

Property Leasing and Licencing Policy

Department/Unit	Infrastructure and Planning	First Implemented	17 October 2017	Review Date	17 May 2024
Origin	Community Services Manager	Reviewed	17 May 2022	Version	4
Authorising Officer	Chief Executive Officer	Effective From	17 May 2022	TRIM Reference	E513/2

Purpose / Objective

The purpose of this policy is to establish a framework for Council arrangements when developing leases or licences for use of Council property. This framework will maximise the use of its Community assets in a responsible, transparent and consistent manner and provide a foundation for good decision making.

This will be done through the following key areas:

1. Maximising the use of Councils leased assets

This will be achieved by:

- ▶ Assisting and promoting the shared use of Council facilities;
- ▶ Ensuring the maximum economic life of assets through effective maintenance practices;
- ▶ Leasing commercial and residential properties out at a full market rate, where a subsidised lease has not been approved by Council; and
- ▶ Engaging in a process for disposal of surplus properties.

2. Providing an equitable and transparent process for dealing with subsidised leases or licences

This will be achieved by:

- ▶ Applying the rent model for subsidised leases or licences;
- ▶ Identifying appropriate maintenance schedules;
- ▶ Applying the general principles for subsidised leases or licences; and
- ▶ Developing a suite of standardised leases and licences.

3. Providing easily understood and accountable costing and administration of subsidised leases or licences

This will be achieved by:

- ▶ Accounting for the cost, including opportunity costs and subsidies associated with providing facilities and services;
- ▶ Communicating the process of establishing a lease;
- ▶ Providing a transparent process when allocating the use of Council's assets; and
- ▶ Covering reasonable costs when providing subsidised leases or licences.

Policy Statement

This Policy determines the way in which Council administers the granting of leases and licences for Council controlled land and buildings.

Council owns both community and operational land and manages Crown land where Council is the delegated Committee of Management.

Definitions

Crown Land: Land which is “remaining” that is not freehold title and is still held by the Crown. Crown Land is administered by the Department of Environment Land Water and Planning

Committee of Management: The role of the CoM's under the *Crown Land Reserves Act (1978)* is to “manage, improve, maintain and control” Crown land reserves that have been set aside for the benefit of the people of Victoria.

Lease: A lease is a contract by which the landlord (owner) grants exclusive use and possession of land or asset to an occupant (lessee), in consideration for a payment (rent) for a specified term and purpose.

Licence: A licence is an agreement that generally allows the non-exclusive use of land or asset for a fixed term to an occupant.

Rent: Rent (payment) is a tenant's (occupant's) regular payment to a landlord (owner) for the use of property or land for a specified term and purpose. Rent charged is a commercial value based on market valuation.

Rent Model: The Rent Model is based on applying a subsidised percentage of the market value of rent for a property or land. The following matrix indicates the methodology to be used to calculate the appropriate fee for each Lessee by allowing for the specific circumstance of individual organisations:

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Category	Description	% of market value to be charged
1	Community Groups who: <ul style="list-style-type: none"> • Hold a liquor licence, AND • Hold a food registration certificate; AND • Hire their facilities for functions/social events; OR <ul style="list-style-type: none"> • Charge entry to the premises 	17%
2	Community groups who conduct sporting activities for members and guests	14%
3	Community groups that meet the following criteria: <ul style="list-style-type: none"> • Non-sporting groups that provide a community service; AND • Predominantly volunteer based; AND • Receive external recurrent grant funding 	5%
4	Community groups that meet the following criteria: <ul style="list-style-type: none"> • Non-sporting groups that provide a community service; AND • Are 100% volunteer based; AND • Do not receive external recurrent grant funding 	1%
5	Other: Council reserves the right to enter into an agreement and negotiate the terms and conditions, annual rent and operating subsidy on a case-by-case basis.	Not specified

Scope

This policy applies to all Council employees, Councillors, contractors, consultants, volunteers and other authorised personnel of Mansfield Shire Council.

Council owns and manages land across the municipality. Much of this land is used under formal arrangement by other people, groups or companies. Examples of these types of uses include:

- ▶ Commercial or residential use
- ▶ Community or recreation groups that exclusively occupy a premises
- ▶ Community or recreation groups that seasonally occupy a premises
- ▶ Groups that have regular non-exclusive access to Council facilities

Responsibilities

Overall responsibility for the application of this Policy is held by the Chief Executive Officer.

Managers are responsible for ensuring their staff comply with the principles, practices and any associated procedures of this policy. Management, employees, contractors and volunteers are to

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be familiar with, and competent in, the application of this Policy, and are accountable for the delivery of this policy within their areas of responsibility.

The Operations and Capital Works Department is the owner of this policy. Any reviews of this Policy must be made in consultation with the General Manager Infrastructure and Planning.

References / Related Policies

This policy should be read in conjunction with other relevant Council policies. There are listed below:

- ▶ Township Reserve Maintenance Policy 2018
- ▶ Sale of Council Land and Buildings Policy 2021
- ▶ Child Safe Policy and Code of conduct 2018

Implementation

This Policy is effective from 17 May 2022.

Review Date

This Policy is to be reviewed by 17 May 2024.

Authorisation to Implement Policy

Signed: 
Title: Chief Executive Officer
Approval dated: 17 May 2022

Mansfield Shire Council reserves the right to review, vary or revoke this Policy at any time.