8.5 Leasing and Licensing Policy

Manager Strategic Property and Revenue: Mark Spaziani
Chief Financial Officer: Julia Gallace

Linkage to Council Plan

Direction 1: A thriving and unique place
1.2 Thriving and desirable businesses

Direction 3: A people-centred and future ready city
3.1 Community focus, connection and engagement

Purpose of Report

To provide Council with an update on the outcome of the community consultation on the draft Community Leasing and Licensing Policy 2025 (**New Policy**) and to recommend the New Policy for adoption.

Officer Recommendation

That Council:

1. ***NOTES the community consultation on the draft Community Leasing and Licensing Policy 2025 (New Policy) has been completed.***
2. ***NOTES the submissions received on the New Policy as provided in Attachment 2.***
3. ***ADOPTS the draft Community Leasing and Licensing Policy 2025.***
4. ***NOTES the New Policy will come into effect and will be published on Council's website following adoption by Council.***
5. ***APPROVES the Annual Administration Fee of $1,000 (plus GST) for 2025-26, which will be incorporated within the Budget Fees and Charges Listing in subsequent years and adjusted by CPI annually.***
6. ***NOTES that Officers will notify all engagement participants that provided contact details and existing community occupants, of the outcome to adopt the New Policy.***

Executive Summary

1. The draft Community Leasing and Licensing Policy 2025 (**New Policy**) aims to provide responsible, consistent and transparent management of Council facilities that are occupied by a community tenant on a lease or licence.

2. The New Policy as shown in **Attachment 1** was exhibited and open for community consultation for a period of 6 weeks from 2 June 2025 to 14 July 2025.

3. A total of 27 submissions were received - 22 of which were via Connect Stonnington page and 5 via email.

4. The five (5) email submissions were from existing community occupants and contained specific comments and questions relating to their agreements which were consequently addressed by the Officers.

5. Overall, the New Policy is supported, with only 3 out of the 22 submissions received via Connect Stonnington not supportive.

6. This report recommends the New Policy for adoption, following community consultation and receipt of submissions.

Background

7. At its meeting on 26 May 2025, Council resolved to commence the community consultation on the New Policy.

8. The Leasing and Licensing Policy originated as the Community Facilities Leasing/Licensing Policy in 2011. Following internal audit recommendations, the current Leasing and Licensing Policy 2019 (**Existing Policy**) was adopted by Council at its February 2020 meeting and is now due for review.

9. The New Policy is seeking to update the Existing Policy but will apply only to third party community tenants or licensees that occupy a Council owned or managed facility – hence renaming it to 'Community Leasing and Licensing Policy' as this policy does not apply to commercial leases.

Key Issues and Discussion

10. The New Policy provides a framework for the use of Council owned or managed facilities by community organisations/occupants that are supported through rental subsidies in the form of discounted market rent.

11. The New Policy will apply to all new community occupancy agreements as well as existing agreements once they expire.

12. The New Policy will not apply to Seasonal Sportsground and Pavilion Allocation occupancies, or other occupancy permits where the permit fee is set by the Fees and Charges Schedule contained in the Annual Council Budget.

13. The New Policy aims to provide the following:

- eligibility criteria, rental subsidy categories and eligibility to improve assessment of community benefit and services provided by community occupants (See Schedules 1 and 2 of the New Policy)
- guidelines for determining rental subsidy (See Schedule 3 of the New Policy)
- updates to reflect *Local Government Act 2020*'s legislative requirements
- clarity as to when a lease or licence is appropriate
- property site assessment.

14. The New Policy was published via the Connect Stonnington page seeking feedback from the community from 2 June 2025 to 14 July 2025.

15. An email with details of the Connect Stonnington page was sent to all 50 current community occupants (lessees and licensees) on 2 June 2025.

16. A link to the Connect Stonnington page was also posted on Council's Facebook page on 17 June 2025.

17. By the community consultation closing date, a total of 27 submissions were received – 22 of which were made via the Connect Stonnington Page and 5 via email.

18. No feedback was received via Council's Facebook page.

Connect Stonnington Submissions

The Connect Stonnington page contained a survey with questions seeking feedback from the submitters, particularly in relation to the following items. The following tables show the responses per item from the 22 submissions received.

Their relationship to leased buildings:

Community facility tenant	User of the service	Community member	Other
10	4	10	1

**Submitters could choose all relationships to leased buildings; therefore, results are > 22*

Should an organisation that generates revenue through their use of Council facilities receive a:

High Discount	Medium Discount	Low Discount	No Discount
5	7	3	5

**Not all submitters chose an answer, therefore results are < 22.*

Should an organisation that uses Council facilities and contributes to the costs of facility maintenance receive a:

High Discount	Medium Discount	Low Discount	No Discount
13	7	1	0

**Not all submitters chose an answer, therefore, results are < 22.*

Should an organisation that uses Council's facilities to provide community benefit through community services supported by the Council plan, receive a:

High Discount	Medium Discount	Low Discount	No Discount
19	2	1	0

Their level of support for the New Policy:

Strongly support	Somewhat support	Neutral	Somewhat do not support	Strongly do not support
4	9	6	1	2

Although a majority of submitters supported the New Policy, some of them had expressed concerns about the financial implications of the New Policy with their comments highlighting the top three concerns:

- maintaining affordability for community tenant and licensees
- increase in rent creating a barrier to participation
- imposition of rent as disincentive for previous capital improvements by the community tenants/licensees.

Concern 1: Maintaining affordability for community tenants and licensees

Some of the submitters said that they need to have a clear view of their costs for outgoings to maintain affordability. Others question the introduction of an Annual Administration Fee of $1,000 for Category A1 occupants.

Officer Response

The New Policy reflects standard practice in that tenants are responsible for payment of outgoings, as with any standard occupier on a lease. For shared premises, costs are apportioned between user groups and agreed upon in the licence agreements. Council already offers rental subsidies in support of the community services provided, and it is not financially sustainable for Council to also pay for outgoings.

To improve financial sustainability for Council, more equitably share the expense of providing facilities and better reflect the ability of some community occupants to contribute funds (those with revenue generating capabilities) to cover these associated outgoings and building costs that are presently incurred by Council, the Annual Administration Fee for Category A1 occupants has been proposed.

Concern 2: Increase in rent/cost recovery creating a barrier to participation

Some of the submitters were concerned that increase in rent/cost recovery could become a barrier to participation. They said that it is important for them to keep the barriers to entry low in order to maintain their annual membership fee subscriptions at an affordable figure.

Officer Response

Any request for financial assistance is provided to community occupants by way of a subsidised rent or licence fee in this New Policy. As such, Council will consider both the occupant's profit and revenue, and the facility when considering discounted rent or licence fee as part of the assessment process.

Council has discretion to approve a further 50% discount if financial hardship can be demonstrated in year 1 of the lease within Category B.

Concern 3: Imposition of rent as disincentive for previous capital improvements by the community tenants/licensees

Some of the submitters said that they had already invested in capital improvements on Council facilities and that imposing fees would create a disincentive to continue the works they had already started.

Officer Response

If an occupant agrees to a self-managed sinking fund to undertake capital works to a Council facility, a further discount off the market may be considered i.e., subject to a full assessment and at Council's discretion.

Email Submissions

Five (5) submissions were received via email. These submissions were from existing community occupants and contained specific comments and questions relating to their agreements, which were responded to by the Officers.

19. A Community Engagement Report including full verbatim submissions received via the Connect Stonnington page and email, along with Officers' responses to the submissions are provided in **Attachment 2**.

20. Officers are recommending that the New Policy be formally adopted on the basis that:
    - The majority of the submissions provided feedback in support of the New Policy.
    - The New Policy as currently drafted reflects all changes associated with the revised legislative requirements including the updated *Local Government Act 2020* and aligns with current internal Council policies, strategies and framework.
    - The proposed Annual Administration Fee for those community tenants/licensees that have revenue generating opportunities is an equitable means of sharing the associated outgoings and building costs currently incurred by Council.
    - Where tenants/licensees have raised concerns relating to their lease/licence, Officers will work through those concerns with the respective tenants/licensees where applicable.

Policy Alignment

21. The New Policy aligns with the Council Plan and other Council strategies and policies which are included in the policy document.

Financial and Resource Implications

22. The New Policy will ensure financial sustainability by generating additional revenue from the review of rental and licence fees from the proposed changes. This will enable community occupants to make a part contribution towards ongoing maintenance costs and outgoings at Council facilities.

23. Adoption of the New Policy may impact on procedures and practices with some changes to maintenance responsibilities.

Conflicts of Interest Disclosure

24. No Council officer and/or contractor who has provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Decision Making Connection Disclosure

25. Consultation of the New Policy was undertaken thoroughly with the Community and Wellbeing Directorate and subsequently presented to the Executive Team for feedback and comments.

Legal / Risk Implications

26. The New Policy will reflect all changes associated with the revised legislative requirements including the updated *Local Government Act 2020* and will align with current internal Council policies, strategies and framework.

27. If the New Policy is approved/adopted, the high volume of leases and licences in overholding will be addressed. There are risks associated with historic lease agreements in overholding that are not consistent with contemporary legislative requirements and policies.

Community Consultation

28. The community consultation has now concluded and is considered in this report.

29. A detailed report on the engagement can be found in the Community Engagement Report **(Attachment 2).**

30. The New Policy will be published on Council's website subject to adoption by Council and existing community occupants and engagement participants that provided contact details will be notified of Council's resolution.

Human Rights Consideration

31. This report complies with the Charter of Human Rights & Responsibilities Act 2006.

Attachments

1. Attachment 1 - Community Leasing and Licensing Policy 2025 [**8.5.1** - 20 pages]
2. Attachment 2 - Community Engagement Report [**8.5.2** - 19 pages]

City of STONNINGTON

Community Leasing and Licensing Policy 2025

VERSION 2.0

CITY OF STONNINGTON Community Leasing and Licensing Policy 2025

Policy Owner

Property Coordination

TRIM folder

TBC

Approval date

TBC

Approved by

Council

Review date

<<Default 4 years from adoption date>>

Version history

Leasing and Licensing Policy Adopted by Council on date 17 February 2020

Introduction

Context

The City of Stonnington owns, controls, manages and maintains a property portfolio consisting of land and buildings on behalf of the Stonnington community.

Council's Community Leasing and Licensing Policy 2025 has been developed to ensure there are clear and transparent guidelines regarding the occupancy of Council owned or managed property and that current and prospective occupiers are aware of Council's requirements and expectations for occupancy.

This policy will offer guidance to ensure Council's occupancy agreements are approached in a consistent, inclusive, fair and impartial manner. It will also provide Council with an adaptable decision-making process that is informed by best practice, is evidence based and compliant with legislation.

Legislative framework

The following Victorian Legislation and associated regulations are particularly relevant to this Policy:

- *Local Government Act 2020 - Section 115*:
  - Council must include any proposal to lease land in a financial year in the budget, where the lease is—
    - (a) for one year or more and—
      - (i) the rent for any period of the lease is $100 000 or more a year; or
      - (ii) the current market rental value of the land is $100 000 or more a year; or
    - (b) for 10 years or more.
  - If a Council proposes to lease land that is subject to subsection (3) and that was not included as a proposal in the budget, Council must undertake a community engagement process in accordance with Council's Community Engagement Policy in respect of the proposal to lease if the term should exceed 10 years or the current market rental is more than $100,000 a year.
  - Restricts the maximum length of a lease to 50 years.
- *Retail Leases Act 2003:* controls leases of premises used wholly or predominantly for the retail provision of goods or services (excluding certain Not-for-profit organisations), and overrides anything in this policy that is inconsistent with that Act.
- *Crown Land Reserves Act 1978* (Section 17B and 17D) – Minister will grant licences of Crown land for a period not exceeding 10 years and leases for a period not exceeding 21 years.

Purpose

Community Facilities owned by the City of Stonnington make an important contribution to Council's ability to achieve its objectives and deliver services to Stonnington residents and the broader community. This Policy provides a framework for the use of Council's facilities by community occupants while aiming to maximise the community benefit.

The purpose of this Policy is to provide responsible, consistent and transparent management of Council's facilities that are occupied by a community tenant on a lease or licence.

This Policy:

- promotes and supports the community use of Council's properties and facilities which are not required for Council's operational purposes or service delivery, or not suitable for a commercial lease or licence;
- provides guidance on the use of Council's facilities occupied by third party community organisations;
- establishes the key terms that Council will generally use as the basis for negotiating an occupancy agreement;
- establishes a fair and equitable methodology to assess and categorise the types of occupants using Council's facilities; and
- sets out reporting requirements for occupants to ensure accountability to Council and the community.

Objectives

- To provide a guidance framework when considering occupancy arrangements with external parties to occupy council property;
- To ensure that associated statutory and legislative compliance matters are addressed when Council considers leasing and licensing to a community occupant;
- To ensure that associated risks are transparently considered when Council considers leasing and licensing to a community occupant;
- To ensure where commercially possible, that an appropriate financial return or equivalent community benefit to Council is achieved in the short and long term;
- To demonstrate a contemporary and balanced methodology when managing the Council property;
- To ensure Council facilities are well utilised, encouraging shared use with other community groups where possible; and
- To ensure that occupied Council facilities provide a community service and that meets the objectives in Council's Plan and other relevant policies.

Scope

This Policy will apply to Councils existing asset portfolio, newly acquired assets that Council may lease will be subject to separate consideration and determination of the leasing arrangement.

This policy will generally apply to all new occupancy agreements of Council owned or managed facilities, including agreements developed with current occupants at the expiration of existing arrangements.

Occupancy agreements include:

- Leases
- Licences.

The facilities covered by this Policy include land and buildings but excludes property occupied by Council to provide direct services or casual/regular facility hire agreements. This Policy does not apply to Seasonal Sportsground and Pavilion Allocation occupancies or other occupancy permits where the permit fee is set by the Fees and Charges Schedule contained in the Annual Council Budget.

In some circumstances, a proposed occupancy agreement may form part of a procurement process relating to the future use of a facility. In these circumstances, the terms of the tender may take precedence over this policy but not prescribe terms and conditions which do not align with the intent of this Policy.

This Policy may be overruled by Council resolution.

This Policy may be reviewed by Council from time to time.

Principles

- That the financial and non-financial benefits of any occupancy on Council property should be maximized for the benefit of the Stonnington community.
- All terms and conditions negotiated pursuant to this Policy are required to be consistent with guidance provided in this Policy and to the satisfaction of Council or its authorized delegate (Chief Executive Officer and/or the Chief Financial Officer).
- Terms and conditions of leases offered pursuant to the provisions of the *Local Government Act 2020, Retail Leases Act 2003, the Valuation of Land Act 1960* or the *Crown Land (Reserves) Act 1978* must adhere to all legislative requirements while also considering the requirements of this Policy where appropriate.
- Prospective occupants are required to complete and lodge a written application to the relevant Council department or service manager. The application should outline the proposed intended community use and request for a lease or licence. All applications will be subject to a financial review.
- Prospective occupants that consider they may be eligible for a rental subsidy will need to address the criteria contained in **Schedule 1 and 2**. Council may seek additional information to better understand a prospective occupant's activities, the intended use of the facility and any opportunities for improvement of the facility and services.
- All leases, licenses, and other occupancy agreements that Council enter into will be recorded on a central register and this register will be published on the Council website as required by Council's Public Transparency Policy 2020.

Standard terms of occupancy agreements

Standard terms of agreement

Council's standard template lease will be used as the basis for all occupancies that require exclusive occupation of a facility to provide community and/or recreational services. Occupants may be required to contribute towards costs associated with the maintenance and upgrades of the facility.

Council's standard template licence is the preferred occupancy agreement where an occupant does not require exclusive use of a facility and/or can be shared with multiple community occupants.

If an occupant requires the use of a Council facility on a seasonal basis, the preferred occupancy agreement will be a Sportsground Allocation and Pavilion Allocation in accordance with the *Terms and Conditions Of Use for Seasonal Use Of Sportsgrounds & Pavilions.*

If an occupant on a Seasonal Allocation makes a significant financial contribution towards the capital works of a Council facility, pavilion or sportsground, a licence agreement may be considered appropriate to document the agreement and to provide security of tenure.

Applicable rent, rent reviews and rent subsidies

Council will determine the applicable rent which will be based on a market rental valuation from an appropriately qualified external valuer where required from a person who holds the qualifications or experience specified *under section 13DA(2) of the Valuation of Land Act 1960* a valuation of the land which is made not more than 6 months prior to leasing or licensing the facility. Council will also determine the final rent or licence fee payable for occupying land or buildings, based on the application of this Policy.

Prospective occupants that may be eligible for a rental subsidy are required to provide information to be assessed against the eligibility criteria.

The complete eligibility criteria for occupancy of a facility for community use and the associated rental subsidies are contained in the **Schedules 1 and 2** of this Policy.

Council will regularly review the occupant's performance against the rent subsidy criteria and ongoing eligibility for the subsidy.

When determining the value of the subsidy, Council may consider relevant factors including:

- whether the proposed use is consistent with Council's objectives and other policies;
- whether the proposed occupant uses volunteers or charges service and program fees;
- how the proposed use enhances social benefit for the Stonnington and greater community;
- whether the proposed occupant has or could obtain external funding;
- whether the proposed occupant derives income from subletting or offering a venue for hire;
- the total value of subsidies received by the proposed occupant from Council;
- the proposed occupant's ownership and organisational structure (whether the organisation an Incorporated Association);
- any commercial activities undertaken by the proposed occupant; and
- the nature of the broader service industry in which they operate.

Rents and licence fees (other than peppercorn rents) will generally be reviewed annually and the amount payable will be adjusted by CPI, a fixed percentage or subject to a (discounted) market review.

Occupants within Category B - Subsidised Rent may require a transition period to budget for the increase in rent. Occupants must demonstrate financial hardship and approval is at the discretion of Council or its authorised delegate. Council may offer the following lease or licence incentive to assist with the financial transition:

- Rent Year 1 only: a maximum rental discount of 50%

Maintenance obligations

Maintenance obligations will be set out in the occupancy agreement. Council reserves the right to negotiate maintenance responsibilities and costs with the occupant. For an occupant to be eligible for a rental subsidy they are required to undertake general maintenance and ensure the property is kept in good condition.

Facility maintenance includes minor day-to-day maintenance (tasks that generally do not require a tradesperson) and more significant asset maintenance (which may require the services of a qualified tradesperson).

Cleaning will generally be the responsibility of the occupant. Where facilities are shared or if Council arranges for cleaning, a contribution towards cleaning costs will be negotiated with the occupant.

Utility costs and outgoings

Utility costs are generally the responsibility of the occupant. Council may require a contribution towards utilities in a multi-use facility where separate metering is impractical. The apportionment or value of the contribution will be determined by Council.

Occupants will generally be required to pay for rates (if charged), outgoings and any taxes applicable to the premises.

Where separate metering is impractical, a gross rent may be considered and negotiated.

Term of the occupancy agreement

The term of each occupancy agreement will be negotiated and determined based on the site specific circumstances of the facility and the occupant. Relevant considerations include:

- capital investment and long-term planning;
- sustainability of the service conducted from the facility;
- the connection between the use of the facility and Council's plans and relevant strategies;
- the extent to which the facility is used for multi-purpose activities; and
- consideration of any masterplans or redevelopment plans.

The standard term of an occupancy agreement will generally be 5 years with a maximum of ten years. Council may consider offering a longer term in appropriate circumstances such as where an occupant makes a significant financial investment in a facility. Council may require regular reporting about the nature of use of a community facility to determine the extent to which a community benefit is realised.

Use of facility, multiple use and occasional hire, and subleasing

- Facilities must only be used for approved purposes that are lawful.
- Council encourages the shared use of Council facilities where appropriate and subject to at Council's approval.
- To assist in maximising community use, occupants may also make facilities available for casual hire for the permitted agreed purpose, subject to Council's approval.
- Occupants may only sublease or sub-licence the facility with Council's approval to appropriate organisations. Generally, Council will use the same criteria to assess the eligibility of the proposed additional occupant. The rent subsidy level for any occupant may be reviewed and any financial gain is generally payable to Council unless applied for community benefit or the benefit of Council.

Insurance

- Generally, Council will fully insure all Council-owned improvements at the facility.
- Occupants are responsible for obtaining their own contents insurance and will be required to maintain public liability insurance and other insurances on terms acceptable to Council.
- All occupants must provide copies of their insurance Certificate of Currency and Public Liability insurances to Council annually.

Liquor and gaming licences

- Liquor licence applications require Council approval in addition to any relevant statutory approval. Approval is determined on a case-by-case basis and is separate to any additional statutory approval.
- Council prohibits gaming licences in Council facilities.

Planning and other permit requirements

- Occupants must adhere to the conditions of any applicable planning permit.
- Occupants must obtain any permits or licences relevant to the specific use of the facility.
- Occupants must not unreasonably adversely impact the amenity of the neighbourhood.

Improvements

- Unless otherwise agreed, occupants may remove fixtures or fittings constructed or installed by them during the term of their occupancy agreement with consent from Council in capacity as landlord.
- Any alterations or works to the premises will require written consent from Council in capacity as landlord.
- Any make-good provisions will be set out in the occupancy agreement.

Acknowledgment of Council

Occupants may be required to acknowledge Council's contribution to the occupancy agreement. This may include an acknowledgement in the occupant's annual report, brochures and on signage at the facility.

Reporting:

All community occupants leasing or licensing Council owned property, are required to provide annual reports to council officers detailing a review of annual events, the performance of occupier against their permitted use and their efforts to maximise the use of the facility. A financial statement, minutes from any Annual General Meetings and insurance Certificates of Currency should be included in the annual report.

The Occupant's annual report should be lodged with council officers annually.

Council access

Occupants will be required to grant Council access to the facility for inspections and to allow Council's contractors to undertake planned and reactive maintenance, (if required) and Essential Safety Measures audits from time to time with appropriate access and notice requirements.

Additional Revenue

If an occupant obtains a liquor licence or has the ability to generate increased revenue throughout the term of the agreement through subletting, advertising or any other means, this may reduce any future rental subsidies under Schedule 1 and 2 of this policy. Consent from Council and a variation to lease or licence for such use may be required.

Eligibility requirements for community and recreational use

Eligibility criteria

Prospective occupants are required to satisfy eligibility criteria to be considered by Council for an occupancy agreement for community or recreational use. The mandatory eligibility criteria is set out in Schedule 1.

General application requirements

- Prospective occupants are to submit an application to lease or licence to the relevant Council department or Service Manager outlining the proposed occupant's intended use of the facility and respond to Council's eligibility criteria, including those set out in Schedule 1.
- Council will consider each expression of interest or request for an occupancy agreement renewal on its individual merits under this Policy.
- Council may provide assistance to prospective occupants to allow them to complete the application process.
- Council may also seek additional information to better understand a prospective occupant's activities, the specific facility use and opportunities for improvement of the facility and activities.

Property Site Assessment

Council will undertake a Property Site Assessment when assessing an application for a community lease or licence. This will include a review and assessment of the community benefit considerations, purpose and use of the property and will consider the following:

- Whether the property is fit for purpose?
- Are the buildings and improvements in a reasonable condition?
- Has the property been identified for a community or recreational use in the Council Plan, Community Benefit assessment or any other Council policy, strategy or plan?
- Is the location of the property suitable for the occupants proposed use and services?
- If the building is not fit for purpose, does the occupant have the financial capacity to support any capital works required to the property?
- Are any repairs required to meet legislative or OH&S requirements?
- Is the property required for any future masterplan, redevelopment or use by Council?
- Have all relevant Service Managers been consulted in relation to the proposed future use of the site.

Direct Negotiation

At Council's discretion, it may elect to directly negotiate with an existing occupant prior to the end of an occupancy agreement in relation to a new agreement at the current premises. A decision to negotiate with a tenant/licensee for a new occupancy agreement will be dependent on an assessment of the occupant after a review of the current services and community benefit. Consideration will include the performance of the tenant/licensee in relation to the current agreement, any ongoing or proposed capital investment and any other factors or specific requirements related to the occupancy agreement. The criteria listed in Schedule 1 and 2 attached to this Policy will be assessed by Council prior to the decision to directly negotiate a new occupancy agreement.

Lease/Licence Categories and Fee Structure

Prospective occupants that meet Council's eligibility criteria set out in Schedule 1 will be able to receive a rental subsidy as a community group or club that provides a community service supported in the Council Plan.

Occupants have been grouped into categories and subcategories to determine the fee structure and rental subsidy. These fees include the cost of planned maintenance undertaken by Council, Essential Safety Measures, building insurance and other costs associated with maintaining the facility. The occupant will pay for all general maintenance, utilities and cleaning associated with operating the services at the facility.

Category A – Annual Administrative Fee/Peppercorn Rent

Occupants in this category provide and support key community service outlined in Council's Plan. These are generally not-for-profit incorporated associations, do not have ability to generate significant income, rely on volunteers and rely on funding and grants from other sources. The Annual Administration fee is set out in Council's Schedule of Fees and Charges. Examples of Occupants within Category A may include the following (Category may vary subject to a full assessment):

- Toy Libraries
- Play Groups
- Neighborhood Houses
- Men's Shed
- Arts and Cultural Groups
- Early Learning and Kindergarten Services
- U3A
- Scout Groups and Girl Guides
- Emergency Services
- RSL

- **Category A1 – Annual Administration Fee:**

Community Groups that generally exclusively occupy a facility (i.e. lease) and operate a full-time service and may also receive funding from external sources in the form of a subsidy and/or grant. These groups provide a Council supported service to the community and may charge a non-competitive market fee their services and/or a membership fee. These community groups may also have staff which are employed on a paid basis.

- **Category A2 – Peppercorn Rent:**

Community Groups that generally operate a part-time community service and have permissive occupancy of a facility (i.e. licence). These groups receive minimal funding from external grants or subsidies, rely on volunteers and a committee, provide a Council supported service and do not charge a competitive service fee or membership fee.

Category B – Subsidised Rent

Occupants in this category provide community services supported by Council. The occupants are Incorporated Associations and/or are registered with the Australian Charities and Not-for-Profit Commission (ACNC) as a not-for-profit charity.

Occupants provide a service to the community that supports the Council Plan and has capacity to generate revenue from the use of the facility. As an Incorporated Association, the organisation is not able to make a commercial profit and all revenue must be reinvested back into the service and/or facility and allocated towards its purpose. The occupants may have constructed and/or contributed to the construction of the facility and have undertaken maintenance responsibility of the facility and improvements. Examples of Occupants within Category B may include the following (Category may vary subject to a full assessment):

- Humanitarian Services
- Health Community Services
- Aged and Disability Services
- Sport and Recreational Clubs (excluding Seasonal Sportsground and Pavilion Allocation occupancies as detailed above)

Occupants in this category will be eligible for a rental subsidy of between 20% to 80% off the current market rent based on the eligibility criteria in Schedule 2. A rental subsidy will apply to occupants which provide a service to the community.

The eligibility criteria will assess occupants based on the level of community service, capital contribution to the facility, maintenance of the facility and ability to generate revenue through membership and services.

Definitions

Term	Definition
Property	Property means Council owned or managed land and buildings on the land.
Community Benefit	Council Property is efficiently managed and prioritised for occupants that provide a use or service to the community that promotes improved social outcomes and enhances the health and wellbeing of the Stonnington residents and the greater community to support the objectives outlined in the Council Plan.
Council Plan	Council Plan is an adopted 4-year plan of Council as per LGA section 90.
Certified Practising Valuer	An accredited property professional with membership and qualifications as per provisions of the Valuation of Land Act 1960.
Endorsed Council Strategy	A Strategy that has been adopted by the Council of the City of Stonnington.
Financial Plan	Financial Plan is an adopted 10-year plan of Council as per LGA section 91.
Fittings	Also known as chattels, are items that are freestanding and retain their independence from the building or land and are capable of being removed. Examples include refrigerators, microwaves, etc.
Fixtures	Are items that are attached to the building or land and cannot easily be removed from the premises. Examples include air-conditioning units, stoves, etc.
Freehold Land	Freehold is considered the most absolute form of ownership. Is a property title by which the owner of the land owns for perpetuity.
Lease	Is a legally binding contract between two parties to exclusively occupy a space and stipulates respective responsibilities including payment of consideration for the privilege. A tenant has an interest in the land for the duration of the lease.
Licence	A license only provides permissive (non-exclusive) occupancy of a space. The licensor can allow parties other than the licensee to use the space. A licensee, at law, has no interest in the land.
Make-good	Whereby the occupant is required, as per the occupancy agreement, to restore the premises to its original condition at the conclusion of the lease.
Outgoings	Means council rates, charges, taxes and other levies assessed against the property.
Occupancy Agreement	Means an Agreement between a landowner and another organisation which confers a right to use a specified property for a specified use for a set period of time subject to mutually agreeable terms and conditions.
Tenant	Tenant means the occupier or Occupant of a facility under a Lease or Licence.

Responsibilities

Party/parties	Roles and responsibilities
Property Coordinator and Manager Strategy Property & Revenue	Responsible to review and analyse the policies and procedures, ensuring that they comply with legislative and regulatory requirements. Provide recommendations to improve existing policies and procedures to maximize the effectiveness of Stonnington's property portfolio.
Chief Executive Officer (CEO) & Chief Financial Officer (CFO)	Responsible for legislative compliance, regular review and execution of leases and licences as per instrument of delegation.
Council	Adoption and adherence to the Policy
Council officers	Adhere to the Policy

Monitoring, Evaluation and Review

Council commits to monitoring processes, information sharing and decision making to understand the overall level of success in the Policy's implementation.

A periodic review of this policy will be undertaken to ensure any changes required to strengthen or update the policy are made.

Officers are authorised to make minor editorial amendments as needed for administrative or updated information purposes (for example, but not limited to: changes to position and roles, references to legislation, definitions etc). Officers may also make amendments to the list of related documents at such times where reference material or guidelines require updating.

Reviewer	Position	Version	Date Reviewed
Kenton Shue	Property Coordinator	1.0	May 2025
Mark Spaziani	Manager Strategic Property & Revenue	1.0	May 2025

Related Legislation and Policies

There are a range of legislation, codes and Council documents that inform and support this Policy. These include, but are not limited to:

Legislation	Council documents
• *Charter of Human Rights and Responsibilities Act 2006* • *Child Wellbeing and Safety Act 2005* • *Crown Land (Reserves) Act 1978* • *Health Act 1958* • *Local Government Act 2020* • *Occupational Health and Safety Act 2004* • *Residential Tenancies Act 1997* • *Retail Leases Act 2003* • *Gender Equality Act 2020* • *Children's Services Act 1996* • *Valuation of Land Act 1960*	• Future Stonnington: Community Vision 2040 and Council Plan 2021–25 • Stonnington Public Health and Wellbeing Plan 2017-2021 • Active Stonnington Framework 2021-2025 • Sports Infrastructure Plan (Draft) • Terms and Conditions Of Use Seasonal Use Of Sportsgrounds & Pavilions (Allocation Policy) • Creative Stonnington: Arts and Culture Strategy 2023-2026 • Climate Emergency Action Plan 2021-2024 • Fair Access Policy 2024) • Venue Hire Policy (Draft) • Disability Inclusion and Access Plan • Community Engagement Policy • Asset Plan 2022 • Birth to 25: Children, Youth and Family Strategy (2017)

Schedule 1: Eligibility criteria for occupancy of a Council facility for community use

Prospective tenants may be eligible to be considered by Council for an occupancy agreement for community use of a Council facility if they satisfy relevant assessment criteria as determined by Council and must be supported by the relevant Service Manager. The tenant is required to submit a proposal to lease and respond to the following key assessment criteria below:

Mandatory:

- The occupant applies any surpluses towards its purposes, prohibits any dividends or profits from being paid to its members and is exempt from paying income tax. Any revenue generated must support the primary use or purpose of the leased or licensed premises.
- The occupant is a legal entity incorporated under the *Associations Incorporation Reform Act 2012* (Vic); or registered as a charity with: Australian Charities and Not-for-profits Commission (ACNC)
- The occupant is financially viable and able to demonstrate good financial management and record-keeping practices, including audited financial statements and minutes of annual general meetings. These documents are to be provided to Council upon request.
- The occupant complies with relevant legislation governing its activities and holds any licences or registration certificates required for it to operate.
- The occupant has a committee of management and appropriate governance arrangements, with established accountability and reporting methods to members of the minimised and / or to the community, including the capacity to maintain appropriate financial records for audit purposes. The committee of management of an organisation must be managed by volunteers and not paid employees. (i.e. *A not-for-profit business managed by paid employees will not be considered as a community tenant).*
- The occupant adheres to all relevant Council policies and has complied with the terms of any previous occupancy agreement with Council.
- Demand exists for the service or activity to be provided through the facility and the **primary** use of the facility must be a community use consistent with Council's objectives and current strategic plan as identified through the Council Plan and Community Vision or any other Council policy, strategy or plan.
- The occupant provides services with a competitively neutral pricing structure (in accordance with *National Competition Policy* and DTF's *Competitive Neutrality Policy 2012*).
- The occupant must provide a service that provides community benefit. The following criteria must be met to qualify for a community lease or licence:

  Community Benefit Criteria:

  - **Increased Social Engagement**
    - Occupant provides inclusive activities and programs that improve the health and well-being community.
  - **Service is non-discriminatory**
    - The proposed service or activity to be conducted from the premises is non-discriminatory.
    - The occupant can provide and demonstrate inclusion and accessibility for priority populations in line with Council's Fair Access Policy.

- **There are no barriers to participation**
    - People with a disability and vulnerable or marginalized groups can access the service or activity and strategies are in place to review and remove barriers to participation.
    - **A demand exists for the service**
      The proposed use is in a suitable location and the services respond to objectives supported and included in the Council Plan and Policies.
- **Maximise use of facility**
  Occupant can demonstrate facility is fully utilised to provide services to the community and/or encourages shared usage to other third-party community groups and/or Council to provide further community benefit. Examples include hiring to community groups or Council for a nominal or reduced fee.

Schedule 2 - Rental Subsidy Categories and eligibility

An occupant that meets the assessment criteria in Schedule 1 may be eligible for a community use occupancy. The following two Categories A and B provide details on the eligibility for a rental subsidy based on the following criteria.

Subsidy category	Annual rent	Tenant's eligibility
Category A	**A1 – Annual Administration Fee:** (*updated annually in Council's Schedule of Fees and Charges adopted in Budget)* OR **A2 – Peppercorn rent:** ($1 per annum) if demanded by Council	• Provides a community service supported by Council. • Meets all assessment criteria in Schedule 1. • Provides significant Community Benefit*. • Primary use of the facility is not for the retail sale of goods. • Has **limited** ability to generate additional revenue through ancillary services or commercial activities (net of cost of service). • Receives direct government funding to support service delivery to minimise direct charge to the community.
Category B	**Discounted Market Rent:** Market rent with a discount between 20% to 80% based on a sliding scale based on evaluation of the following criteria: • Community Benefit Criteria • Maintenance responsibility and capital improvements • Capacity to generate revenue.	• Provides a community service supported by Council. • Meets some of the assessment criteria in Schedule 1. • Provides some Community Benefit* through community services. • Has the ability to generate additional revenue through primary and/or ancillary services or commercial activities.

*Community Benefit criteria is included in **Leasing and Licensing Policy – Schedule 1.**

Schedule 3: Guidelines for determining rental subsidy (Community Leasing and Licensing Policy):

The table below provides the criteria for determining the appropriate category and rental subsidies which will consider the Occupants ability to generate revenue, provide community benefit and level of maintenance and capital contributions to the facility. The rental subsidy is based on a fixed amount for Category A1 and A2 occupants and a sliding scale between a minimum discount of 20% and a maximum of 80% for Category B Occupants.

Category	Rental Subsidy	Eligibility Criteria
Category A1	Annual Administration Fee *(Annual Administration Fee is calculated in accordance with Council's Fees and Charges Schedule adopted in Budget)*	Community Services provided are approved by Council and supported in the Council Plan and/or other policies and strategies. The service is provided at a non-competitive price point, to support an accessible service to the community (price is not set based on competitors pricing and minimizes the direct charge to community). • Community Services are managed by a committee of volunteers. • Services provided are subsidised by external government funding.
Category A2	Peppercorn - $1 if demanded	Meets all of the assessment criteria of **Category A1** and; • The occupant's hours of use are limited and does not operate services on a full-time basis, i.e. a licence agreement with non-exclusive use of facility. • Has very limited revenue-raising ability (service is cost neutral).
Category	Rental Subsidy	Eligibility Criteria
Category B	**Discounted Market Rent** **20% - 80% Discount** (Sliding scale based on eligibility criteria)	**Category B: Meets some of the assessment criteria in Schedule 1 and 2** Minimum discount for Category B tenant: 20% Maximum discount for Category B tenant: 80%
		Capacity to Generate Revenue: Occupant's ability to generate revenue: • Provides services to the community by charging a non-competitive or competitive pricing structure. • Ability to hire/subletting of facility for functions and events. • Ability to sell food and beverage (liquor licence). • Services are provided by volunteers. • Accessibility to external grants, funding and/or subsidies.

		• Ability to service and maintain a large membership or client base to support funding of the service.
		Maintenance responsibilities and capital contributions to facility: • Occupant undertakes reactive and planned maintenance responsibilities of the facility to the level specified in Council's standard maintenance schedule. • Occupant has recently **completed** or made a significant capital contribution to improve the infrastructure of the facility over the term of the lease. Consideration will also be given if the tenant constructed the facility. Examples: • Resurfacing of Tennis Courts/Bowling Greens • Installation of flood lights or fit out to property. • Capital contribution to the redevelopment of a council facility. • Occupant constructed improvements and/or building. • Occupant undertakes significant maintenance of the facility and maintains in good condition. • If an occupant maintains a sinking fund and commits to invest in future capital works at the facility, see further conditions below*

		Community Benefit Criteria:
		
		• **Increased Social Engagement**
		  ○ Occupant provides inclusive activities and programs that improve the health and well-being community.
		
		• **Service is non-discriminatory**
		  ○ The occupant to provide and demonstrate inclusion and accessibility for priority populations in line with Council's Fair Access Policy.
		  ○ The proposed service or activity to be conducted from the premises is non-discriminatory.
		
		• **There are limited barriers to participation**
		  ○ People with a disability and vulnerable or marginalised groups can access the service or activity and strategies are in place to review and remove barriers to participation.

		• **A demand exists for the service**
		  ○ The proposed use is in a suitable location and the services respond to objectives included and supported in the Council Plan and Policies.
		
		• **Maximise use of facility**
		  ○ Occupant can demonstrate facility is fully utilised to provide services to the community and/or encourages shared usage to other third-party community groups and/or Council to provide further community benefit. Examples include hiring to community groups or Council for a nominal or reduced fee

Additional discounts - Sinking fund for future Capital Works Program*:

Where an occupant maintains a self-managed sinking fund for future capital works at the facility that are included in Council's Capital Works Program included in the Budget, the annual sinking fund contribution amount can be considered as a direct discount from the annual market rent (subject to Council assessment and approval).

Example: A tennis club contributes toward annual sinking fund to replace court surface over ten-year lease term. Direct reduction from the annual rent during term of lease.

COMMUNITY LEASING AND LICENSING POLICY ENGAGEMENT REPORT 2025

CITY OF STONNINGTON

Community Leasing and Licensing Policy

Engagement Background

Community feedback on the updated City of Stonnington Community Leasing Policy was sought between 2 June and 14 July 2025. Feedback could be made via an online survey on Connect Stonnington.

What we asked the community:

Feedback was sought on the changes proposed to the City of Stonnington Community Leasing and Licensing Policy, which included:

- Update to rental assessment/eligibility criteria and fee categories
- New rental subsidy guidelines
- Legislative updates
- New property site assessments

The main focus of the Policy update was to improve the alignment between the level of discount provided to community organisations and these groups' ability to generate revenues (lower discount) and/or assist in facilities maintenance (higher discount).

The update also introduced a new category (A1 – Annual Administrative Fee) which seeks a fixed level of contribution each year to support Council's essential building compliance cost obligations.

Why we sought feedback:

Several Council-owned facilities are provided at below market rent to organisations that deliver community and recreation services across the municipality.

Every four years, Council reviews the policy framework that guides these tenancy agreements to ensure the arrangements are responsible, equitable and a sustainable management of Council facilities.

Existing users of Council facilities received an invitation to participate.

What properties does the Policy affect?

The Policy relates to all Council-owned building and facilities that are leased or licensed to a community services provider.

Examples of current tenants and licensees may include the following:

- Sport and recreation clubs
- Kindergartens and Early Years Services
- Scouts
- Aged and Disability Services
- Other Community Services

Results of Feedback

A total of 22 submissions were made via Connect Stonnington.

Relationship to leased buildings:

Data note: Respondents could choose all relationships to leased buildings; therefore, results exceed 100%.

Most respondents were either a community facility tenant or a community member (45.5% each). The other category was selected by only one respondent. This person specified that they were a director of an organisation that has peppercorn rent.

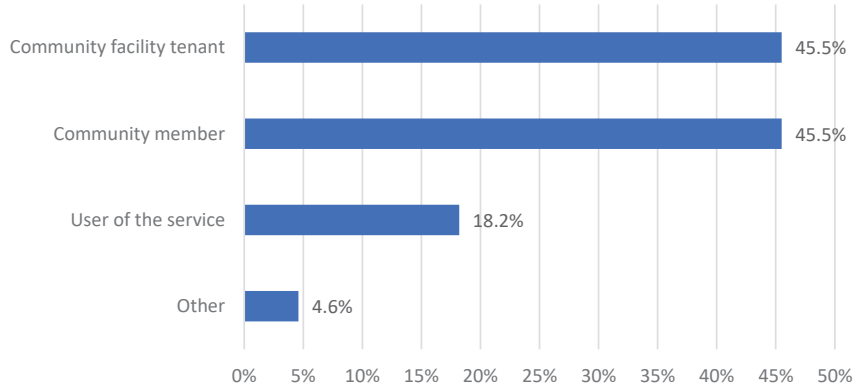


Figure 1: Relationship to leased buildings (n=22)

Level of discount that an organisation that generates revenue through their use of Council facilities should receive:

While 75% of respondents thought facilities that generate revenue should receive some form of discount, 25% of respondents thought they should receive no discount. Only 25% thought they should receive a high discount.

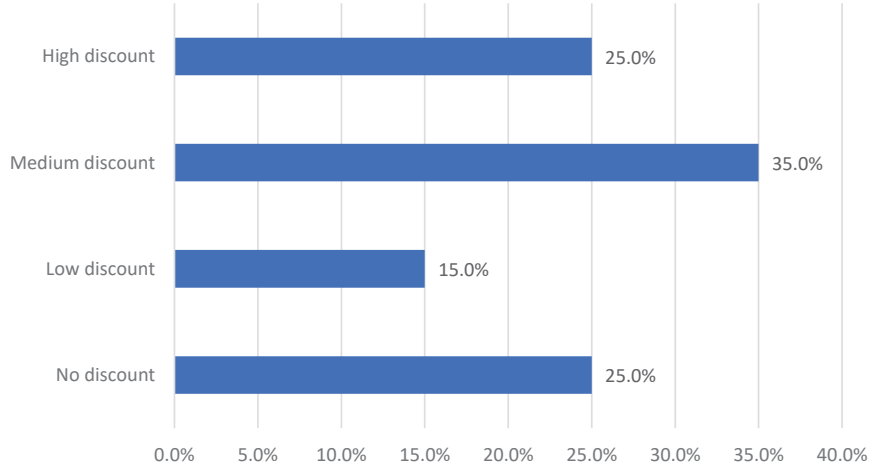


Figure 2: Preferred discount for facilities that generate revenue (n=20)

Level of discount that an organisation that uses Council facilities and contributes to the costs of facility maintenance should receive:

Respondents felt that organisations that contribute to the cost of facility maintenance should receive some form of discount, with 61.9% believing they should receive a high discount.

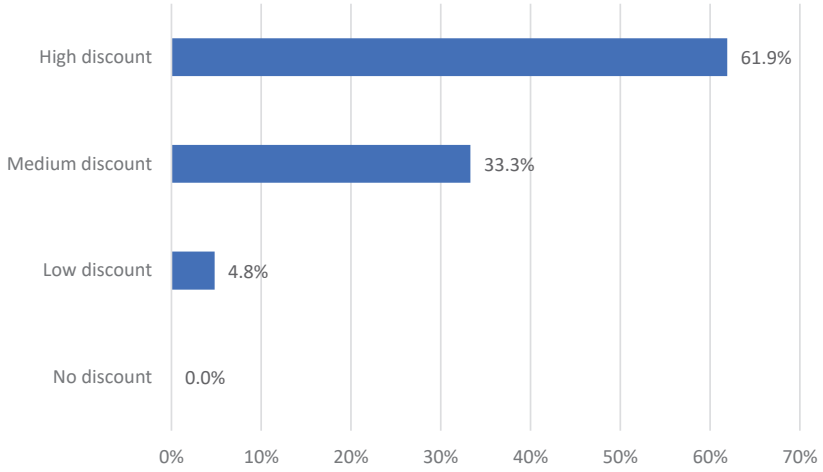


Figure 3: Preferred discount for facilities that contribute to maintenance (n=21)

Level of discount that an organisation that uses Council facilities to provide community benefit through community services supported by the Council plan should receive:

Respondents felt that organisations that contribute to the cost of facility maintenance should receive some form of discount, with 86.4% believing they should receive a high discount.

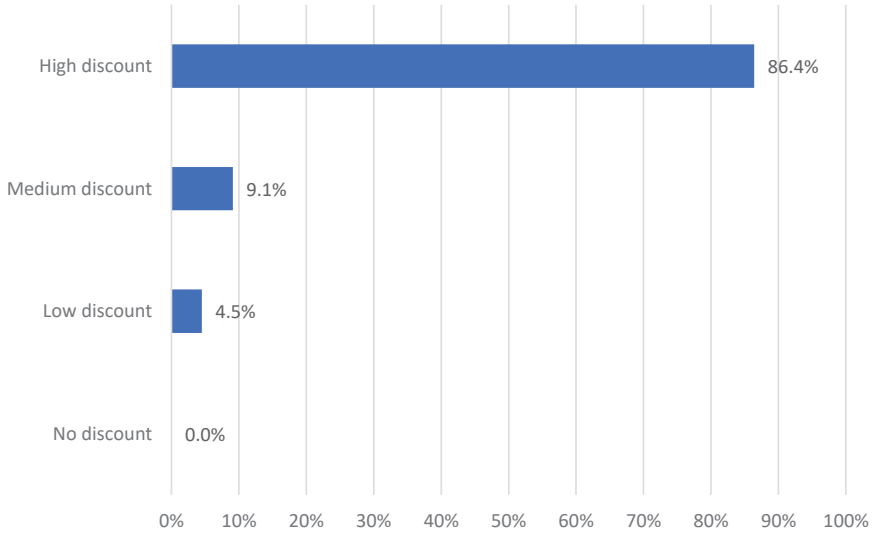


Figure 4: Preferred discount for facilities that to provide community benefit (n=22)

Level of support for the Policy

Respondents were then asked to rate their level of support for the Draft Community Leasing and Licensing Policy.

Nearly three out of five respondents (59.1%) either strongly support or somewhat support the new policy, while 13.6% stated they did not support the policy.

A further 27.3% rated their level of support as neutral.

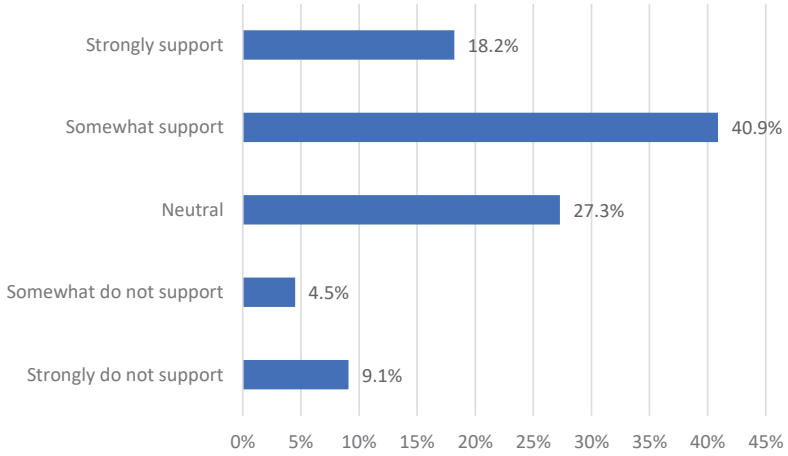


Figure 5: Level of support for the new policy (n=22)

Other comments

At the end of the survey, respondents were asked if there were other comments they would like to make about the Community Leasing and Licensing Policy.

Although a majority of respondents supported the policy in the question above, most comments highlighted issues they had with the policy.

Their comments encompassed the following themes/ideas:

- **Maintaining affordability of community organisations.** More than 40% of comments emphasised the need to ensure that affordability was maintained for community organisations and those that use their services. There was particular concern about this cost being passed on to vulnerable families at a time of increased cost of living pressures.
- **Concerns about cost recovery creating a barrier to participation.** In comments related to cost-of-living concerns, some respondents were concerned that this could become a barrier to participation. It was hoped that Council would find ways to assist organisation to keep the barriers to entry as low as possible.
- **Perception that the costs were expensive.** Some felt the arbitrary charge was unfair and led to inequalities across different organisations. They also did not believe this was accost that should be borne by tenants.
- **Acknowledgement that most organisations were run by volunteers.** Comments in this category fell into two distinct themes. Firstly, respondents felt that volunteer labour already contributes to ensuring Council facilities are well used and maintained. Secondly, some

pointed out that, as most organisations are run by volunteers, the financial obligations need to be simplified to enable volunteers to maintain them.

- **The fee will act as a disincentive to ensuring facility maintenance.** Some respondents added to the theme above that, alongside volunteer labour, some organisations already invested in capital improvements for Council facilities. They believe the imposition of fees would create a disincentive to continue work that had previously been undertaken for free or at minimal cost.
- **Revenue raising facilities should not be subsidised.** Some comments indicated that they did not believe those organisations who were generating income should receive a subsidy.
- **Did not like the submission process/ not enough information supplied.** Some comments highlighted confusion about the categories that organisations fell into. Others felt that the submission process did not give them the opportunity for feedback they would have liked.

A range of other comments highlighted single issues that could not be themed. The full verbatim submissions and Officers' responses are included in Table 1 below.

Table 2, on the other hand, lists submissions received via email along with Officers' responses.

No feedback was received via Council's Facebook page.

Submissions

TABLE 1 – SUBMISSIONS RECEIVED THROUGH CONNECT STONNINGTON

The table below lists submissions received through Connect Stonnington.

Individual submitters have been de-identified for the purposes of this report.

Submission Number	Q1 – Are you a: - Community facility tenant - User of the service - Community member - Other Q2 – Should an organisation that generates revenue through their use of Council facilities receive a: - High discount - Medum discount - Low discount - No discount Q3 – Should an organisation that uses Council facilities and contributes to the costs of facility maintenance receive a: - High discount - Medium discount - Low discount - No discount Q4 – Should an organisation that uses Council's facilities to provide community benefit through community services supported by the Council plan, receive a: - Strongly support - Somewhat support - Somewhat do not support - Strongly do not support	Level of Support for the Draft Community Leasing and Licensing Policy 2025 and Any Other Comments	Officer Response
1	Q1 – Community member Q2 – High discount Q3 – High discount Q4 – High discount	Strongly support Most are run by volunteers and require a simple economic model to safely meet their budget, and also allow for future capital works, without pressure.	The draft Community Leasing and Licensing Policy 2025 (New Policy) aims to establish a fair and equitable methodology in assessing and categorising the types of occupants using

			Council facilities as well as guidelines for determining rental subsidy taking into account certain criteria that includes the occupant's capacity to make capital contributions.
2	Q1 – Community facility tenant Q2 – No discount Q3 – High discount Q4 – High discount	Neutral In relation to question 2: "Should an organisation that generates revenue through their use of Council facilities receive a discount" Our answer is 'no discount'. From our interpretation, this refers to commercial for-profit businesses. Question 4: "Should an organisation that uses Council's facilities to provide community benefit through community services supported by the Council plan receive a discount?" Our response: High discount. Organisations that deliver community-focused services aligned with Council's plans provide significant long-term benefits to residents. These services often promote social connection, improve health and wellbeing, and support vulnerable or marginalised community members. Many of these organisations operate at a low cost to participants, which is critical in reducing barriers to access. We believe this approach plays a valuable role in addressing social isolation, improving community health outcomes, and creating pathways to other support services. A high discount recognises this contribution and helps ensure these services remain sustainable and accessible. We would also like to highlight the following points from our review of the draft policy: Room Hire vs Lease/Licence: Under Principle P5, "other occupancy agreements" are briefly mentioned, but there is limited clarity in the Objectives, Principles, or Definitions sections of the draft policy regarding the role of regular room hire arrangements. We suggest greater alignment and cross-referencing between this policy and the Community Facilities Conditions of Use – Regular and Casual Hire Arrangements. We support the inclusion of needs analysis in assessing access to community facilities. This process should be consistently applied to all long-term or regular users of Council-owned spaces, whether through hire or lease arrangements, to ensure facilities are used efficiently and equitably and avoid overlapping of services. Thank you for allowing us to participate in the review.	This relates to all community tenants which are not-for-profit occupants. A not-for-profit can still make revenue and profit, with the revenue and profit made to be allocated or used towards the occupant's purposes. Any request for financial assistance is provided to community occupants by way of a subsidised rent in this draft Community Leasing and Licensing Policy 2025 (New Policy). As such, Council will consider both the occupant's profit and revenue, and the facility when considering discounted rent as part of the assessment process. Council has discretion to approve 50% discount if financial hardship can be demonstrated in year 1 of the lease within Category B. The New Policy excludes casual/regular facility hire agreements or other occupancies fees of which are set in the Fees and Charges Schedule contained in the Annual Council Budget. The most appropriate occupancy agreement (a lease, licence or a casual/regular facility hire agreement) will be determined subject to a full assessment in line with the Venue Hire Policy, the New Policy and any other relevant policies.
3	Q1 – Community facility tenant Q2 – Medium discount Q3 – High discount	Strongly support	

	Q4 – High discount	As a Community Tennis Club, we provide a valuable community service, we believe it is important to keep the barriers to entry low and thus maintain our annual membership fee subscriptions at an affordable figure. To maintain affordability we need to have a clear view of our outgoing costs. The issue of concern to us with the Category B Discounted Market Rent, is the Council providing us with more clarity on how the discount is determined, for what duration the discount will be for, and then a suitable notice period before a rent increase is nominated. As a Club, our only ability to generate revenue is from membership fees, and minimal court hire fees. We do not hire the facility to community groups (outside of our weekly tennis commitments), and we do not sell food or beverages. It is very important for us to understand our annual costs and manage them closely, thus our desire to seek clarity on how the discount will be determined. We do not agree that Council Rates should be paid by a tenant. The Annual Administrative fee, this should be included in the rental figure and not included as a separate item. We would like clarity on the Council's view of 'audited financial reports' or 'suitable for audit.' As an Incorporated Association we are not required to have our financial records audited. If you would any further information from us, we are very happy to be contacted.	Any request for financial assistance is provided to community occupants by way of a subsidised rent in this draft Community Leasing and Licensing Policy 2025 (New Policy). As such, Council will consider both the occupant's profit and revenue, and the facility when considering discounted rent as part of the assessment process. The discount will be determined based on the eligibility criteria in the New Policy. A community occupant that meets the requirements under *the Cultural and Recreational Lands Act 1963* may be eligible for a reduction in Council rates. This matter is considered separately to this New Policy. The Annual Administration Fee is calculated in accordance with Council's Fees and Charges Schedule adopted in the Budget. Unaudited financial reports are suitable; however, Council may request an audited financial report from time to time e.g. when assessing any proposal for a new lease or licence.
4	Q1 – Community member Q2 – No discount Q3 – Low discount Q4 – High discount	Neutral My understanding is that to lease or use Malvern Town Hall is extremely expensive; hence it is seemingly rarely used. I have a strong belief this building should be used far more for provision of community inclusive functions for which entrance fees could and should be charged. For example annual black tie ball open to any community member to attend, school holiday programmes, annual art show (similar to Camberwell Art Show) where entrance fees for entries are charged together with entrance fees for attendees. It is unfair our ratepayers are not permitted entry to this facility when its purpose when constructed was for community events. Phoenix Park is too far away and falls short in delivery of enough community events. An additional community programme should be run out of the town hall facility.	The Malvern Town Hall is a venue for hire and as such, is not covered under the draft Community Leasing and Licensing Policy 2025 (New Policy).
5	Q1 – Community member Q2 – Low discount Q3 – Medium discount Q4 – High discount	Somewhat support No other comments provided.	
6	Q1 – Community member Q2 – Medium discount Q3 – High discount Q4 – High discount	Somewhat support Generally the document reads well and makes sense.	Community occupants are required to cover public liability insurance. Financial assistance

		I would like to see some assistance toward public liability insurance factored into the plan, I know that increasing costs of insurance are a barrier to many community organisations providing beneficial services. I think question 2 also needs further clarification, revenue generation doesn't mean that an enterprise is profitable or sustainable without further assistance eg by way of discounted rent. I would love to see detailed, user-friendly information available for people looking to start a community organisation and then utilise this policy (and others) to provide services to the community.	is provided to community occupants by way of a subsidised rent subject to meeting eligibility criteria in the draft Community Leasing and Licensing Policy 2025 (New Policy). Council will consider both profit and revenue, and the facility when considering discounted rent as part of the assessment process. The relevant Community and Wellbeing Service Managers may be able to assist with new community organisations in the first instance; however, a lease or licence may not necessarily be the most appropriate occupancy agreement for all community organisations thus necessitating a full assessment.
7	Q1 – Community facility tenant Q2 – Medium discount Q3 – High discount Q4 – High discount	Somewhat support Thanks for the opportunity to provide feedback to the draft Community Leasing and Licensing Policy. We have some specific comments and a general statement. 1. On p7 under 'Term of the occupancy agreement', the wording as follows is somewhat ambiguous: "The standard term of an occupancy agreement will generally be 5 years with a maximum of ten years. Council may consider offering a longer term in appropriate circumstances such as where an occupant makes a significant financial investment in a facility." Does the 'longer term' mean that more than ten years may be considered, or does it refer to the term of more than 5 years, up to 10 years? 2. On p7 under 'Use of facility, multiple use and occasional hire, and subleasing', the requirement to gain Council approval perhaps needs some modification as to the intent. Is this approval to be against criteria, or would the occupant need to contact Council for each instance? 3. On p11, we suggest the inclusion of 'Arts and Cultural Groups' as an example of listed occupant type for Category B. This would give recognition of long-term occupants such as ourselves. As general feedback, we'd like the Policy to include wording about Council taking into account the length of time and conduct of the previous Lease holder in	Term is 5-10 years subject to a full assessment of the eligibility criteria. 'Longer term' means more than 10 years, but only appropriate in exceptional circumstances where an occupant makes a significant investment to a facility e.g. if a Club constructs an entire building or facility or makes a significant capital contribution to the building or facility, then a lease term of more than 10 years may be offered at Council's absolute discretion and subject to Council approval. Occupants may only sublease or sublicence the facility with Council's approval to appropriate organisations where the use is permitted. The occupant would therefore need to contact Council for each instance. Generally, Council will use the same criteria to assess the eligibility of the proposed additional occupant. The rent subsidy level for any occupant may be reviewed and any financial gain is generally payable to Council unless applied for promoting community services and/or Council's benefit.

		assessing their eligibility for occupancy, e.g. Malvern Theatre Company's solid record of responsible occupancy of the Malvern Community Arts Centre for over 50 years. This eligibility criterion might sit well as an addition to the final paragraph before the table on p11.	This is not an exhaustive list hence it says, "may include", and some smaller Arts and Cultural groups may fall under Category A1 thus it was initially left out. Final category will be determined subject to a full assessment. Under Term of the occupancy agreement on page 7, it says 'sustainability of the service conducted from the facility'. Occupancy for over 50 years certainly demonstrates sustainable service at this location. This could be a consideration, however, demand and supply for services change over time and past occupancy needs might not relate to occupancy needs at present and in the future.
8	Q1 – Community member Q2 – No discount Q3 – Medium discount Q4 – Medium discount	Neutral Not a very well designed survey.	 Thank you for your feedback on the survey. The Connect Stonnington page contained a survey with 10 questions and provided an opportunity for participants to provide their submission in relation to the draft Community Leasing and Licensing Policy 2025 (New Policy).
9	Q1 – Community facility tenant Q2 – No response provided Q3 – No response provided Q4 – High discount	Somewhat support Questions 2 & 3 are difficault to simply select one of the options available. Just because an organisation generates it's own revenue shouldn't be the sole reason for their rental discount. The revenue an organisation is able to generate may not be sufficient to cover ever growing costs. This needs to be balanced against the oganisations community benefit. As for the organisations relationshipt to maintenenace, this will again depend on a number of factors and can't be seen as a standalone factor when considering any rental discount.	 Revenue generation will not be the sole reason for a rental discount. The complete eligibility criteria for occupancy of a facility for community use and the associated rental subsidies are contained in Schedules 1 and 2 of the draft Community Leasing and Licensing Policy 2025 (New Policy).
10	Q1 – Community facility tenant Q2 – Low discount Q3 – Medium discount Q4 – High discount	Neutral Clubs that provide license to a third operator, eg Tennis clubs that license coaching service that generates significant revenue, should be charging licensee a fare proportion of the revenue. Otherwise, the Council venue that should be providing services to the club members and the community is otherwise serving as a commercial enterprise to private coaching clients to no benefit to the members.	 Any community tenant (e.g. club) must first seek Council's consent prior to sub-letting or granting a licence to an operator (e.g. tennis coach). Generally, Council will use the same criteria to assess the eligibility of the proposed additional occupant. The rent subsidy level for any occupant may be reviewed and any financial gain is generally payable to Council

			unless applied for promoting community services and/or Council's benefit.
11	Q1 – Community facility tenant User of the service Community member Q2 – High discount Q3 – High discount Q4 – High discount	Strongly do not support Our club uses some portion of membership fees to invest in capital improvements for what is a council-owned asset. The proposal to charge a higher rent based purely on assessed value will act as a penalty for capital improvements and discourage further improvements. Increases in rent will be passed through to members in their annual fees, which will reduce the participation given the current economic environment.	If an occupant agrees to a self-managed sinking fund to undertake future capital works to a Council facility, a further discount off the market may be considered i.e., subject to a full assessment and at Council's discretion. Any request for financial assistance is provided to community occupants by way of a subsidised rent or licence fee in this draft Community Leasing and Licensing Policy 2025 (New Policy). As such, Council will consider both the occupant's profit and revenue, and the facility when considering discounted rent or licence fee as part of the assessment process. Council has discretion to approve a further 50% discount if financial hardship can be demonstrated in year 1 of the lease within Category B.
12	Q1 – User of the service Q2 – High discount Q3 – High discount Q4 – High discount	Neutral I question the increase in rent for 1Acategory . From $500 to $1000 . When the service the facility provides is high demand must have community need in council area.	The draft Community Leasing and Licensing Policy 2025 (New Policy) reflects standard practice in that tenants are responsible for payment of outgoings, as with any standard occupier on a lease. For shared premises, costs are apportioned between user groups and agreed upon in the licence agreements. Council already offers rental subsidies in support of the community services provided, and it is not financially sustainable for Council to also pay for outgoings. To improve financial sustainability for Council, more equitably share the expense of providing facilities and better reflect the ability of some community occupants to contribute funds (those with revenue generating capabilities) to

			cover these associated outgoings and building costs that are presently incurred by Council, the Annual Administration Fee for Category A1 occupants has been proposed.
13	Q1 – Community member Q2 – High discount Q3 – High discount Q4 – High discount	Somewhat support Increase in rent to $1000 seems expensive	The draft Community Leasing and Licensing Policy 2025 (New Policy) reflects standard practice in that tenants are responsible for payment of outgoings, as with any standard occupier on a lease. For shared premises, costs are apportioned between user groups and agreed upon in the licence agreements. Council already offers rental subsidies in support of the community services provided, and it is not financially sustainable for Council to also pay for outgoings. To improve financial sustainability for Council, more equitably share the expense of providing facilities and better reflect the ability of some community occupants to contribute funds (those with revenue generating capabilities) to cover these associated outgoings and building costs that are presently incurred by Council, the Annual Administration Fee for Category A1 occupants has been proposed.
14	Q1 – Community facility tenant Q2 – Medium discount Q3 – High discount Q4 – High discount	Somewhat support No other comments provided.	
15	Q1 – Community facility tenant Q2 – Medium discount Q3 – High discount Q4 – High discount	Neutral No other comments provided.	
16	Q1 – User of the service Q2 – Low discount Q3 – Medium discount Q4 – Low discount	Strongly support No other comments provided.	
17	Q1 – Community member Q2 – No discount Q3 – Medium discount	Strongly support No other comments provided.	

	Q4 – Medium discount		
18	Q1 – User of the service Other – Director of an organisation that has peppercorn rent Q2 – No response provided Q3 – High discount Q4 – High discount	Somewhat support I cannot answer question 2, as it depends on the organisation. For instance, if this is a community organisation? Is it a not-for-profit? Does the revenue go straight back into the organisation to enable it to continue to offer suppport. For us, all revenue goes back into the organisation. We rely on volunteers and do our best to employ as many artists and those needing work experience and career opportunities. Our staff all give many voluntary hours to support the organisation. Without the support of Stonnington Council to provide our rent subsidy, we would not likely be able to continue. Thank you for this opportunity to provide feedback.	The draft Community Leasing and Licensing Policy 2025 (New Policy) only applies to third party community tenants or licensees that occupy a Council owned or managed facility. Revenue generation will not be the sole reason for a rental discount. The complete eligibility criteria for occupancy of a facility for community use and the associated rental subsidies are contained in Schedules 1 and 2 of the New Policy.
19	Q1 – Community member Q2 – No discount Q3 – Medium discount Q4 – High discount	Somewhat do no support I assume this is for all existing sites and not locations like the pools that are now run by council? if its existing this its ok, if a area leases the building for the community then council should maintain there own buildings, if they make money in a meaningful way then I'm unsure but no council subsidies are needed if they get high income.	The draft Community Leasing and Licensing Policy 2025 (New Policy) applies to Council facilities where there is a lease or a licence in place. Pools are not rented out to third parties by Council (they are managed in house), so they are outside the scope of the New Policy.
20	Q1 – Community facility tenant Q2 – Medium discount Q3 – High discount Q4 – High discount	Somewhat support The question about 'revenue' is too simplistic. If the revenue is only subscriptions and related payments from club members which is then fully applied to facility maintenance and capital improvements, then a high discount is appropriate. Also the policy needs to address the impact of a user have previously funded capital improvements ie historic investments by the user. Such improvements will result in a higher assessed value (and thus higher rent). However that results in a manifestly unjust outcome as the user is effectively penalised, by higher rental, for having undertaken capital improvements to an asset owned by Council.	Revenue generation will not be the sole reason for a rental discount. The complete eligibility criteria for occupancy of a facility for community use and the associated rental subsidies are contained in Schedules 1 and 2 of the draft Community Leasing and Licensing Policy 2025 (New Policy). If an occupant agrees to a self-managed sinking fund to undertake capital works to a Council facility, a further discount off the market may be considered i.e., subject to a full assessment and at Council's discretion.
21	Q1 – Community facility tenant Q2 – High discount Q3 – High discount Q4 – High discount	Somewhat support As a not-for-profit childcare and kindergarten centre, we offer essential early education and care services to local families, which directly aligns with Council's community priorities. The policy should ensure that organisations like our, who contribute significantly to social infrastructure and meet key community needs, are recognised through equitable leasing arrangements. Ongoing affordability of	Based on the eligibility criteria, childcare and kindergarten centre would fall under category A1 as the kindergarten operates on 5 days a week (full-time basis) and may have revenue raising ability (subject to a full review of the

		rent is critical for our sustainability, particularly when cost-of-living pressures continue to rise for families and not-for-profit providers. Additionally, for childcare and kindergarten services in particular, lease terms should be offered for long periods for example 4-5 years to ensure operational stability. Lease renewals should be reviewed at least 12 months prior to expiry and made a priority, to provide a sense of security for staff, families, and the wider community. Recently, a nearby council experienced uncertainty when renewal decisions were delayed, causing significant distress among families and educators. Clear, timely communication and secure leasing arrangements are essential to maintain confidence in the continuity of early years services.	services and financial reports from the previous financial year). The standard term of an occupancy agreement under the draft Community Leasing and Licensing Policy 2025 (New Policy) will generally be 5 years with a maximum of 10 years. Council may consider offering a longer term in appropriate circumstances such as where an occupant makes a significant financial investment in a facility. We will endeavour to liaise with a community tenant well before the lease expires, to ensure continuity of services.
22	Q1 – Community member Q2 – Medium discount Q3 – Medium discount Q4 – High discount	Strongly do not support Our club is run by volunteers. Every cent raised goes back into the provision of community facilities most of which become owned by Council. The facilities are for everyone - girls, boys, men and women irrespective of how they identify or vote or barack for. The proposed increase in payments to Council will make the club insolvent unless it raises its fees. Raising fees will reduce participation particularly from those with hat can least afford it which is probably more likely to be from in marginalised sectors. It's a really miserable policy	Any request for financial assistance is provided to community occupants by way of a subsidised rent or licence in this draft Community Leasing and Licensing Policy 2025 (New Policy). As such, Council will consider both the occupant's profit and revenue, and the facility when considering discounted rent as part of the assessment process. Council has discretion to approve a further 50% discount if financial hardship can be demonstrated in year 1 of the lease for occupants within Category B.

TABLE 2 – SUBMISSIONS RECEIVED THROUGH EMAIL

The table below lists submissions received through PropertyCoordination@stonnington.vic.gov.au and individual Council staff emails.

Individual submitters have been de-identified for the purposes of this report.

Submission Number	Submission Content	Officer Response
23	Hi Property Co-ordination team Thank you for sending through the attached email. We will consider this and respond to you as needed. In the meantime, XX no longer works for Wesley College. Could you please update your contact details for policy and consultation matters to me? My contact details are per below. Thank you!	Noted.
24	Good afternoon XX, We picked up the published notice for the above review. We wish to confirm our category for ongoing committee future discussions as this will have a big impact on how we proceed on a number of fronts. Based on previous discussions, it is our understanding that Sunnyside Kindergarten would fall under category A1. Could you please confirm Sunnyside does fall under category A1 and if not, what category we would be applicable to us as a kindergarten. Thank you, we hope to hear from you soon.	Given that we need to consider all submissions and consequently obtain a Council resolution, at this stage we are not yet able to categorically confirm which category Sunnyside Kindergarten will fall under. It is likely, however, that Sunnyside Kindergarten would fall under category A1 as the kindergarten operates on 5 days a week (full-time basis) and may have revenue raising ability (subject to a full review of the financial reports from the previous financial year).
25	Dear Council Thank you for the opportunity to comment on Council's draft Community Leasing and Licensing Policy. I wish to make the following points. 1. Ardrie Park Tennis Club has been run by community members like myself for many decades as volunteers. We do not derive any financial benefit and give up our time happily for predominantly local people to enjoy tennis and each other's company. Through funds raised mostly from club membership fees we have funded club facilities and capital owned by Council including relatively modern and safe tennis courts, LED lights, nets, seating and ancillary facilities. How will the Club's expenditure be taken into account for future rental?	1. The discounted rental subsidy and guidelines in Schedules 2 and 3 of the proposed Community Leasing and Licensing Policy allows Council to assess the Club's past and future contributions towards capital works and its ability to maintain/upgrade the facility which will form part of discount evaluation process (of up to 80% at Council's discretion). We understand the Club's contributions to the facility, however Council has undertaken works and upgrades to the assets which requires charging some level of rent to ensure the facility's sustainability (financial/asset/service) and to reflect the direct benefit provided to the users of the Club from these assets. Councils need to balance user benefit with overall community outcomes when setting pricing policy (please refer to Council's Revenue and Rating Plan for more details). The Community Leasing and Licensing Policy reflects the method

	2. Will Council guarantee to funds future capital works including replacement of all of the above when at the end of its life? Who determines when a facility has reached the end of its life? 3. Why is a discount capped at 80% and what prevents Council from reducing the discount in the future? 4. Even at 80% discount the rental increase is likely to make the Club insolvent in a short period of time at current membership rates. Doubling membership fees is likely to greatly reduce participation particularly from those least able to afford it and particularly from CALD groups, females and young people, exactly the people we need to encourage more. Yours sincerely	by which Council will undertake this assessment to determine the rent each user group pays towards a facility's future costs which may include capital works, ongoing compliance costs e.g. ESM, building insurance and maintenance requirements. 2. This will be reviewed in Council's capital works program and budget and assessed in line with Council's Plans, Strategies and Policies including the Sports Infrastructure Plan, Asset Management Plan and Council Plan. Council undertakes regular condition audits of all community and sporting facilities and allocates funding towards future capital works projects in line with audit assessments which prioritises budget in the capital works program based on identified need. When considering a new lease proposal, Council will take into account the occupant's proposed capital works to ensure its financial viability and capability to maintain continual services from the facility. 3. Please refer to the response to question 1. The current 2019 Leasing and Licensing Policy provides a maximum of 70% discount, which the new policy increases to 80%. Any future policy review undertaken will follow a similar process to this current change which will be adopted and considered by Council at that time. As there are costs incurred by Council to maintain sporting and community facilities, the rent will contribute towards these costs and will allow Council to fund any future capital works required. 4. Council has discretion to approve a further 50% discount if financial hardship can be demonstrated in year 1 of the lease/licence. If the Club agrees to a self-managed sinking fund to undertake capital works to a Council facility, a further discount off the market rent may be considered i.e., subject to a full assessment and at Council's discretion.
26	Dear Council Thank you for the opportunity to comment on Council's draft Community Leasing and Licensing Policy. I wish to make the following points. 1. Ardrie Park Tennis Club has been run by community members like myself for many decades as volunteers. We do not derive any financial benefit and give up our time happily for predominantly local people to enjoy tennis and each other's company. Through funds raised mostly from club membership fees we have	1. The discounted rental subsidy and guidelines in Schedules 2 and 3 of the proposed Community Leasing and Licensing Policy allows Council to assess the Club's past and future contributions towards capital works and its ability to maintain/upgrade the facility which will form part of discount evaluation process (of up to 80% at Council's discretion). We understand the Club's contributions to the facility, however Council has undertaken works and upgrades to the assets which requires charging some level of rent to ensure the facility's sustainability (financial/asset/service) and to reflect the direct benefit provided to the users of the Club from these assets. Councils need to balance user benefit with overall

	funded XX facilities and capital owned by Council including relatively modern and safe tennis courts, LED lights, nets, seating and ancillary facilities. How will the the Club's expenditure be taken into account for future rental? 2. Will Council guarantee to funds future capital works including replacement of all of the above when at the end of its life? Who determines when a facility has reached the end of its life? 3. Why is a discount capped at 80% and what prevents Council from reducing the discount in the future? 4. Even at 80% discount the rental increase is likely to make the Club insolvent in a short period of time at current membership rates. Doubling membership fees is likely to greatly reduce participation particularly from those least able to afford it and particularly from CALD groups, females and young people, exactly the people we need to encourage more. Yours sincerely	community outcomes when setting pricing policy (please refer to Council's Revenue and Rating Plan for more details). The Community Leasing and Licensing Policy reflects the method by which Council will undertake this assessment to determine the rent each user group pays towards a facility's future costs which may include capital works, ongoing compliance costs e.g. ESM, building insurance and maintenance requirements. 2. This will be reviewed in Council's capital works program and budget and assessed in line with Council's Plans, Strategies and Policies including the Sports Infrastructure Plan, Asset Management Plan and Council Plan. Council undertakes regular condition audits of all community and sporting facilities and allocates funding towards future capital works projects in line with audit assessments which prioritises budget in the capital works program based on identified need. When considering a new lease proposal, Council will take into account the occupant's proposed capital works to ensure its financial viability and capability to maintain continual services from the facility. 3. Please refer to the response to question 1. The current 2019 Leasing and Licensing Policy provides a maximum of 70% discount, which the new policy increases to 80%. Any future policy review undertaken will follow a similar process to this current change which will be adopted and considered by Council at that time. As there are costs incurred by Council to maintain sporting and community facilities, the rent will contribute towards these costs and will allow Council to fund any future capital works required. 4. Council has discretion to approve a further 50% discount if financial hardship can be demonstrated in year 1 of the lease/licence. If the Club agrees to a self-managed sinking fund to undertake capital works to a Council facility, a further discount off the market rent may be considered i.e., subject to a full assessment and at Council's discretion.
27	To whom it may concern, I am writing in response to the Community Leasing and Licensing Policy Review. Council has an obligation to provide community services in exchange for residence paying their rates notice. In the area of Ardie Park Tennis Club rates notices are high and residents expect appropriate services to be provided.	1. There is a lease in place thus the tennis facility is exclusive to Ardrie Park Tennis Club ("Club") members or its casual users who pay to book a court. 2. Council does pay for maintenance and upgrades of the facility. Council also pays for ongoing compliance costs such as building insurance and ESM maintenance.

	Through the provision of exceptional facilities in the Council area – this drives increase in property prices and attraction of residence which in turn allows Council to increase rates and generate additional revenue. I find it inappropriate to levy any form of rent on the Ardie Park Tennis Club on the following grounds: 1. The Grounds are incorporated into Ardie park which is provided for all to use free of charge (or as part of the rates charges); 2. The council pays to maintain and improve Ardie Park but does not pay for the maintance of the tennis facilities that the club provides. 3. If the Club was to return the courts – the council would not receive any rent and further would have additional expenditure to maintain the additional land – that is currently maintained through the levy charged by the Club 4. The club is run by volunteers for the benefit of rate payers, the local community and Council 5. The clubs objective is to reduce cost and make the facilities affordable to the larges catchment of residences including retirees / youth members. We request that Council considers these points in either waiving the levy for Ardie Park Tennis Club or providing greater discount and flexibility in it's proposed Policy to avoid any negative community impact. Yours sincerely	3. While Council maintains and operates Princes Gardens tennis courts, it has third-party providers that operate some of its tennis centres including Orrong Park Tennis Centre and Malvern Tennis Centre. So if the Club was to return the courts there are other opportunities available for Council to consider. A lease offers exclusive use of the facility by either the Club members or its casual users. It is therefore considered reasonable that the Club pays appropriate rent in line with the proposed Community Leasing and Licensing Policy ("Policy"). 4. All community tenants are run by volunteers, hence the Policy and heavy subsidies. 5. Council wishes to support this but also needs to ensure financial sustainability in future to maintain the facility and undertake future capital works.