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Policy Section:	6. Finance and Corporate Services
Policy Name:	Sporting & Community Clubs/Organisations Agreement Schedule for Ground Leases (Exclusive Right of Possession)
Classification:	Public – Council Policy
Adopted:	28 September 2021
Frequency of Review:	Every 4 years
Last Review:	September 2021
Next Review Due:	September 2025
Responsible Officer(s):	Manager Finance & Corporate Services Team Leader Property & Facilities
Policy and Code of Practice Manual File Ref:	CC10/2601
Council File Reference:	CR15/5383
Legislation Authority:	Local Government Act 1999 Retail and Commercial Leases Act 1995 Associations Incorporations Act 1985
Related Policies and Codes:	Sporting & Community Clubs/Organisations Agreement Schedule for Structural Leases (Exclusive Right of Possession) Policy
Related Procedures:	N/A

1. INTRODUCTION

- 1.1 Council has a role in providing facilities for community and recreational activities to strengthen communities and encourage healthy lifestyles.
- 1.2 Council has a responsibility to ensure the optimum use of its sporting facilities and is committed to the principles of access and equity for all members of the community.

2. PURPOSE

- 2.1 The Town of Gawler provides a range of sport, recreation and other facilities and services for community use including sportsgrounds, clubrooms and other community buildings. In addition, Council has an extensive network of open space that provides for passive and other recreation activities.

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- 2.2 As the owner of community land Council recognises that it has a key role to play in the provision of a diverse range of recreation, sport and other facilities in collaboration with local clubs, associations, organisations and groups to meet the needs and interests of our changing community. This is one of many services that Council provides which contributes towards the creation of healthy and active communities.

3. EXPLANATION

- 3.1 The policy provides a framework and is the guiding document in the development and establishment of Ground Leases between Council and outside Incorporated organisations. The policy applies to ground leases only. Buildings include sheds, verandahs, shipping containers and any other buildings or structures on the property/premises. Any other conditions will be listed in the lease. Fees will generally apply, unless stated otherwise in an executed lease.
- 3.2 Leases will be for a period of five (5) years plus a right of renewal for a further five (5) years.
- 3.3 **What is a Ground Lease?**
- 3.3.1 A ground lease gives the lessee possession and exclusive use of a defined area of community land . A ground lease must have all of the essential requirements of a regular lease.
- 3.3.2 The difference between a lease and a ground lease is that where a normal lease can be for the land, the buildings attached to the land, or specific air space about the land, a ground lease is for the lease of solely the land only (the Ground). A ground lease does not include improvements on the Ground.
- 3.4 **When to use a Ground Lease?**
- 3.4.1 A ground lease will typically be used where the lessee is to undertake improvements to the land or they have already done so, and have built their own buildings. Upon the expiration of the ground lease, those improvements will either become the property of the Council or will be removed by the lessee.
- 3.4.2 It is possible to enter into a ground lease in circumstances where there are buildings or improvements on the land at the commencement of the lease. In such cases the Council and lessee agree that such improvements are the property of the lessee and the ground lease will record the agreed arrangements regarding the improvements when the ground lease comes to an end.

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4. FEE'S/MAINTENANCE CRITERIA

Item	Lessee's Obligations	Council's Obligations
Rent	\$1.00 per annum payable upon demand	
Capital Works	Lessee to maintain Lessee may initiate at its cost provided approval is granted from Council including any necessary building and planning approvals	
Council rates, taxes, emergency services levy and charges (excluding state land tax)		100% Rates Rebate
Utilities including telephone, electricity, gas, water and excess water	Lessee responsibility	
Installation of Separate Meters	Lessee responsibility	
Preparation costs of lease		Councils Responsibility
Insurance		
Building insurance excess	Lessee responsible for initial excess at current minimum value	
Building insurance premium	Lessee can arrange and provide evidence to Council or request Council to arrange and reimburse Council. Cover needs to be acceptable to Council's insurers	
Contents insurance	Lessee's responsibility	
Public liability insurance	Lessee's responsibility	
Glass	Lessee to replace and insure all glass on the interior and exterior of the Premises	
Inside Buildings / Structures		
Cleaning of the Premises	Lessee to undertake all cleaning of the Premises	
Pest Control	Lessee to use it's best endeavours to avoid attracting pests to the Premises Lessee to maintain and provide copies of inspection reports annually	
Asbestos Checks	Lessee to maintain and provide copies of inspection reports or request Council to arrange and reimburse Council. every 4 years in line with legislation	
Item	Lessee's Obligations	Council's

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		Obligations
Air-conditioners	Lessee to purchase, insure, service and pay the running cost	
Plumbing Maintenance	Lessee to maintain	
Maintenance of electrical power points, RCD's and fixed cables along with the annual testing	All maintenance to be lessee's responsibility Lessee to maintain annual testing and tagging and provide copies of inspection reports <i>Council's OHS&W Regulations require that this testing needs to be undertaken on an annual basis</i>	
Maintenance of stoves and other electrical items	Lessee to maintain	
Maintain lighting, fixtures and fittings to the Premises	Lessee to maintain	
Inside Buildings / Structures (continued)		
Maintenance of fire safety equipment (eg extinguishers, exit lights)	Lessee to maintain and provide copies of inspection reports 6 monthly or request Council to arrange and reimburse Council.	
Floor Coverings	The lessee is required to maintain the floor coverings in adequate condition – to be in the same or better condition at the expiration of the lease as at the beginning of the lease.	
Building Inspection	Building Inspection required at least every five years - Council to arrange and lessee to reimburse Council	
Paint (Inside and Outside)	The lessee is required to maintain painting (inside & outside) in an adequate condition at all times – to be at the same condition at expiration of the lease as at the beginning of the lease	
Cleaning of Roofs, gutters and downpipes	Lessee to maintain	
Hot water service	Lessee to maintain	

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Item	Lessee's Obligations	Council's Obligations
Maintenance of locks	Lessee to maintain and provide one key to Council (alarm codes if installed)	
Doors on the interior and exterior of the Premises	Lessee to maintain and replace when reasonably required	
Building structural maintenance (Includes foundation, salt damp course, window frames, exterior walls, verandah posts, roof structure, gutters, exterior steps, stairs, guard/hand rails, ramps, ceilings and interior walls - where it is not the result of mis-management and maintenance by the lessee)	Lessee to maintain	
Maintenance of water storage tanks	Lessee to maintain	
Maintenance of roller doors	Lessee to maintain	
Graffiti	Lessee required to remove within 14 days	
Grounds		
Significant Trees	Lessee to maintain and ensure that no damage occurs to the trees defined	
Trees and vegetation	Lessee to maintain	
Grounds Linemarking	Lessee to maintain	
Mowing	Lessee to maintain	
Aerating	Lessee to maintain	
Fertilising	Lessee to maintain	
Topdressing	Lessee to maintain	
Weedspraying	Lessee to maintain	
Irrigation system maintenance	Lessee to maintain	
Irrigation management	Lessee to maintain	

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Item	Lessee's Obligations	Council's Obligations
Black beetle spraying	Lessee to maintain	
Other Areas		
Lighting of road areas and car park	Lessee to maintain	
Road areas	Lessee to maintain	
Carpark	Lessee to maintain	
Boundary fence and Gates	Lessee to maintain	
Internal Fences and Gates	Lessee to maintain	
Special surfaces eg tennis courts, netball courts, bowling greens, croquet greens, etc	Lessee to maintain	
Underground mains water and sewerage pipes to the connection point with the Premises	Lessee to maintain	
Septic Tank/Aerobic System	Lessee to maintain	
Other Matters/Items at Council Discretion		

5. REVIEW AND EVALUATION

The effectiveness of this Policy will be reviewed every 4 years.

The Chief Executive Officer will report to Council on the outcome of the evaluation and if relevant make recommendations for amendments, alteration or substitution of a new Policy.

The Policy will not be altered or substituted so as to affect a process already commenced.

6. FURTHER INFORMATION

Further information about this Policy can be obtained by:-

Telephone: 8522 9211

Email: council@gawler.sa.gov.au

Appointment: Town of Gawler Administration Centre, 43 High Street, Gawler East.

Letter: PO Box 130, Gawler SA 5118

7. AVAILABILITY OF POLICY

The Policy is available for inspection during ordinary business hours at the Council principal office, Town of Gawler Administration Centre 43 High Street, Gawler East or is available on the Council website at www.gawler.sa.gov.au.

A copy of this Policy will be provided to interested parties upon request, for a fee as contained in the Register of Fees and Charges.