PROPERTY MANAGEMENT POLICY

Legislation / local law requirements	*Local Government Act 1995* *Local Government (Functions and General) Regulations 1996* *Commercial Tenancy (Retail Shops) Agreements Act 1985*
Relevant delegations	Delegation 2.2.18 Disposing of Property by Leases and Licenses
Related policies, procedures and supporting documentation	Execution of Documents Policy Property Investment and Disposal Policy Property Management Procedures

PRELIMINARY

INTRODUCTION

The City has a number of properties which are used by a range of community organisations, sport and recreation clubs or associations, government agencies and commercial entities through a lease, licence, management agreement or other similar arrangement. This policy sets the overarching principles within which management of these properties occurs.

PURPOSE

The purpose of this policy is to identify the approach to classification of tenants and the framework for considering license or lease of facilities.

OBJECTIVE

The City is committed to providing a fair, consistent and transparent approach to the leasing, licencing and management of City properties. The City acknowledges that there are a range of tenants and uses, many of which provide valued community benefits.

The City's property management objectives are:

- to meet growing community needs and maximise community benefit, City owned and managed properties will be prioritised for use where occupancy arrangements include co-location, shared-use and highest community utilisation;
- to meet the Strategic Community Plan's objectives of 'Connected Community' and 'Thriving Places', City owned and managed properties will primarily be available for local not-for-profit organisations, community sporting groups and other community purposes;

  to ensure transparency and equity, all financial and in-kind subsidisation by the City will be recognised where City owned and managed properties are used to meet demonstrated community needs;to ensure sustainable City owned and managed properties, effective asset management and demonstrated sound financial management will be prioritised; and
- where appropriate, specific City owned and managed properties may be identified and made accessible for commercial activities for income generation to support and encourage sustainable City owned asset management.

PROPERTY MANAGEMENT POLICY

POLICY PROVISIONS

SCOPE

This policy applies to the leasing and licencing of City of Vincent properties. This includes leases, licences and management agreements held by community groups and organisations, sporting clubs, commercial entities and government agencies.

It does not include regular or occasional hire of facilities for the purpose of programs, events and activities.

DEFINITIONS

Lease – proprietary right to exclusive occupation and use of part or all of a City owned property, for an agreed period, usually in return for rent/tenancy fee. The tenant has exclusive use and occupation of the property, although the City may require the tenant to encourage other use and subletting can occur if mutually agreeable.

Licence – a contractual right to non-exclusive occupation and/or use of part or all of a City-owned property. This may include seasonal licences. It does not confer a right to exclusive possession or occupation of the property. The City may grant a licence to enable access to the property by the broader community outside of the licensee's usage times

Management Agreement – is a contractual arrangement outlining the terms and conditions associated with usage. Management Agreements are predominantly supplied to small community groups such as playgroups and community gardens.

POLICY

1. Tenant Classification and Fee

All current and prospective tenants of City-owned properties are grouped into four categories based on their primary purpose and the level of community benefit they provide.

These categories determine eligibility for tenancy fee subsidies, the rental calculation method and management requirements.

1.1 Classification of Tenant

The four tenant categories are:

Tenant Category	Types of organisation or groups
Category 1	Small community groups
Category 2	Sporting clubs, community groups and organisations
Category 3	Commercial entities, state and national clubs, associations and community organisations

Category 4	Government agencies

1.2 Annual Tenancy Fee Methodology

The City is committed to providing access to property for the benefit of the Vincent community.

The annual fee methodology is based on the Gross Rental Value (GRV) of the property with a subsidy applied. The GRV is determined under the requirements of the *Valuation of Land Act 1978*.

For tenants in categories 1 and 2, the GRV is reduced by an approved subsidy to reflect the level of public and community benefit provided. The City does not seek to derive profit from leases in categories 1 or 2.

Organisations within categories 3 and 4 are responsible for all costs associated with the property. Tenancy fee for category 3 and 4 tenants is negotiated by reference to the total GRV for a property without subsidy.

2. Eligibility Criteria

The eligibility criteria for the four categories are in **Attachment 1**. The eligibility criteria is used to assess and determine the classification of each tenant.

3. Community Benefit Subsidies

Tenancy fee subsidies are available to tenants classified as Category 1 and Category 2, where the tenants' activities deliver a demonstrated and measurable benefit to the Vincent community. Subsidies do not apply to tenants classified as Category 3 or Category 4.

To be eligible for a Community Benefit Subsidy, tenants must provide all information required by the City within the prescribed timeframes to enable assessment. This may include information relevant to organisational governance, organisational health and financial management. Failure to provide the required information may result in a reassessment of eligibility, including withdrawal of the subsidy.

Eligibility is assessed based on the documentation provided and against the minimum criteria appliable to each tenant category. All applicants must meet these minimum criteria to qualify for a Community Benefit Subsidy, which is determined on a case-by-case basis.

Tenant Category	Minimum Eligibility Criteria	Subsidy
Category 1	• Community Benefit • Operational • Organisational Structure	50 per cent
Category 2	• Community Benefit • Operational • Organisational Structure Shared Use (where applicable, depending on	25 per cent

	facility size and level of tenant use)	

Approved subsidies are applied on the tenancy fee as a percentage reduction calculated on 10% of the GRV in accordance with the applicable subsidy rate.

Tenant classifications, subsidy levels and rental arrangements may be reviewed periodically to ensure continued alignment with this policy and the City's strategic objectives. The City reserves the right to reclassify tenants where their purpose, activities or level of community benefit materially changes.

4. Annual Reporting

Each year as part of the July Council Meeting Agenda the information bulletin will be updated to include a report of all organisations with occupancy arrangements under the policy. This will include the

- category of tenants;
- type of occupancy arrangements;
- tenancy fee and outgoings; and
- percentage of subsidy.

OFFICE USE ONLY	
Responsible officer	**Executive Manager Corporate Strategy and Governance**
Initial Council adoption	*DATE: 17/11/2020, REF# D20/40847*
Reviewed / Amended	*DATE: 20/11/2026 ITEM 9.1 REF#: D26/41315*
Next Review Date	*DATE: 2030*

ATTACHMENT 1

CATEGORY ONE (1) – SMALL COMMUNITY GROUPS

Eligibility Criteria	
Community Benefit	The service is unique, specific and meets a high level of need, or the service meets identified social/community needs. Availability and accessibility of facility to community, This type of service would not be provided unless supported by the City of Vincent lease.
Shared Use	Given the size of the facility and level of use by the tenant, hiring to the community outside the tenant's agreed usage is not a requirement.
Revenue	The group has limited or no capacity to generate revenue from on-site use or activities and the income of the group is generally restricted to low membership fees.
Membership	Demonstrates minimal membership regime and good governance and facilitates programs and activities that are specifically targeted at local residents and add value to the social and community fabric of Vincent.
Operational	Not-for-profit organisation, community group or club run solely by volunteers.
Organisational Structure	The organisation is locally based, stand alone and not-for-profit. It has a voluntary management committee, comprised mainly of local area representatives
Diversity, Access, Inclusion and Equity	Demonstrates a commitment and promotes inclusiveness to the community.
Examples of community groups within this category include playgroups, toy libraries, community gardens, men's sheds and organisations targeting social isolation.	

Agreement Type	Outgoings	Statutory Compliance	Pest Inspection	Waste	Emergency Services Levy	Building Insurance	Public Liability Insurance	Minor Maintenance & Repairs	Capital Upgrades	Building Insurance Excess	Tenancy Fee	Community Benefit Subsidy (applied to Tenancy Fee)
Management Agreement	X	X	X	X	✓	X	✓	X	X	✓	10% GRV	50%
Licence	✓	✓	✓	✓	✓	X	✓	✓	X	✓	10% GRV	50%
Lease	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	10% GRV	50%

A Management Agreement is likely for this category.

CATEGORY TWO (2) – SPORTING CLUBS, COMMUNITY GROUPS AND ORGANISATIONS

Eligibility Criteria	
Community Benefit	The service is unique, specific and meets a high level of need, or the service meets identified social/community needs. Availability and accessibility of facility to community, This type of service would not be provided unless supported by the City of Vincent lease.
Shared Use	Given the size of the facility and level of use by the tenant, hiring to the community outside the tenant's usage times on a fee for service basis (based on the City's Schedule of Fees and Charges for similar properties) may be a requirement.
Revenue	The tenant has the capacity to generate revenue from its use of the property (i.e. membership, bar or kitchen facilities) or activities consistent with the organisational purpose of the tenant.
Membership	Demonstrates an affordable membership regime and good governance and facilitates programs and activities that add value to the social and community fabric of the City.
Operational	Not-for-profit organisation, community group or club run by volunteers or paid workers.
Organisational Structure	The organisation is a locally-based service, outlet or project that may be part of a larger not-for-profit organisation.
Diversity, Access, Inclusion and Equity	Demonstrates a commitment and promotes inclusiveness to the community.
Examples: Small sporting clubs, community groups, youth and day centres and community centres.	

Agreement Type	Outgoings	Statutory Compliance	Pest Inspection	Waste	Emergency Services Levy	Building Insurance	Public Liability Insurance	Minor Maintenance & Repairs	Capital Upgrades	Building Insurance Excess	Tenancy Fee	Community Benefit Subsidy (applied to Tenancy Fee)
Management Agreement	✓	X	X	✓	✓	X	✓	X	X	✓	10% GRV	25%
Licence	✓	✓	✓	✓	✓	X	✓	✓	X	✓	10% GRV	25%
Lease	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	10% GRV	25%

CATEGORY THREE (3) – COMMERCIAL ENTITIES, STATE AND NATIONAL CLUBS, ASSOCIATIONS AND COMMUNITY ORGANISATIONS

Eligibility Criteria	
Community Benefit	The provision of the service is generally not within the remit of local government and there may not be a direct local community benefit due to the nature of the group or organisation. Limited availability and accessibility to the local community.
Revenue	Is externally funded or generates its own revenue through membership fees, events, venue hire, the sale of services or products or other means.
Organisational Structure	Includes corporations, incorporated associations, large not-for-profit organisations and private business owners.
Diversity, Access, Inclusion and Equity	Demonstrates a commitment and promotes inclusiveness to the community.
Example: Commercial recreation and leisure centres, for-profit day care centres, state-wide or national not-for-profit organisations, medical practitioners, car parking licences, retail shops and office accommodation.	

Agreement Type	Outgoings	Statutory Compliance	Pest Inspection	Waste	Emergency Services Levy	Building Insurance	Public Liability Insurance	Minor Maintenance & Repairs	Capital Upgrades	Tenancy Fee
Licence	✓	✓	✓	✓	✓	X	✓	✓	✓	Negotiated
Lease	✓	✓	✓	✓	✓	✓	✓	✓	✓	Negotiated by reference to GRV or Market Valuation (if appropriate).

CATEGORY FOUR (4) – GOVERNMENT AGENCIES

Eligibility Criteria	
Community Benefit	The provision of the service is generally not within the remit of local government and there may not be a direct local community benefit.
Revenue	Receives significant funding from the State Government or organisations other than City.
Organisational Structure	Government department or government agency operated.
Diversity, Access, Inclusion and Equity	Demonstrates a commitment and promotes inclusiveness to the community.
Examples: Kindergartens, child health clinics and government sporting venues.	

Agreement Type	Outgoings	Statutory Compliance	Pest Inspection	Waste	Emergency Services Levy	Building Insurance	Public Liability Insurance	Minor Maintenance & Repairs	Capital Upgrades	Tenancy Fee
Licence	✓	✓	✓	✓	✓	✓	✓	✓	✓	Negotiated
Lease	✓	✓	✓	✓	✓	✓	✓	✓	✓	Negotiated by reference to GRV or Market Valuation (if appropriate).