

Draft Adelaide Park Lands Leasing and Licensing Policy

Tuesday, 2 June 2026
City Community Services and Culture Committee

Strategic Alignment - Our Community

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Public

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EXECUTIVE SUMMARY

The purpose of this report is to seek Council's approval to undertake public consultation on an update to the Adelaide Park Lands Leasing and Licensing Policy (Draft Policy).

The Draft Policy outlines Council's approach to managing lease and licence agreements on Community Land under its care and control within the Adelaide Park Lands for the benefit of the community.

The current Policy was adopted in 2016. Since then, Council Administration has engaged with Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) and Council Members on multiple occasions, including public consultation on a draft in 2022. Subsequent workshops were held with Council Members, the most recent on 5 May 2026.

Much of the deliberation surrounding the Policy has focused on community buildings, leading to the development and adoption of a new, separate Adelaide Park Lands Community Buildings (Sport and Recreation) Policy in 2024.

The Draft Policy attached to this report is the culmination of feedback received to date, along with industry benchmarking and best practices.

The following four guiding principles set the framework for the Draft Policy:

- **Strategic Alignment:** Lease and licence arrangements will support Council's strategic objectives and deliver positive community outcomes.
- **Sustainability and Stewardship:** Leases and licences will support the long-term sustainability and responsible stewardship of Park Lands assets.
- **Inclusive and Equitable Access:** The Park Lands are a shared community asset and will remain welcoming and accessible to a diverse range of users.
- **Good Governance:** Leases and licences will be managed in a transparent, consistent and accountable manner.

It is recommended that public consultation on the Draft Policy be undertaken before Kadaltilla and Council consider it for adoption.

This matter was considered by Kadaltilla on 27 May 2026.

RECOMMENDATION

The following recommendation will be presented to Council on 9 June 2026 for consideration

THAT THE CITY COMMUNITY SERVICES AND CULTURE COMMITTEE RECOMMENDS TO COUNCIL THAT COUNCIL

1. Approves the Draft Adelaide Park Lands Leasing and Licensing Policy, as contained in Attachment A to Item 7.2 on the Agenda for the meeting of the City Community Services and Culture Committee held on 2 June 2026, for the purpose of public consultation.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Community The Draft Adelaide Park Lands Leasing and Licensing Policy (Draft Policy) aligns with the City of Adelaide 2024-2028 Strategic Plan, in particular, 'enable community-led services which increase wellbeing, social connections and participation in active lifestyles, leisure, recreation and sport'.
Policy	If adopted, the Draft Policy will supersede the 2016 Adelaide Park Lands Leasing and Licensing Policy.
Consultation	Public consultation on the Draft Policy is proposed for a three-week period between June and July 2026.
Resource	Public consultation on the Draft Policy will be undertaken utilising existing resources.
Risk / Legal / Legislative	The Draft Policy aligns with relevant legislation and notes that the <i>Retail and Commercial Leases Act 1995</i> (SA) does not apply to the Adelaide Park Lands.
Opportunities	The Draft Policy identifies opportunities for external organisations to act as Park Lands stewards, contributing to environmental initiatives and fostering community connections in return for being granted rights to Park Lands assets.
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Once adopted, the Policy will be reviewed every four years.
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	The Draft Policy proposes a range of lease and licence fees and maintenance responsibilities in return for granting external organisations the right to occupy areas within the Adelaide Park Lands.

DISCUSSION

Context

1. The updated Draft Adelaide Park Lands Leasing and Licensing Policy (Draft Policy) (Attachment A) outlines the City of Adelaide's (CoA) approach to managing lease and licence agreements on Community Land under its care and control within the Adelaide Park Lands for the benefit of the community.
2. Council currently manages over 60 Park Lands agreements that are for a term of more than 12 months. These are held by:
 - 2.1. Community organisations (eg sport and recreation clubs and associations) – 25 agreements
 - 2.2. Educational institutions (eg schools and universities) – 17 agreements
 - 2.3. Commercial businesses (eg kiosks and restaurants) – 14 agreements
 - 2.4. Government agencies (eg SAPOL and Bureau of Meteorology) – 6 agreements
3. Most of these agreements are for five years, though some are granted for up to 42 years due to significant capital investment.
4. In 2024/25, Council received approximately \$988,000 through lease and licence fees. Nearly two-thirds (\$629,000) was paid by commercial businesses.

Background

5. The current Policy was adopted in 2016 ([Link 1](#)). Since then, Council Administration has engaged with the Kadaltilla / Adelaide Park Lands Authority (Kadaltilla) and Council Members on iterations of an updated Policy, leading to public consultation on a draft Policy in 2022.
6. Subsequent Policy workshops were held with Kadaltilla and Council Members. Much of the deliberation surrounding the Policy focused on community buildings and their declining condition and functionality. This led to the development and adoption of an Adelaide Park Lands Community Buildings (Sport and Recreation) Policy in 2024.
7. In August 2025 and October 2025, a set of draft policy guiding principles were workshopped with Kadaltilla and Council.
8. The most recent [Park Lands Leasing and Licensing Policy Workshop](#) was held with Council Members on 5 May 2026, focusing on lease and licence fees. Feedback from Council Members included:
 - 8.1. Differentiate between organisations that have the capacity to pay, with higher fees applied to well-resourced entities such as universities, non-government educational institutions and organisations with significant annual revenue.
 - 8.2. Ensure affordability for government schools.
 - 8.3. Support for incentivising community stewardship, particularly in relation to subletting and broader community use of leased and licensed assets.
 - 8.4. Allow respondents to identify any organisational affiliations or memberships during public consultation on the Draft Policy.

Local and State Government – Best Practice

9. A 2020 review by the Office for Recreation, Sport and Racing and the Local Government Association (SA) provided a Guide for Leasing and Licensing Sport and Community Facilities with best practice advice provided, including:
 - 9.1. Expression of Interest (EOI) is the best method for selecting a new lessee for vacant facilities.
 - 9.2. Five years is a common lease or licence period, with longer leases linked to capital investment by the lessee.
 - 9.3. Incorporate renewal options to break up the terms of longer agreements.
 - 9.4. Provide training and support to lessees to enhance their capability and viability.
 - 9.5. Inspections/reviews should occur at least annually, with maintenance responsibilities clearly defined.
 - 9.6. Rental income can contribute to sinking funds and reinvestment into community facilities.
 - 9.7. Typical council services include facility maintenance, management support, club development support, grant assistance, and capital funding.

Benchmarking

10. Administration undertook benchmarking of lease and licence fees across the local government sector. Key findings included:
 - 10.1. Market valuations are common practice in determining commercial fees.
 - 10.2. CoA is unique in applying a flat square metre rate for lease fees.
 - 10.3. Most councils base lease fees on asset values, and nearly all heavily discount these fees.
 - 10.4. While councils apply different approaches to setting licence fees, CoA's fees are generally comparable. However, taking into consideration that Park Lands lessees and licensees are responsible for all aspects of facility maintenance, CoA's fees are higher in comparison.
 - 10.5. It is common practice for licence fees to be higher where access is controlled by the licensee.

Draft Policy

11. The Draft Policy (**Attachment A**) incorporates many of these findings, while recognising the community value of the Adelaide Park Lands. This includes, where applicable, feedback received through public consultation on the proposed 2022 update to the 2016 Policy.
 - 11.1. The proposed update differs significantly making a 'tracked changes' version difficult to read for the purposes of public consultation.
12. The following four guiding principles set the framework for the updated Policy:
 - 12.1. Strategic Alignment: Lease and licence arrangements will support Council's strategic objectives and deliver positive community outcomes.
 - 12.2. Sustainability and Stewardship: Leases and licences will support the long-term sustainability and responsible stewardship of Park Lands assets.
 - 12.3. Inclusive and Equitable Access: The Park Lands are a shared community asset and will remain welcoming and accessible to a diverse range of users.
 - 12.4. Good Governance: Leases and licences will be managed in a transparent, consistent and accountable manner.

Permitted Use

13. Lessees and licensees will require approval before undertaking activities that are inconsistent with their permitted use. Non-commercial leased and licenced facilities may only be used for community development activities that are open and accessible to the public. Requests to host community events will be considered on a case-by-case basis.

Tenure

14. Standard lease terms of five years are proposed, enabling agreement conditions and responsibilities to remain relevant.
15. Longer terms of ten to 21 years will be considered where a significant capital contribution is proposed by the lessee. Renewal rights will be incorporated into these agreements to enable periodic reviews of conditions and performance. This approach provides Council with an appropriate level of control to monitor outcomes, manage risks and ensure the desired community benefits are being realised.

Community Use

16. Subletting and casual hiring remain important mechanisms for increasing utilisation of Park Lands assets. Council Administration will work with non-commercial lessees/licensees to ensure processes are in place to facilitate broader community use.
17. Non-commercial lessees and licensees will require approval via a decision of Council before entering into a subletting agreement with a commercial organisation.

Governance

18. There will be an obligation on non-commercial lessees and licensees to submit annual reports detailing matters, such as subletting arrangements and casual hirers, along with their annual income and expenditure.

Park Lands Stewards

19. Community Organisations and Educational Institutions will be incentivised through lease and licence fee rebates to partner with Council in delivering measurable community benefits, such as tree planting, clean-up

activities, opening facilities as safe refuges and implementing practices that promote diverse and affordable access and participation.

20. Rebates of up to 50% will be determined by Council (Administration) and applied retrospectively in the following year, based on the previous year's fees. To qualify for the maximum rebate, lessees and licensees must demonstrate delivery of multiple measurable community benefit actions.

Selection of a Lessee/Licensee

21. An EOI will remain common practice for the selection of a new lessee. The Draft Policy describes circumstances in which Council may deal directly with a lessee without issuing an EOI. This will improve transparency and increase efficiency by delivering more timely outcomes and clearer decision-making processes.

Responsibilities

22. Maintenance responsibilities will remain with lessees, with expectations clearly documented, while Council will take responsibility for key structural elements of buildings that are Council-owned.
23. Lessees will be required to minimise waste sent to landfill and enter into all-renewable electricity contracts.
24. Council will provide capacity-building and volunteer recognition opportunities and conduct an annual leasing and licensing forum to improve the capability and compliance of lessees and licensees.

Fees

25. Commercial lease fees will continue to be based on market rent valuations, with periodic reviews. This approach is consistent across the local government sector.
26. It is proposed that Council categorise non-commercial lessees and licensees as per the table below, with revenue thresholds informed by the Australian Charities and Not-for-profits Commission:

Category A	Category B	Category C
Not-for-profit clubs, associations and community groups with a total annual revenue of less than \$500,000.	Not-for-profit clubs, associations and community groups with a total annual revenue of \$500,000 to \$3 million. All government schools (primary and secondary) and government agencies.	Not-for-profit clubs, associations and community groups with a total annual revenue of more than \$3 million. All universities, non-government schools (primary and secondary), and associated alumni organisations.

27. Fees will be based on building floor area (lease fees) and playing field/court area (licence fees) and reviewed annually as part of the adoption of Council's Fees and Charges schedule.
28. Subject to the timing of adopting the Draft Policy, 2026/27 lease and licence fees will be updated as per the table below (inclusive of GST):

Lessee/Licensee Category	Lease Fee – Rate per square metre (+indexing)	Licence Fee – Rate per hectare (+indexing)
Category A	\$11.40	\$842.50
Category B	\$17.10	\$1,685.00
Category C	\$22.80	\$2,527.50

29. Where a community building is redeveloped entirely at the lessee's cost, resulting in a new asset owned by the lessee, a ground lease will be granted. Lease fees will be applied at the prescribed rate per square metre.
30. Where Council contributes to the redevelopment of a community building, the lease fee will be determined through negotiation and will be no less than the prescribed rate for a building of equivalent floor area, taking into account:
 - 30.1. the value of the redeveloped community building (independently determined)
 - 30.2. the lessee's financial contribution to the redevelopment

30.3. the lessee's capacity to pay

31. The negotiated lease fee will be approved by Council.

Kadaltilla / Adelaide Park Lands Authority

32. This matter was considered by the Kadaltilla / Adelaide Park Lands Authority on 27 May 2026, and a verbal update will be provided in presenting this report.

Next Steps

- 33. Subject to Council approval, public consultation on the Draft Policy will be undertaken for three weeks commencing Friday, 12 June 2026 and concluding Thursday, 2 July 2026, to enable engagement with stakeholders and the broader community and to assess the level of community support for the Draft Policy.
- 34. Council Administration aims to present the public consultation findings to Kadaltilla and Council in late July 2026 and early August, respectively.
- 35. In the interim, Park Lands occupancy agreements will continue to be informed by the current Policy.

DATA AND SUPPORTING INFORMATION

Link 1 – 2016 Adelaide Park Lands Leasing and Licensing Policy

ATTACHMENTS

Attachment A – Draft Adelaide Park Lands Leasing and Licensing Policy

- END OF REPORT -