

Sporting fees, charges and occupancy agreement policy

2014



Table of contents

- 1. INTRODUCTION**
 - 1.1 Strategic framework**
- 2. CASUAL OCCUPANCY AGREEMENTS**
 - 2.1 Casual access eligibility criteria**
 - 2.2 Key access conditions**
 - 2.3 Fees for casual access**
- 3. SEASONAL OCCUPANCY AGREEMENTS**
 - 3.1 Seasonal access eligibility criteria**
 - 3.2 Priority for allocation of seasonal access agreements**
 - 3.3 Fees for seasonal access**
 - 3.3.1 Pavilion access charge**
 - 3.3.2 Ground charge**
 - 3.3.3 Performance subsidies**
- 4. LICENCE AGREEMENTS**
 - 4.1 Licence Agreement access eligibility criteria**
 - 4.2 Length of tenure**
 - 4.3 Fees for licence access**
- 5. LEASE AGREEMENTS**
 - 5.1 Lease agreement access criteria**
 - 5.2 Length of tenure**
 - 5.3 Fees for lease access**
 - 5.3.1 Leases for tennis clubs and users of synthetic surfaces**
- 6. MISCELLANEOUS CHARGES**
 - 6.1 Utility charges**
 - 6.2 Security bonds**

1. INTRODUCTION

Darebin City Council caters to a wide range of sports and currently maintains a diverse portfolio of outdoor sporting venues. These include:

- 29 outdoor sporting reserves comprising servicing outdoor sports such as cricket, Australian rules football, soccer and rugby,
- 3 lawn bowling facilities
- 1 outdoor asphalt track cycling velodrome and 1 indoor timber international velodrome
- 10 tennis facilities comprising 39 separate courts
- 1 x 6 lane athletic track with provision for jumps, javelin and shot-put field events
- 1 baseball facility with 1 hard surface and 1 turf diamond
- 1 hockey facility with synthetic pitch

Council resolved in 2013 to formulate a new policy for fees, charges and occupancy agreements for Council owned sporting and recreational venues based on the following broad objectives:

- To provide greater transparency and correspondence between the fees that are levied and the venue facilities provided,
- To provide incentives for sporting clubs to achieve increased participation, social equity and inclusion, good governance and financial sustainability targets,
- To balance the need for sustainable and equitable revenue collection with incentives to achieve participation targets,
- To encourage shared use of sporting infrastructure by other community groups,
- To reflect the organisation's capacity to generate revenue, and make sustainable payments for venue access, and to encourage capital co-contributions.

To achieve these objectives, this sporting fees, charges and occupancy agreement policy is based on the size and quality of the venue provided and incorporates performance subsidies targeting increased social inclusion and participation, whilst rewarding good governance and financial sustainability.

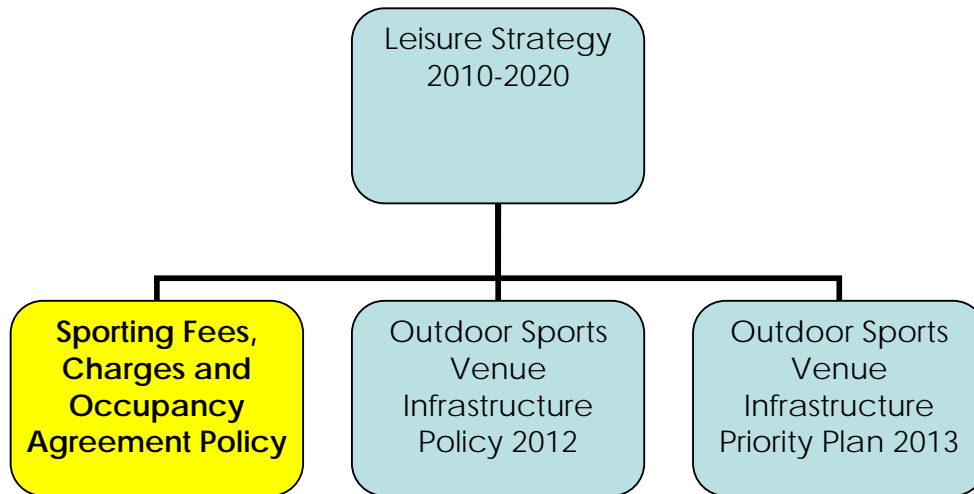
The sports ground fee structure currently in use assumes the recovery of a percentage (approximately 15%) of the maintenance costs for the reserve. This has been used a basis for the new fees and charges policy.

A suite of occupancy agreements have been created to meet the needs of user groups while providing the Council with a level of monitoring and control with respect to user performance and community access.

1.1 STRATEGIC FRAMEWORK

The Sporting Fees, Charges and Occupancy Policy complements other key strategies for the delivery of leisure opportunities across the municipality. These include:

- Darebin Leisure Strategy 2010 – 2020
- Outdoor Sports Venue Infrastructure Policy 2012
- Outdoor Sports Venue Infrastructure Priority Plan 2013



2. CASUAL OCCUPANCY AGREEMENTS

Casual use agreements allow persons or organisations to use parkland, buildings and sporting facilities for a one-off or limited number of daily usages.

2.1 Casual access eligibility criteria

To be eligible for a casual occupancy agreement:

- Applicant must be an incorporated body with an appropriate level of public liability insurance,
- Access must be for the purposes of sport and recreation or other use deemed appropriate by Council.

2.2 Key access conditions

- Access between 9.00am and 4.00pm unless otherwise approved in writing by an appropriate Council officer.
- Access to grounds will be subject to ground condition, relevant ground usage caps and availability.
- Access to the playing surface and public toilets only.
- No access to change rooms and amenities unless negotiated with the tenant club.

Approved casual access will also be subject to Sporting Reserves Conditions of Use Casual Ground Hire.

2.3 Fees for casual access

Table 1 below shows the fee structure for casual access. A fee schedule for commercial and elite sporting users (i.e. national and international level user groups) reflects these groups' capacity to pay and is based on the current fee schedule and benchmarking with other Melbourne metropolitan councils.

Synthetic surface charges reflect the higher replacement and maintenance costs associated with these venues and are in line with similar fees charges by other Councils.

Fees will be reviewed annually in accordance with CPI.

Table 1. Casual access fees

Venue type	Community group fee	Commercial/elite fee
Neighbourhood & Local level turf venues	Local schools – no charge. Others - \$82 per day	\$164 per day
District level turf venues	\$297 per day	\$594 per day
Regional level turf venues	\$594 per day	\$1,188 per day
Edwardes Lake Athletics track - synthetic	Local schools – no charge. Others - \$297 per day	\$594 per day
Hardiman Reserve hockey pitch - synthetic	Local schools – no charge. Others - \$297 per day	\$594 per day

3. SEASONAL OCCUPANCY AGREEMENTS

Seasonal agreements allow persons or organisations to use parkland, buildings and sporting facilities for the duration of a winter and/or summer season of competition over a period of approximately six to twelve months. Seasonal changeover occurs annually in March and September.

The seasonal agreement is the preferred base arrangement for sporting club access to facilities in Darebin.

3.1 Seasonal access eligibility criteria

To be eligible for a seasonal occupancy agreement:

- Applicant must be an incorporated body with an appropriate level of public liability insurance,
- Applicant's previous utilization of facilities must have conformed to Council's behavioural, maintenance, waste and litter management expectations, strategic priorities and Club Kit Conditions of Use,
- Applicant must have no unpaid user charges. This includes utilities, ground fees and overdue capital co-contributions.

Applications by junior development or foundation programs (e.g Auskick, Milo cricket) may be submitted and processed under the umbrella of an affiliate tenant club.

3.2 Priority for allocation of seasonal access agreements

Where there is competing demand for access to a particular facility, allocation will be determined by a panel of Council officers determined by the Manager Leisure Services and Public Realm.

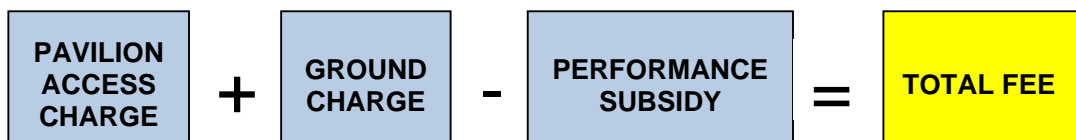
Allocation will be guided by the following criteria:

- Proportion of participants residing in Darebin. This criterion will attract a weighting of 35%.
- Demonstrated inclusive practice and increasing participation of target groups from the Darebin Equity and Inclusion Policy. This criterion will attract a weighting of 50%.
- Capital contributions made to developing the facility within the last 4 seasons. This criterion will attract a weighting of 15%.

Ground allocations will encourage sharing of resources where demand for facilities is strong.

3.3 Fees for seasonal access

The fee structure for seasonal access is based on three components – a pavilion access charge plus a ground charge that form the Base Fee. The Base Fee may be reduced by a performance subsidy component.



3.3.1 Pavilion Access charge

The pavilion access charge establishes a link between the fees paid by the user group and the quality, amenities and size of the pavilion.

A figure of 0.15% of the building's insurable value has been calculated to retain revenue recoup of approximately 15% of maintenance. Larger, better appointed facilities record a higher value and therefore attract a higher pavilion access charge.

User groups accessing sporting pavilions on a seasonal basis will pay 50% of the annual pavilion access charge where access is limited to a summer or winter season.

To further encourage sharing of pavilion facilities, the pavilion access charge will be apportioned between sharing parties where pavilion facilities are co-tenanted in the same season. Apportionment will be on the basis of the number of user groups using the facility simultaneously.

The insurable value of Council owned buildings is reviewed annually by the City Valuer.

3.3.2 Ground charge

Ground charges reflect the levels of amenity and support infrastructure at each category level of the reserve hierarchy.

Table 2. Ground Charge schedule per season for sporting reserves in Darebin (Community sporting clubs)

Ground Rating	\$ Sole use	\$ Shared use (75% sole use)	\$ Additional Oval Sole use (50% of sole use)	\$ Additional Oval Shared use (38% sole use)
Regional	\$7,500	\$5,625	\$3,750	\$2,850
District	\$1,485	\$1,013	\$743	\$564
Local	\$1,350	\$998	\$675	\$513
Neighbourhood	\$900	\$675	\$450	\$342

3.3.3 Performance subsidies Performance subsidies are based on the following criteria:

- Social inclusion,
- Governance,
- Community/Council relations.
- Participation growth

Assessment criteria	Performance requirements	Score
Community/council relations	<p>Evidence of community access events or community outreach programs.</p> <p>Evidence of involvement in community initiatives such as Good Sports Program White Ribbon Campaign Cleaning Up Our Game</p> <p>Exemplary maintenance/conduct history including environmental management (waste, litter, water and energy).</p>	<p>5 points</p> <p>5 points max</p> <p>5 points</p>
Participation growth incentive	<p>Evidence of new team(s) registration OR</p> <p>Evidence of increase in participants (non-team based activities).</p>	<p>5 points per team per season</p> <p>5 points for participation increases over 10%.</p> <p>Limit 10 points</p>

Scoring

Based on the assessment criteria detailed in Table 3, user groups will receive a Total score This score will be used to assess the level of Performance Subsidy for which the group may be eligible.

The levels of Performance Subsidy discount are shown in Table 4 below.

Table 4. Levels of fee subsidies

Level	Score	Fee subsidy
Gold	85 plus	50%
Silver	70 - 84	25%
Bronze	55 - 69	10%

Performance scores will be reviewed annually with assessment data collected from Club Plans, seasonal application forms and licence information updates.

4. LICENCE AGREEMENTS

A licence is a form of permission to enter and use land or a facility for an agreed purpose for a stated period. The licensee does not have exclusive use of the facility allowing Council to allocate to other user groups at different times and for access by the general public.

4.1 Licence Agreement access eligibility criteria

A licence will be the preferred arrangement where user groups:

- Have an exemplary access history over 5 seasons
- Wish to secure a longer period of tenancy in exchange for a partnership program or capital contribution to develop a facility Capital contributions made by the club towards a project, must be paid in full prior to the commencement of the project.
- Demonstrate financial resources to ensure continued operational viability and sustainability.

4.2 Length of tenure

Licence agreements will be for a standard period of three years, with options to extend for a further one or two periods of three years (3x3 or 3x3x3). This will depend on the duration of the partnership program and/or extent of capital contribution.

4.3 Fees for licensed access

Fees for licenced access will be the same as those for seasonal access detailed in section 3.2 above.

5. LEASE AGREEMENTS

A Lease is a contract under which a tenant (or lessee) is granted exclusive possession of property for an agreed period in return for rental fees.

Leases will be restricted to a relatively small number of venues where single users such as tennis, or bowls clubs have exclusive use or management responsibilities for the entire year.

Leases to be subject to relevant laws and regulations, in particular:

- The *Local Government Act 1989* that legislates restrictions on the maximum duration of leases and specifies advertising requirements for leases of 10 years or more and for properties with rental fee value of more than \$50,000 per annum, and
- The *Retail Leases Act 2003* that controls leases for premises that are used wholly or predominantly for retail goods and services.

5.1 Lease agreement access criteria

Eligibility for the granting of lease agreements will be determined by the following:

- Where the facility is occupied by one user group exclusively,
- That the organization is a legal entity registered under appropriate legislation such as the Associations Incorporations Act 1981,
- That the organization has an Australian Business Number,
- That the organization is financially viable, with annual financial statements provided to Council, audited according to relevant legislative requirements,
- That the organization complies with relevant legislation governing its activities, and holds any licenses or registration certificates required for continued operation,
- That the organization has a committee or team of management and appropriate governance arrangements with established accountability and reporting methods to Council, its members and/or to the community,
- That the organization has a business plan for the period of the lease detailing current and projected access hours, participation and memberships, social inclusion initiatives, revenue and expenditure forecasts,
- That there are reasonable grounds to believe a need or demand exists for the service or activity to be provided,
- That the facility use is consistent with Council's vision, mission and goals as stated in the Council Plan,

- That the service or activity can be accessed by groups targeted in the Darebin Equity and Inclusion Policy, with strategies in place to review and remove barriers to participation,
- That the proposed use of the facility is suitable for the nature and location of the site.

5.2 Length of tenure

Length of tenure will be negotiated taking into account the particular circumstances of the facility and tenant, including capital investment and long term planning, and the intended use of the facility in line with the vision and goals of the Council Plan and Leisure Strategy. Length of tenure will be guided by the following principles:

- The preferred lease term will be 5 years. Terms longer than 5 years may be offered where a prospective tenant invests or has invested significantly in a fixed asset (such as a building or playing surface) and/or assumes a portion of maintenance of the asset . The term offered will be calculated with reference to the projected asset life and the capital contribution by the tenant.
- Options to extend will be broken into periods of no longer than 5 years with options for the tenant to review on the same terms and conditions dependent on meeting community benefit criteria and continued demand for the activity and service.
- Terms up to 10 years or longer may be offered for categories of tenants who do not meet these criteria but who are identified by Council from time to time as requiring long term planning certainty.

5.3 Fees for lease access

The rental fees for lease access will be calculated as per the following table

Category	User type	Basis for rental calculation
Category 1	Lease for Commercial purposes only – no Community Benefit	Market rental plus 50% for loss of community benefit.
Category 2	Lease for commercial purposes with Community Benefit	Market rental – no discount
Category 3	Lease for non-profit community use	As per Seasonal and Licence Agreements

5.3.1 Leases for tennis club and users of synthetic playing surfaces

Where leases are proposed at tennis or other venues that have synthetic or hard court surfaces, the contribution to a replacement sinking fund may be negotiated as part of the lease. Tennis clubs are responsible for 50% of

resurfacing costs in accordance with Darebin Council's Outdoor Sports Venue Infrastructure Policy 2012.

Replacement costs will be determined by values within the Rawlinson's Construction Cost Guide current at the time of lease negotiation.

6. MISCELLANEOUS CHARGES

6.1 Utility Charges

All tenant clubs will continue to be responsible for the payment of utilities in accordance with the occupancy agreement terms and conditions.

6.2 Security Bonds

A key security bond of \$50 will be payable for casual users wishing to be issued key to public toilets attached to pavilions repayable on the return of keys

A security bond of \$400 per season will be payable by seasonal and licence agreement holders as an incentive for user groups to maintain venues in good order. The bond will be repaid at the completion of the season following the return of all keys, an inspection of the venue and review of the club's record of behaviour.

Where a security bond is revoked due to behavioural issues, non-return of keys or unsatisfactory cleaning or maintenance, the bond will be increased by \$100 in the following season. Clubs with a continual poor record may be denied a ground allocation in the following season.