

9.2. Regional Development Australia - New Lease Request

C259/08/25

Moved Cr Lou Nicholson seconded Cr Craig Maidment

Cr Sue Miller declared a material conflict of interest in the matter under consideration due to her employment and her employer being a party to Regional Development Australia, and her employer may derive a benefit or loss subject to Councils decision. Cr Miller advised that she will leave the Chamber and not participate in the debate or vote on this matter. Cr Miller left the Chamber at 7.29 pm.

That Council:

- 1. Receive and note the contents of the Report titled Regional Development Australia - New Lease Request.**
- 2. Receive the proposal from Regional Development Australia Adelaide Hills Fleurieu and Kangaroo Island Inc. for a new ten (5 + 5) year lease for ongoing occupation of the Strathalbyn Headmasters Cottage as provided at Attachment 1 contained in this meeting agenda.**
- 3. Proceed to Community Engagement in accordance with Community Engagement Plan as provided at Attachment 2 contained in this meeting agenda, on a proposed ten (5+5) year lease with Regional Development Australia, Adelaide Hills Fleurieu and Kangaroo Island Inc. for ongoing use of the Headmasters Cottage located at Crown Record Volume 5754 Folio 633 Strathalbyn, in accordance the below essential terms:**
 - **Ten (5 + 5) year commercial building lease**
 - **Commencement date of 1 November 2025.**
 - **Expiry date of 31 October 2035.**
 - **Commencement lease fee to be determined by Independent Valuation with annual review by CPI.**
 - **Commencement lease fee on five (5) year renewal term to be determined by Independent Valuation with annual review by CPI.**
 - **Lease area as identified within this Report.**
 - **That all services, insurances, outgoings and maintenance responsibilities are at the cost of the Lessee, with Council responsible for replacement of infrastructure at end of useful life.**
- 4. Note that a further report following community engagement, inclusive of all submissions received, will be presented to a future meeting of Council.**

CARRIED UNANIMOUSLY

Cr Sue Miller returned to the Chamber at 7.30 pm.

9.2. Regional Development Australia - New Lease Request

Decision Report

Responsible Officer: Tash Hunt (General Manager Corporate)

Report Author: Lisa Hoyle (Manager Property and Procurement Services)

Previous Decisions: June 2022 - ACM221563, August 2019 - ACM19262, September 2016 - ACM16329, November 2013 - ACM13398

Report Purpose

To consider a proposal from Regional Development Australia Adelaide Hills Fleurieu and Kangaroo Island Inc. for a new ten (5+5) year lease for ongoing use of the Old Headmasters Cottage located at 1 Colman Terrace, Strathalbyn (behind the Strathalbyn Council Office and Library).

Recommendation

That Council:

- 1. Receive and note the contents of the Report titled Regional Development Australia - New Lease Request.**
- 2. Receive the proposal from Regional Development Australia Adelaide Hills Fleurieu and Kangaroo Island Inc. for a new ten (5 + 5) year lease for ongoing occupation of the Strathalbyn Headmasters Cottage as provided at Attachment 1 contained in this meeting agenda.**
- 3. Proceed to Community Engagement in accordance with Community Engagement Plan at Attachment 2 on a proposed ten (5+5) year lease with Regional Development Australia, Adelaide Hills Fleurieu and Kangaroo Island Inc. for ongoing use of the Headmasters Cottage located at Crown Record Volume 5754 Folio 633 Strathalbyn, in accordance the below essential terms:**
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 - **Lease area as identified within this Report.**
 - **That all services, insurances, outgoings and maintenance responsibilities are at the cost of the Lessee, with Council responsible for replacement of infrastructure at end of useful life.**
- 4. Note that a further report following community engagement, inclusive of all submissions received, will be presented to a future meeting of Council.**

Background

The Strathalbyn Old Headmasters Cottage (Cottage) is a local heritage place located on land owned by the Department for Environment and Water (DEW) and placed under the care and control of Council for 'District Council' purposes. The Cottage is located behind the Strathalbyn Council Office at 1 Colman Terrace Strathalbyn.

For context, the location of the building the subject of this report is identified in red below:



The lease area comprises of the footprint of the building only, as outlined in red below.



Regional Development Australia (RDA) have held occupancy in this building since 2013 via consecutive three (3) year lease agreements. The current agreement commenced in November 2022 and expires in October 2025.

- At the 18 November 2013 Council meeting, consent was granted to a three (3) year lease agreement (ACM13398).
- At the 5 September 2016 Council meeting, consent was granted to a three (3) year lease agreement (ACM16329).
- At the 19 August 2019 Council meeting, consent was granted to a three (3) year lease agreement (ACM19262)
- At the 20 June 2022 Council Meeting, consent was granted to a three (3) year lease agreement (ACM221563)

RDA have not breached any terms of their previous leases, continue to pay a commercial lease fee and continue to maintain and operate from the Premises with respect to its heritage character, while supporting the growth and development of the local economy.

Discussion

Acknowledging the pending expiry of their current three (3) year lease on 31 October 2025, RDA have lodged a proposal with Council as provided at **Attachment 1** contained in this meeting agenda, requesting Council consideration to a further lease of the Premises. Having operated under three (3) year lease agreements only since 2013, RDA are now seeking a longer lease term of ten years, commencing 1 November 2025 following expiry of their current three (3) year lease.

There are very few commercial Council tenancies in Strathalbyn, with the majority of Council buildings leased to community groups. There is merit in continuing to generate a substantial commercial return from this facility. The Cottage is unusual in its restrictions and limitations on tenancy uses, based on a dedication of 'District Council purposes' combined with its concealed location behind the Strathalbyn Council Office. Use of the Premises by RDA was deemed complimentary to the dedication purpose for the land and approved by the Department for Environment and Water in March 2014.

With a commitment to developing and growing the region's economy and liveability, the RDA continues to engage by:

- Consulting and engaging with the community on economic, social and environmental issues, competitive advantages, solutions and priorities.
- Exploring and promoting economic and employment growth, including contributing to business development, trade, funding access and investment attraction.
- Being a first point of contact for government agencies providing advice on local issues, competitive advantages, solutions and priorities; and
- Promoting government policies, programs, services, grants and initiatives to the regional community.

The Cottage is Community Land, categorised as 'Community Facilities' which are defined as places that encourage, promote and provide activities that meet the current and future needs of the local community and the wider public. The intention of these facilities is to enhance the quality of life within the community. The purpose of these facilities is to provide community spaces that service and benefit ratepayers, residents and visitors and the objectives are to provide locations and facilities that meet the needs of not-for-profit and community organisations, or other entities that require occupancy of land or buildings for activities that result in community benefit.

The proposed ongoing use of the Cottage by RDA is consistent with the [Community Land Management Plan](#) however as the term of the lease is proposed at greater than five (5) years, community engagement is required. The *Community Engagement Plan* is provided at **Attachment 2** as contained in this meeting agenda.

Following the close of the community engagement Council will receive a further report with a summary of the consultation outcomes.

Financial Implications

In accordance with the Alexandrina Council's Adopted Budget / Long Term Financial Plan, the financial implications of adopting this recommendation are considered low. When the initial lease was prepared in 2013, the lease fee was agreed between the parties to be applied as a commercial entity, with the initial lease fee on the 1 November 2013 set at \$24,600 (ex GST) with annual review by CPI.

- The rent for the 3-year lease commencing 1 November 2016 and expiring 31 October 2019 was applied at \$25,400 (ex GST) with annual review by CPI.
- The rent for the 3-year lease commencing 1 November 2019 and expiring 31 October 2022 was applied by Independent Market Rental Valuation. The rent was \$30,500 ex GST.

- The rent for the 3-year lease commencing 1 November 2022 and expiring 31 October 2025 was recommended to be applied by Independent Market Valuation but was amended in the Chambers and endorsed to be applied *'in accordance with the existing agreement'*. The commencement rent was therefore \$33,054 (ex GST)
- The current rent for 2025/26 is \$36,208.56 (ex GST).

It is proposed that the commencement rent from 1 November 2025, and the renewal rent commencing 1 November 2030, be obtained and applied automatically by Independent Valuation consistent with Council's [Lease and Licence Policy](#). As this is a new lease, the cost of the initial and renewal valuations would be a Council cost, with RDA responsible for any further secondary valuation cost should they lodge an objection to Council's assessment.

The cost to Council in obtaining an Independent Market Valuation each time is estimated at \$3,500 (ex GST).

Risk Implications

In accordance with Alexandrina Council's Risk Assessment Matrix, the risk of adopting this recommendation is considered low as all statutory requirements have been met. The provision of a longer-term 10-year lease for the RDA is consistent with the [Lease and Licence Policy](#), which provides a maximum lease term of 10 years for new commercial operators and a maximum lease term of 20 years for commercial operators that have successfully held previous tenure agreements with Alexandrina Council.

Attachments

Attachment 1 - Regional Development Australia ten-year lease proposal

Attachment 2 - Regional Development Australia Community Engagement Plan

Attachment 1 - RDA Proposal



An Australian Government Initiative



ADELAIDE HILLS, FLEURIEU AND KANGAROO ISLAND

Alexandrina Council
Attn: Lisa Hoyle
Manager Property & Procurement Services
PO Box 21
Goolwa SA 5214

30 June 2025

Dear Lisa,

Re: Proposal for Lease Renewal - Old Headmasters Cottage, Strathalbyn

Thank you for your notification letter dated 11th April 2025 regarding the expiry of our lease of the Old Headmasters Cottage at Strathalbyn which is due to expire on 31 October 2025.

We formally request consideration of renewal of the lease for a further five years, with a right of renewal for an additional 5 year term (i.e. 5+5).

Overview and background of the RDA;

Regional Development Australia (RDA) committees are non-profit, community-based organisations that build partnerships between governments, regional development organisations, local businesses, community groups and key regional stakeholders to provide strategic and targeted responses to economic, environmental, and social issues affecting the regions of Australia.

Our committee of local people with diverse skills and broad networks, is committed to developing and growing the region's economy and liveability by:

- Consulting and engaging with the community on economic, social, and environmental issues, competitive advantages, solutions, and priorities
- Exploring and promoting economic and employment growth including contributing to business development, trade, funding access and investment attraction
- Being a first point of contact for government agencies, providing advice on local issues, competitive advantages, solutions, and priorities
- Promoting government policies, programs, services, grants, and initiatives to the regional community.

South Australian RDA's are funded by all three levels of government. RDA Adelaide Hills, Fleurieu and Kangaroo Island (RDA AHFKI) has a high-calibre board with a cross-section of public and private sector skills

PO Box 1171, Strathalbyn SA 5255
Phone: (08) 8536 9200 | Email: info@rdahc.com.au



Adelaide Hills Council | Alexandrina Council | City of Victor Harbor | District Council of Yankalilla | Kangaroo Island Council | Mount Barker District Council

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and experience from right across the region. Our organisation has 5-8 staff depending on project-loads and funding.

Please refer to the below links to our Regional Strategy and Annual Report.

Relationship with Alexandrina Council

RDA AHFKI has a close and long relationship with Alexandrina Council (AC). Along with the other councils in the region, AC has been a long-time financial supporter of RDA AHFKI, and we have leased the Old Headmaster Cottage for many years. Strathalbyn is a logical location for the RDA AHFKI office, being geographically central in the region.

Achievements and Regional Economic Benefits

RDA AHFKI has a vision for an economically prosperous region and our mission is to lead, facilitate and collaborate to realise the region's economic potential. RDA AHFKI delivers for all its local government partners:

- A leveraged investment in economic development at a regional scale.
- A supported channel to state and federal governments.
- A delivery partner for state and federal programs into the region.
- An impactful project suite focussing on:
 - o Enabling public infrastructure
 - o Enhancing regional innovation and preparedness for change
 - o Business supports to strengthen the region's most competitive industry sectors

There are many examples of our work in AC including:

- RDA AHFKI is a founding member and auspices Resilient Hills and Coast with in-kind support.
- Delivery of the recently launched Regional Drought Resilience Plan
- Investment attraction including:
 - o Attraction of investment for tourism accommodation into Langhorne Creek (underway)
 - o Supporting community and private sector access grant capital – eg; \$500,000 for Salt at Elliot Hotel and \$500,000 for Milang Community Butter Factory redevelopment.
 - o Connecting AC with Invest SA.
- Volunteering as a reviewer on AC grant panels
- Advocating for AC residents in the recent state consultations on Public Transport Strategy and Regional Public Transport Services review.
- RDA AHFKI own business grant program which is supporting small manufacturing businesses in AC
- Inspired Leadership program supporting highly subsidised places to develop AC's community and business leaders.
- Supporting AC's funding submission for Langhorne Creek wine trail.

Thank you for considering our wishes to stay on at the Old Headmasters Cottage and I look forward to your reply.

Yours sincerely,



Steve Shotton
Director of Regional Development

ATTACHMENT A:

RDA AHFKI Annual Report 2023-2024

<https://rdahc.com.au/wp-content/uploads/2024/11/2023-2024-Annual-Report-RDA-AHFKI.pdf>

ATTACHMENT B:

RDA AHFKI Strategic Regional Plan 2022 -2025

<https://rdahc.com.au/wp-content/uploads/2022/11/Strategic-Regional-Plan-2022-2025.pdf>



Community Engagement Plan

**Regional Development Australia, Adelaide Hills Fleurieu and
Kangaroo Island Inc. 10-year lease request**

18 August 2025





Do we need to connect with the Community? And if so, why?

Name of Project: Regional Development Australia, Adelaide Hills Fleurieu and Kangaroo Island Inc. 10-year lease request

The following checklist will help establish if you need to engage the community:

Is the community engagement/consultation required by legislations in your project? If "yes", we are required to plan and implement the community engagement activities for this project If "no", then please continue.	☒ YES ☐ NO
Is there already an expectation, within Council or the community, that the project will involve community engagement?	☐ YES ☒ NO
Can the community influence the outcome of your project?	☒ YES ☐ NO
Is there staff time and budget already allocated or available to support the engagement activities?	☒ YES ☐ NO
Is there a risk to not undertaking Community engagement?	☒ YES ☐ NO



Calculator: Determining how we are going to connect with the community on each decision we make

Questions (tick appropriate box)	Really Low	Low	Moderate	High	Super High
What is the level of difficulty for staff/council in making the decision or addressing the problem?		x			
What is the potential for controversy in relation to the project?		x			
How important are the potential impacts of the project to the public?			x		
How much do the key stakeholders care about the decision to be made?				x	
How much engagement does the community appear to want?		x			
Sub-Total		3	1	1	
Multiply number by the weight	x1	x2	x3	x4	x5
Total column score		6	3	4	
Add all five column scores	13				
Divide total score by the number of questions	÷ 5 =				
Average score (rounded)	2.6				

1-2 Very Low

Informing the community about the decision may be sufficient, unless there are legislative requirements, in which case, consult.

2-3 Low to Moderate

You should at least consult with the community

3-4 Moderate to High

You should at least consult but may consider opportunities for the community to actively participate

4-5 High to Very High

You should provide opportunities for the community to active participate



Engagement Plan

1 What?

Council is seeking community feedback on a proposal to provide a 10-year commercial lease to Regional Development Australia, Adelaide Hills Fleurieu and Kangaroo Island Inc, for continued occupancy of the Old Headmasters Cottage located at 1 Colman Terrace Strathalbyn, behind the Strathalbyn Council Office.

As the land is community land and the proposed term of the lease is greater than 5 years, community consultation is required under the Local Government Act 1999, to provide the public with an opportunity to consider the essential terms proposed and make a submission regarding the proposal should they choose to.

Community engagement is integral to Council when considering a proposal over community land. Following close of community engagement, the submissions received are provided to Council to assist Council Members in making an informed decision on the proposal.

The community are provided with the below essential terms of the proposed lease:

- Ten (5 + 5) year commercial building lease
- Commencement date of 1 November 2025.
- Expiry date of 31 October 2035
- Commencement lease fee to be determined by Independent Valuation with annual increase by CPI.
- Commencement lease fee on five (5) year renewal term to be determined by Independent Valuation with annual increase by CPI.
- Lease area as provided within the consultation process
- All services, insurances, outgoings and maintenance responsibilities are the cost of the Lessee, with Council responsible for replacement of infrastructure at end of useful life.

2 When?

Milestones	Dates
Decision to proceed to community engagement	18 August 2025
Community engagement dates	• Consultations start 9am on Thursday 18 Sept to align with local media • Closes Friday 5pm on 10 Oct 2025
Consultation analysis	13 October 2025
Council Member Workshop to consider feedback	N/A
Council Meeting with feedback	20 Oct 2025 or 17 Nov 2025



3 Who?

Residents & Ratepayers (tick those that apply)
☒ General Residents and Ratepayers ☐ Adjoining Property Owners / Business Owners ☒ Other: Any interested party via My Say or written submission
Organisations, community, business or service groups (tick those that apply)
☒ Department for Environment and Water ☐ Ngarrindjeri Regional Authority ☐ Ngarrindjeri Aboriginal Corporation ☐ Other: _____
Section 41 Committees / other (List those that apply)
☐ Audit and Risk Committee ☐
Progress, Resident and Ratepayer Associations
☐ Port Elliot Town and Foreshore Association ☐ Ratalang Basham Beach and Horseshoe Bay Advisory Committee ☐ Middleton Town and Foreshore Association ☐ Clayton Bay Community Association ☐ Mount Compass Community Association ☐ Milang and District Community Association Incorporated ☐ Alexandrina Residents and Ratepayers Action Group ☐ Other: _____ ☒ N/A

4 How?

4.4 Listening Tools

Listening Tools	Description	Examples of what we'll be asking
My Say Alexandrina	The My Say Alexandrina website will form the central 'hub' for the process. The main features of the hub will be – Key dates	We will utilise the survey tool to seek feedback.

	- Essential terms of the proposed lease - Map of proposed lease area	
Written submissions	To provide opportunity for people who prefer a more traditional method of communicating with Council, we will welcome written submissions. These can be submitted by post, email or handed in to the Council Office. Hard copy surveys will be available at the Goolwa and Strathalbyn Office.	We will encourage written submissions for people who prefer this method.

4.5 Communication Tools

Audience	Method	Responsibility	Action	Timeframe
Residents & Ratepayers	Website	Marketing and Communications Officer	Dedicated My Say website page, survey and key documents. Latest news article on home page of corporate website	18 Sept 2025
	Social media	Marketing and Communications Officer	Advising start of consultation and reminder before closing. 'Prompt' article midway through consultation.	18 Sept 2025
	Local Displays – Council Office, library,	Community Engagement Officer	Notice to be placed on Council	18 Sept 2025



	community noticeboards		display boards including promotion of ways to get involved.	
	Adjoining Property and Business Owners	N/A		
	Fleurieu Sun and The Southern Argus	Community Engagement Officer	Public Notice in Fleurieu Sun and the Southern Argus	18 Sept 2025
	My Say Subscribers	Community Engagement Officer	Email via My Say Newsletter with information and a link to submission page	18 Sept 2025
Community/ service groups, associations, networks and key stakeholders.		N/A		
Internal Staff	Connect Intranet Announcement	Community Experience	Provide information to relevant staff with key information on consultation	18 Sept 2025
Council Members	Briefings / Meetings	CEO	Provide briefing to CMs/ Forums	20 October 2025 or 17 Nov 2025
Audit Committee	Audit Committee Meeting or 'out of session'	N/A	Audit Committee Report	



5 My Say Page

The My Say Alexandrina website will form the central 'hub' for the process.

The main features of the hub will be –

- Key dates
- Useful documents
- Contact details for Property team to discuss further

Have your say below.

Survey questions will include:

- Set fields to provide your details
- Set fields to ask if you support the proposed draft lease or otherwise.
- Open free field for all comments.

All comments are included following the close of consultation and provided to Council Members in the follow up Report should submissions be received.

Useful Documents attached:

- Minutes from the relevant Council meetings
- Essential terms of the draft lease
- Map of proposed lease area



6 Reporting

The My Say Alexandrina software provides a Report on close of the consultation, with all submissions received through the My Say site. In addition, written submissions are recorded and allocated to the Manager Property and Procurement Services.

A summary of key themes that emerge from the submissions received (all methods of engagement) are identified and included in the Council Report.

A detailed Community Engagement Report will be published on the My Say project page.

The Reports to Council will be public documents, available on Council's website after release.

7 Risk Mitigation

What could go wrong?	How can we reduce the likelihood of this happening?
Reputation /community expectation	• Clear communications of ways to be involved and provide feedback.
Nobody gets involved	• Offer a variety of ways to join the conversation – quick responses versus opportunity for deeper conversation; offline and online. • Communications plan will be followed.
The process is overtaken by a single-issue campaign.	• Make a concerted effort to reach a broad representation of people who live, work and play in the district.
Legal Advice	• Seek legal advice as required