City of Holdfast Bay Draft Business Plan 2026-27
A submission from Martin Small, Glenelg

The draft business plan for 2026-27 sits in the shadow of a bungled project which doubled the Council's debt and is constraining community decision-making and investment into the foreseeable future.

The Council is now mortgaged to the hilt, has maxed out its credit cards, and has no scope to absorb the inflationary shock of someone else's war and three consecutive interest rate rises. The hand goes out to ratepayers instead.

Having reviewed the last decade of annual reports, the overriding impression is of a magic pudding where additional rates generate additional expenditure. There is no indication that the Council has reviewed its cost structures first.

In fact, the plan begins its description of the rate setting process like this "Each year, we work out how much money Council needs to operate …" Many ratepayers – whether residents or businesses, property owners or lessees – would love to work out how much they need before thinking about how much they have.

I have three main comments.

1. The plan does not address how the significant **loss of trust** between the Council and the Community will be turned around.

- Trust in government is plummeting generally. There are many reasons for this, but the decision making within CHB in relation to Jetty Road Glenelg is a good illustration of why communities are so frustrated. At a time of heightened financial pressure, the default position is that ratepayers will simply carry the can, including those represented by the 5049 Coastal Community Association which made clear at the beginning that southern residents see no benefits for them in the project.
- The draft business plan does not recognise the frustration in the community in any way, and does little to explain why rates need to increase beyond the rate of inflation. The submission from the Holdfast Bay Residents Alliance is right to ask for a much better explanation of what is going to happen to rates in the future, and how this relates to debt servicing in particular.
- Better decision-making processes are needed on substantial issues. I was concerned to witness three Councillors recently vote against the Economic Development Plan because they felt 1) there was insufficient engagement with business and 2) there were longstanding items they considered had not been properly addressed. There seemed no reason to simply disregard these views. How are things being run and done in Council?
- The plan needs to address how the Council will re-build trust within the community. One way of doing this is to support improved decision-making processes, such as convening a Citizens Assembly to provide much better input to decision making on substantial issues.

2. The plan is deaf to the **cost of living** pressures facing residents, many on fixed incomes, who are being expected to service the doubling of Council debt.

- CHB is not an homogenous community of wealth – 43.1% of the CHB population were in the two lowest individual income quartiles at the 2021 census, up from 41.7% at the previous census.[1] There are many residents who are on fixed incomes and/or facing multiple extreme financial pressures including the most recent inflationary oil shock associated with war.

[1] CHB profile from the Adelaide Primary Health Network https://profile.id.com.au/aphn/about?WebID=140

- On one of the most basic issues – housing – 30% of the CHB population were reported in 2016 as living under mortgage or rental stress[2] and three consecutive RBA hikes are returning interest rates to historic highs. The most recent research indicates that more than half of all South Australian households still paying off their home are in mortgage stress and two thirds of all renting households are in rental stress.[3]
- In this environment, it is simply not acceptable for Council to sail along without showing how it is delivering better value for money and effectively controlling costs. Where is the part of the business plan which describes how Council has gone through its own accounts, has plans in place for controlling costs into the future, is re-prioritising existing expenditures, and is generating efficiency dividends to the community?
- I note the detailed requests for greater financial transparency from the Holdfast Bay Residents Alliance. Everyone accepts that prices are increasing, and recognises that Councils provide critical services, and wants to live in a strong community. Everyone also has a right to an explanation from public agencies about the value they provide.
- The case for the proposed rate rises in the current environment is not made.

3. The plan holds **investment in community** hostage to additional rates rises, penny pinching $20,000 here and $30,000 there without any demonstrable cost savings or process for prioritisation.

- It is not clear how these projects have been prioritised against other projects, whether of a new/renewal or capital/operating nature, either within this business plan or the welter of asset management plans (for example). This is particularly important given the proposed continuation of historically high levels of asset renewal expenditure.
- There is no reasonable argument against any of the projects, but without any prioritisation it's hard to say why these have been put out front. I'm sceptical. Others who are cynical may say they are the projects most likely to generate support for another incremental rate rise.
- The Brighton Road trees project needs to be considered in terms of the Council's recent Movement and Transport Plan which places high priority on partnering with the State government on this vital community asset. Brighton Road cries out for some master-planning activity, combining traffic, placemaking, liveability and land-use, not simply removing some trees and planting more.
- The Jetty Road Glenelg bungle, for which the State government says they never received an investment proposal, highlights the need for a genuine partnership approach, with Council backing in local businesses and residents alike. If there are some high-risk trees which need to be taken down now, OK. But Council resources would be far better applied to a master-planning process for Brighton Road and/or the first tranche of Council investment on transforming Brighton Road from the hot, congested, noisy, and dangerous environment that it currently is into a place where business thrives and the community lives.
- It is difficult to understand why additional rates revenue is required for the Council to find $20,000 next financial year out of a proposed budget of $64,150,000 on a trial Verge Improvement Program. Is this a joke? Is the Council so impoverished or so dysfunctional that it cannot make a decision about re-prioritising this amount of money from existing budgets for something which it deems important enough to call a major project?
- And is there no design component within the $4,430,000 transport asset renewal budget for the very modest $30,000 required to plan a tranche of child safety improvements next year? If not, I suggest design is added as a line item in the 2026/27 budget, as it is essential in this field.

I make this submission in response to what I sense as significant frustration within the community. I assume the best intentions of those who have prepared the plan. But something has to give. Change is required to rebuild trust between the Council and the community, and to help remind us why we want to live in this most blessed part of Australia.

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[2] CHB Population Health Profile https://atlasesaustralia.au/LGASA/Profiles/Holdfast_Bay.pdf

[3] https://www.realestate.com.au/news/shocking-mortgage-stress-data-exposes-sas-housing-crisis/