



# City of Port Phillip Property Policy

30 September 2009

# 1. Purpose

The Council owns and controls property as custodian on behalf of the community. The Council is committed to the responsible management of Council's assets and resources.

This policy sets out the Council's approach to managing its properties, so that Council carries out its civic responsibilities, supports public enjoyment of public assets, and creates community benefit now and for future generations.

# 2. SCOPE

The Property Policy sets out why the Council owns and manages property, and sets out a framework for how the Council makes decisions about property.

This policy does not cover occasional and short term hire of Council facilities.

# 3. REFERENCES

Relevant legislation includes:

- Local Government Act 1989
- Crown Land (Reserves) Act 1978
- Land Act 1958
- Retail Leases Act 2003

This policy also sits alongside other policy and strategy documents such as:

- Assets Management Plan
- Childcare Policy
- Discontinuance and Sale of Roads Policy.

Within this policy any reference to the 'Council' means the Port Phillip City Council.

# 4. COUNCIL POLICY

## 4.1 Principles

- a) The Council owns and/or manages properties in order to provide benefit to the community, now and in the future.
- b) Any significant change to use of a property requires Council approval.
- c) If the purpose for council owning a property no longer applies, then Council may choose to sell a property. Any sale of a property, or decision to give up committee of management status, requires Council approval.
- d) Council recognises that State Government policy requires that the leasing or licensing of Crown land should generally follow a transparent competitive process, except if exceptional circumstances apply.
- e) In general, the Council would prefer to own or be committee of management for the properties it needs. However there may be circumstances when renting a property as a tenant is the best option, for instance because there is a temporary need and future needs are not yet known.

- f) Council may choose to acquire properties to further a strategic purpose for community benefit, for instance to house council services or a childcare centre, or to provide sporting facilities or open space.
- g) Where Council leases or licences properties to a tenant, the term of the lease or licence will be set taking into account the type of use; any future strategic use of the site; any prior or future capital investment arrangements; or any other relevant matter.
- h) Council may own or manage properties in the following categories: Council occupied properties and properties providing Council services; child and family services, community managed sporting facilities, other community managed properties, commercially occupied and residential.

## **4.2 Council occupied properties and properties providing Council services**

### **4.2.1 Purpose**

Council holds Council properties in order to:

- (a) Directly provide services to the community
- (b) Provide accommodation for corporate support for service provision
- (c) Preserve culture, history and heritage.

### **4.2.2 Review and use**

- (a) Any change of category or significant change of use requires a Council resolution.

## **4.3 Child & family services properties**

### **4.3.1 Purpose**

- a) Council holds child and family services properties in order to provide child and family services to the community, either directly or indirectly

### **4.3.2 Rent**

- a) Where a child and family service property is being managed by a community group, financial arrangements are set out in the Council's child care policy.

### **4.3.3 Review and use**

- a) Any change of category or significant change of use requires a Council resolution.

## **4.4 Community managed sporting facilities**

### **4.4.1 Purpose**

Council holds community managed sporting facilities in order to:

- a) Indirectly provide services to the community, through the provision of space to sporting organisations.
- b) Carry out its responsibilities as committee of management, as appointed by the State Government.

#### 4.4.2 Rent

- a) Financial arrangements in relation to sporting groups occupying council sporting facilities are set out in the Council's sporting pricing guidelines.

#### 4.4.3 Review and use

- a) Any change of category or significant change of use requires a Council resolution.
- b) New arrangements for sporting properties would usually be the subject of an open Expression of Interest or tender process, if suitable.

### 4.5 Other community managed properties

#### 4.5.1 Purpose

Council holds community managed properties in order to:

- a) Indirectly provide services to the community, through the provision of space to community groups
- b) Carry out its responsibilities as committee of management, as appointed by the State Government.

#### 4.5.2 Definition of community group<sup>1</sup>

- a) To be eligible for rent subsidy, community based organisations must be occupying all or part of a Council managed facility and whose primary objective is to provide and engage in social, recreational and cultural services and activities to the benefit of the Port Phillip community.
- b) For the purpose of this policy the definition of community based organisations does not include:-
  - i. Individuals
  - ii. Businesses
  - iii. Government bodies, statutory authorities, semi-government bodies or body whose primary source of operating income is from recurrent government funding (inc. schools).
  - iv. Religious and charitable organisations not providing services and activities to the broader community.
  - v. Not for profit organisations not providing services and activities to the broader community
  - vi. Organisations where membership is based on ethnicity unless directly fostering improved service access, increased participation in community life and valuing of diversity
  - vii. Organisations of an exclusive nature where membership is not generally available to the broader community
  - viii. Organisations that engage in or significantly support commercial activities.

#### 4.5.3 Rent

- a) The basis for calculating rent charged to community groups will be the standard DSE charge (\$104 per year in 2009) plus outgoings.
  - i. Rental and outgoings for a site may be varied, for instance to increase the subsidy due to shared use of a space or due to the nature of the service provided. Community rental subsidies will be transparent.

<sup>1</sup> Based on the DSE definition of "community based organisation"

- b) Bodies which are funded by the Council through a service agreement or like arrangement to provide services will generally pay the Department of Sustainability and Environment standard licence/lease fee (\$104 in 2009).
- c) Where Council provides subsidised rent to a community group, the group will be requested to provide recognition of Council's support.

## 4.5.4 Review and use

- a) Properties will be reviewed annually by the Council, and the Council will determine which sites need to be referred back to the Council for decision.
- b) New arrangements for community properties would usually be the subject of an open Expression of Interest or tender process. Exceptions may be made due to:
  - i. the type of use, for instance the nature of the service provided;
  - ii. capital investment by the tenant;
  - iii. any other relevant matter.

## 4.6 Residential properties

### 4.6.1 Purpose

Council holds residential properties in order to:

- (a) Hold residential assets for future strategic purpose, eg future social housing project.
- (b) Carry out its responsibilities as committee of management, as appointed by the State Government.

### 4.6.2 Rent

- (a) Where Council controls a residential occupied property for one or more of the above reasons, Council will usually seek to generate income at market rates from that property which can then be use on Council services or Council priorities.
- (b) Council may identify particular residential properties of which it chooses to subsidise the rent, as subsidised social housing.

### 4.6.3 Review and use

- (a) Residential properties will be reviewed annually by the Council. The Council will determine which sites with leases due to expire should be referred back to the Council for decision.
- (b) Any change of category or significant change of use requires a Council resolution.

## 4.7 Commercially occupied properties

### 4.7.1 Purpose

Council holds commercial properties in order to:

- (a) Hold an asset for future strategic use; and/or
- (b) Carry out its responsibilities as committee of management, as appointed by the State Government; and/or
- (c) Provide services and facilities to the public (such as restaurant, kiosk); and/or
- (d) Preserve culture, history and heritage.

### **4.7.2 Rent**

(a) Where Council owns or manages a commercially occupied property for one or more of the above reasons, Council will usually seek to generate commercial income from that property for use on Council services.

(b) The CEO will annually set a target 'yield' range for new commercial licences and leases.

### **4.7.3 Review and use**

(a) Commercially occupied properties will be reviewed annually by the Council. The Council will determine which sites with a lease due to expire should be referred back to the Council for decision.

(b) Any change of category or significant change of use requires a Council resolution.

(c) Commercial properties would usually be the subject of an open advertisement, EOI or tender process, in accordance with State Government policy in relation to Crown Land.

## **5. ATTACHMENTS: nil**