

**Purpose**

The purpose of this strategy is to establish pricing principles relating to all leasing, licensing and hire of Council owned and managed recreation reserves, public halls, land and buildings.

The strategy will assist in ensuring a consistent, equitable and transparent approach is maintained. The pricing strategy follows the Pricing Policy and lays the framework for the Pricing Implementation Plan.

**Ownership**

The responsibility for management of this strategy lies with the Property Management Coordinator

**Definitions**

**Casual Hire** – a situation where an organisation or individual uses a Council owned or managed facility, on an infrequent or one-off basis without ongoing tenancy of the facility.

**Change Room** – a facility which Council provides and maintains for use of tenanted teams at recreation reserves.

**Community Good Quotient** – a rental subsidy framework that Council provides to community and not-for-profit organisations that provide benefits to the wider community.

**Council Asset** – land or buildings which are owned by Council.

**Council Managed Asset** – a building or land which is not owned by Council, but which Council manages through delegation or a lease. Examples are recreation reserves which are owned by DELWP and where Council is delegated as the manager of the facility.

**Grass Playing Field** – a grass field which is developed and maintained for the purpose of playing sport. Examples include, football, soccer and cricket fields.

**Hard Court Surface** – a non-grass surface which is developed and maintained for the purpose of playing sport. Examples include tennis courts, netball courts and synthetic sports fields.

**Junior Sporting Club** – a club which only fields teams in a recognised junior competition.

**Land Lease** – a situation where Council owns land and allows an organisation to occupy the land and construct improvements on the land.

**Land Manager** – refers to the organisation responsible for maintaining the field/oval

**Non Council Asset** – land or buildings which Council does not own or manage.

**Not-for-Profit Organisation** – an organisation which is Incorporated and registered as a not-for-profit organisation and does not fit the definition of a community organisation.

**Recreation Reserve** – an area specifically developed for sporting use. It may have multiple facilities such as grass playing fields, hard courts, Social Clubs, Change Rooms.

**Social Club Building** – a building, or part of a building, which is used for club social functions and can be hired out. Facilities may include, kitchen, canteen, dining and bar.

**Synthetic Playing Field** – a sports field with an alternative surface to grass. Typically used for hockey or soccer.

## Recreation Reserves – Grass Playing Fields

Sporting clubs which use grass sporting fields for training or games, which are Council owned, managed or maintained are to have seasonal license agreements with Council. This includes clubs at reserves which are managed by Section 86 Special Committees of Council (CoM).

Where Council maintains a grass field, or where a CoM maintains a grass field, clubs will be required to pay an annual fee as a contribution toward the maintenance of the playing surface. The fee will be based on a proportion of cost recovery in line with the category that the facility has been graded. Council will determine the fee that will be recovered through the annual budget process.

Clubs tenanted at grounds maintained by Committees of Management will be required to pay this fee to the CoM. Clubs tenanted at facilities maintained by Council will pay the fee to Council. Where Council maintains a field, and there is a CoM, the fee for the field maintenance will be paid to Council. Council will annually determine a maintenance contribution to assist Committees who maintain reserves. Council will not provide a maintenance allowance to Committees where Council maintains a reserve.

To encourage shared use of reserves, where tenant clubs share the use of a sports field, each Club will be charged an equal proportion of the seasonal fee. An alternative split can be negotiated by agreement, based on the usage of each club.

Where a club only uses a ground for training or games, a 50% reduction in the fee will apply.

### Sports Ground Grading

In order for the fees and charges system to reflect the maintenance standard being provided a sports ground grading system has been developed. This grading system reflects the maintenance standards to which a sports ground is being maintained for community sport in Baw Baw. The grading system has been developed to reflect the differing infrastructure and provision of maintenance on playing fields including training lights, irrigation systems, drainage, practice facilities, ground type, ground size, maintenance regimes and mowing frequency.

Sports grounds have been classified so that a higher standard of ground is charged at a higher rate than a ground of a lower standard. Category 1 and 2 Reserves usually require a greater level of maintenance and support features such as spectator areas, fencing, quality change rooms, event car parking etc. Categories 3 and 4 on the other hand usually require basic amenities and playing areas and reduced spectator zones due to their lower standard competition needs.

The proposed grading is:

#### **Grade 1**

Usage: High  
User Groups: Multiple/Single  
Seasons: Multiple OR Year Round Use  
Community Service Level: High  
Facility Type: Regional/Municipal

#### **Grade 3**

Usage: Moderate  
User Groups: Multiple/Single  
Seasons: Seasonal Usage  
Community Service Level : Moderate  
Facility Type: Local

#### **Grade 2**

Usage: High  
User Groups: Multiple/Single  
Seasons: Seasonal Usage  
Community Service Level: Moderate  
Facility Type: Significant Local

#### **Grade 4**

Usage: Low  
User Groups: Multiple/Single  
Seasons: Occasional  
Community Service Level: Low  
Facility Type: Local

### Maintenance undertaken by Council

The following are included in the provision of maintenance services to grass playing fields; (frequency is dependent upon ground grading)

- Grass cutting
- Aeration, verti-draining and scarifying
- Weed and disease treatment
- Fertilising, wetting agent and plant nutrients
- Top dressing, reseeding and grass replacement
- Water for playing field irrigation including fixed charges

In some situations, frequency of these activities may not match the reserve category. It is Council's aim to continue to provide an appropriate level of service and increase levels of maintenance to match the reserve category.

### Turf Cricket Wickets, Synthetic Pitches and Winter Pitch Covers

Cricket clubs will have full maintenance responsibility for the installation, preparation and maintenance of turf wicket benches. This will include the costs to water turf wickets, Council will install check meters where practical and recharge the cost of water to the club.

Council will provide synthetic cricket wickets at grounds which Council has designated for cricket. If clubs wish to install wickets on grounds which have not been designated for cricket they will require permission from Council. Clubs will be responsible for the provision of winter pitch covers, including the removal and installation at change of seasons.

### Cricket Training Nets

Council will provide practice nets for clubs at public reserves owned or managed by Council. The replacement of cricket nets at the end of their asset life will be a responsibility of Council. Clubs will be responsible for annual maintenance and repair of nets, ensuring that nets are safely maintained. Any damage to nets caused by club negligence will be a club responsibility.

Clubs are to make available at least one practice wicket for the public to use outside of regular club training times. Where facilities are locked signage should be placed to advise community members who to contact to arrange access for use.

### Preseason and use of alternate grounds

In line with Council's May 26, 2010 resolution, cricket and football clubs are to adhere to the Ministerial Determination of Seasons for Football and Cricket. Any club wishing to use a ground for pre-season training or practice matches, must seek permission from the ground manager and tenanted club. Any club, of any code, who wish to use alternate grounds for pre-season matches must submit a casual hire application to the ground manager and receive permission at least 7 days prior to use. Fees will apply for pre-season use of alternate grounds.

### Grand Finals, Interleague and Association Fixtures

It is proposed that when matches or training outside of normal club activities occurs, a hire fee should apply to the association, club or league which is in control of the event. Grand Finals and representative matches create a demand for extra maintenance, particularly of a grass sporting field. Grand Finals and special events are to be booked at least 4 weeks in advance with the body who manage and maintain the ground.

In line with additional income received through the hosting of a grand final, it is reasonable to expect a ground hire fee to apply. Consideration could be given to a tiered level of fee between winter and summer sports, training and games and include a lesser fee for junior activities.

No fee for finals will be introduced in the first 12 months of this policy. Further consultation will occur during 2016. Any fee to be proposed will be in consultation with clubs and association and not apply until the 2017/18 budget process.

### Junior Sporting Clubs and Clubs with Junior Teams

Council encourages the participation of junior's in sport and recognises the role junior clubs have in promoting sport. A flat fee (\$750) will be introduced for junior clubs.

At a ground where there is both junior and senior football clubs the junior fee will be deducted from the 20% charge applied to the senior club.

Example:

Category 2 Reserve: Senior Football Fee = \$2,666

Junior Club to be charged \$750

Senior Club to be charged \$1,916 (2,666 - \$750 = \$1,916)

Therefore Council still receives the 20% recovery, the senior club is not penalised when financially supporting the junior club. It avoids double dipping and meets the criteria of consistency and equity.

### Playgrounds

Council will inspect and maintain playgrounds on all Council owned and managed recreation reserves. This will include any regulatory inspections, provision of soft-fall, fencing, repair and replacement of playground equipment.

### School Use

Council welcomes the use of its sports fields by local schools. Schools must make application to Council's Recreation department, (and/or responsible club or CoM) in order to use any sports fields which are managed and maintained by Council. In order to manage grounds, Council may, in consultation with the responsible club or Committee of Management, nominate an alternative ground for school use than the one applied for.

There will be no fee for the use of grass playing fields by local schools, primary and secondary inclusive for occasional use provided their own ground is not usable or suitable. Any use of a weekly or greater frequency will require a school to enter into a formal agreement with Council. Fees will apply for schools outside of Baw Baw Shire, interschool, district and zone events. Fees will be charged for the use of change rooms and pavilions. Council will charge a fee if a reserve is left untidy or damaged by misuse.

*Grounds which schools must apply to Council to use are;*

- Bellbird Park, Drouin (all fields)
- Burke Street Netball Courts, Warragul
- Drouin Recreation Reserve
- Dunstan Oval, Rawson
- Eastern Park, Warragul
- Geoff Watt Track, Warragul
- Logan Park, Warragul
- Western Park, Warragul

### Ground Management and Closure

At venues where Council maintains the playing field, Council, in consultation with stakeholders, reserves the right to close a ground in extreme dry or wet conditions. Council staff will liaise with tenanted clubs in order to inform any decision in as timely a manner as possible. In order to manage the playing surface for all users, Council may from time to time limit training on a playing surface by roping off areas. If a roped area, or closed ground, is trained on by a club,

Council may impose a sanction. Sanctions will begin with restricted access to the ground for training, and may escalate to financial penalties which will be included in Council's fees and charges schedule.

### Health Promoting Sports Clubs

Baw Baw Shire has a commitment to improving the quality of life of all residents, and works in partnership with various organisations to encourage sporting club's participation in health promotion programs. Sporting clubs have an opportunity to promote health in a number of ways, including the responsible use of alcohol, encouraging healthy eating, discouraging drug and tobacco use and promoting access and inclusion for all. Council will review clubs participation in these programs, with a concept of providing future rental discounts.

Some programs include:

- o Good Sports Program
- o Access for All Abilities
- o Deadly Sport Gippsland
- o 50/50 Clubs – working towards gender equality
- o Healthy Choices for Sport and Recreation Centres
- o H3O Challenge

### **Buildings on Recreation Reserves**

#### **Change Rooms/Shared Pavilions/Canteens**

Clubs will be required to pay the cost of utilities. Wherever possible, buildings will be separately metered, or check meters installed, so that clubs pay direct costs of utilities which they use. Utilities include;

- Gas
- Electricity
- Water
- Telephone
- Garbage
- Cleaning

Council will pay the State Government Fire Services Levy now charged on recreation reserves. Clubs will be recharged for their use of utilities. Where a meter or check meter cannot be installed, clubs will pay an agreed portion of use where there is more than one user.

#### **Outdoor Hard Court/Synthetic Playing Surfaces**

Clubs are to have current tenancy agreements in place and will be offered a standard recreation facility license or lease.

Council will be responsible for the replacement and upgrade of lighting, fencing, courts and court surfaces. To assist with the timely replacement and upgrade of facilities Clubs are encouraged to contribute toward replacement costs by fundraising and club contributions. Clubs will be responsible for nets, posts, post padding, umpire chairs, line marking and specific sporting equipment/infrastructure.

A review of maintenance and asset renewal costs and fees charged to clubs will be undertaken by Council in consultation with clubs. Any proposed changes will be included in the first review of this strategy.

In the case of regional facility any hire by external parties must be approved by Council's Recreation Department and/or responsible club or CoM. Hirers will be charged a fee by Council for the use of these facilities.

### **Community Good Quotient (CGQ)**

Council recognises the role that community organisations play in strengthening and providing benefit within the community. It is appropriate that Council not only provides buildings for community organisations to call 'home' but Council also subsidises the rent payable by community organisations.

To determine the level of subsidy what is referred to as a 'Community Good Quotient' (CGQ) will apply. The CGQ will apply to all community organisations where the organisation has a current signed tenancy agreement with Council. The CGQ does not apply to sporting clubs and associations or to commercial tenants. At its discretion, Council may resolve to apply a CGQ to a not-for-profit rental or where appropriate a sporting club.

### **Community Leases (land leases and buildings non-sporting)**

Typically a community organisation will be defined as an organisation that;

- does not charge a fee for service,
- does not employ staff,
- is governed by a volunteer committee,
- does not receive regular, ongoing funding

It is recognised that this definition will not 'fit' every community organisation. The Council will determine if a lease can be offered on community use terms and the community good quotient applied.

Wherever Council offers a community lease the lessee will be responsible for all;

- utility costs (fixed and use charges) insurance, rates, taxes, levies and garbage removal
- minor and routine maintenance and replacement costs as per maintenance schedule in tenancy agreement
- structural replacement costs, ESM audits and associated maintenance.

Council has many leases of land and/or buildings where a peppercorn or no rental is charged. Any new applications where a peppercorn or below commercial rental is requested must be referred to Council.

### **Not-for-Profit Leases (land leases and buildings non-sporting)**

Not-for-profit organisations are defined as organisations which generally align with the principles below;

- Charge a fee for service
- Employ staff
- Receive funding for service provision
- May operate in several locations in a regional, state or national context

Not-for-profit organisations will be charged a commercial rent for the facility which they use or land which they lease. A valuation is to be obtained from certified valuer to determine the rental regardless of the tenancy being for land or a building. In some instances, Council may wish to provide a discounted rent through applying the community good quotient.

A signed lease agreement is to be executed between both parties. The lease will contain clauses for payment of rent, rent increases, term and extensions, payment of utilities and maintenance responsibilities. A standard nine year lease will be offered. Leases beyond nine

years can be offered, with Council approval, and subject to public advertising in accordance with Section 190 of the Local Government Act (restriction on Power to Lease Land).

### **Land Leases**

Land leases are situations where Council owns land and allows a tenant to construct improvements on the land. A land lease should clearly establish what becomes of the improvements at the end of the lease. Typically the improvements will need to be removed or become the property of Council. In situations where the improvements become the property of Council it is reasonable to expect that they are handed over in good condition. The lease and rental during the term of the lease will reflect this.

Rent on land lease situations is to be at market rates and established by a qualified valuer. Agreements are to have rent review periods and annual CPI increases. Peppercorn land leases are not seen as providing an appropriate outcome for Council or its rate payers. Appropriate land leases are to be used in all relevant situations.

Council has existing examples where a tenant occupies Council land. In some of these instances the ownership of the building is unclear. The renewal of these leases must clarify the building ownership, building handover and set an appropriate rental.

### **Commercial Leases**

Commercial organisations will be charged a commercial rent for the facility which they use or land which they lease. A valuation is to be obtained from a certified valuer to determine the rental regardless of the tenancy being for land or a building.

A signed lease agreement is to be executed between both parties. Commercial lease situations must be checked to ensure that they comply with the Retail Leases Act and the Land Tax Act, including the provision of a Disclosure Statement. The lease will contain clauses for payment of rent, rent increases, term and extensions, payment of outgoings and any maintenance responsibilities. It is expected that outgoings will be paid by commercial tenants.

A standard nine year lease will be offered. Leases beyond nine years can be offered, with Council approval, and subject to public advertising in accordance with Section 190 of the Local Government Act (restriction on Power to Lease Land). A Disclosure Statement will be provided with all Commercial agreements.

## **Public Halls**

A pricing structure is available to create some clarity and equity for the hire and use of public halls. This structure should include a bond for event or party hire. An accepted practice is to set a higher bond for events which include alcohol. Standard rates for use should be established for similar halls, rather than individual prices. This will create greater transparency and equity for people looking to hire a hall.

There is inconsistency when it comes to hiring of halls for parties. The most common position is that halls aren't hired for 18<sup>th</sup> parties due to concerns with under-age drinking. With a suitable bond and hire conditions and risk assessment completed, it is deemed through this policy that public halls should be available for hire for all parties, functions and events.

Without limiting community use, commercial uses of halls should be encouraged. Commercial use is defined as regular ongoing hire/use of a hall where an entry/participation fee is charged or the hirer of the hall is using the facility for personal/commercial gain. It will remain that where there are Council Committees of Management the committee does not have delegation to approve commercial use of halls. This can only be approved by Council staff and requires a separate agreement to be entered into with fees collected by Council. Activities that could be commercial are kinder gyms, music instructors, dance classes and fitness programs. Commercial activities cannot take precedence over community use of halls.

A two tier schedule of fees will be introduced to allow for halls in remote areas or lesser facilities to have a reduced fee structure. Fees for meeting rooms will be included in the fee system. It is proposed that fees for evening hire are equivalent to the half day rate. Charges of incidental items such as tables, chairs, crockery will be at the discretion of the hall committee. Some halls have a practice of applying a winter surcharge. Committees will be allowed to apply a surcharge of up to 20% to allow for increased winter heating costs.

Use by primary schools will continue to be on a concessional basis in consultation between Council's recreation team and the hall committee. It is agreeable to allow three free uses for schools per year. Activities run by Hall Committees or Council would be fee free. Any hire of a hall should be checked with the Good Practice Guide and/or Council Officers to ensure that the activity is compliant with various regulations and legislation.

## **Grazing, Agistment and Road Reserves**

Council has a number of small road reserves, paddocks and other reserves which can often be used for Agistment or domestic purposes. Agistment of livestock or horses should be at a rate per head per week and set according to standard rates advised by local agents. Agistment rates are to be published in Council's annual schedule of fees and charges. This does not include the temporary roadside grazing permits which are issued by local laws.

A one off lease preparation fee will be charged. For areas which are used for domestic purposes a fee using the land size and rating value will be applied.

## **Community Gardens**

Community gardens provide a benefit to community health and well-being. Typically community gardens have limited availability to funding and don't have high membership in which to receive fees. Where a community garden is on Council land, Council will cover the garden activities with Public Liability insurance. It is essential that all volunteers are inducted and registered for the activities which they undertake. Council will waive tenancy fees for community gardens except in situation where income can be received from the hire of plots. A community garden is expected to pay for water, electricity and any other utility fee that it uses. Council will pay any Fire Service Levy which might be applicable on behalf of the community garden.



## Insurance

Council has a practice of providing building insurance for all public buildings and Council buildings within the Shire regardless of ownership. The recharging of building insurance has been ad-hoc and not subject to a defined policy. The same ad-hoc practice has applied to the coverage for contents insurance.

### Public Liability Insurance

All tenants of Council buildings or land must have Public Liability insurance. Council's Public Liability Insurance will not cover tenants in any situation. Council's Public Liability Insurance only covers people who are acting on behalf of Council.

If an event or activity occurs on Council land or in a Council building and it is not an organised Council activity, Council's Public Liability will not cover the activity. The responsible group or person must obtain their own Public Liability for the activity or event to occur. (The exception to this is limited public liability insurance that can be purchased from Council for non-commercial activities in Council buildings.)

### Contents Insurance

Council will not typically include contents belonging to clubs, committees or tenants on its insurance register.

### Building Insurance

Council will provide building insurance for all public buildings within the Shire (including those on Crown Land), including fixtures and fittings as per the PDS. Equipment such as those in Canteens, Kitchens and Bars are best to be included in the building valuation submitted by Council to its insurer.

The table below sets out the insurance practice of Council;

Type of Tenancy	Building Insurance (includes fixtures & fittings)	Contents Insurance	Public Liability
Land Lease	Recharged	Self Insured	Tenant to Provide
Kindergartens	Recharged	Self Insured	Kinder to Provide
Public Halls (All)	Covered by Council	Self Insured	Hirers to Provide DEPI CoM covered by DEPI Council CoM Covered by Council*
Not-for-Profit	Recharged	Self Insured	Tenant to Provide
Commercial	Recharged	Self Insured	Tenant to Provide
Community	Covered by Council	Self Insured	Tenant to Provide
Social Clubs & Change Rooms	Covered by Council	Self Insured	Clubs to provide
* Council's Public Liability cover only insures a CoM when they are fulfilling their delegated duties. Anything outside of their delegation the CoM will require their own Public Liability insurance.			

Council will only recharge the actual insurance cost. There will be no loading for administrative or processing purposes added to the insurance recharges.

## Transition Period

It is recognised that for many organisations occupying Council facilities there may be a significant increase in fees and charges. In some instances, particularly for community organisations, the ability to immediately change practices, budget and raise funds for these increases could be difficult. In order to assist organisations to budget and plan for any increases a three year transition period will be implemented.

This transition will apply a discount off the difference between the rent paid now and what the new rental is calculated at using the following transition discounts.

- Year 1 – 50% of rent increase applied
- Year 2 – 75% of rent increase applied
- Year 3 – 100% of rent increase applied

### e.g.

original rental is \$1,000 p/a

new rental is \$2,000 p/a

Difference is \$1,000 p/a

Yr 1 rent = \$1,500 (original rent plus 50% of the difference)

Yr 2 rent = \$1,750 (original rent plus 75% of the difference)

Yr 3 rent = \$2,000 (original rent plus 100% of the difference)

## Review

This pricing strategy is to be reviewed by Council annually alongside the pricing policy. Fees will be reviewed annually as part of Council's budget process.

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1 July 2016

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JUNE 2017

**Responsible Section:**

Council Business – Property Management Coordinator