



**14.3** PROPOSED TENANCY AGREEMENT - PORT MELBOURNE  
SOCCER CLUB COMPLETION OF STATUTORY  
PROCEDURES

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**1. PURPOSE**

- 1.1 To seek Council's approval to complete the statutory procedures under the *Local Government Act 1989 (Vic) (Act)* and finalise the proposed tenancy agreement (**Proposed Tenancy Agreement**) with Port Melbourne (Nea Ellas) Soccer Club Inc. trading as Port Melbourne Soccer Club (**PMSC**) at 430 Plummer Street, Port Melbourne (part of JL Murphy Reserve).

**2. EXECUTIVE SUMMARY**

- 2.1 The land subject to the Proposed Tenancy Agreement is located at 430 Plummer Street, Port Melbourne (**Premises**) and forms part of JL Murphy Reserve, bounded in red in the plan attached (Attachment 1).
- 2.2 The land comprising JL Murphy Reserve is permanently reserved for public park and recreation by Order in Council dated 6 November 1963 (vide Government Gazette dated 13 November 1963) and has been identified under 17C of the Crown Land (Reserves) Act 1978 as habitually used for soccer, cricket, baseball and public recreation.
- 2.3 Over the next few years, significant change is forecast for the immediate area with the introduction of the Wirraway vertical school at 477 Graham Street, Port Melbourne and other changes likely around the Fishermans Bend precinct.
- 2.4 PMSC has occupied JL Murphy Reserve since 1968 and currently has a seasonal permit for the three soccer pitches and a lease over the pavilion which expired on 30 June 2020 and is currently in overholding on the same terms while a new agreement is considered.
- 2.5 PMSC currently pays a total of \$7,271.27 plus GST per annum as per the Sports Ground and Facilities Bookings Fees. This rental subsidy has previously been granted as an in-kind contribution in recognition of the club providing community programs endeavouring to give direct benefit to Port Phillip residents.
- 2.6 A market rental value assessment was conducted in August 2018 which estimated the pavilion market rental value at \$16,000 per annum plus GST and the three pitches at \$122,500 per annum plus GST. These values are based on exclusive access to these spaces.
- 2.7 In 2018, council officers started working with the PMSC to improve community access to these grounds outside of their tenancy times. The plan agreed to by the PMSC at the time of entering into the new lease and seasonal licence agreement, was that Council would enhance community access through:



- The removal of fencing around the carpark and Pitch 2.
  - Making Pitch 1 available to the public outside of game times via gates.
- 2.8 At that time, new gates were installed on existing fencing to allow community access outside of game days. All gates on the grounds remain locked in the open position outside of game and training days to ensure the community have free access to the grounds.
- 2.9 Officers have since done further work in preparation to implement the additional fencing works identified in 2018, that will further open up the site at the Williamstown Road frontage and around the carparking beside the pavilion whilst still supporting the Clubs NPL requirements and community safety.
- 2.10 The proposed tenancy agreement is a 3-year lease starting rental of \$3,200 per annum plus GST for the pavilion and additional \$4,300 per annum plus GST for the pitches under a seasonal permit.
- 2.11 Under the Proposed Tenancy Agreement, any maintenance over and above minimum service level standards set by Council will be undertaken at the PMSC's cost, in accordance with the terms in the current lease, and the toilets are to be made reasonably available to the public at the cost of the club, as per Council's resolution on 15 July 2020.
- 2.12 Although the duration of the tenure is less than 10 years and the market rental estimate for the pavilion does not exceed the threshold of \$50,000 per annum, it is considered that the Proposed Tenancy Agreements (pavilion lease and ground licence) are significant in terms of the predominant use of the Premises by PMSC and should go through statutory procedures set out in sections 190 and 223 of the Act.
- 2.13 Council resolved to commence the statutory process on 15 July 2020 which invited submissions on the proposed tenancy agreement. Council must hear and consider any submissions received, before deciding to enter into such an agreement.
- 2.14 At the Council Meeting on the 15 July 2020, Council heard from four community members and two PMSC members around the Proposed Tenancy Agreement during public question time. The community members objected to the Proposed Tenancy Agreement highlighting community access and community benefits as their biggest concern.
- 2.15 In response to the feedback on the night, Councillors amended the key terms within the proposed tenancy agreement to include additional requirements for the Club, including the requirement for the club to provide Council with an operational report covering the operations of the club including financial performance and participation data and to make the toilets reasonably available to the public. These are the terms that were outlined within the Public Notice.
- 2.16 During the submissions period, one formal written submission was received. The submission included concern over accessibility to the grounds and the wider community benefit associated with the agreement. These matters were considered at an ordinary meeting of Council on the 18 November 2020.
- 2.17 Officers have reviewed the submission and recommend that the Proposed Tenancy Agreement be executed on the proposed terms on the basis that these terms respond to the matters contained within the submission.



2.18 Council is now in a position to complete statutory procedures and make a final decision on the proposed tenancy agreement.

### 3. RECOMMENDATION

That Council:

3.1 After considering submissions in response to the Notice of Intention to Lease for the property at 430 Plummer Street, Port Melbourne to Port Melbourne (Nea Ellas) Soccer Club Inc. trading as Port Melbourne Soccer Club, resolves to conclude the statutory procedures under section 190 and 223 of the *Local Government Act 1989 (Vic)* (Act) and approves the following proposed tenancy agreement with key terms summarised as follows:

Tenant	Port Melbourne (Nea Ellas) Soccer Club Inc. trading as Port Melbourne Soccer Club
Premises	430 Plummer Street, Port Melbourne (part of JL Murphy Reserve)
Permitted Use	Soccer and associated club activities
Commencement Date	1 July 2020
Term	Three (3) years expiring 30 June 2023
Rent	Pavilion - \$16,000 per annum plus GST reduced to \$3,200 per annum plus GST in recognition of the Tenant's continuing support of the wider community. Pitches – On a seasonal permit at a starting rate of \$4,300 per annum plus GST.
Outgoings	Tenant to pay for all outgoings associate with the pavilion and the Tenants use of premises.
Insurance	Tenant to obtain public liability insurance of \$20m and reimburse Council for annual building insurance.
Maintenance	Pavilion - All operational and non-structural maintenance excluding essential services maintenance. Grounds - Maintenance over and above minimum service level standards set by Council are to be undertaken at the Tenants cost.
Community Benefits	The Tenant must provide the following community benefits through this agreement: <ul style="list-style-type: none"> <li>• Make the Pavilion available to the community</li> <li>• Support neighbouring groups</li> <li>• Increase in participation of people at risk of non-participation</li> <li>• Increase participation of women in Soccer</li> <li>• Increase in participation in Sport and Recreation across a range of informal activities.</li> </ul>



Annual Reporting

Tenant is to provide reporting annually including an operational report covering the operations of the club including financial performance, participation data, membership information (including member postcodes), public liability insurance, liquor licenses and any other details of how it is meeting its requirements under the tenancy agreement and providing broader community benefit.

- 3.2 Notes that the tenancy agreement will include exclusive use over the Pavilion and non-exclusive use over the three soccer pitches which will operate on a seasonal permit. The seasonal permit for the pitches will be for an additional \$4,300 per annum plus GST.
- 3.3 Notes that under the tenancy agreement, the Port Melbourne Soccer Club must use reasonable endeavours to develop and implement environmentally sustainable practices, including reducing landfill and litter within and around the tenancy area. These should be developed in consultation with the committee of Dig In Community Garden.
- 3.4 Notes that that under the tenancy agreement the Port Melbourne Soccer Club must develop a partnership with the Sporting Club Governance Body at JL Murphy Reserve and report to Council on the community activities provided for the exclusive use of the pavilion. This should include Port Melbourne Soccer Club being considered for Associate Membership or a similar membership level of the Body.
- 3.5 Notes that the under this agreement that the Tenant must make the toilets reasonably available to the general public at the cost of the club, but may continue to use the informal car parking area to generate income from game days.
- 3.6 Notes that Officers work with the PMSC to undertake the following fencing works to improve accessibility and amenity up to the existing budget allocation of \$40k, with anything above that to meet NSL requirements to be met by the PMSC:
  - Removal of the carpark fencing with a new alignment and post and rail system at the entry
  - Removal of the fence between Pitch 2 and Pitch 3, excluding a small section of fence directly behind the goals for ball retention.
  - Additional 1.8m fencing between the carpark and Pitch 1
  - Additional 1.8m fencing between the Pitch 1 and Pitch 2
  - New 3m high fence behind goals on Pitch 1 for ball retention
  - Maintain fencing along Williamstown Road for safety.
  - Installation of a 4 metre double gate, locked open, to the Pitch 2 baseline perimeter fence that adjoins the DigIn Community Gardens.
- 3.7 Authorises the Chief Executive Officer or delegate to execute such tenancy agreement.



#### 4. KEY POINTS/ISSUES

##### Premises information

- 4.1 The Premises at 430 Plummer Street, Port Melbourne forms part of J L Murphy Reserve and consists of three soccer pitches, club pavilion, car park and a media box named after journalist Laurie Schwab.
- 4.2 The site has recently been selected to host one of the competing countries for the 2023 Women's World Cup as a training facility and home base for players and staff.
- 4.3 The land is permanently reserved for public park and recreation by Order in Council dated 6 November 1963 (vide Government Gazette dated 13 November 1963) and has been identified under 17C of the Crown Land (Reserves) Act 1978 as habitually used for soccer, cricket, baseball and public recreation.
- 4.4 Tenures for habitual uses are exempt from parliamentary scrutiny process where the reservation purpose includes a public park however, grant and purpose is still required to be sought for new tenancy agreements.
- 4.5 The pavilion is a circa 1960's brick clubhouse measuring approximately 800 square metres and includes change rooms for men and women and is exclusively occupied by the PMSC.
- 4.6 The main soccer pitch measures approximately 12,292 square metres and includes a soccer pitch with Australian standard flood lights and grandstand. This pitch is open to the public outside training and game days.
- 4.7 Pitches two and three are of poor condition during the winter season due to the poor soil and sub surface drainage. The conditions deteriorate quickly at the start of the season requiring additional maintenance and rest periods.
- 4.8 The soccer pitches are currently being utilised by the PMSC, on a weekly basis as follows:
  - Pitch 3: 4 hours per week, approx.
  - Pitch 2: 25 hours per week, approx.
  - Pitch 1: 22 hours per week, approx.
- 4.9 Over the course of a season, the PMSC play up to 15 home games which require secure fencing as per NPL guidelines.
- 4.10 The current hours of use on the soccer pitches are the maximum appropriate for these pitches without further deteriorating the conditions. Full ground improvements would be required to enable additional hours of use on these pitches.
- 4.11 There is a small car park available on site and PMSC have an agreement with Council to use an informal section of the reserve for parking on game days and to police its use.
- 4.12 Over the next few years, significant change is forecast for the immediate area with the introduction of the Wirraway vertical school at 477 Graham Street, Port Melbourne and other changes likely around the Fishermans Bend precinct.
- 4.13 A market rental value assessment was conducted in August 2018 which estimated exclusive use market rental value of the pavilion at \$16,000 per annum plus GST and the three soccer pitches at \$122,500 per annum plus GST.



**Tenant**

- 4.14 PMSC is a semi-professional sporting club that has just completed its 143rd year and is the number one stand-alone team in the competition.
- 4.15 Officers have recently partnered with PMSC to showcase the facilities as part of the FIFA Women's World Cup bid process with Football Federation Australia showing ongoing support for female participation in this space.
- 4.16 PMSC has occupied JL Murphy Reserve since 1968 and has grown in its professionalism developing pathways for junior players and is now part of the National Premier League being the most elite level only second to the A-League.
- 4.17 They have had a number of junior squads and old boys' teams over the years, as well as women's and sub junior teams. Several of its juniors have gone on to play overseas and in the then National League - some still play today in the A-League.
- 4.18 The percentage of members that reside in the City of Port Phillip for 2018 and 2020 is provided below. The percentage of local membership has increased since 2018. The percentage increase is also provided below.

	2018	2020	Percentage Change
<b>Miniroos</b>	55%	<b>(68)</b> 78%	+ 23%
<b>JNPL</b>	20%	<b>(71)</b> 46%	+ 26%
<b>Snr Womens</b>	4%	<b>(22)</b> 41%	+ 37%
<b>Snr Academy</b>	8%	<b>(66)</b> 18%	+ 10%

- 4.19 PMSC has been incorporated under the Associations Incorporation Reform Act 2020 as a not for profit organisation and generates income through gate receipts, seasonal memberships, game day entry fees, sale of food and merchandise, private function room hire, junior participation fees, sponsorship and grants.
- 4.20 Previously, the main soccer pitch (pitch 1) and the secondary pitch (pitch 2) were exclusively occupied by PMSC under a lease agreement with Council and there was no community access to the pitches. The PMSC also utilise pitch 3 on a seasonal licence agreement.
- 4.21 In 2018, PMSC moved onto a seasonal licence for the use of the three soccer pitches aligning with other seasonal sports clubs in the municipality. The community now has full access to the soccer pitches outside of the club's permitted hours of training and games.
- 4.22 The current seasonal licences allow for a further term of 2 years at the discretion of Council pending the outcomes of urban planning requirements for the area.
- 4.23 PMSC have a lease over the pavilion which expired on 30 June 2020 and remains in overholding on the same terms while a new agreement is considered.
- 4.24 Under this tenancy agreement with Council, PMSC is required to report quarterly, detailing the community benefit programs undertaken by the club for the community. Required community benefit programs included:
  - development and support for female participation



- school and community programs (4 per year)
  - juniors/miniroos soccer program
- 4.25 PMSC currently pays a total of \$7,271.27 plus GST per annum as per the Sports Ground and Facilities Bookings Fees. A significant rental subsidy has previously been granted as an in-kind contribution in recognition for providing a community-based service endeavouring to give direct benefit to Port Phillip residents.

### **Fencing**

- 4.26 In 2018, council officers started working with the PMSC to improve community access to the grounds outside of their tenancy times. The plan agreed to by the PMSC at the time of entering into the new lease and seasonal licence agreement, was that Council would enhance community access through:
- The removal of fencing around the carpark and Pitch 2.
  - Making Pitch 1 available to the public outside of game times via gates.
- 4.27 At that time, this was not implemented and instead, new gates were installed on existing fencing to allow community access outside of game days.
- 4.28 Additional improvements have since been identified that will enhance community access further without compromising safety needs or PMSC NPL requirements. These improvements include:
- Removal of the carpark fencing with a new alignment and post and rail system at the entry.
  - Removal of the fence between Pitch 2 and Pitch 3, excluding a small section of fence directly behind the goals for ball retention.
  - Additional 1.8m fencing between the carpark and Pitch 1
  - Additional 1.8m fencing between the Pitch 1 and Pitch 2
  - New 3m high fence behind goals on Pitch 1 for ball retention.
  - Maintain fencing along Williamstown Road for safety.
  - Installation of a 4 metre double gate, locked open, to the pitch 2 baseline perimeter fence that adjoins the DigIn community gardens.
- 4.1 The PMSC has requested that the fencing around the car park and Pitch 1 and 2 remain as it is. They have proposed that instead, two ten metre retractable gates between Pitch 2 and 3 be installed to improve community access. This proposal did not address the desired opening at the other end of pitch 2. The current double gates provide an opening of four metres for context. An image showing before and after shots of fencing replaced with large sliding double gates is provided below.



- 4.2 Officers acknowledge the attempt by the club to reduce costs and reduce additional need for new fencing along the pitch 1 baseline that adjoins pitch 2. In reviewing this concept the cost of three of these gates is equivalent to the current proposal to remove full fence, excluding small section for ball retention, and the construction of a new fence between Pitch 1 and Pitch 2.
- 4.3 It is assessed Pitch 2 would continue to look like a restricted area rather than being an extension of the public open space within the park if the club design of two additional openings was delivered. The current proposal will provide a more open and inviting aspect for the community. It is proposed that the fencing works be undertaken by Council up to the existing budget allocation of \$40k, with anything above that to meet NSL requirements to be met by the PMSC.





- 4.4 The club has additionally requested Council consider an alternate solution to fence removal behind the goals at the DigIn end of Pitch 2 to avoid balls at training entering the busy road at night due to the grounds proximity to Williamstown Road. As there is no secondary fence like the other end it is supported a double gate opening be installed and locked open for community access with permission to close only during match and training operations on Pitch 2.

**Costs**

- 4.5 The costs associated with the Proposed Tenancy Agreement include:

Category	Council Cost	PMSC Cost
Maintenance building	Avg \$18,000 pa based on 2 years' worth of spending.  This includes ESM and landlord responsibilities such as roof maintenance and structural repair.	Non-structural maintenance, cleaning, all furniture, kitchen equipment, fixtures and fittings in the building  Maintenance of Public Access to Toilets within their facility
Maintenance grounds (general)	Avg \$80k for the three pitches <ul style="list-style-type: none"> <li>• Pitch 1 (\$47k)</li> <li>• Pitch 2 (\$29k)</li> <li>• Pitch 3 (\$4k)</li> </ul> Approximately \$18k of the above attributable to premium surface maintenance.	Maintenance over and above Standard SLAs set by Council.
Insurance	Nil  (cost absorbed by Council prior to agreement reaching expiry)	Avg \$1,700 per annum
Outgoings	All utilities and outgoings for the grounds	All utilities and outgoings for the pavilion  Rates and taxes of around \$13,168.20 as per 2020

- 4.6 In addition to the above, Council has spent approximately \$54k in 2019 and 2020 on additional works to the site to uplift equipment and Pitch 1, including:
- Replace coaches boxes and goals that were in poor condition and synthetic in front of them - \$17k.
  - Fraize Mow (improve levels across the ground and dethatch the surface) - \$22k.
  - Soil conditioning MLR8 program (improve soil profile for improved grass establishment and health) - \$15k/annum.



## 5. PROPOSED TENANCY AGREEMENT

### Policy Context

- 5.1 There are a number of key planning documents, legislation and policy that need to be considered for the proposed tenancy agreement. These include:
- Crown Land (Reserves) Act 1978;
  - Crown Land Leasing Policy;
  - Council Plan; and
  - Council Property Policy.
- 5.2 The Premises is on Crown land managed by Council as Committee of Management and therefore Council must follow the State Government Leasing Policy.
- 5.3 The State Government Leasing Policy lists three key leasing principles that must be assessed for the Proposed Tenancy Agreement. These are:
- Principle 1 – To provide benefits to the public through leasing;
  - Principle 2 – To ensure consistency and transparency in leasing; and
  - Principle 3 – To manage leased Crown land in an ecologically sustainable manner.
- 5.4 Council's Property Policy provides guidance on entering tenancy arrangements and is aligned with the State Government Leasing Policy.

### Summary of key lease terms proposed for formal consultation

- 5.5 Aligned with these principles, Officers put forward the following recommended terms in a previous report on 15 July 2020 to Council. A summary of these recommendations is provided below:
- 5.5.1 Direct negotiation with the PMSC for a short-term agreement of three (3) years as there may be limited benefit in conducting a competitive process at this time given the work underway to understand the future needs of the Fisherman's Bend area.
- 5.5.2 Provide PMSC with continued exclusive use over the pavilion and seasonal licences over the three pitches to assist in improving community access.
- 5.5.3 A starting rental of \$3,200 per annum plus GST for the pavilion and additional \$4,300 per annum plus GST for the pitches under a seasonal permit.
- 5.5.4 All outgoings applicable to the pavilion, including building insurance, to be paid by PMSC while Council will continue to remain responsible for the payment of outgoings associated with the grounds for any use attributable to council activities.
- 5.5.5 In addition, all operational and non-structural maintenance for the pavilion excluding essential services maintenance will be at the PMSC costs. This will include but is not limited to cleaning, tenant fixtures and fittings, key replacement, basic electrical such as light globe replacements and plumbing, such as toilet blockages.



- 5.5.6 Ground maintenance over and above minimum service level standards set by council are to be undertaken at PMSC's cost, as per the requirements of the current lease. Note that while this was agreed with PMSC as part of the current tenancy agreement now in overholding, it was not implemented under the tenancy arrangements that are now in overholding.
- 5.5.7 The PMSC be allowed to continued use of the informal car parking area to generate income from game days as well as support for structural renewals and proactive maintenance of the essential services and the grounds in accordance with Council service level standards.
- 5.5.8 The PMSC is required to deliver and report against a set of Key Performance Indicators, which are the justification for the discounted rent. These KPIs are equally weighted and include:
- Make the Pavilion available to the community.
  - Support neighbouring groups.
  - Increase in participation of people at risk of non-participation.
  - Increase participation of women in Soccer.
  - Increase in participation in Sport and Recreation across a range of informal activities such as collaboration with local schools.
- 5.5.9 In recognition of the in-kind contribution from Council, the PMSC is to provide Council with ongoing reporting to demonstrate how it is meeting its requirements under the agreement and how it is providing for the broader community. The PMSC will also be asked to recognise the ongoing support from Council.

#### **Amended key lease terms**

- 5.6 At the Council Meeting on the 15 July 2020, Council heard from six community members around the Proposed Tenancy Agreement during public question time.
- 5.7 Four of these community members objected to the Proposed Tenancy Agreement on the grounds of public accessibility and the misrepresented community benefits.
- 5.8 Two members of the PMSC also spoke to the report on the night highlighting their use of the premises and the restrictions currently facing the club.
- 5.9 In response to the feedback on the night, Councillors amended the key terms within the proposed tenancy agreement to include the requirement for the PMSC to:
- Provide Council with an operational report covering the operations of the club including financial performance, participation data, public liability insurance, liquor licenses and any other matters as may be stipulated in Council's "Sports Facilities, Grounds and Clubs Conditions of Use" handbook.
  - Use reasonable endeavours to develop and implement environmentally sustainable practices, including reducing landfill and litter within and around the tenancy area. These should be developed in consultation with the committee of Dig In Community Garden.
  - Develop a partnership with the Sporting Club Governance Body at JL Murphy Reserve and report to Council on the community activities provided for the



exclusive use of the pavilion. This should include PMSC being considered for Associate Membership or a similar membership level of the Body.

- Make the toilets reasonably available to the public at the cost of the PMSC.

5.10 In addition, Council authorised works to be undertaken to improve access for the public to all the grounds and develop a long-term usage plan for the use of the site with a formal public consultation process both of which are required to be reported back to Council within 12 months.

5.11 Although the duration of the tenure is less than 10 years and the market rent estimate for the pavilion does not exceed the threshold of \$50,000 per annum, it was considered that the Proposed Tenancy Agreement was significant in terms of the predominant use of the reserve by PMSC in peak hours and should go through statutory procedures set out in sections 190 and 223 of the Act.

## 6. SUBMISSIONS

6.1 Council resolved to commence the statutory process on 15 July 2020 which invited submissions on the Proposed Tenancy Agreement.

6.2 One written submission was received through the consultation period.

6.3 Key themes in the submission include concern over accessibility to the grounds and the wider community benefit associated with the agreement.

6.4 These matters were considered at an ordinary meeting of Council on the 18 November 2020.

### *Summary of submission*

6.5 The submission highlights issues with access to the grounds citing anti-social behaviour, locked gates and signage which suggests that the area may not be accessible by the general public.

6.6 It also questions whether Council should be subsidising a professional soccer club with community rates, particularly if ratepayers are subsidising a group of people primarily from outside the council area.

6.7 Suggestions from the submission include consideration for:

- the high fencing to be replaced and that the fence on the eastern boundary be removed to allow residents free access.
- the new agreement to include a requirement for PMSC to report on player postcodes and provide copies of Financial Reports to the Council.

### *Assessment*

6.8 The Proposed Tenancy Agreement will see the PMSC receive non-exclusive use of the three soccer pitches which will be provided through a seasonal licence aligning with other seasonal sports clubs in the municipality. This will allow the community full access to the soccer pitches outside of the club's permitted hours of training and games.

6.9 In addition, the PMSC will be required, under the Proposed Tenancy Agreement, to demonstrate how it is meeting its requirements under the agreement and how it is providing for the broader community.

### *Recommendation*



6.10 Officers have reviewed the community feedback and the formal submission and recommend that PMSC be granted a 3-year Lease over the pavilion and a licence on a seasonal permit for the three pitches on the proposed terms on the basis that these terms respond to the matters contained within the submission. In particular:

- Further work will be undertaken to address fencing and access, including
  - Removal of the carpark fencing with a new alignment and post and rail system at the entry
  - Removal of the fence between Pitch 2 and Pitch 3, excluding a small section of fence directly behind the goals for ball retention.
  - Additional 1.8m fencing between the carpark and Pitch 1
  - Additional 1.8m fencing between the Pitch 1 and Pitch 2
  - New 3m high fence behind goals on Pitch 1 for ball retention.
  - Maintain fencing along Williamstown Road for safety.
  - Installation of a 4 metre double gate, locked open, to the pitch 2 baseline perimeter fence that adjoins the DigIn community gardens.
- The required annual reporting includes details of the PMSCs financial position as well as a breakdown of member data.

6.11 As all submissions have now been considered, Council is now in a position to complete the statutory procedures and make a final decision on the proposed tenancy agreement.

## **7. CONSULTATION AND STAKEHOLDERS**

7.1 The Department of Environment, Land, Water and Planning (DELWP) has been consulted and provided Grant and Purpose.

7.2 Council has consulted with the community through a Notice of Intention to Lease that was published in the Age newspaper on 21 July 2020 inviting submissions in accordance with statutory procedures.

7.3 The deadline for submissions was 21 August 2020.

7.4 One submission was received and considered at an ordinary meeting of Council on the 18 November 2020.

## **8. LEGAL AND RISK IMPLICATIONS**

8.1 The Crown's standard form lease will be used as the basis of the proposed tenancy agreement, unless otherwise agreed or required by legislation. Such template documents the landlord and tenant responsibilities, conforms to legislative requirements and mitigates risk.

8.2 The Proposed Tenancy Agreement is subject to approval by the Minister for Energy, Environment and Climate Change on behalf of DELWP.

## **9. FINANCIAL IMPACT**

9.1 A market value assessment was conducted in August 2018 which estimated the pavilion rental value at \$16,000 per annum plus GST and the three pitches at \$122,500 per annum plus GST. These values are based on exclusive access to these spaces.



- 9.2 Officers propose a discounted rental as per the Sports Ground and Facilities Bookings fees in recognition for PMSC's continuing support of the wider community.
- 9.3 The Proposed Tenancy Agreement will be dependent on PMSC demonstrating how it is meeting its requirements under the agreement on an annual basis.
- 9.4 Officers recommend that maintenance over and above minimum service level standards set by council be undertaken at the PMSC cost.

## 10. ENVIRONMENTAL IMPACT

- 10.1 The Proposed Tenancy Agreement will require PMSC to implement environmentally sustainable practices and programs that support reduction in energy, waste and water.
- 10.2 In addition, they must use reasonable endeavours to develop and implement environmentally sustainable practices, including reducing landfill and litter within and around the tenancy area. These should be developed in consultation with the committee of Dig In Community Garden.
- 10.3 Council will work with PMSC over the term of the proposed tenancy to improve the efficiency of water and energy usage, in particular to:
  - reduce or minimise greenhouse gas emissions;
  - maximise the use of renewable or recyclable materials;
  - reduce waste from operations;
  - implement best-practice storm water management; and
  - reduction in single plastics including plastic straws and the use of balloons.
- 10.4 Council will set agreed targets for reduction in these areas within the Proposed Tenancy Agreement.

## 11. COMMUNITY IMPACT

- 11.1 Council has two primary objectives when entering leases for the use of Council property:
  - to support service delivery and promote health and wellbeing, social, environmental, cultural, recreational or economic opportunities and benefits in the City of Port Phillip by leasing or licensing Council Property to community organisations and
  - to generate net income to support service delivery across the portfolio by leasing or licensing Council property to commercial organisations.
- 11.2 PMSC supports the community through the provision of sports programs promoting health and wellbeing to the community.
- 11.3 Under the Proposed Tenancy Agreement PMSC will be required to continue to provide for community use including making the pavilion available to the community, supporting neighbouring groups, increasing participation of people at risk of non-participation including supporting female participation, ongoing school and community programs. In addition, it is proposed that there be a further requirement for the toilets to be made reasonably available to the public
- 11.4 While the grounds are proposed to continue to be provided on a Seasonal Permit allowing public access outside of game times, the impacts highlighted in the



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submission, and previous feedback, regarding the fencing and accessibility to the reserve will need to be considered to ensure any new agreement minimises any negative impact on the surrounding community.

### **12. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

12.1 The Proposed Tenancy Agreement aligns to the Council Plan as follows:

12.1.1 Direction 1 – “We embrace difference, and people belong’

12.1.2 Direction 6 – “A financially sustainable, high performing, well-governed organisation that puts the community first.”

### **13. IMPLEMENTATION STRATEGY**

#### 13.1 TIMELINE

13.1.1 If Council resolves to complete the statutory process, and approves the proposed tenancy agreement, such agreement will be finalised immediately.

#### 13.2 COMMUNICATION

13.2.1 Officers will advise the Tenant’s representatives of the outcome of this Council meeting.

### **14. OFFICER DIRECT OR INDIRECT INTEREST**

14.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

**TRIM FILE NO:** PF17/306356

**ATTACHMENTS** 1. Attachment 1 - Lease Plan 2020