

Policy Title: Leasing Policy

Date approved by Council: 29 July 2008

Date of Next Review: July 2010

Responsible Department: Properties

Statement of Intent:

To provide guiding principles that will enable the establishment and management of Council's leased and licensed assets, to maximise the commercial return to Council of its commercial assets, to maximise the community benefit arising from facility use and to ensure responsible management of these community assets thereby minimising the risk to Council.

Policy Objectives:

The objectives of this Policy are to:

- Ensure that approved community groups are provided with assets that meet their reasonable needs.
- Optimise occupancy of Council owned and managed assets that reflects community expectations.
- Ensure that Council owned and managed assets are appropriately maintained, developed and occupied responsibly having regard to the interests of the community and Council.
- Ensure fair and consistent lease conditions for tenants and to clarify responsibilities for Council and tenants.
- Ensure equitable access to leased assets by Council approved community and commercial organisations.
- Ensure consistency in decision-making associated with lease terms and conditions.
- Establish transparent occupancy procedures including relevant consultation where necessary.
- Maximise overall return to Council of its commercial assets.

Policy Statement:

These objectives will be achieved by addressing issues in conjunction with Council Plan Goals of improving the sustainability of Council's properties and to achieve optimum utility of Council's asset base. These goals will provide the foundations for decision making and will be achieved through the following key areas:

- Maximising the use of Council's leased and licensed assets.
- Providing an equitable and transparent process for dealing with Council's leased and licensed assets.
- Understanding and encouraging community benefit.
- Providing an easily understood framework for leasing of Council's assets.

The achievement of the objectives of this Policy will provide straightforward guidelines for the development of occupancy agreements, which will clearly define the roles and responsibilities of both Council and tenants. The Policy will provide a useful tool to ensure the best use of Council's assets is achieved and a clear relationship is established between Council and its tenants.

Delegation:

1. That Council:

- 1.1 delegates to the member of Council staff holding, acting in or performing the duties of, the office or position of Group Manager Infrastructure Services, the power to lease any land under section 190 of the *Local Government Act 1989* (Act) including giving public notice of any proposed lease; and
- 1.2 authorises the member of Council staff holding, acting in or performing the duties of, the office or position of Group Manager Infrastructure Services to undertake the administrative procedures necessary to enable Council to carry out its functions under section 223 of the Act in relation to any proposal to lease.
- 1.3 delegates to the member of Council staff holding, acting in or performing the duties of, the office or position of Group Manager Infrastructure Services, the power to sign all leases and licences and any other documents required to be signed in connection with a lease or licence of any land,

unless:

- (a) submissions are received in response to a proposal to lease;

(b) the annual rental payable is more than \$50,000 (including GST); or

(c) where a Councillor requests that the matter is dealt with by Council

The Manager Properties will be responsible for the implementation and ongoing management of this Policy.

1. Legislative Requirements

- *Local Government Act 1989.*
- *Local Government (General) Regulations 2004.*
- *Retail Leases Act 2003.*
- *Retail Leases Regulations 2003.*
- *Crown Land (Reserves) Act 1978 (Vic).*
- *Occupational Health and Safety Act 2004.*
- *Residential Tenancies Act 1997.*
- *Planning and Environment Act 1987.*
- *Health Act 1958.*
- *Children's Services Act 1998.*

2 Definitions

In this Policy, the following definitions apply:

DSE means the Victorian Department of Sustainability and Environment and its successors and assigns.

A **lease** is a right granted by the owner of land (landlord) to another person (tenant) to have exclusive possession of that land, or part thereof, for a fixed duration in return for rental payment. A lease creates an interest in land that is binding on third parties and is capable of being assigned, unless the lease specifies to the contrary. Generally, Council will grant a lease where the premises will be occupied exclusively by the one user and Council considers that granting a lease is in the best interests of the community.

A **licence** permits a person (licensee) to occupy land (or part thereof) on particular conditions. The main feature that distinguishes a licence from a lease is that a licence does not permit exclusive occupancy of the land. Unlike a lease, a licence does not create any interest in the land and the rights created by a licence

are personal and do not run with the land. Council has a preference to enter into licence agreements rather than leases, as a licence ensures that Council's facilities are used to their greatest potential and maximises access to and the use of community facilities.

LGA means the *Local Government Act 1989 (Vic)* as amended from time to time.

RLA means the *Retail Leases Act 2003 (Vic)* as amended from time to time.

In this Policy “**tenant**” means an authorised person or incorporated body that has entered into or is proposing to enter into either a lease or licence with Council for the use of Council owned or managed premises.

Tenant Categories

Tenants are grouped into the following three categories:

A Group One – Commercial

Group One Tenants occupy the premises on a commercial basis. Some examples of premises that are leased to Group One Tenants include the following:

- Commercial sport and recreation e.g. Royal Avenue Tennis Centre, Brighton and Elsternwick Golf Clubs.
- Infrastructure e.g. telecommunications towers.
- General commercial e.g. Ricketts Point Tea House, North Road Pavilion Café.

Residential tenants and Council's independent living units are not included in this Policy.

B Group Two – Not-for-Profit Community Groups

Group Two Tenants includes community groups that service the community or an underprivileged or disadvantaged group and these Tenants may have also constructed the building on Council owned or managed land and have fully maintained the building (including structural and capital maintenance) throughout the term of the lease. Group Two Tenants will be reliant on Council funding or do not have capacity to generate a significant amount of income and operate on a not-for-profit basis. Some examples of Group Two Tenants include the following:

- Kindergartens.
- Playhouses.
- Community youth groups.
- Senior citizens.
- Life saving clubs.
- Scouts and Guides.
- Neighbourhood Houses and Learning Centres.

C Group Three – Other Clubs and Organisations

Group Three Tenants includes recreational or community groups that service the community and are readily available to Bayside residents. These tenants include member based fee-paying clubs and organisations that have the capacity to generate revenue from use of the facility or other activities consistent with the organisational purpose (but do not operate to make a commercial profit). Some example of Group Three Tenants include the following:

- Tennis clubs.
- Bowling clubs.

Sporting clubs that have seasonal licenses are not included in this Policy.

3. General Principles

3.1 Crown Land

Where Council acts as the Committee of Management over Crown Land, Council must seek approval from the DSE to enter into a lease or licence of Crown land. Leases and licences will be in the prescribed form as provided by the DSE and Council's additional terms and conditions will form part of the special conditions of the agreement.

3.2 Type of Tenant

Council will only grant a lease or licence to specific persons, incorporated bodies (that is, organisations that are incorporated under the *Associations Incorporation Act 1981*) or bodies corporate (as defined under the *Corporations Act 2001* (Cth)). This means that a lease or licence agreement cannot be made with people representing a group e.g. committees or partnerships.

3.3 Risk Management

Council will ensure that all leases and licences contain appropriate risk management measures including (without limitation) an obligation on the tenant to:

- release and indemnify Council from all claims resulting from any damage, loss, death or injury in connection with the premises, unless such claims arise out of Council's negligence;
- effect and maintain adequate public liability insurance;
- ensure that appropriate documentation and insurance is in place for occasional or hired use of the premises by third parties;

- be responsible for complying with emergency and evacuation procedures and risk management practices implemented by Council; and
- implement a risk management plan that addresses the risks associated with the tenant's use of the premises and how such risks will be addressed.

3.4 Negotiations

Council will allow a reasonable time for tenants to enter into or renew a lease or licence. However, negotiations with users should generally not take longer than six months to complete.

Where lease or licence negotiations have been ongoing for six months or longer without reasonable circumstances, tenants may be provided with a deadline for conclusion. If the deadline has passed and a lease or licence has not been agreed or an extension of the deadline has not been granted, tenants will be deemed to have repudiated any rights to occupy the land. In this circumstance, following formal Council resolution, Council may take any or all of the following action:

- Secure the premises to prevent unauthorised access to the land.
- Invite the former tenant to make a submission about any matters relating to the premises and tenancy and the reasons for the protracted negotiations.
- Determine a suitable tenant for the premises (as set out below at paragraph 5.1).

4. Rental levels

4.1 Group 1

Commercial tenants will pay a rental that is market driven and may be determined by a market rental assessment carried out by a valuer, or as the result of an expression of interest process or similar program.

4.2 Group 2

Group Two Tenants will be charged rent in accordance with Council's Schedule of Fees and Charges, as amended annually. The minimum rental to apply at the time of this Policy is \$175 (GST inclusive) per annum.

4.3 Group 3

Group Three Tenants will be charged:

- (i) a ground rental; and / or
- (ii) a building rental.

Ground Rental Only

A ground rental will be charged in the following two situations:

- (1) where a tenant has sole occupation of Council owned or managed land, that is, land that is fenced in and cannot be used for open space by the public when the tenant is not using it e.g. bowling greens and tennis courts. The ground rental will be charged in accordance with Council's Schedule of Fees and Charges, as amended annually.
- (2) where a tenant has constructed, at its own cost, a building on Council owned or managed land and has fully maintained that building (including structural and capital maintenance) throughout the term of the lease. The ground rental for these tenants will be calculated at \$1.00 per square metre of the area occupied by the building, as amended by Council's Schedule of Fees and Charges.

Building Only

A building rental will be charged to those tenants occupying a Council owned or managed building. The rental calculation for these tenants is 0.1% of the current asset value.

A building rental will not apply to tenants who have constructed a building on Council owned or managed land and have fully maintained that building throughout the term of the lease. These tenants will be charged a ground rental only.

Ground and Building

Tenants who exclusively occupy a Council building and also have sole occupation of the adjoining Council owned or controlled land, e.g. bowling and tennis clubs will be charged both a ground rental and a building rental.

Subsidy

Group Three tenants who at their own expense contribute to the cost of the construction/ refurbishment of the building may receive a discount in their building rental. The discount will apply on the basis of the level of the contribution as a proportion of the current asset value. A set discount period will apply depending on the contributions made by the tenant as follows:

- A set discount rental period of five years will apply to contributions less than 25% of the total asset value.
- A set discount rental period of 10 years will apply to contributions made between 26-99% of the total asset value.
- Tenants who contribute 100% of the total asset value and fully maintain the building will not be charged a building rental. They will be charged a ground rental only.

For example:

If a bowling club contributes \$800,000 towards the redevelopment costs of the club building and the asset value is \$1,000,000 they may receive an 80% discount in their building rent for the next 10 years of their lease. They will not receive a discount on their ground rental.

4.4 Commencement of Policy Rental

A rental discount will be given to all new lease or licence agreements that are negotiated with Group Two and Three Tenants within two years of the adoption of this Policy. The purpose of this discount is to provide a period of time for clubs and organisations to budget for significant increases in rental.

The new rental will be phased in over three years with a rental increase of not more than 20% of the previous rent in the first year and not more than 40% of the previous rent in the second year. In the third year the full new rental will apply.

4.5 GST

All tenants must pay GST at a level determined by the Federal Government on rent. GST is payable in addition to the rent calculated using the above formulas, unless otherwise stated.

4.6 Rental Increases

Rent will be increased annually by either the consumer price index or a fixed percentage, whichever is the higher at the time of review. The preferred method of review is by fixed percentage and the fixed percentage to apply at the time of this Policy is 5%, as amended annually by Council's Schedule of Fees and Charges.

Annual rentals may also be subject to a market review on the exercise of an option and / or every five years of the term. This will apply generally to Group One Tenants only.

4.7 Telecommunication Rental

Council will retain the entire rental payable under a lease by a telecommunication provider (or similar service provider) for use of Council owned or controlled land or building and will use that rent for the benefit of the whole community. This rental will not be shared with individual clubs or organisations that use part of the land upon which the telecommunication lease is situated.

Individual clubs, organisations and tenants must not negotiate directly with any telecommunication provider (or similar service provider) in relation to the use of Council owned or controlled land or building.

4.8 Additional Income

Council reserves the right to amend the rental if a tenant obtains an on-premises licence, packaged liquor licence, general licence or gaming license, or gains access to other commercial or fortuitous (but not fundraising) means of income generated during the term of the agreement e.g. rent received from sub-letting, telecommunication rental, revenue received from advertising on the premises. Consent by Council is required for any such use and is dealt with in greater detail at paragraphs 8.9 and 8.20.

5. New lease

5.1 New Tenants

When commercial premises become vacant or at the expiry of the term (or earlier termination of the lease), the occupation of Council's commercial premises will be tendered or made subject to an expression of interest process, which will be carried out by way of a public marketing campaign (which will include placing a public notice on Council's website).

When community premises become vacant or at the expiry of the term (or earlier termination of the lease or licence), Council officers will consider the ongoing future use of the premises and determine a suitable tenant for the premises with appropriate Council departments, having regard to (among other things):

- whether the existing tenant is still occupying the premises, has not breached the terms and conditions of its lease or licence and is continuing to operate and provide a recognised service or benefit to the Bayside community;
- the needs of Council;
- how the new/existing tenant organisation provides an ongoing service or benefit to the Bayside community;

- the new/existing tenant organisation's business plan or strategy for the future of the organisation and the future use of the property.

5.2 Tender or Expression of Interest Evaluation

If a property is tendered or an expression of interest process is carried out an evaluation panel ("Panel") will be selected prior to interviewing prospective tenants. The Panel will be representative of the relevant Council departments involved in the management and operation of the organisation and / or the services the organisation provides to the community. External and independent persons who have the expertise relevant to the type of lease being granted may also be appointed to the Panel.

5.3 Report to Council

Upon completion of the evaluation process, the Panel will prepare a report and recommendation to Council naming the preferred tenant(s) and giving reasons for its decision. If Council ratifies the Panel's recommendation, any unsuccessful applicants will be notified. For premises located on Crown Land, the lease proposal will also be forwarded to the DSE for formal approval.

5.4 Lease Negotiations

Council officers will negotiate the terms and conditions of the lease with the successful tenant, having regard to DSE guidelines if the lease is on Crown Land and having regard to the RLA if the lease is a retail lease.

5.5 Public Notice

If required under section 190 of the LGA, Council will place a public notice in 'The Age', the 'Bayside Leader' and on Council's website advising of its intention to grant a lease. Any person has a right to make a submission under section 223 of the LGA in relation to the proposed lease.

A special committee of Council consisting of three councillors will be appointed to hear any submissions and a further report will be prepared for Council's consideration. If no submissions are received in respect of the public notice or Council considers the submissions and resolves to proceed with the lease, then the lease will proceed to finalisation.

5.6 Lease Finalisation

An authorised signatory of the tenant will execute the lease and either Council or the delegate on behalf of Council under delegated approval will execute the lease. If the lease is on Crown Land, the lease will be forwarded to the DSE to arrange for signing by the relevant Minister.

6. Further terms

6.1 General Exercise of Option

If the lease or licence provides for a further term then Council will grant to the tenant a new lease or licence for the further term if the tenant complies with the provisions in the lease or licence and also complies with the requirements under the RLA if the lease is a retail lease. Council is not obliged to accept a tenant's request to renew a licence or non-retail lease if the tenant fails to exercise the option in accordance with the terms of the licence or lease.

7. Market rent review

Where a lease or licence is subject to a market rent review, the following procedure will apply:

- The Leasing Coordinator will arrange for an independent valuation of the premises to determine the market rent. If the lease is a retail lease then in determining the amount of the rent, the valuer must comply with the provisions of the RLA.
- The tenant will be advised of the proposed new rental.
- If the tenant objects to the new rental and the lease is not a retail lease, then the rent will be determined by a valuer appointed by the Australian Property Institute, and the costs shared equally by Council and the tenant. The decision of the determining valuer will be binding on both parties.
- If the tenant objects to the new rental and the lease is a retail lease, then the rent will be determined in accordance with the provisions of the RLA.
- If required, Council will comply with section 190 of the LGA as outlined in 5.5.

8. Standard Terms and Conditions

8.1 Standard Occupancy Agreements

Standard lease and licence agreements have been developed by Council's solicitors for use by Council officers and these will be used as the basis of all tenancies. The standard agreements will vary over time. Lease and licence agreements will be prepared and tailored to each proposed tenant organisation and additional clauses will be included in the agreements when necessary to meet specific requirements of Council or the proposed tenant.

8.2 Term

The maximum lease period for properties on Council land is 50 years and 21

years for Crown land. The maximum term of a licence on Crown land is three years.

The term of the lease or licence will depend on many factors, including:

- the tenant;
- the ongoing need for the premises or the provided use;
- substantial contributions to capital / structural works by the tenant;
- the stability of the tenant; and
- the suitability of the premises.

The term of commercial leases will be assessed on an individual basis.

Generally community agreements will be for a term of nine years, however, Council may offer a lesser term, having regard to the above five factors and where Council considers that providing a lesser term is in the best interests of the community.

Council will generally not grant leases that are longer than ten years, including options. However, terms longer than ten years may be offered where a tenant substantially invests in a fixed asset (e.g. building, playing surface) and fully maintains the asset.

8.3 Rates, Taxes and Outgoings

Generally, tenants must reimburse Council or pay the relevant authority directly for all outgoings including rates, charges and taxes (except land tax if the lease is a retail lease) levied against the premises. User charges including water, sewerage, telephone, gas, electricity are generally to be paid directly to the relevant service provider by the tenant.

8.4 Insurance

Council will take out and maintain building insurance for buildings on Council owned or controlled land for a full replacement value. The tenant must reimburse Council the cost of the building insurance and any excess in respect of any claim made. Council will not insure any chattels, fixtures or contents in the premises, however tenants may elect to do so.

All tenants are required to take out public liability insurance, noting the interest of Council and the Policy must contain a cross liability clause. A minimum cover of \$20 million must be provided, or such other sum as stipulated by Council. Tenants must give a copy of their certificate of currency to Council on or before the commencement date of the lease and annually thereafter.

Council's insurer may at times deem it unnecessary to require any indemnity or insurance clauses from certain tenants. If this is the case, then both the tenant and Council must ensure that the other has sufficient and current

insurance in place.

8.5 Use of the Premises

Tenants must:

- Obtain Council's prior written consent for any change or additional use of the premises. Council reserves the right to review the rent or any other lease provision if it provides consent in this regard.
- Not use the premises for any illegal purpose or carry on any noxious or offensive activity on the premises.
- Comply with all laws and any requirements of any authority in connection with the premises and the tenant's use and occupation of the premises.

Group Two and Three Tenants must also allow Council to use the premises for Council's sponsored functions at no cost to Council. Such use will be subject to Council giving the tenant at least 30 days written notice of its need to use the premises, provided that Council's use of the premises does not unreasonably interfere with the tenant's use of the premises. Council must also rectify any damage to the premises due to Council's use of the premises.

For tenants who occupy premises under a licence agreement, Council may also use the premises or allow others to use the premises outside the normal hours of the tenant business operating from the premises, provided that Council's use of the premises does not unreasonably interfere with the tenant's use of the premises.

8.6 Hours of Use

The hours of use may be prescribed for the premises and the tenant must comply with all guidelines and directions issued by the Environment Protection Authority, planning permit provisions (including liquor licence provisions), Liquor Licensing Commission and Council local laws.

8.7 Reporting

Group Two and Three tenants must on demand give to Council:

- within 60 days of each financial year annual reports certified by the Treasurer of the tenant organisation, including a financial statement
- within 30 days of the Tenant's annual general meeting a written report detailing:
 - the activities conducted by the tenant;
 - a list of groups who used the premises including details of office bearers appointed to the tenant organisation.

- a business plan or strategy for the future of the tenant organisation and the future use of the property and the plan / strategy must demonstrate how the tenant organisation provides an ongoing service or benefit to the Bayside community.
- any other information requested by Council.

8.8 Assignment

Tenants must not assign a non-retail lease or grant to any person a licence in respect of the premises. Council must comply with the provisions of the RLA in relation to a tenant's request to assign a retail lease.

8.9 Subletting

Tenants may sub-lease the premises to approved organisations for approved purposes with Council's prior written consent (which may be given conditionally) and subject to approved terms and conditions. If Council agrees to a sub-lease of the premises, Council may review and adjust the rental level of the head lease if the rent is more than cost recovery. Any financial gain from subletting may in part be payable to Council rather than the tenant.

8.10 Casual Hire

Tenants may make the premises available for casual hire where appropriate and where this does not interfere with the primary purpose of the facility or adversely affect the amenity of nearby neighbours. The tenant must obtain Council's consent (which may be given conditionally) prior to the tenant hiring out the premises for casual use. The hirer must also enter into a hire agreement on terms and conditions agreed by Council prior to the hirer occupying the premises. A breach of the hire agreement by the tenant or the hirer will be deemed to be a breach of the lease or licence by the tenant.

8.11 Legal Costs

Council will charge Group 1 Tenants its legal costs associated with the preparation and negotiation of the licence or non-retail lease. Council may charge Group Two and Three Tenants a fixed sum in accordance with Council's Schedule of Fees and Charges for Council's legal and administrative costs associated with a new non-retail lease or licence, provided the lease or licence conforms to Council's standard document. Substantial variations to the standard lease or licence may incur increased costs to be passed on to the tenant.

Council may also claim from the tenant its reasonable legal costs incurred in connection with an assignment of lease or sub-lease of the premises. Any legal costs associated with a lease or licence variation as a result of a tenant's request may be charged to the tenant.

8.12 Safety Requirements

Tenants must have in place emergency and evacuation plans and procedures and must ensure that their employees or invitees participate, as requested, in emergency training and drills. Tenants must also adhere to and comply with occupational health and safety conditions.

Council may also request tenants to provide a sign off schedule in accordance with the *Building Act 1993* and *Building Regulations 2006* - specifically *Regulation 1209 and 1215: Annual Essential Safety Measures Report*. Council or Council's authorised agents may enter the premises to inspect the essential safety measures at any reasonable time after giving the tenant reasonable notice.

8.13 Smoking

Tenants must not or permit their employees, agents, contractors, invitees or customers to smoke tobacco products or other substances on the premises. Tenants must also display 'no smoking' signs on the premises if requested by Council.

8.14 Planning

Tenants must obtain Council's prior written consent before applying for a planning permit and all planning permit requirements, including liquor licence requirements, will become requirements of the lease.

8.15 Environmental

Tenants must:

- only plant trees or other plants on the premises that are approved by Council and must maintain the trees in accordance with methods approved by Council.
- not prune or trim any plants or trees without Council's consent and any pruning of the trees must comply with the relevant Australian Standard for tree pruning and local laws.
- mow any grassed nature strip abutting the premises and maintain the nature strip to Council's reasonable satisfaction.
- comply with Council's Chemical Protocol.

8.16 Waste Minimisation and Recycling

Council is committed to waste minimisation, recycling and litter reduction. Tenants must:

- comply with Council's waste wise action plan and meet specific targets set by Council from time to time in relation to the reduction of waste;

- recycle all recyclable waste and reuse residual materials generated as far as practicable;
- provide recepticals for the disposal of recyclable waste by customers or invitees;
- minimise generation of waste and water and energy consumption;
- as far as is practicable use natural lighting and minimize the use of artificial lighting consistent with good occupational health and safety practice; and
- as far as is practicable minimise the use of active mechanical heating and cooling systems in the premises.

8.17 Energy and Water Performance

Council and Planet Footprint are carrying out an ongoing project to collate energy and water costs and consumption data for all of Council's assets to determine the energy and water performance of these assets. To enable Planet Footprint to collect the water and energy data, all tenants must agree to authorise Planet Footprint (or similar organisation appointed by Council) to access the tenants energy and water costs and consumption data for the premises, including billing data on a regular basis. The data collected will not be made public or used in an way other than to enable Council to identify where to best apply its resources to energy and water performance improvement.

8.18 Signage

Group Two and Three Tenants must erect a sign on the premises that provides details of the activities conducted at the premises and invites residents and ratepayers to become members.

Council's consent must be obtained (which consent may be withheld or given conditionally in Council's absolute discretion) prior to the tenant displaying or affixing signs to any part of the premises where such signs are visible from outside the premises. The erection of any sign must comply with all planning laws and requirements.

8.19 Removal of Assets

All improvements, additions, structures or buildings on the premises installed or erected by the tenant during the term of the lease or licence are the property of Council, unless otherwise specified. Tenants who constructed the building may be required to remove the building, all fixtures, fittings, plant and equipment at the expiry of the term of the lease, unless otherwise specified. If Council requires the tenant to remove any assets that have been constructed or installed by them during the term of the lease, then the

tenant must make good any damage caused by their removal.

8.20 Liquor and Gaming Licence

Group Two Tenants must not apply for a liquor or gaming licence. Depending on the permitted use of the premises, Group One and Three Tenants may request Council's consent to allow them to apply for a liquor or gaming licence. Council in its capacity as landlord (as opposed to Responsible Authority) will consider applications for liquor and gaming licences in its discretion and may refuse to give its consent (as landlord) in its absolute discretion.

8.21 End of Lease

At the end of the term (or earlier determination) the tenant must vacate the premises and give them back to Council in a condition consistent with the tenant having complied with its obligations under the lease or licence.

9. Maintenance

9.1 General Maintenance Obligations

To provide a consistent and fair framework for the conduct of maintenance on Council premises, maintenance schedules have been developed. Each tenant is required to maintain the facility in accordance with a maintenance schedule attached to the lease or licence. The maintenance schedules will specify the responsibilities of Council and the tenant, including (among other things) responsibility for maintaining the structure, the building, fixtures and fittings and grounds. The level of maintenance responsibility outlined in the relevant schedule will be determined by a number of factors, such as:

- function of the facility;
- degree of community benefit;
- the tenant's ability to maintain the premises;
- the tenant's ability to generate revenue;
- the level of subsidy or grants received by the tenant;
- any special maintenance requirements by the tenant;
- the rental level;
- provisions of the RLA.

9.2 Conditions Audits

Tenants may be required to complete a regular condition report of the premises, as determined by Council. The regularity of the review will depend on the use and type of tenant. Council or Council's agents may also enter the premises at any reasonable time after giving the Tenant

reasonable notice to conduct condition audits.

10. Related Policies, Procedures, Guidelines and Forms:

The processes for leasing and licensing Council's assets will be carried out in accordance with the following policies and guidelines:

- Approved Master Plans.
- Bayside Planning Scheme.
- Capital Works Improvement Guidelines.
- Chemical Protocol.
- Community Support and Assistance Scheme Guidelines.
- Conditions of Use of Sporting Facilities.
- Council Plan.
- Leisure Plan.
- Open Space Strategy.
- Sports Facility Policy.
- Community Engagement Strategy