

Policy for Setting Land Rentals for Club Buildings on Council Land

Relevant Legislation

Local Government Act 2002
Reserves Act 1977

1 Policy Objectives

- To promote fairness and equity on Council reserve lease amounts between clubs throughout the district; and
- To ensure additional club income, such as liquor licenses, are taken into account in setting lease rates.

2 General Approach

2.1 Council's Recreation and Leisure Strategy 2014 supports the use of reserves by clubs and organisations as an important community resource. Additionally, Council has a rates remission policy for clubs and societies. Given the wide range of existing lease rates, this policy seeks to continue support of clubs and societies, while ensuring lease rates are more equitable between clubs which use Council land, while taking into account matters which may alter the standard amount such as:

- Historical lease issues
- Shared or single use facilities
- Availability for others to use the premises
- Commercial potential
- Liquor licenses
- Public toilets contained within buildings

2.2 The scope of this policy does not include the following:

- Community Halls;
- TECT All Terrain Park
- Ground rental for the activity itself (i.e. the sports field), unless that area is used exclusively by the club; and
- Campgrounds.

3 Policy Criteria and Conditions

Standard Rental Amount: Lease Area

3.1 The rate which shall be applied when calculating the land rental amount for the building footprint of clubrooms on Council land, as well as any Council reserve land used exclusively by the club, is as follows:

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Administration fee (p.a.)	\$250.00
Lease rate for club building area	\$0.80/m ²
Lease rate for exclusive land area	\$0.10/m ²

Exemptions:

The following groups shall be exempt from paying for land (beneath buildings or as exclusive use):

- Coastguards and Surf Life Saving clubs;
- Scouts, Guides, and Veteran clubs;
- Or similar organisations.

Note: The annual administration fee still applies to the above exempted clubs.

- 3.2 Additionally a commercial rate will be payable for clubs undertaking commercial activities (e.g. operating a restaurant open to the public). An appropriate commercial rate will be set on an individual basis, and included in the lease agreement.
- 3.3 Rental does not include Pan charges, Council rates, or UAC charges, which are payable in addition to the rental amount.

4 Policy procedures

Renewals

- 4.1 Rental amounts shall be reviewed as part of the agreed rent review period on the Lease Agreement.
- 4.2 The Reserves Act 1977 provides that Council may grant a renewal of a Lease on similar terms provided that it is satisfied that the terms and conditions have been complied with, that there is sufficient need for the recreational activity specified in the Lease, and that it is in the public interest that no other activity should have priority.

Implementation of new policy

- 4.3 This policy was adopted on 15 June 2017, and shall be reviewed within 5 years of coming into effect.
- 4.4 This Policy shall be implemented at the next rent review period included within each Lease Agreement, provided that such implementation will occur over 5 years at a rate of 20% each year towards the new rental amount.
- 4.5 Where the next lease renewal is more than 5 years after this policy comes into effect, the Lessee shall be informed of the intended change on adoption of this policy, and the new lease amount applied on renewal (i.e. with no gradual adjustment).

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Compensation

- 4.6 The Reserves Act 1977 requires that on the termination of a Lease, all land and improvements revert to Council without compensation payable to the Lessee

Termination

- 4.7 The Reserves Act 1977 provides that the land leased must be solely used for the purposes for which it is leased. Council may require a Lessee to explain other uses being made of the property or premises, and if it is not being sufficiently used for the specified purpose, may terminate the Lease on such terms as Council approves.

Low Start and Remission of Rental

- 4.8 Council retains the right to be able to vary rentals in the case of hardship and be able to change the basis on which a club is charged rentals, if during the term of the Lease, the club's earning capacity increases or decreases. This could be done at the time of rental reviews, and is at Council's sole discretion upon a written application evidencing the Club's financial status.
- 4.9 Where clubs are expending large sums of money on improvements, Council can apply a low start rental for a number of years to aid the club's cash flow.

5 Associated Policies

- Rates remission for land used for games or sports.

Group	Infrastructure Services	Contact (3rd Tier Manager)	Reserves and Facilities Manager
Supersedes	Reserves Leasing Policy (adopted 27 February 1991)		
Creation Date	15 June 2017	Resolution Reference	PP4.4
Last Review Date	n/a	Resolution Reference	
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