

COMMUNITY LEASING POLICY FREQUENTLY ASKED QUESTIONS



<p>HOW ARE CATEGORIES DETERMINED</p>	<p>Council considered the following when determining the category of each building:</p> <ul style="list-style-type: none"> • building replacement value • height & size • building complexity, • condition & location • building materials and age.
<p>WHAT BUILDINGS ARE IN EACH CATEGORY</p>	<p>CATEGORY A – Very small buildings or part of a building eg: canteens/change rooms sized buildings</p> <p>CATEGORY B – Small simple buildings in reasonable condition eg: small football clubhouse</p> <p>CATEGORY C – Medium sized or small complex eg: football clubhouse with bar, multiple rooms, scout hall</p> <p>CATEGORY D – Large, more complex buildings eg: stadiums, larger preschools</p>
<p>HOW ARE RENTS SET</p>	<p>Rents for each category were publicly exhibited and adopted by Council in June 2022.</p> <p>The rent incorporates Councils costs for building insurance, essential services, certifications and structural replacement.</p> <p>Rents will increase by 3% per annum.</p>
<p>CAN I HAVE A LEASE OPTION</p>	<p>Council's community leases do not include options. All lease agreements are for a set lease term. The community leasing policy provides guidance for reviews at the end of the lease term.</p>
<p>CAN I HAVE A LONGER THAN 5 YEAR LEASE</p>	<p>Standard lease terms of up to 5 years will be initially offered. The community leasing policy allows for a longer than 5-year lease term where tenants meet the criteria in the following assessment table. (the community leasing policy is attached).</p> <p>Tenants must provide evidence to support their request for a longer lease. Approval for a longer lease is subject to internal stakeholder and CEO approval and may be influenced by building age and condition, Masterplans or other Strategic planning documents.</p> <p>To support your request for a longer lease term tenants must provide evidence to support the criteria, for example:</p> <ul style="list-style-type: none"> • Current and projected membership • Future business plan • Evidence of contribution and/or original occupation
<p>CRITERIA ASSESSMENT TABLE</p>	<p>Found on page 8 of the Community Leasing Policy</p>

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	Base	Tenant contributed to cost of buildings; long term occupant, demonstrated ongoing need > 5 years	Tenant commits to spend 25% of replacement value in first 2 years	Tenant commits to spend 50% of replacement value in first 2 years	Tenant commits to spend 75% of replacement value in first 2 years	Comment
Sporting Clubs	5	10	10	15	20	
Preschools	5	10	10	15	20	
Recreation/Special Interest Clubs	5	10				
Not for Profit Community Service Provider - Small to Medium	5					Linked to major funding source (eg grant agreement)
Not for Profit Community Service Provider - Large	5	10				

WHAT OTHER COSTS ARE INVOLVED IN PREPARING MY LEASE

Rent – First year is set by Council’s adopted fees and charges. Please refer to council website and refer to Leases / licenses of community land charges for each category. See table below:

Building Category	Annual Rent incl GST effective 1 July 2022
Category A	\$700
Category B	\$1,550
Category C	\$3,550
Category D	\$5,550

Yearly Increase – fixed 3% annual increase

Charges for lease preparation – Council has an adopted lease documentation preparation fee of \$390 incl GST. As part of this policy implementation project, we will not be charging tenants who sign the standard plain English lease agreement within a reasonable timeframe. If ongoing negotiations are required council may refer to the legal team which could incur costs. Council has been using a plain English community lease for the past five years. This has been modified to reflect the new obligations for Council and tenants under the policy. The intention with the plain English lease is that it should be easily understood by both parties, particularly community groups with volunteer committees that may regularly change.

Advertising (notification) Costs– Council has an adopted neighbour notification fee of \$150 incl GST. As part of this policy implementing project, we will not be charging tenants this fee.

WHAT IS THE ADVERTISING NOTIFICATION COST FOR

The Local Government Act Section 46 requires our intention to enter into a leases on Community Land to be publicly notified. This includes:

- A notice on Council’s website
- Letters to adjoining owners or others impacted
- A sign/s on the site

OUTGOINGS

Tenants are expected to meet the operational costs of their use including utilities related to the cost of the club/service. Where separately metered the account will be directly sent to and paid by the tenant. Where not separately metered an outgoing contribution will be payable based on estimated usage.

What if we are not separately metered?

An outgoings contribution will be charged to tenants towards water, electricity etc

Rates – Council land is rateable except when it is leased. Rates are levied by Council’s rates department and charged according to legislation. Council typically charges the minimum rate to community tenants. Tenants would be responsible for payment of rates which is dependent on the land valuation. The minimum rate is \$965.40 (2022/23).

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	<p>Storm water – Stormwater is levied on rate notices. The stormwater charge is dependant of land size. We can provide you with your estimate upon request.</p> <p>Waste – Tenants are expected to remove their waste. Tenants have an option to take their waste with them or may be eligible to pay for a council waste service at a cost and will be invoiced per annum.</p>
<p>REPAIRS & MAINTENANCE</p>	<p>Tenants will be responsible for their own internal repairs and maintenance within the premises. Work must be completed by licenced, insured and qualified trades.</p> <p>Council will be responsible for repairs and maintenance of a structural nature and within the public areas. Tenants are expected to make areas safe during their times of use and report any repairs needed.</p>
<p>LAND TAX</p>	<p>The lease mentions land tax. Do we have to pay for land tax?</p> <p>Where Council leases a property, the tenant is considered the land holder for the purposes of land tax.</p> <p>You may be eligible for a land tax exemption depending on how you own and use your land. Generally, Community tenants fit current exemption criteria: Land containing a building used for a society, club or association is currently exempt from land tax provided:</p> <ul style="list-style-type: none"> • A society, club or association is not carried on for the pecuniary profit of its members • No part of the building is used for the purpose of a commercial activity open to members of the public <p>The land may include car parks solely used by members of the society, club or association.</p> <p>All Council leases include this standard clause to allow for future changes within the lease term eg operational changes by a club. Given the length of tenure of the leases it is a standard practice to include this reference to Land Tax in the event of a change of use by tenant or change in legislation that may trigger a land tax obligation.</p> <p>Website links</p> <p>Land Tax: Exemptions and concessions Revenue NSW</p>
<p>WHAT ARE THE NEXT STEPS?</p>	<p>You will need to collate and provide information/evidence and supporting documents to us about your organisation.</p> <ul style="list-style-type: none"> • Provide ongoing need of the use of the premises • Proof of financial position • Copy of certificates for public liability • Copy of certificate of incorporation • ABN number <p>You may want to request consideration for a longer than 5-year lease term. You will need to provide the following:</p> <ul style="list-style-type: none"> • Current funding grants • Evidence of financial contribution to construction of the building • Proposed future works <p>We will provide a copy of the lease for your referral.</p> <p>We will seek approval for the lease term.</p> <p>We will notify the public of our intention to enter into a lease with you (this is a 28-day statutory notice period)</p>

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DOCUMENTS TO REVIEW	<ul style="list-style-type: none">• Copy of standard Community Lease• Plan of Management (Sportsgrounds or General Community Use)• Community Leasing Policy <p>For further reading (found on Councils' website)</p>
HOW TO GIVE FEEDBACK	<p>Email: kscott@ssc.nsw.gov.au</p> <p>In Writing: Property Sutherland Shire Council Locked Bag 17, Sutherland 1499</p> <p>Phone: 9710 0348</p>