, Cultural and Environment chapters of this document. Resident population growth influences the City economy in that it:

- is highly supportive of City retail markets
- drives job creation and economic growth; and
- feeds innovation and entrepreneurialism.

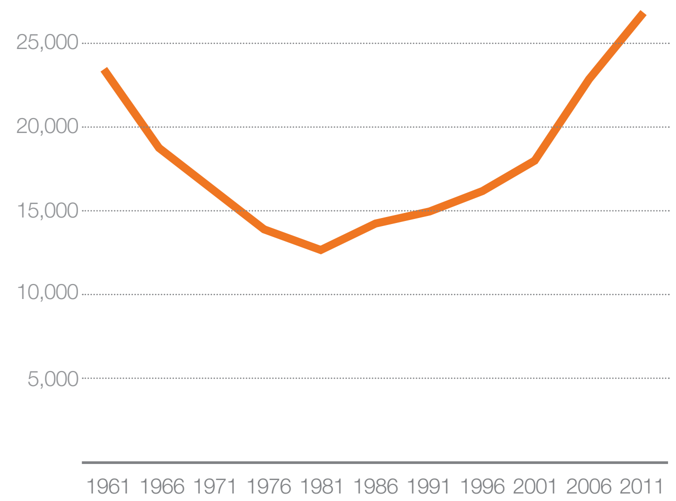

Figure 1. City Population Change 1961 - 2011

Population by age

The scope and direction of City growth is influenced by the composition of the population. Consideration of the composition of the population by age is important because demand for particular goods and services varies considerably by age and influences future demand for goods and services such as schools, health services, housing, and City retail mix.

Compared to Greater Adelaide, the City of Adelaide's population includes a much higher proportion of young adults. There is also a very low proportion of school aged children. The differences between Adelaide and Greater Adelaide are highlighted in Figure 3 (next page), which shows a City resident age profile that is heavily weighted toward the 20-34 age range. The City population's median age is 30 years, compared to 39 years for Greater Adelaide and South Australia and 37 years for Australia.

Persons aged 20-34 years are projected to continue to dominate the City's population profile. Toward the upper end of the age spectrum, the proportion of persons aged 70 to 84 years is also expected to increase.

As a services hub for Greater Adelaide and the State, population growth and change within South Australia and Greater Adelaide may influence business growth and diversity.

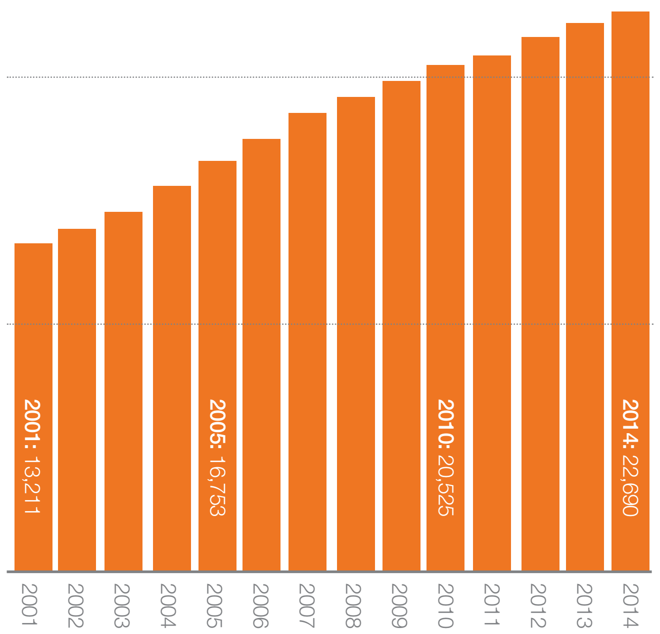

Figure 2. Adelaide Estimated Resident Population (ERP) 2001 - 2014.

Population ageing

Figure 3 compares the distribution of the population by age of the City of Adelaide and Greater Adelaide. Over the next 25 years the number of people aged 65 and over in South Australia will double putting pressure on a range of services used by older people (increased demand) and services generally at a time when overall growth of the workforce will be slowing.

The projected trend of low growth in dependent child and workforce age groups and high growth in the 65+ age group across SA is indicative of the consistent low birth rates in Australia and movement of the baby boomers into older age.

Population ageing influences the shape of economic growth in that:

- older people tend to spend less on goods and more on services
- there is a relationship between age and the likelihood of having a need for assistance. Rising service demands may open new opportunities for innovative City based businesses
- a lower proportion of people of working age may result in increased competition for highly mobile and skilled workers, and
- there is significant opportunity to harness the talents, skills and energy of older people as productive contributors to the economy.

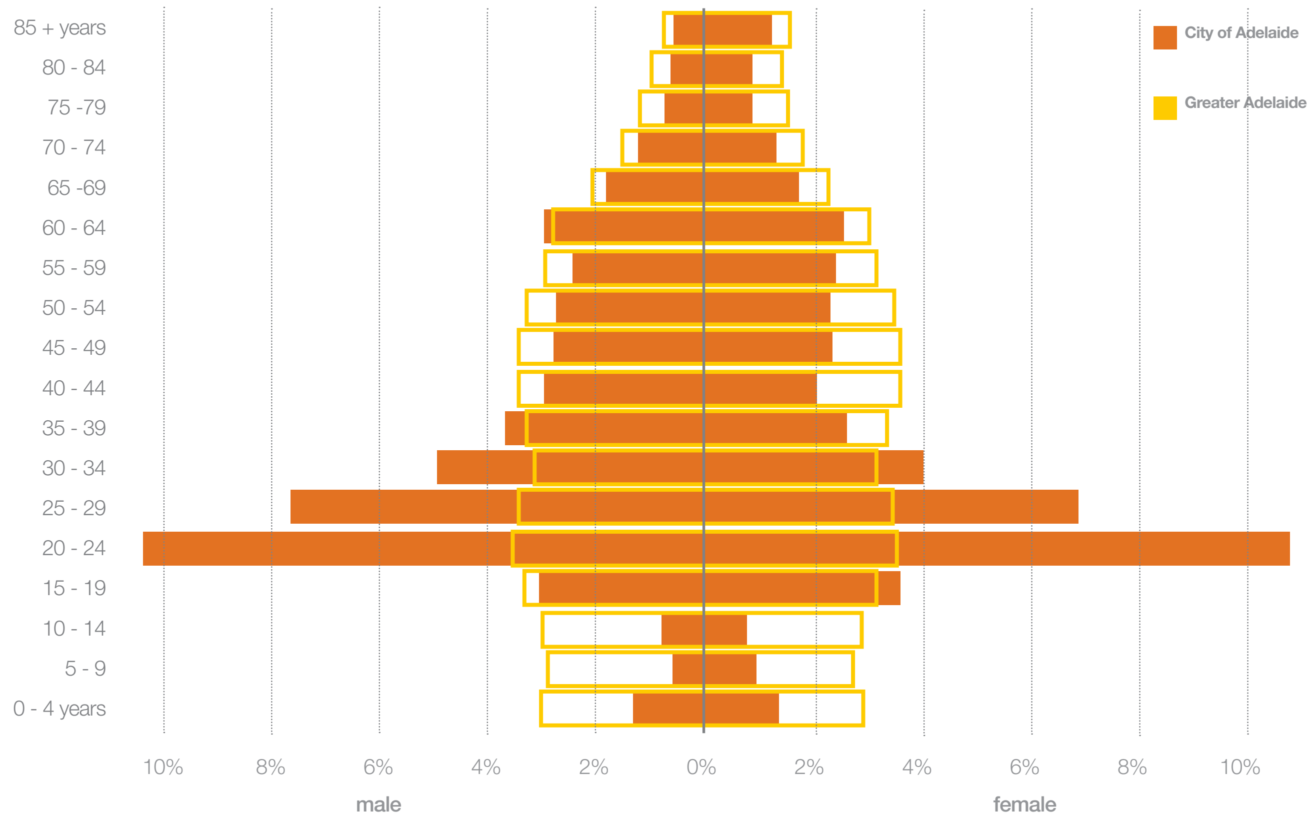

Figure 3. Comparison of population by age – City of Adelaide & Greater Adelaide, 2011[5]

Household growth

Couples without children and lone person households are the fastest growing household types in the City.

The dominant household type in the City of Adelaide is lone person households, accounting for 36.5% of all households. Group households are also prevalent comprising around 14% of City households compared to less than 4% in Greater Adelaide[6]. See Figure 4.

At the same time only 11.3% of households were couples with children or single parent households, compared with 39.5% in Greater Adelaide. The high disparity between the number of City households with children and the number of suburban households with children has been consistent over time, sitting at around a 28.4% difference for the last twenty years.

This is a result of:

» the high entry costs of City living
» the high proportion of lone person households
» the lack of "family" accommodation in the City
» perceptions about lack of open space and other preconceptions about the suitability of City living for children, and
» the lifestyle attractiveness of the City to younger people, pre-family formation.

The dominance of lone person households is anticipated to continue, supported by the current pattern of City housing delivery that is focussed on small apartments of one or two bedrooms and dedicated student accommodation.

There is some opportunity to influence household profiles through the type of housing stock that is delivered or further capitalisation on the lifestyle benefits (including the sustainability benefits) of inner city living. For example, a City residential market offering well-designed three bedroom dwellings in medium rise buildings (that are more palatable to family households) could see more of that household type embrace City living.

Policy preferences around infill rather than greenfields development in Greater Adelaide, and the increasing cost of housing generally, may stimulate an increase in appetite for apartment living for a broader range of household types.

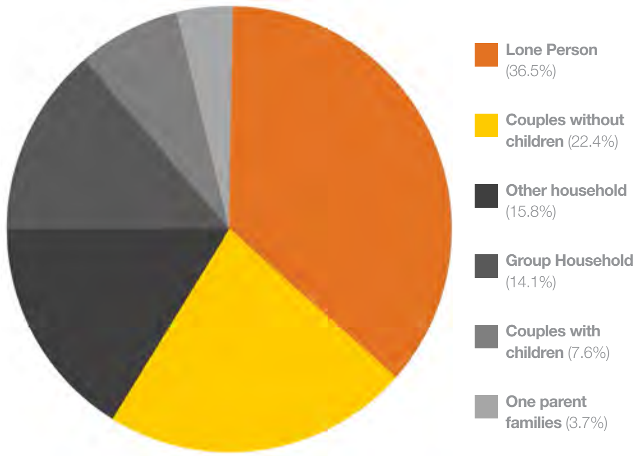

Figure 4. City of Adelaide Household types (2011)

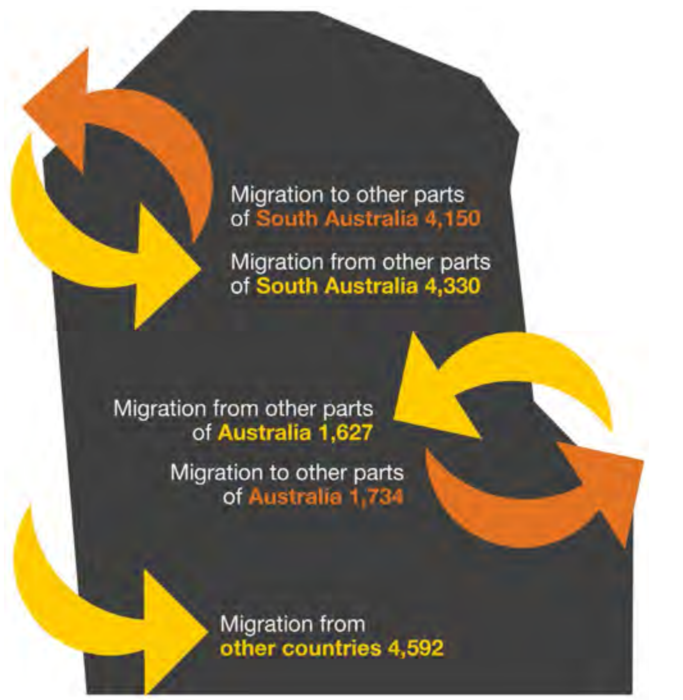

Figure 5. City of Adelaide Migration flows

Drivers of population growth

Policy drivers

The Government of South Australia has recently reset the City of Adelaide's population target to 30,000 residents by 2017 and 50,000 by 2024. The previous target, included in the 30 Year Plan for Greater Adelaide was for a similar level of population growth to be achieved by 2040, the full term of the 30 Year Plan. There has been no statement about the demographics of the 50,000 resident target.

Achievement of the new target will be influenced by:

» the availability of desirable employment and career opportunities
» the rate and type of new housing development
» the provision of social and community infrastructure
» the extent to which the relaxed height and scale provisions of the current Adelaide (City) Development Plan are realised by developers
» the appeal of the City as a residential location compared to near City and other locations
» the investor appeal of City apartments, and
» the relative cost of City housing.

The relative appeal of the City as a residential location is related to both the lifestyle and amenities on offer and to financial incentives such as the stamp duty relief introduced in 2012. Initially restricted to the City of Adelaide and limited adjacent areas including Gilberton and Bowden, stamp duty relief may have helped to offset higher City living entry costs. Arguably, the advantage of that measure was diluted by the extension of stamp duty relief to whole or parts of seven adjoining Council areas in 2013.

Migration

Migration is a significant driver of City population growth. The forecast[7] for net migration to the City of Adelaide by age is for a large net in-migration of 18-24 year olds, dominated by students, together with a moderate loss of young couples and families (0-4 and 25-39 year olds) and minimal population change through migration at ages 40 and over. Natural increase (births exceeding deaths) is expected to contribute a very small proportion of population growth.

Migration is the most volatile component of population change and can be affected by changing housing and economic opportunities such as housing affordability or conditions affecting jobs growth and local employment prospects. The international reputation of our tertiary education institutions along with Adelaide continuing to be seen as a desirable study destination, will affect future growth in international student numbers as will the availability of suitable accommodation.

While net overseas migration is strong, South Australia consistently experiences negative net interstate migration. The typical South Australian leaving the state is young, well-educated and seeking new or better employment opportunities in larger centres. Persons aged 20-39 years have accounted for at least 44% of departures from South Australia to interstate in every year since 1971/72[8].

Population gain from net overseas migration and losses to interstate are also experienced at the City level. In the period 2006 to 2011, the City of Adelaide received net migration from other parts of South Australia of 180 persons, net migration from interstate of 107 persons and 4,592 migrants from other countries. See Figure 5 on previous page.

Migration's chief contribution to City resident population growth is people migrating from other countries. These migrants are primarily students studying at tertiary educational institutions in the inner area of Adelaide. There is a strong link between the growing number of overseas students and the increase in South Australia's net overseas migration with many students going on to take out Australian Permanent Residency and General Skilled Migration visas.

Affordability

The City's residential property market remains buoyant. Median City housing prices are above the South Australian median by an average of $130,000 for houses and $90,000 for units over the last 10 years[9]. See Figure 6a.

The significantly elevated entry price to City living can deter prospective City residents. For family households in particular, it is possible to buy a separate house in inner suburban Adelaide for the same price as a suitably sized apartment. Affordability can be influenced through appropriate policy settings and practice.

The stamp duty relief for off-the-plan apartment sales, previously restricted to the City, Bowden and Gilberton, now applies to more of the inner suburban area: the City has lost the advantage of a better equalisation of the costs of entry to City living compared to suburban living.

Rental dwellings also attract a premium. At the end of 2014, the median asking rent for a house in the City was $420 per week, and $410 for a unit[10], with median rents varying by the number of bedrooms. See Figure 6b.

The cost of City housing restricts City living to particular market segments, affecting social growth. Growth in residential property prices is expected to continue, as the City will likely experience some 'spill over' from the Sydney and Melbourne markets, which have grown significantly over the last two years.

	Adelaide		South Australia	
	Home	Units	Home	Units
2005	$371,000	$280,000	$245,000	$205,000
2006	$375,000	$289,000	$250,000	$211,000
2007	$425,000	$335,000	$265,000	$238,100
2008	$439,000	$335,000	$295,000	$260,000
2009	$485,000	$400,000	$305,000	$275,500
2010	$512,000	$400,000	$332,500	$297,500
2011	$505,000	$375,000	$320,965	$290,000
2012	$490,000	$359,950	$315,000	$282,000
2013	$515,000	$360,000	$325,000	$288,000
2014	$545,000	$387,000	$335,000	$295,000

Figure 6a. Median House and Unit prices

	Weekly Rental Median (2014)	
	Home	Units
1BR	N/A	$350 pw
2BR	$400 pw	$420 pw
3BR	$515 pw	$480 pw

Figure 6b. Weekly Rental Median (2014) in the City

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http://economic.priorities.sa.gov.au/

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Footnotes from this chapter

1. These are the enumerated figures in Census years and are higher than the residential population (people whose usual place of residence was the City of Adelaide)
2. Based on place of usual residence ABS Census counts for 2001 and 2011
3. ABS, Estimated Resident Population at 30 June 2014 (latest available). The annual estimates are typically a little higher than Census counts.
4. 7,800 being the difference between the 30 June 2013 estimated resident population of 22,200 and the 2017 target of 30,000.
5. ABS Census figures from 2011, place of usual residence
6. ABS Census data for Adelaide and Greater Adelaide, 2011
7. Population and household forecasts, 2011 to 2026, prepared by .id the population experts, October 2013 http://forecast.id.com.au/adelaide/net-migration-by-age.
8. ABS (2010), SA Stats, Catalogue 1345.5.
9. RP Data
10. Based on 160 house listings and 1346 unit listings for the suburb of Adelaide from 1 December 2013 to 31 December 2014 http://www.realestate.com.au/neighbourhoods/adelaide-5000-sa

CHAPTER TWO
PHYSICAL DIMENSION

Overview

The future urban form of Greater Adelaide will be more compact with much of the envisaged new housing and jobs located in existing urban areas on transport corridors. High growth in dwelling stock is anticipated for the City of Adelaide to 2040 with the 30 Year Plan for Greater Adelaide setting a target of around 11,000 net additional dwellings. This growth will occur in the context of maintaining and improving liveability, increasing competitiveness and driving sustainability and resilience to climate change[1].

Locating most new housing within existing urban areas will necessitate greater diversity in dwelling types, greater attention to how people move within the City and enhanced regard to sustainability. Diverse and affordable housing can extend City living to a broader range of household types, promoting social and cultural growth.

Appropriate and adequate infrastructure and facilities lead to more active and connected communities and encourage physical activity. The availability and cost of housing and the complementary range of social and community infrastructure such as libraries, community centres and sporting clubs in the City also facilitates the social dimension of City growth. The features of the public realm, including infrastructure to make walking and cycling around the City more pleasant, can reduce the generation of environmentally damaging emissions, assisting the City to grow more sustainably.

The natural and built elements of the public areas of the City and Park Lands are highly valued by City users and are both an anchor and catalyst for growth. Four of the ten favourite places in the City identified through Picture Adelaide 2040 are in the Park Lands. Green open spaces, grassed areas and landscaping provide diversity and interest in the City experience. Along with the natural landscape, heritage buildings and quaint cottages, public art, street art and sculptures add to the qualities of the City.

Built environment

Development environment

A number of changes to the Adelaide (City) Development Plan since early 2012 have significantly increased the capacity for development in the City through allowing taller buildings and introducing the concept of “catalyst sites” that enable a greater intensity and variety of development. Catalyst sites are sites over 1,500 square metres and tend to be in high amenity areas such as near main streets, around the squares and along much of the Park Lands frontages. Additional residential, commercial and retail development in the inner City will occur within this framework.

Inner Adelaide has development capacity to accommodate substantial population growth with a target for 18,500 additional dwellings to be built within the City boundaries to 2040[2]. There are perceptions that all future development will be high density, but this may not be the case. The current Development Plan has the potential for a further 60,000 residents, far greater than the 30,000 additional residents currently envisaged, so there is scope for a mix of building heights and intensities that could encourage a more diverse and sustainable approach to social growth across the City.

Figure 7 (over page) provides a conceptual illustration of the areas of the City where the greatest amount of change through growth is expected to occur.

Areas indicated for high growth are characterised by the existing building stock being generally well below allowable heights, and with some prospects for redevelopment due to the age of existing building stock. Medium growth areas will change and grow, including with some of the tallest buildings. Low growth areas are characterised by existing building stock that is generally similar to what is envisaged for the future (mostly, but not exclusively, 1-2 storey dwellings)[3].

Mixed-use development in the City supports the social dimension of City growth by activating buildings at ground level. Ground level activation through the inclusion of retail tenancies, creates interest and “something to see” which encourages movement on foot and greater opportunity for people to interact; assisting community connectedness, networks and resilience.

Growing the City’s built form to include a mix of homes, businesses, retail and recreational opportunities in well-designed compact neighbourhoods is part of achieving “smart growth” for the City[4].

Development growth

Physical growth of the City is evidenced by development activity in the City. The number of residential and short term accommodation units approved in the City from 2005 to 2012 has tracked at an average of approximately 500 units per annum. This number has recently doubled with just over 1,000 dwellings and short stay accommodation units approved in the financial year 2013 - 2014, and 1,130 approved in 2014 - 2015 . While, if sustained, this level of approvals would support the target level of population growth, historically up to 31% of all residential and short term accommodation dwelling units approved are never commenced[5].

While the number of planning consents in any quarter is consistently in the 200 to 300 range, the value of the proposed developments has increased steadily over time. This may be indicative of confidence in the City development market and of the greater development capacity brought about through the 2012 changes to the Adelaide (City) Development Plan. The annual value of planning consents illustrates both the strength of the City as an investment location and the significant public investment that has been made in major City infrastructure projects.

Development activity supports economic growth through employment in the construction phase and, if the development is retail or commercial, employment in the subsequent workplaces created. If the development is residential, economic growth occurs through the addition of more residents to the local market consuming local goods and services.

The focus on delivering energy efficient commercial buildings to meet demand for higher grade office space has led to the increase in supply of City office floor space far exceeding the increase in commercial electricity consumption. This indicates a market expectation for energy efficient buildings as part of increasing the City’s cost-competitiveness. Cost-competitiveness will be a factor influencing the City’s economic growth.

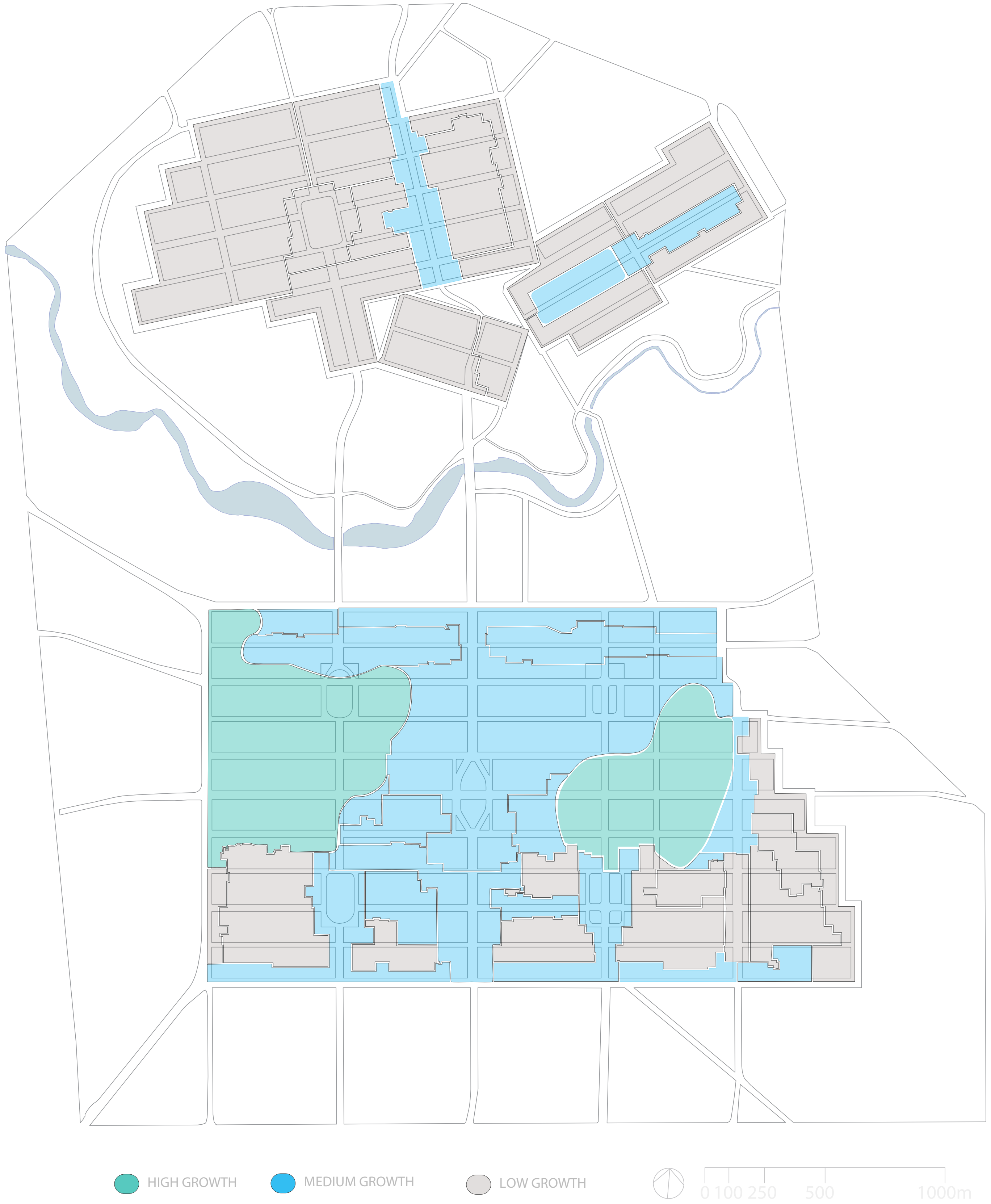

Figure 7. Growth areas for the City of Adelaide

Dwelling types

The housing stock of the City of Adelaide is predominantly located in medium and high density developments[6]. Looking at dwellings by type in the City from 1991 to 2011, there is a clear pattern of the proportion of medium density[7] and separate houses[8] gradually decreasing, and high density[9] residential increasing. High density grew particularly strongly between 2006 and 2011. See Figure 8.

While this dramatic shift has been occurring in the City, the proportion of high, medium and low density dwellings in Greater Adelaide has not varied significantly, highlighting the differences between the City and suburban housing markets in Adelaide.

High density development tends to comprise dwellings of one or two bedrooms and do not meet the needs or expectations of many "family" households. Cost is also a driver of location choice with a family household able to purchase a separate dwelling in a near City location for a lower price than a suitably sized City apartment.

The greater presence of purpose-built student accommodation is one factor in the higher proportion of high density development in the City. Since 2001 there has been an increase of over 2,400 student beds approved. In 2013 around 3,000 to 4,000 students were accommodated in the City in purpose-designed student housing.

The increasing presence of high density development influences social and population growth in that it is a more attractive living arrangement for smaller households and younger age groups. A greater diversity of dwelling types and sizes may facilitate City living for a broader range of household types, including "family" households enhancing the City experience.

Some existing practices may constrain the opportunity for the City's residential offer to grow in innovative ways. For example, the application of the Open Space Levy[10] to separately titled car parks in apartment buildings (adding to the cost), constrains the opportunity for apartments to be sold with or without a car park according to demand.

	LOW DENSITY HOUSING		MEDIUM DENSITY HOUSING		HIGH DENSITY HOUSING	
	CITY OF ADELAIDE	GREATER ADELAIDE	CITY OF ADELAIDE	GREATER ADELAIDE	CITY OF ADELAIDE	GREATER ADELAIDE
2011	11.6%	75.8%	45.9%	21.8%	41.1%	2.0%
2006	14.7%	76.2%	52.6%	21.5%	30.8%	1.8%
2001	15.3%	75.0%	55.0%	22.5%	25.2%	1.4%
1996	17.2%	73.7%	56.9%	23.2%	20.1%	1.2%
1991	21.2%	74.6%	58.9%	22.8%	16.2%	1.2%

Figure 8. Proportion of dwellings by type, 199-2011 for the City of Adelaide and Greater Adelaide

Heritage

Heritage can be harnessed as an enabler of City growth: the question is not how best to manage or retain heritage, but what role heritage has in City growth.

Our built heritage provides distinctiveness and shapes and influences the City's character and appeal. The City's built heritage intersects with economic, social and cultural growth in that heritage appeal may be a competitive advantage in making the City a desirable place to live, work, visit or invest.

Around 13% of City properties are heritage listed under the Heritage Places Act 1993 (SA) or the Development Act 1993 (SA). There are currently 449 State Heritage Places and 1,442 Local Heritage Places listed in the City. This number and distribution of heritage places is compatible with the attainment of City growth targets.

The potential of heritage buildings to attract tourism, to enhance the quality of life and attractiveness of the City to current and prospective residents, and to assist in economic development, is significant.

The City's competitiveness will be strengthened by embracing the City's historic origins and valued historic places and character, while at the same time encouraging the development of innovative and creative buildings and places as part of the City's growth.

Public realm

A quality public realm reflects well on and builds a positive perception of a City, including in relation to perceptions of safety. A quality public realm is central to the offer of City living and social growth.

City locations expected to experience the highest levels of population growth will be dominated by apartments with limited private open space. This makes access to recreational spaces within the Park Lands and the quality and useability of the City's streets, laneways and squares especially important.

A quality public realm offers amenity for workers and employers, residents and other City users; contributing to economic, social and cultural growth by being part of the reasons to choose the City.

The City's vibrancy and competitiveness will be strengthened by developing a more connected and welcoming City form of great streets and places that are active and safe by day and night.

City planning is increasingly called on to facilitate health and wellbeing by encouraging City users to be physically active. This can be achieved, in part, through ensuring strong connections to the City's open spaces – the Park Lands, riverfront, streets and squares. As the City grows, maintaining the interface of the Park Lands with the City for all users will be important to ensure easy access to open space.

Infrastructure

The infrastructure required to facilitate growth is wide-ranging from roads, footpaths and drainage to a suite of social and community infrastructure expected by the community and other users of a Capital City.

The City has a full complement of essential infrastructure in terms of water, wastewater, electricity, gas, waste and information and communication technologies. Condition and capacity may vary and enhancements are likely to be required to accommodate City growth: the various utilities will need to do more than replace like with like.

Capacity enhancements may impact negatively on the street level environment with more transformers and fire boosters occupying much of the frontage of new multi-storey buildings, and other infrastructure being placed on footpaths. This highlights the need to consider the urban design and streetscape implications of City growth.

Communities place a high value on social and community infrastructure such as libraries and community centres, schools and health services. The type and distribution of this infrastructure affects social and cultural growth, including through influencing the type of households and location preferences within the City.

The presence of a broad range of quality infrastructure also affects business decisions and economic growth. For example, an inadequate availability of schools and childcare negatively affects the ability of the City to grow business and worker numbers.

The State Government has undertaken to build a 1,000 student capacity public high school in the City by 2019 to meet growing demand for secondary education in the City that is related to school zoning. The City has a secondary student catchment far wider than its residential base, and some non-resident City workers choose to send their children to schools in the City.

The State Government's Integrated Transport and Land Use Plan proposes an extended inner city tram network and a new CBD tram loop as significant new infrastructure to support City growth.

Multiple transport and movement options support desired land uses and growth in the City. Council's Smart Move Strategy prioritises creating a people friendly City by improving conditions for pedestrians, cyclists and those using public transport, while also addressing the needs for parking, loading and vehicle accessibility that are valued by business. Non-motorised transport infrastructure contributes to social growth by promoting positive health outcomes and enhanced opportunities for social interaction and connectedness. It also contributes to environmentally sustainable growth by not adding to carbon emissions.

A range of major public and privately led infrastructure projects are transforming key areas of the City with impacts for cultural and economic growth.

Investment in high profile infrastructure and places (such as Adelaide Oval, Riverbank precinct, Rundle Mall and Victoria Square) facilitates cultural growth in the City through improving the vibrancy and reputation of the City as a place to visit and enjoy. These investments also drive economic growth through increased visitation and expenditure within the City, and generate employment during both construction and operation.

129km
the distance of roads,
equivalent to driving from Victoria Square to Tanunda and back

288km
the distance of footpaths,
equivalent to driving from Hurtle Square to Marion Bay

184km
of roads and footpaths are cleaned daily along with

185 butt out bins and
798 general litter bins

6,500
street trees
are maintained throughout Adelaide and North Adelaide

776ha
Open Space
including all Squares and the Adelaide Park Lands

Figure 9. Key facts about City infrastructure and assets

Natural environment

Park Lands and Squares

The Park Lands are a world-renowned and unique asset of the City of Adelaide. There is a variety of levels of activity in the squares and Park Lands. High levels of activity and use are associated with the City's sporting fields, event spaces and traditional picnic parks, such as Bonython Park/Tulya Wardli and Rymill Park/Murlawirrapurka. The Botanic Gardens are a significant attractor. Lesser activity is associated with parts of the southern, western and northern Park Lands.

There are numerous playgrounds within the Park Lands. The City squares and Park Lands adjacent to the CBD's population of workers receive greater casual use. The six City squares are largely dominated by traffic and lack distinct identities. There is significant potential for further activation of the squares and areas of the Park Lands as the City grows.

Open space, such as that provided by the City's Park Lands and squares, serves many purposes from recreation experiences to animal habitats. Open space is also part of the natural amenity of the City that supports quality of life experiences, thus contributing to social and cultural growth. In relation to economic growth, the green spaces of the City are attractive to workers who are considering quality of life criteria as well as salary and career options when determining where to settle.

The Park Lands and Squares provide a physical boundary for the City, clearly defining the space in which City growth will occur.

The Park Lands also contribute to the social and cultural growth of the City. Picture Adelaide 2040 storytelling highlighted the value of the simple beauty of the Park lands as places for trees and birdlife to flourish; refuges from the hustle and bustle of the City; places for gatherings of family and friends; and places for quiet contemplation .

In relation to the environmental dimension of City growth, the Park Lands provide a 'cooling' effect. Additional plantings in streets and squares may limit the impact of the urban heat island effect[11], enhancing the comfort and liveability of the City.

The Park Lands are both a drawcard resource for City growth and a resource to be managed as part of the City's growth.

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South Australian Government Integrated Transport and Land Use Plan

Footnotes from this chapter

1. These are parameters set in the 30 year Plan for Greater Adelaide
2. 30 Year Plan for Greater Adelaide
3. Adelaide City Council (2014), A Spatial Vision for the Future of the City,p.24.
4. See http://www.smartgrowth.org/principles/mix_land.php
5. ACC data included in the technical report on Development Indicators 2005 - 2015
6. 'Density' here refers to the structure of the dwelling and not to the number of dwellings per hectare.
7. 'Medium density' includes all semi-detached, row, terrace, townhouses and villa units, plus flats and apartments in blocks of 1 or 2 storeys, and flats attached to houses.
8. 'Separate house' includes all free-standing dwellings separated from neighbouring dwellings by a gap of at least half a metre.
9. 'High density' includes flats and apartments in 3 storey and larger blocks.
10. Currently $6,488 per allotment http://www.legislation.sa.gov.au/LZ/C/R/DEVELOPMENT%20REGULATIONS%202008/CURRENT/2008.233.UN.PDF
11. The Urban Heat Island Effect is the phenomenon in which built up areas are hotter than surrounding areas due to the higher proportion of heat absorbent surfaces. For more on the Urban Heat Island Effect and growth, please refer to the Environmental Dimension chapter.

CHAPTER THREE
ECONOMIC DIMENSION

Overview

As the economic powerhouse of the State, the City of Adelaide generates around one fifth of South Australia's Gross State Product: as the Capital City, it is a hub for services and has a core role in defining and driving the economic fortunes of the State.

State Government targets for employment growth expressed in the 30 Year Plan for Greater Adelaide, envisage a further 50,000 City workers by 2040, taking the total from around 118,000 to around 170,000 in the City per day.

Recent growth in employment in the Information Media and Telecommunications industry division and the Professional, Scientific and Technical Services industry division is indicative of an increasingly knowledge based City economy. There is scope for the City to engage with the State Government's economic priorities through a strong role in the supply chains of key industries, especially professional support services to the energy and resources sector and the food and wine industries.

Economic growth supports an increased appetite for risk, potentially meaning more innovation and product differentiation. The environment for entrepreneurs in Adelaide is strong, with over 90 programs designed to support start-ups: forty of these commenced in the last three years.

European retailers are looking for new markets to compensate for their slow domestic growth and a number of new international brands have established in Adelaide over the past few years.

The direction and extent of economic growth in the City is influenced by many factors, including the availability of skilled workers. Migration plays a key role in managing the supply of skilled workers to the economy.

Economic performance

Gross Regional Product

The City of Adelaide's Gross Regional Product (GRP) was $18.25 billion (estimates prepared by Economy ID) as of the 30th June 2014, an increase of more than $4.5 billion since 2006. The City's contribution to Gross State Product (GSP) increased over the same period from 17.7% to 19.7%[1]. See Figure 10.

The City's GRP was also recently considered in a report written by AustralAsia Economics. The report considers the proportion of the City's GRP by industry for each census year since 1996 [2]. See Figure 11.

According to the AustralAsia Economics Report in 2011, the City's three largest industries in terms of proportional value to the economy were Finance & Insurance (29.4%), Property & Business Services (18.5%) and Government & Defence (16.6%). Finance & Insurance (+5.6 percentage points) and Government and Defence (+5.2 percentage points) have both grown significantly in terms of their proportional contribution to the City's GRP between 1996 and 2011. Conversely, Manufacturing (-2.7 percentage points) and Personal & Other Services (-2.3 percentage points) recorded the largest falls in their proportional contribution to the City's GRP over the same period.

	GRP $	as of % State GSP
2014	$18.25 bn	19.7%
2013	$18.1 bn	19.7%
2012	$17.3 bn	19.1%
2011	$16.5 bn	18.7%
2006	$13.5 bn	17.7%

Figure 10. City of Adelaide Gross Regional Product (GRP) 2006 - 2014.

Industry	1996	2001	2006	2011
Agriculture, Forestry & Fishing	0.1%	0.2%	0.1%	0.2%
Mining	1.9%	6.3%	5.7%	5.6%
Manufacturing	3.8%	3.9%	2.1%	1.1%
Utilities	2.6%	2.8%	3.0%	4.7%
Construction	1.4%	2.1%	2.1%	1.8%
Wholesale Trade	2.0%	1.8%	1.8%	2.1%
Retail Trade	5.0%	5.2%	4.0%	3.0%
Accommodation & Food Services	3.3%	3.7%	3.0%	3.0%
Transport & Storage	3.1%	2.9%	2.2%	2.2%
Communication Services	5.1%	6.7%	6.5%	8.9%
Finance & Insurance	23.8%	25.0%	23.8%	29.4%
Property & Business Services	19.7%	20.4%	15.1%	18.5%
Government and Defence	11.4%	13.3%	12.7%	16.6%
Education	7.6%	5.6%	4.8%	5.6%
Health & Community Services	9.3%	9.7%	8.1%	9.1%
Cultural & Recreational Services	2.8%	3.1%	2.5%	1.6%
Personal & Other Services	3.4%	3.0%	2.5%	1.1%

Figure 11. Gross Value Added by Industry (City of Adelaide, 1996 - 2011)

Business/Sector growth

Business decisions and global economic trends, and policy directions can all drive comparative growth by industry sector. As Figure 12 reflects, since 2006, the Accommodation and Food Services, Public Administration and Safety, and Health Care and Social Assistance industries have each shown increases in the number of employees: Financial and Insurance Services and Retail Trade have declined.

Sectors that rely heavily on human capital, as a means of production, are the emerging sources of jobs and growth in the City. Professional, Scientific & Technical Services and Information, Media and Telecommunications, in particular, have shown strong growth in employment in the past few years.

Recent growth in employment in these and other service sectors may be an indicator of what is to come and the focus on building the knowledge intensive industries in creating a sustainable City economy. South Australia's comparative advantages, epitomised in the City, can assist in transforming the City economy into one that is increasingly knowledge based. The comparative advantages include: a collaborative culture; a reputation for excellence in education; and considerable research capacity and leadership in addressing global issues.

Employment growth

The City has experienced steady employment growth over time, with some fluctuations reflecting broader economic conditions at the time. The number of people employed in the City by City based establishments increased by 4% from 118,050 people in 2011 to 122,700 in 2014[3]. Figure 13 reflects employment growth since 1967. The number of establishments increased from around 4,800 in 2011 to 5,055 in 2014, with growth occurring in the number of small (20 or fewer employees) and micro (five or fewer employees) establishments.

Employment growth is now evident in key knowledge intensive sectors with employment in the Information Media and Telecommunications sector increasing by 1,013 persons in the period 2011 to 2014, and employment in the Professional, Scientific and Technical Services sector increasing by 1,859 persons over the same period[4]. Growth in these and other service sectors is important to a sustainable City economy because they are based on human capital, and are otherwise less resource intensive.

Growth in the Professional, Scientific and Technical Services sector is expected to continue with the State Government's economic focus on building a Knowledge State[5] and unlocking the full potential of particular industry sectors. City based business and employment can contribute greatly to achieving the economic priorities of the State.

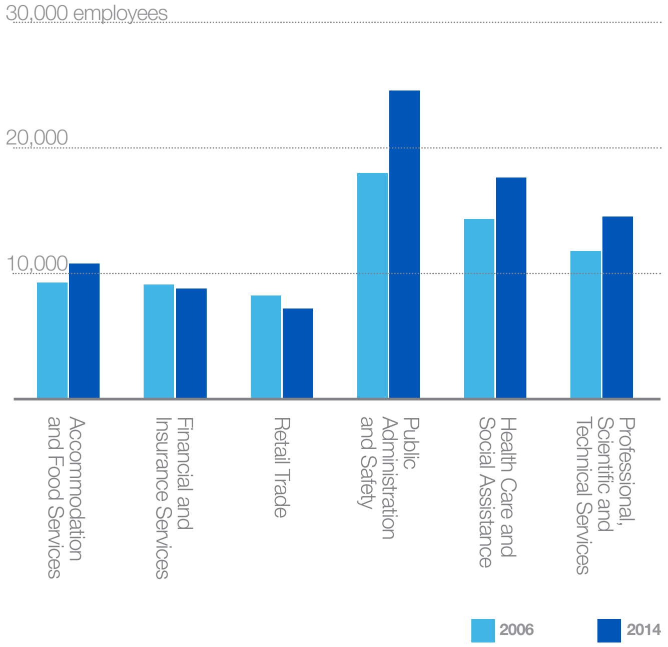

Figure 12. Employment growth by Industry (2006-2014)

	Employment
2014	122,700
2011	118,050
2008	118,490
2006	107,844
2005	105,509
2003	93,152
1997	89,276
1992	92,872
1987	96,713
1982	88,359
1977	87,537
1973	83,516
1967	80,241

Figure 13. Total employment (1967 - 2014)

Retail expenditure

Retail turnover is an indication of the broader health of the economy and consumer confidence. As Figure 14 shows, retail turnover in SA has fluctuated over time.

Consumer and business confidence

Business and consumer confidence is central to economic growth: business confidence fuels investment; consumer confidence fuels spending.

Following two successive rises, consumer confidence in South Australia fell by 16.2 points between February and May 2014 to its lowest point since BankSA's survey began in 1997[6]. At 98.4 points, consumer confidence was below the baseline of 100 points meaning that negative sentiment was greater than positive sentiment in the consumer population in South Australia, at the time of the survey.

Business confidence also fell in May, by 2.4 index points from 102.8 in February to 100.4. This is barely above the 100 index point baseline that indicates an equal balance between the proportion of small and medium enterprise (SME) owners and managers feeling positive or negative about business prospects and the economy. Business confidence has been low for much of the past 3 years.

Both consumer and business confidence showed a slight rebound in the September 2014 survey to 104.3 and 105.8 index points respectively[7], but both are still below pre-GFC (2007/08) and post-GFC (2009/10) levels.

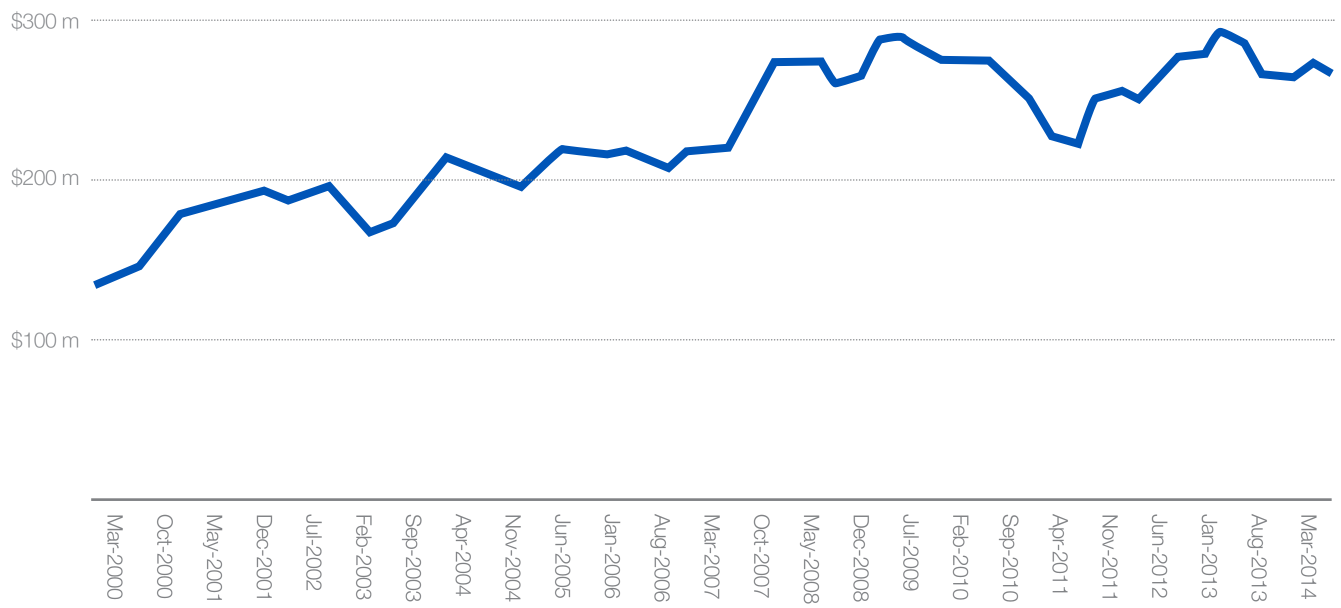

Figure 14. Retail turnover (rebased), South Australia, 2000 to 2014

Drivers of economic growth

Education and qualifications

Engagement in education and the levels of qualifications of residents are important to economic growth and represent the 'human capital' available to drive growth. Qualifications are one indicator of current human capital: participation in education is a positive signal for the future pool of available human capital.

Analysis of the share of the resident population attending educational institutions in the City of Adelaide in 2011 compared to Greater Adelaide shows that there was a lower proportion attending primary school, a lower proportion attending secondary school, and a higher proportion engaged in tertiary level education - See Figure 15. This is partly attributable to the number of international students living in the City. Overall, 2.0% of the population was attending primary school, 2.0% of the population was attending secondary institutions, and 27.2% were learning at a tertiary level (University or TAFE), compared with 8.4%, 5.7% and 7.3% respectively for Greater Adelaide. The low proportion of City residents engaged in primary and secondary education is a direct reflection of the age breakdown of City residents: the City has a high concentration of residents aged 20-34 years and a low proportion of residents aged 15 years and younger[8].

Future growth will be influenced by the extent to which the qualifications on offer match the skills required in a growing and changing economy. Human capital is the new driver of economic growth and businesses are now recognising that access to human capital is a key consideration when deciding where to locate or expand. While migration plays a key role in managing the supply of skilled workers, the local higher education and Vocational, Education and Training (VET) sectors have a pivotal role in skills and workforce development. In particular, through offering courses where students acquire the skills needed to meet the increasingly complex needs of industry[9] and the challenges of rapidly changing workplaces.

Labour force

The local labour force is the people who live locally and have the potential to work locally, whether or not they are currently employed and regardless of where they work now. The local labour force is an important resource for the City economy and an indicator of the skills that are available here. In 2011 the local labour force comprised 9,095 people[10]. 5,600 people or 61.6% of the City's labour force have a tertiary qualification. This compares to the broader South Australian population where 31.5% of people in the labour force have a tertiary qualification[11].

Workers are very mobile and the City attracts workers from further afield. In 2011, more than 95% of the City's workforce lived outside the City of Adelaide[12]. On the other hand, 54.7% of City residents who were employed lived and worked in the City of Adelaide[13].

Compared to South Australia, and reflecting the age profile of the City, the City has a higher proportion of people aged 15-24 years in the labour force - see Figure 16. Building the economy in such a way as to retain that labour force may be important to sustained City growth.

People with disability, many of whom have capacity to participate in the labour force, are underrepresented in the labour force and this represents an untapped resource for future economic growth. Across Australia people with disability are 27% less likely than people without disability to be in the labour force[14]. There is a policy focus on encouraging people with disability into work, including through the National Disability Insurance Scheme (NDIS) that may be used to support employment services and specialist transition to work programs that prepare people for jobs[15].

Growing the employment prospects of any people who would like to work, or to work more, enhances the City's growth potential[16].

International education

The City continues to reap much of the benefit of international education to the South Australian economy. As the State's top service export earner, international education contributed $972 million dollars to the SA economy in 2013 - 2014[17]. This is a strong recovery and return to growth from the $851 million recorded in 2012.

Education will continue to be an area of growth in the short to medium term and has recently been confirmed as an economic priority for the State. Continuing to provide quality student accommodation and educational institutions in the City will ensure that a high proportion of international student spend occurs in the City.

The State Government's priorities to create a knowledge state include boosting the current number of international students studying at South Australia's universities by 20% over the next three years. This is important to the future labour force as there is a propensity for international students to take up skilled migrant visas post-graduation.

Festivals and events

Investment in the physical and cultural dimensions of City growth, from major projects and event spaces to the general public realm, are also tangible assets for economic growth. It is expected that a significant proportion of the economic benefit of major events that take place in the City is realised in the City.

An example of the economic benefit of major events to the City and South Australia is the Adelaide Fringe Festival. Economic expenditure within South Australia associated with the Fringe has increased from an estimated $24 million in 2004 to $66.3 million in 2014[18]. See Figure 17.

The 34% increase in economic benefit from 2012 to 2013 is partly attributable to the extension of the length of the Adelaide Fringe Festival from three weeks to four weeks.

Events activity creates jobs, boosts local business, attracts visitors, helps retain people within the State, and increases Adelaide's national and international reputation. People travel from around Australia and internationally to participate in the event as audience and artists. Festivals Adelaide estimates that Adelaide's ten major arts festivals[19] saw 54,300 people visit South Australia in 2013/14, generating a total of 280,700 visitor nights and the creation of 740 full time equivalent jobs[20].

Besides the tremendous economic impact of events, festivals make a key contribution to the State's agendas of vibrancy, social inclusion and wellbeing, contributing to the cultural growth of the City. From a cultural perspective, festivals and events help to forge a unique identity for the City and South Australia that can be a catalyst for repeat visitation, and for relocation or return to the State.

27% v 7%
% of residents attending
tertiary institutions (TAFE / Uni)

4.5% v 15.4%
% of residents attending
Pre/ Primary / Secondary School

Figure 15. City v Metro educational attendance

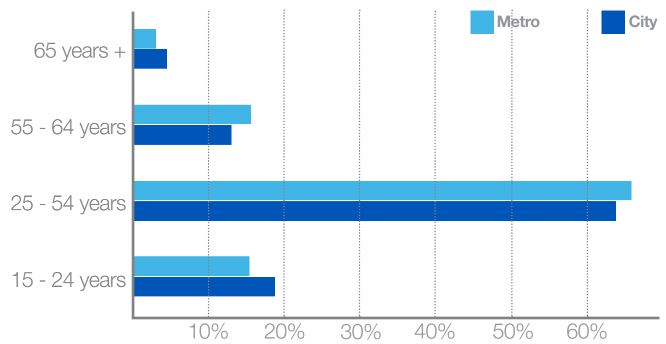

Figure 16. City v Metro labour force (by age)

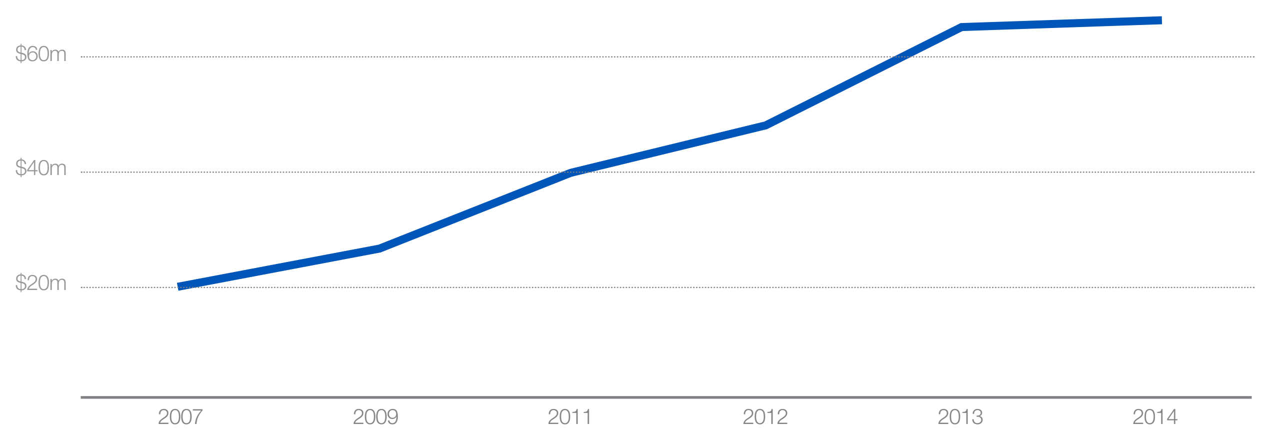

Figure 17. Economic impact of the Adelaide Fringe Festival

CHAPTER THREE | ECONOMIC DIMENSION

Business tourism

People visiting Adelaide for the purpose of participation in conferences is a significant generator of economic activity for the City and State.

The Adelaide Convention Bureau[21] tracks the annual economic impact of conference activity to South Australia. Figures released in early 2015 for 2012-2014 show an economic impact value of the conference events held in each year increasing from $191m in 2012 to $210m in 2014. The number of jobs created has been put at 1,852 and 2,037 respectively.

The $350m redevelopment of the Adelaide Convention Centre will enhance the options for securing additional and larger events. In years gone by Adelaide has not been able to compete for some events due to venue capacity.

Competitiveness

KPMG's biennial Competitive Alternatives report compares business costs and other competitiveness factors in more than 100 cities in 10 countries. The major business cost components considered in the report are: salaries and wages; benefits; facility costs; utilities and taxes. A number of non-cost factors are also considered. Adelaide was the most cost competitive city of the Australian cities surveyed in the baseline year of 2004 and in four of the five subsequent years. In 2014, Adelaide was ranked third overall in the Asia-pacific region[22], but first for digital services and second for corporate services, within the services sector[23].

The City's competitiveness is a strong influencer of economic growth and is strengthened by a culturally rich and diverse community. For more on the City's cultural diversity, see Chapter 5.

Future economic performance is influenced by the social, cultural, physical and environmental dimensions of City growth as well as by the availability of skilled labour and the creative application of new ideas and technologies: people using their ideas and energy to drive economic growth.

Net overseas migration (NOM)

Much of South Australia's annual population growth is due to net overseas migration (NOM). NOM to South Australia increased rapidly in the period 2005/06 to 2008/09 before falling back to below 2005/06 level in 2010/11 - See Figure 18. Since then annual NOM to South Australia has hovered above the 11,000 person mark. South Australia currently settles comparatively high proportions of both skilled and humanitarian visa holders[24]. This may be partly due to a Visa system that gives extra points against the Department of Immigration and Border Protection's points test to applicants who are willing to live and work in South Australia and who have the skills and experience required by the State

In 2010, net overseas migration remained the main component of population growth in SA despite declining for the second consecutive year in line with the national trend. Preliminary NOM estimates for 2010 added over 11,700 persons to SA's population, representing 7% of national NOM and 76% of the state's total population growth (15,500 persons) for the year. Among the states and territories, SA had the largest proportional population growth from NOM in 2010[25].

Between January 2013 and June 2014, a total of 6,993 skilled migrants arrived in South Australia, mainly from India (1938 people) and the People's Republic of China (1696 people)[26].

In 2013/14, 2226 skilled migrants and 130 new business migrants were nominated by the State Government to relocate to South Australia, an increase from 1766 and 37 respectively in 2012 - 2013[27]. The nomination of migrants for settlement in SA allows particular skills gaps to be filled to facilitate growth and development of the State.

Refugee-humanitarian entrants are a significant component of net overseas migration to SA and they too contribute significantly to economic growth. While a humanitarian entrant may require longer to establish themselves economically, studies have shown that refugee-humanitarian settlers show greater propensity than other migrants to be entrepreneurial and to start their own business[28].

While net overseas migration is an important factor in building and sustaining the South Australian and City economy, policy settings and prevailing economic conditions will affect the propensity for migration and its influence on growth into the future.

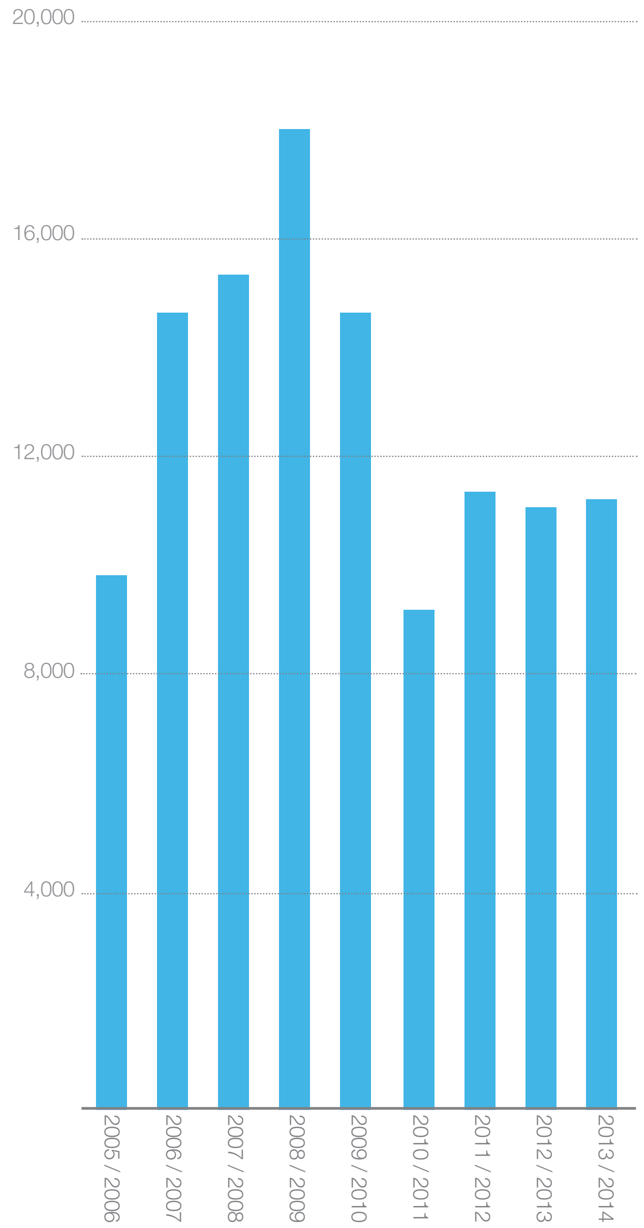

Figure 18. Net Overseas Migration (NOM) South Australia

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CHAPTER FOUR
ENVIRONMENTAL DIMENSION

Overview

The City's environment contributes to the richness of the experience of particular places and the overall quality of life in the City. Maintaining and enhancing the natural landscape is part of growing the City sustainably and attractively, which is advantageous to the social, cultural and economic dimensions of growth.

Cities have unique environmental impacts and challenges that intensify as they grow.

As our City grows, how we generate and use energy, protect biodiversity and natural landscapes, conserve water, and manage waste becomes increasingly important. Climate change will cause a complex mix of changes to the environment that will test the resilience of natural and built systems.

Climate change is predicted to have significant impacts on the growth of cities including in relation to the economy, public health, urban design and infrastructure.

Sustainable growth assists household economic resilience through its intersection with the provision of infrastructure to support cycling and walking: non-motorised transport opportunities means households are better able to respond to unexpected financial burdens such as fuel price increases, vehicle failures or income losses.

Resource usage

The social and physical growth of the City (more people and more buildings) will necessitate an increase in resource use. City growth with the environment in mind, will aim to reduce resource use relative to total growth.

Energy use and generation

Transport and buildings are the main contributors to carbon emissions with many commercial buildings and residential dwellings dependent on electricity as the primary fuel source.

The commercial sector represents the largest electricity consumer in the City. In 2012/13, commercial electricity use made up 92% of the total, with the residential sector consuming 7% and the industrial sector 1%.

Total residential electricity consumption in the City increased by 22% between 2004/05 and 2009/10 then fell each year to 2012/13 (which is still 9% higher than in 2004/05). See Figure 19.

The reduction between 2009/10 and 2012/13 is consistent with residential electricity consumption patterns in the state over this period. The reduction is associated with household solar installations, consumer responses to electricity price rises and increased energy efficiency initiatives. As the City continues to grow, total energy consumption can be expected to increase.

Transport accounts for 40% of the City's carbon emissions, while commercial buildings account for 42%. Carbon emissions in these buildings are primarily generated from heating and cooling systems, ventilation and lighting. The increasing proportion of green office space may drive a reduction in carbon emissions from commercial buildings, although this will occur in an overall environment of increasing commercial floorspace.

The amount of office space in the City is expected to increase from 1,300,000 square metres in 2010 to 2,050,000 square metres by 2040[1]. **In the past ten years City office floor space has increased by 25% while the energy consumed by commercial properties[2] has increased by 7%.** This reflects the focus on developing energy efficient buildings.

The City has among the highest proportion of green star rated office space (office space rated 4 stars or more) in Australia. **In 2012-13, 25% of all office space in the City (339,218 square metres) was rated as 'green' office space.** This is only surpassed by Melbourne CBD, which recorded 28%.

While increasing the proportion of green office space further may drive a reduction in carbon emissions from each commercial building, this will occur in an overall environment of increasing commercial floorspace.

A number of commercial and public buildings have large photovoltaic installations, reducing demand on the electricity grid. Less reliance on grid electricity reduces the level of carbon emissions and promotes more sustainable growth for the City. Advances in renewal energy storage technologies may further reduce reliance on grid electricity over time.

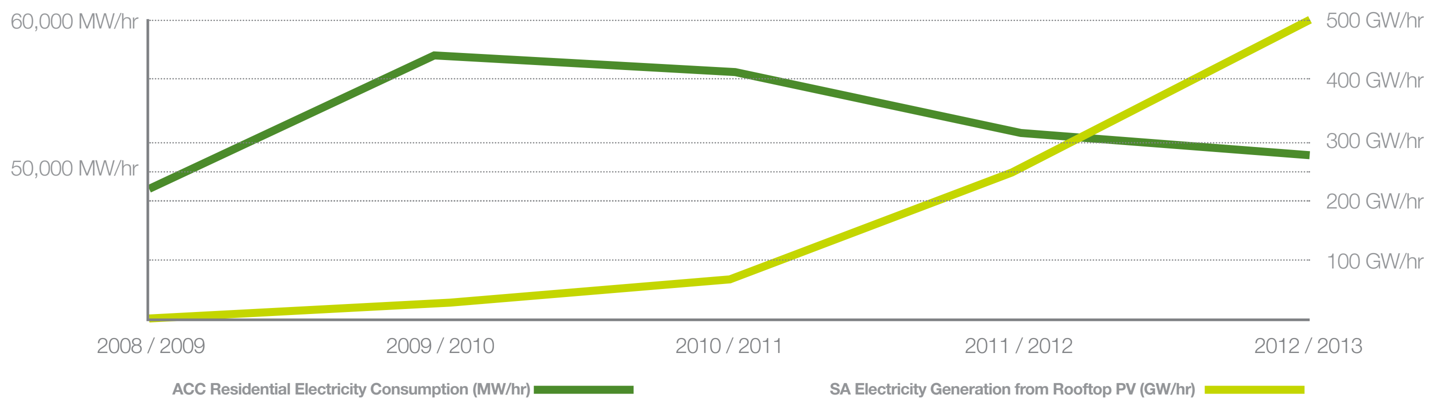


Figure 19. ACC Residential Electricity Consumption and SA Electricity Generation from PV

CHAPTER FOUR | ENVIRONMENTAL DIMENSION

Water conservation

Future water demand and use will be affected by population and building growth in the City and by climate change.

Greater Adelaide has a vulnerable water supply with pressure intensifying due to population growth. Climate change is bringing longer, hotter summers and decreasing rainfall, placing further pressure on Adelaide's water supply and impacting on the future development, use, liveability and growth of the City.

The City recorded total water consumption of 5,461,390 KL in 2013-14. This is down 11.4% (or 831,000 KL) since 2008/09. While the Park Lands draw much of its water (around 630ML per year) from the Glenelg Adelaide Pipeline (GAP) which brings recycled water to the City, Adelaide's dependence on the River Murray for the majority of its water supply accentuates our vulnerability to supply pressures compared to other Australian cities.

The Government of South Australia's construction of a desalination plant and expansion of recycled water schemes will contribute to securing water for the City. The Government of South Australia's Water for Good Strategy has targets for increased stormwater and wastewater recycling, and water conservation measures. A clear and well-resourced plan for water security that includes alternative sources and minimisation of use can help to ensure that City growth is not impeded by an uncertain water supply

Waste generation and recovery

City growth will result in increased waste generation and associated collection and disposal costs. The City has done well to maintain a high level of recycling relative to overall waste. See Figure 20.

Waste generation and disposal impacts on the physical dimension of City growth in relation to:

» the design of buildings to include integrated waste disposal systems

» the design of the public realm to accommodate waste disposal vehicle access and egress

» the City aesthetic due to the presence of bins on street

» the accessibility of City streets, especially for those with disability or mobility issues.

Food security

Food security means being able to grow enough food, or buy enough food, to meet the daily needs of the people of the City for an active, healthy life.

Growing cities are vulnerable to a number of global factors including peak oil, economic crises and climate change. Each of those factors can affect the timely and sufficient supply of food. Natural disasters have highlighted the fragility of food supply lines, and events such as floods are expected to have even greater impacts on food supply lines as the climate changes[3].

Greater Adelaide has already lost valuable agricultural land to housing and urban development. With creative approaches to the use of space in the City, urban agriculture (comprising food production, processing, distribution and sale) may have the potential to play a greater role in ensuring the food security of the City as part of adapting to climate change.

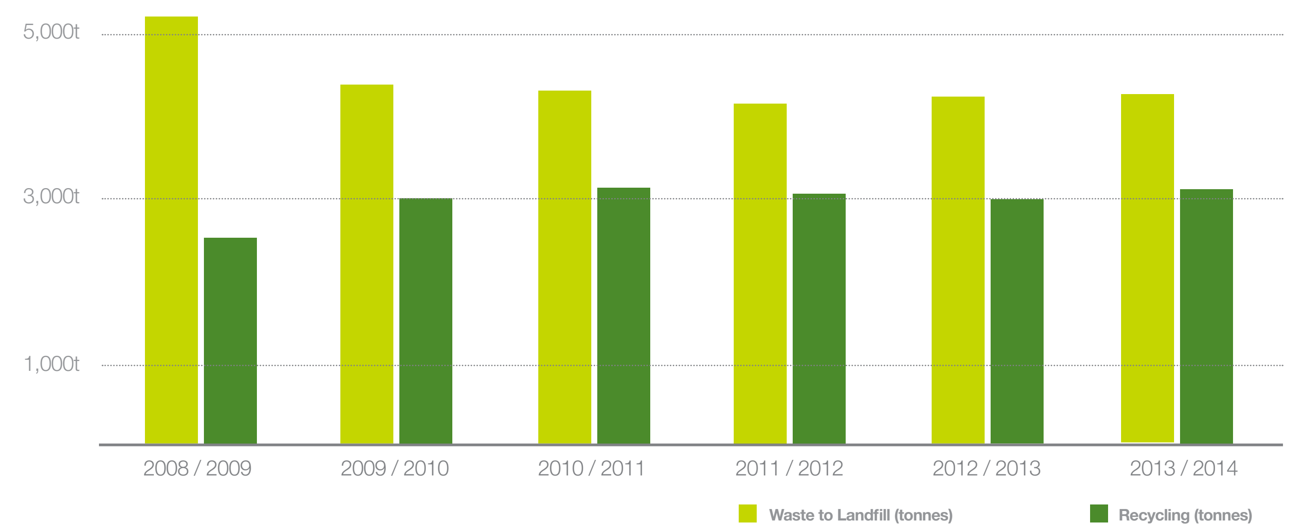


Figure 20. City of Adelaide Waste to landfill and recycling (tonnes)

Drivers of growth

Climate change

A level of climate change has been confirmed. The challenge now for the City is to genuinely adapt to climate change as part of future City growth. Delay in taking action to adapt to climate change has concealed the cost for future years. Now that major change is required, it will cost more to address the impacts and adapt to climate change. Adelaide is under resourced to deal with the scale of likely change and this could affect the capacity for the City to grow.

On the other hand, there could be severe longer-term growth impacts in failing to make the investment in adaptation. As part of City growth there is a responsibility for climate change mitigation and adaptation.

Urban heat island effect

The urban heat island effect is associated with the amount of hard, heat absorbent surfaces typical of cities. Climate change and global temperature rise means we can expect an exacerbation of the urban heat island effect as the average number of days over 35°C increases. The comfort and liveability of the City may be compromised by climate change in a number of ways, including increased risk to people during extreme weather events: temperatures can be as much as 8°C hotter in the built up areas of the City than the surrounding Park Lands.

Climate change and the urban heat island effect impacts on the physical dimension of City growth in relation to:

- the design of residential and commercial buildings
- urban design features that 'cool' the City
- civic infrastructure and places in the City where people can seek shelter from extreme weather.

In relation to the economic dimension of City growth, excessive heat translates to lower economic activity and productivity related to fewer patrons (lost revenue), increased operating costs and decreased staff reliability and comfort. For example, the City of Melbourne estimates that businesses in their City experienced a $37 million decline in revenue during a four-day heatwave in January 2014[4]. Also in relation to the economic dimension of City growth, heat islands can increase the demand for summertime cooling and raise energy expenditures.

Climate change may also lead to increasing demand for cleantech[5] goods and services; demand that could contribute to shaping economic growth in the City in the direction of sustainable growth.

Green roofs and walls and additional plantings at ground level all serve to 'cool' the City. Greening the City also improves amenity, shade cover and the sustainability of a more populous city and is one way of improving the attractiveness and comfort of walking and cycling infrastructure.

Natural landscapes

Covering some 760 hectares, the Adelaide Park Lands cover approximately 50% of the Adelaide City Council area.

The City has a unique surface area profile with 46.5% of its land area given over to hard surfaces, 21.6% to tree or shrub cover and 31.9% to grassed areas or bare ground[6]. In the CBD and North Adelaide the amount of green space and tree cover is much lower, with average tree canopy cover of around 12% of total public space[7]. See Figure 21.

Alongside their 'cooling' effect, the Park Lands are significant in other ways. Some of the best examples of native vegetation left on the Adelaide plains are found in a small number of patches of remnant native vegetation in the Park Lands.

Increasing the proportion of tree canopy cover, increasing diversity within the "urban forest", and improving vegetation health will assist the City to adapt to climate change. It also improves the amenity of the City, reduces air pollution, energy consumption and greenhouse gas emissions, and enhances biodiversity. This has positive impacts on the overall appeal of the City as a place to live, work and visit, which is good for promoting social, cultural and economic growth.

In relation to economic growth, greening the City can reduce hard infrastructure construction, maintenance and renewal costs, reduce energy consumption and costs and increase property values.

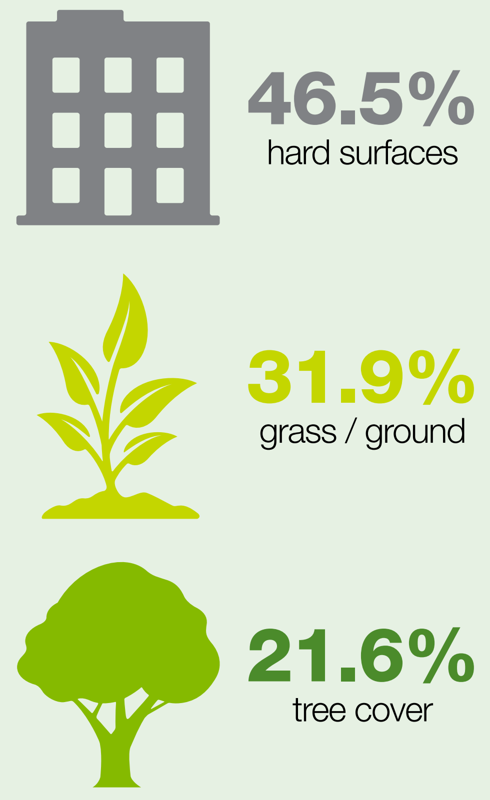
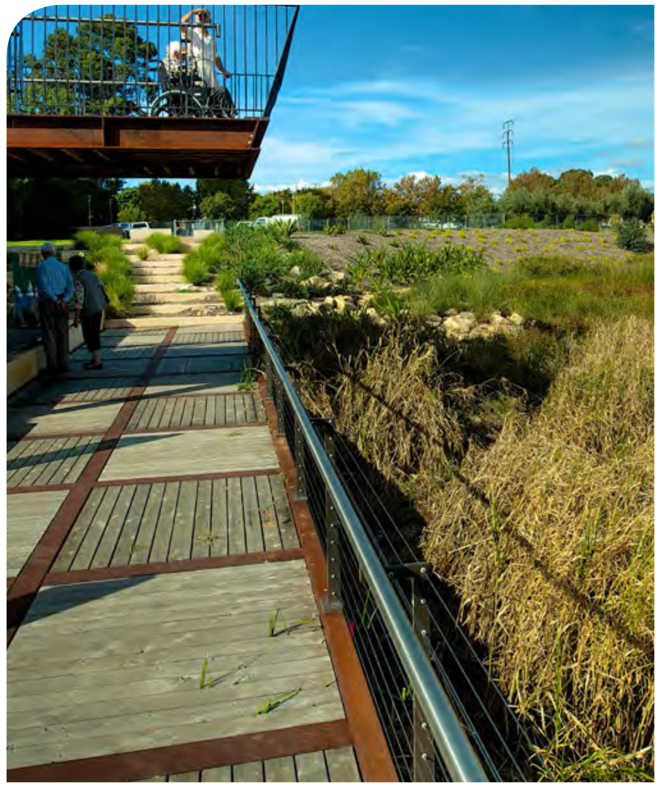


Figure 21. City's land surfaces area profile



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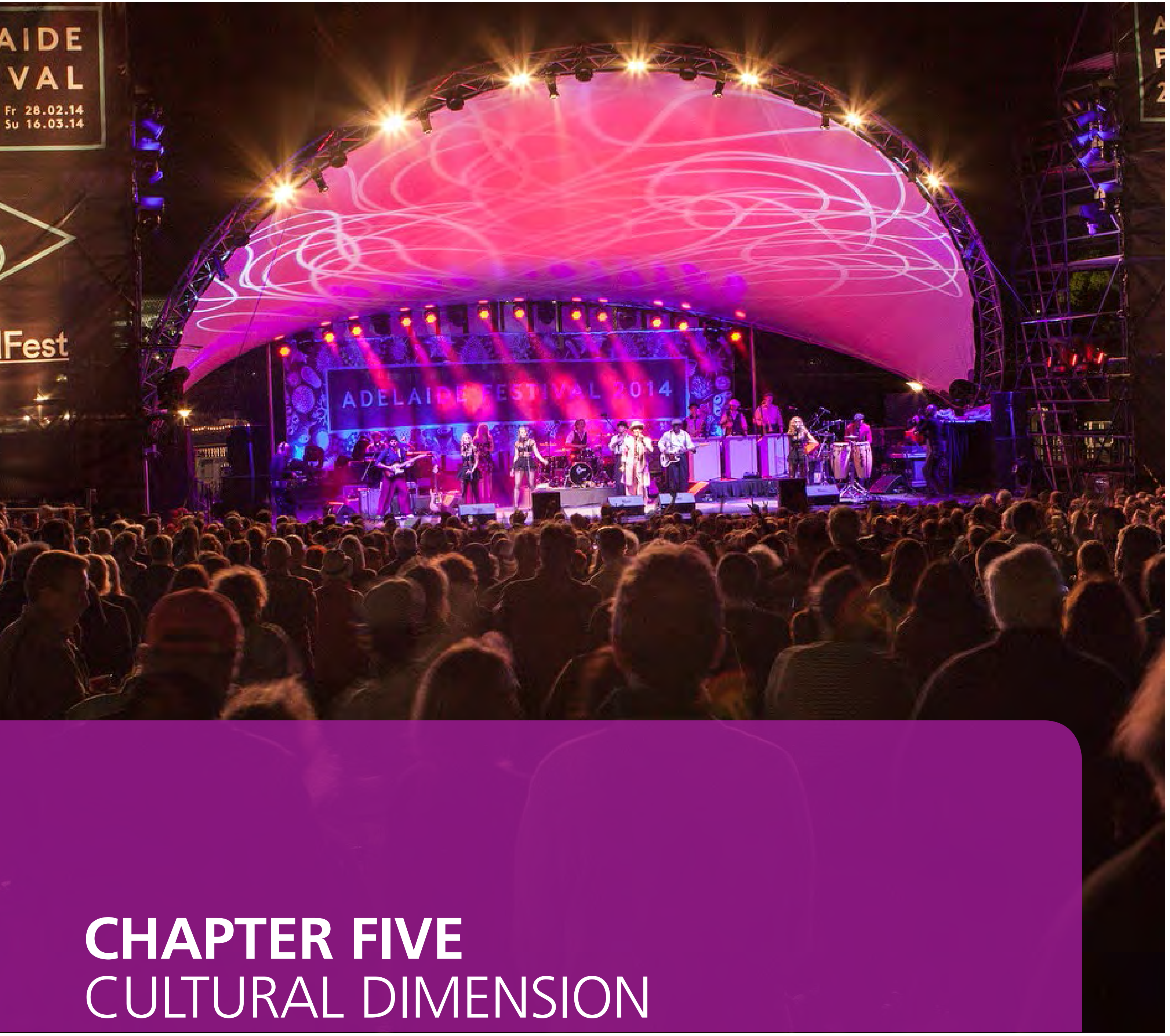
4. See City of Melbourne http://www.melbourne.vic.gov.au/Sustainability/AdaptingClimateChange/Pages/Heatwaves.aspx and http://www.melbourne.vic.gov.au/Sustainability/AdaptingClimateChange/Documents/Economic_Impacts_Heat_Wave_Businesses_2014.PDF
5. “Cleantech” refers to technologies, products, services and processes that harness renewal materials and energy sources, dramatically reduce the use of natural resources and cut or eliminate emissions and wastes. http://www.auscleantech.com.au/
6. ACC Data
7. ACC Data



CHAPTER FIVE
CULTURAL DIMENSION

Overview

The cultural dimension of City growth is concerned with how the City operates, is perceived and meets the cultural needs and expectations of users. The cultural dimension of growth refers to both cultural diversity and to the cultural expression of who we are. What are the cultural drivers of growth?

The cosmopolitan mix of activities, attractions, institutions and many services not found in the suburban environment ensures that a diverse range of people will be in the City at any one time. This creates vibrancy and helps determine the culture of the City.

Major infrastructure developments, part of the physical growth of the City, are supporting events and activities and use of the City by a wide range of people.

The culturally diverse make-up of the City's resident population has implications for everything from features of the public realm to the City retail offer and prospects for investment: connecting cultural growth to the City's physical and economic growth.

Cultural landscape

Cultural diversity in the City

The City of Adelaide has a very diverse resident population and this is reflected in the cultural life of the City with many celebrations of cultural diversity taking place in the City each year.

In 2011, 32% of the resident population came from countries where English was not their first language and 8,019 people who were living in the City of Adelaide in 2011 were born overseas. 56% of those born overseas arrived in Australia in the five years to 2011.

International education has been the driver of this change with a very large increase of people from China in the period 2006-2011, reflecting the increasing participation by students from China in education in Adelaide.

The top countries of birth for residents in the City of Adelaide are shown in Figure 22.

Cultural growth affects economic growth in a number of ways:

» the establishment of retail premises that cater for the needs and demands of culturally diverse populations

» it paves the way for the greater take-up by international students of the education offer of Adelaide, through word of mouth

» it creates a connection to Adelaide which may lead to investment in the future; and

» a population with skill in languages other than English and cultural knowledge is central to creating connections in some export markets and building trading relationships.

Cultural diversity affects social growth and the provision of social and community infrastructure in that it has implications for the types of social services, community activities and events that are preferred and delivered in the City. As an example, more than a quarter of South Australians aged 65+ were born in a non-English speaking nation. The needs and preferences of culturally and linguistically diverse populations as they age and the associated implications are beginning to emerge. This has significant implications for the design and delivery of culturally appropriate services.

2011

Top 10 countries of birthplace comprised of 5,458 new migrants.
Those born in China (excl. Hong Kong) were the largest pool of migrants, at 1,654, having increased by 275% from 2006.

1. China *(2006 no. 3)*
2. United Kingdom *(2006 no. 1)*
3. Malaysia *(2006 no. 2)*

4. India *(2006 no. 4)*
5. South Korea *(2006 no. 5)*
6. Hong Kong *(2006 no. 8)*

7. Singapore *(2006 no. 7)*
8. New Zealand *(2006 no. 6)*
9. USA *(2006 no. 11)*
10. Saudi Arabia *(2006 no. 40)*

NOTE: Germany was ranked no.9 in 2006 and dropped to no. 12 in 2011 and Italy was ranked no.10 in 2006 and dropped to no.13

2006

Top 10 countries of birthplace comprised of 3,870 new migrants.
Those born in the United Kingdom were the largest pool of migrants, at 1,007, having increased by 110% from 2001.

1. United Kingdom *(2001 no. 1)*
2. Malaysia *(2001 no. 2)*
3. China *(2001 no. 7)*

4. India *(2001 no. 9)*
5. South Korea *(2001 no. 13)*
6. New Zealand *(2001 no. 3)*

7. Singapore *(2001 no. 4)*
8. Hong Kong *(2001 no. 10)*
9. Germany *(2001 no. 5)*
10. Italy *(2001 no. 8)*

Figure 22. City of Adelaide, 2006 & 2011 migration country of origin

Cultural offerings

The City's cultural offer is diverse. As the Capital City, Adelaide hosts the major cultural institutions – State Library, Art Gallery, Museum – and other key destinations such as the Festival Centre, Casino and Convention Centre. This general cultural infrastructure influences and is influenced by the range of events and attractions on offer in the City throughout the year.

The City's cultural offer is closely linked to the physical element of City growth through quality infrastructure that supports events, activities and the City retail experience. In particular:

» the recently completed Adelaide Oval and the ongoing transformation of the Riverbank Precinct, including through extensions to the Adelaide Convention Centre are providing new and enhanced City experiences

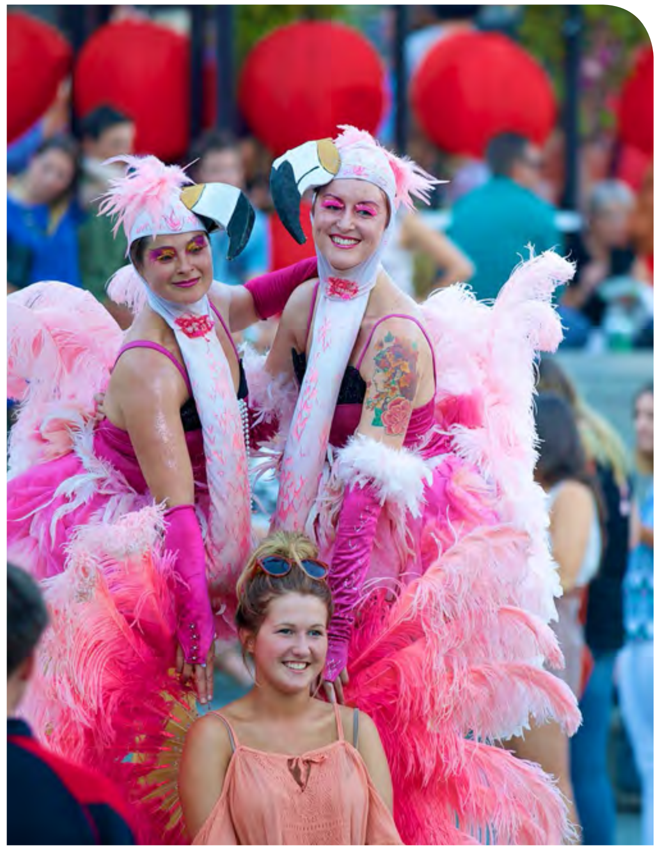
» the redevelopment of public spaces such as Victoria Square/ Tarntanyangga and Victoria Park/ Pakapakanthi offer new recreation and leisure opportunities including as places for cultural experiences and events

» the upgrade of Rundle Mall is reinforcing the unique retail, tourist and leisure offer of this diverse shopping precinct.

The City's cultural diversity influences the cultural offerings of the City. These are often events, large and small, that are centred on celebrating the heritage and lifestyle of the many cultural groups in the City and the State.

The enhancement of public places supports the social and economic elements of City growth as increasing City amenity fosters demand to live, establish businesses, work in and visit the City.

The redevelopment of Adelaide Oval, the Riverbank area, and Victoria Square/Tarntanyangga has boosted City user numbers and vibrancy. Football at the Adelaide Oval in 2014 has created a new cultural dimension to the City especially through the winter months, with 40,000 to 50,000 people attending games each week[1]. Many take the opportunity to stay overnight in the City or to participate in other City offerings such as shopping, cafes, pubs and clubs[2]. This provides a regular boost to the City economy.



Park Lands

The Adelaide Park Lands provide a rich diversity of spaces that support events, sports and informal recreation, contributing to the cultural activity and life of the City.

Visits to the Park Lands in 2012/13 have been estimated at 8.9 million[3]. Around 60% of these visits are relatively evenly split between informal uses, organised sport and school use, and attendance at events. Use of the Park Lands is expected to increase as the population of the City and Greater Adelaide grows. **Council's regular City User Profile Survey shows that a high proportion of City visitors visit the Park Lands at least once per year[4]. The proportion has increased from 43% in 2007 to 61% in 2013 .** This is indicative of the broad appeal of the Park Lands as part of the City's cultural landscape.

The stories collected from City users as part of Picture Adelaide 2040, tell us about the value of the Park Lands to those who use them. The stories highlighted the simple beauty of the Park Lands as tranquil places to escape and relax, and as places for trees and birdlife to flourish. The Park Lands are highly valued as places for gatherings of family and friends, for quiet contemplation, and for other informal recreation uses such as exercising and bike riding. The opportunity for each of these activities enhances the cultural landscape of the City and its offer to potential residents, business owners and other City users.

Drivers of growth

Leisure and entertainment visitation

The number of people visiting the City for leisure and entertainment is an important component of City growth as much of the expenditure on those activities relates directly to the City.

City visitors have become quite polarised, with a growing proportion claiming that they never visit the City for leisure or recreation and an increasing proportion saying that they do so at least weekly[5].

Continuing to maintain and expand a broad range of events in the City – from the major events, to smaller community events and facilities will assist the cultural dimension of City growth. Matching the events and activities offer to the age profile of City residents and users may ensure greater growth. A more even distribution of events throughout the year and the timing of activities to encourage greater City usage in the evening would provide a boost for the City's economic growth .

The leisure and entertainment aspect of cultural growth intersects with the physical dimension of City growth in relation to noise and residential development. While there are currently both design and incentive measures to manage this relationship, there is potential for conflict to impact cultural growth.

Festivals growth

There is evidence that the significant economic value of arts festivals is well understood, including by people who do not attend festival events[6]. There is potential for festivals and events to lead tourism development to the City and State. It is also a sustainable source of growth in that every dollar of support for festivals expended by government is returned fourfold in benefit to the economy[7]. Much of this benefit may flow to the City. The timing of events, in terms of spreading them across the course of the year remains a challenge for keeping the events momentum high in the City.

Liveability

Liveability is an influencing factor on all dimensions of City growth because it contributes to a City's reputation as a place to live, work, study, visit or invest.

There are a number of liveability indexes that are widely referenced by cities, including Adelaide, when extolling the virtues of a City. Adelaide's[8] fortunes are variable as are the factors assessed by the different indexes.

For example, Adelaide consistently ranks fifth on the Economist Intelligence Unit's (EIU) Global Cities Liveability Index. That index considers factors such as the widespread availability of goods and services, low personal risk, and an effective infrastructure. It does not include the cost of living as a factor in 'liveability'. Australian and Canadian cities dominate the EIU's list.

On the other hand, the Mercer Quality of Living Survey is primarily to inform multi-national companies of where to open offices and factories and how much to pay employees. It compares 220 cities based on 39 criteria including safety, education, hygiene, healthcare, culture, environment, recreation, political-economic stability and public transportation. European cities dominate the Mercer list: Adelaide ranked 37th in the 2012 survey[9].

The lifestyle magazine Monocle publishes an annual list of liveable cities. Important criteria in Monocle's approach are safety/crime, international connectivity, climate/sunshine, quality of architecture, public transportation, tolerance, environmental issues and access to nature, urban design, business conditions, pro-active policy developments and medical care. Adelaide does not appear in the published list of the top 25.

Since 2010, the Property Council of Australia has undertaken an annual survey of residents of Australia's 10 major cities[10]. Respondents are asked to what extent they agree their city performs well against each of 17 attributes that make a city liveable and then to rate the importance of each attribute to them. The resulting liveability index is a function of both the importance that residents place on particular attributes and the performance of their city against each of them. In the first three years, Adelaide was ranked first. Canberra took over the mantle in 2013.

Liveability and attachment to place go hand in hand and could be a driver of cultural growth in some areas of the City. A survey of residents of the City of Adelaide in 2014 revealed that the 'social offerings' of the City, which include cultural offerings such as vibrant nightlife, community events and arts and cultural opportunities, are the top driver of attachment to the place[11].

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   For more on the economic benefits of events and festivals see Chapter 3 – Economic Dimension of Growth
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7. Festivals Adelaide data for 2012/13 http://www.festivalsadelaide.com.au/wp-content/uploads/2015/01/FAD_Infographic.pdf
8. Note that liveability indexes relate to the entire metropolitan area (Greater Adelaide).
9. See http://www.internationalhradviser.co.uk/storage/downloads/2012%20Quality%20Of%20Living%20Worldwide%20City%20Rankings%20Survey.pdf
10. Property Council of Australia My City: The People's Verdict http://www.propertyoz.com.au/library/My_City_2014.pdf see page 7 for the liveability factors that are considered in the survey
11. I Heart Adelaide Survey results.

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