

The Community Property Licence

Presented by Gosford Council



Why a new Community Licence?

1. We have a major shortage of Community Assets - COUPLED WITH serious under use.

Many used just a few hours per week – but held exclusively by one tenant – for up to 20-30 years

Many genuine needs must be turned away by Council - as no assets are available

2. Numerous cases of “asset abuse” by a range of community tenants

Tenant profiteering from illegal sublease & uses, refusal to share community assets

No responsibility taken for damage or neglect to assets

3. Resource inequity across the individual community and sporting groups

4. Tenants just refusing to comply with lease terms

5. No probity, accountability or consistency in the old model – we owe the community this



Fairness for all community uses is now targeted by

- A standard licence for all community tenancies
- A requirement to share assets where possible – remove exclusivity
- All Community leases for fixed 5 year terms - without renewal options

Longer term if Council pre-approve major tenant capital expenditure:

- a) Must benefit the asset and must be completed in the initial 5 years
- b) Once completed works are Council approved - the longer term applies
- c) Not for longer than the reasonable life of the capital works



The new licence - what doesn't change?

- **Our key objectives**
 - **to cater for community uses & their needs - ensure for any community asset**
 - i) The needs of the “community as a whole” come first, (you as a rate payer)
 - ii) The needs of any specific community use comes next (you as a tennis participant)
- **Why are we accountable to the community ? - (you as a rate payer)**
 - We have authority to give “favourable opportunities” to deserving community uses in our assets
 - In theory this could be abused at many levels With authority comes accountability
 - The community owns the assets We must account to it for asset use
- **Rents levels for community use** – no commercial rents - but must recover admin charges.
So the charge for a small facility this year has been set at \$464 pa. Will increase 3% annually.
- **No new charges** – But pay your own costs – repair your damage – look after the asset.



Some Licence Clauses Explained

- **8.1 - No sub-leasing, hiring or providing for revenue without;**
 - The prior express written permission of Council
 - All insurances, DA and other matters being approved by Council – serious legal risk
 - Rather than subleases – we want residual space back for other community uses
- **8.5 - Revenue from sub-lease or hiring shared 50-50 with Council**
 - Half for the lessee for its purposes AND half to Council for the community – in a fund
 - For genuine financial needs apply for funding, rather than grant subleases
 - Creates an open, transparent, accountable process – for you as a rate payer
- **8.5 & 10 - 6 monthly signed tenant declaration to Council re income**
 - Council asks for declarations for the same transparency purposes & can audit if necessary
 - For clarity and guidance on operating your asset
- **Council reaffirms the details already provided for the benefit and guidance of tennis - in respect of these key clauses**



“The Revenue Clause” & Tennis

Council would not target 50% of the revenue from – “pure community tennis uses”

1. Fees for persons to play any games of tennis or standard membership fees
2. A raffle or similar the club might hold onsite
3. An onsite fundraiser for the tennis club
4. Revenue the club received from tennis players using an onsite tennis coach. But the coach must be paid as an expense of the club and the revenues go to the club.

Council will require prior permission and 50% of revenue from

1. Any sublease, licence of similar agreement whatsoever
2. Any hiring out of the premises for another use – EG 21 birthday etc
3. Any direct premises hire, licence or similar - to a tennis coach - or similar activity
4. Any income where subleases or other sources are earmarked as “special club memberships” - or similar and not considered by Council to meet this criteria

Other clauses to note

Relocation Clause – Clause 2.5

We can relocate you to a new site if Council needs the land for a specific purpose.

Site will be comparable, “fit for purpose”, and nearby. Council pays relocation costs.

Emergency Services – Clause 2.3

As a Council property the asset must be made available - if needed - in Civil Emergencies

Right exists in any event – it’s now formalised. Usually applies more to buildings than land

Non Exclusive Use – Clause 2.1. Maximise Community Use of the facility 2.4 & 8.3

Applies more to buildings than land. We may ask you to share – where reasonably practicable

Issues of this type will always involve consultancy and discussion

When the new licence applies to your club

Late 2015 to Early 2016

Avoca, Kariong , Terrigal

May or June 2016

Kincumber, Umina, Woy Woy

June 2017

Copacabana, Empire Bay, Erina
Maidens Brush, Pearl Beach

June 2018

Pretty Beach

- Council has exclusively dealt with each existing site user to date – as expiry occurs
- If an existing occupier terminates the agreement Council must tender it to the wider community – for fairness, probity and due to very high community demand

Community Properties and Leases

Questions