

# Councillor Cabada - MoN - City Activation Permit Fee Reform to Support Business, Outdoor Dining and Street Vibrancy

Tuesday, 9 June 2026  
Council

**Council Member**  
Councillor Alfredo Cabada

Public

**Contact Officer:**  
Jo Podoliak, Director City  
Community

## MOTION ON NOTICE

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

'That Council:

1. Notes that outdoor dining contributes to city vibrancy, street-level activation, passive surveillance, hospitality trade, visitor experience and the overall liveability of the City of Adelaide.
2. Notes that hospitality businesses continue to face significant cost pressures, including rent, wages, utilities, insurance, input costs, compliance obligations and changing consumer spending patterns.
3. Notes that Council has a strategic role in supporting small businesses, encouraging city activation, reducing unnecessary barriers to trade, and strengthening Adelaide's position as a vibrant capital city.
4. Requests the administration to remove the outdoor dining fees from the City of Adelaide 2026/27 Business Plan and Budget and 2026/27 Fees and Charges Schedule on that basis.
5. Requests that Administration identify appropriate budget adjustments, operational efficiencies, reprioritisation opportunities or other measures within the 2026/27 Business Plan and Budget to address the financial impact of setting outdoor dining permit fees at nil.'

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## ADMINISTRATION COMMENT

1. The Strategic Plan 2024-2028 includes a strategic outcome in relation to Our Corporation: Financial Sustainability – focus on budget repair to ensure responsible financial management through the principle of intergenerational equity while delivering quality services. The comments below are framed in the context of this strategic focus.

### Outdoor Dining Context

2. Council's Strategic Plan acknowledges the importance of promoting economic activity and creating vibrancy. It also acknowledges public space must be activated in a safe and accessible way for our community.
3. The Outdoor Dining Guidelines set the foundation for Council's approach to balancing these competing priorities in facilitating outdoor dining.
4. There are 518 active outdoor dining permits generating approximately \$600k per annum.

### Outdoor Dining Fees and Revenue

5. On 27 January 2026 Council requested a report and workshop regarding Outdoor Dining, using similar wording to this Motion on Notice, [link 1](#).
6. A workshop regarding Outdoor Dining Opportunities was held at the 17 March 2026 City Finance and Governance Committee, [link 2](#).

7. On 28 April 2026 Council resolved to approve the following changes to the 2026/27 outdoor dining fees as part of the draft 2026/27 Annual Business Plan and Budget ([link 3](#)):
  - 7.1. Removal of the 'Transfer of Permit' fee, currently \$131.50 per permit.
  - 7.2. Offering the first 12 months as fee-free for outdoor dining in new locations, or locations that have not had outdoor dining in place for more than 12 months.
  - 7.3. Offering the first 12 months as fee-free to all businesses with fixed furniture including screens, that transition to moveable furniture, consistent with the outdoor dining transition policy.
8. Furthermore, on 28 April 2026, Council resolved to ([link 4](#)):
  - 8.1. Adopt the schedule of fees and charges set by Council for the 2026/27 Business Plan and Budget as included in Attachment A to Item 5.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 28 April 2026, inclusive of the discounted fee rate for businesses located in lower pedestrian areas.
9. The 28 April 2026 resolutions reduced the anticipated 2026/27 outdoor dining permit fee revenue by \$29k.
10. Following the 28 April 2026 resolutions, Administration has commenced communicating outdoor dining fees and incentives to the community ([link 5](#)).
11. The outdoor dining fee model is underpinned by the principle that fees are charged for the commercial use of public land. This includes outdoor dining in addition to city works, mobile food vending, events and retail stands.
12. The fee for an average sized outdoor dining area in 2025/26 using removable furniture was \$21 per week.
13. Council spends approximately \$180k per annum to administer outdoor dining permits, which is still required if fees are waived.

#### Funding options

14. Waiving outdoor dining fees will reduce Council's revenue by approximately \$600k per annum, which has not been contemplated in the draft 2026/27 Business Plan and Budget.
15. Through the process of development of the draft 2026/27 Business Plan and Budget for public consultation, Council and Administration have identified savings, opportunities for reprioritisation, internal efficiencies, and deferral of lower-priority expenditure. These have already been incorporated into the current draft which has been provided to the community for consultation. Further substantive changes are not feasible, without corresponding changes to services (which Council has not identified or agreed upon), or delivering a smaller operating surplus (with the risk to financial sustainability this presents).
16. The remaining option to fund the proposed reduction in revenue without negatively impacting the operating result, is through a 0.4% increase in rates – from 5.6% proposed in the draft 2026/27 Business Plan and Budget provided to the public for consultation, to 6.0%.
17. Noting the financial sustainability consequences of a reduced operating surplus and an anticipated lack of appetite for further increases to rates, it is suggested that the proposed waiving of outdoor dining fees is not currently feasible or appropriate.

Should the motion be carried, the following implications of this motion should be considered. Note any costs provided are estimates only – no quotes or prices have been obtained:	
Public consultation	Consultation on the draft 2026/27 Business Plan and Budget has now closed, and it did not reflect waiving outdoor dining fees.
External consultant advice	Not applicable
Legal advice / litigation (eg contract breach)	Not applicable
Impacts on existing projects	It is not currently known which projects or services may be reduced or cut to fund the \$600k budget impact.
Budget reallocation	This will reduce the expected 2026/27 revenue by \$600k. The reduction can be offset through a 0.4% increase in rates – from 5.6% proposed in the draft 2026/27 Business Plan and Budget consultation, to 6.0%.
Capital investment	Not applicable

Staff time in preparing the workshop / report requested in the motion	Not applicable
Other	Not applicable
Staff time in receiving and preparing this administration comment	To prepare this administration comment in response to the motion on notice took approximately 4.5 hours.

- END OF REPORT -