

Requests to be Heard

20 September 2022

Council Meeting



Bayside
CITY COUNCIL

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WRITTEN STATEMENTS

Item 10.3 Proposed Lease to Brighton Life Saving Club Inc. for a new Lease at Dendy Street Beach, Brighton		For (F) Against (A)
1.	Mr George Reynolds	(A)
<p>Councillors, This agenda item needs much more work before it may be put.</p> <p>The proposed lease to give an exclusive right to occupy public lands for a 21 year period. The assets to be constructed on the land are to be provided by Council in return for the rental Such assets may be provided by the tenant. They then become “Right of Use” assets even though they are provided by the tenant. The rules related to such a situation are set out in the accounting standards AASB 15 and AASB 16. If the assets are provided by the tenant they are free of rental charges for the life of the tenancy. If they are provided by the lessor, a rental must be paid. If Council provides the asset, it becomes a Beneficial Enterprise. It will then be subject to the requirements of Division 3, s110 and s111 of LGA2020. This will mean separate rents need to be charged for the land and for the right of use asset. S111 requires that no risk needs to be undischarged by the end date of the lease.</p> <p>The capital value of thee asset is expected to be \$7.134M and an annual maintenance provision of \$100,000 would apply. Over a 21 year lease period, a rental of between \$400,000 and \$500,000 per year is needed to meet the risk discharge requirement. Is your prospective tenant willing to enter a rental obligation of this magnitude.</p>		

Item 10.4 Proposed Lease to Black Rock Life Saving Club, Black Rock		For (F) Against (A)
1.	Mrs Nicola Harrop (on behalf of Black Rock Life Saving Club)	(A)
<p>Dear Councillors,</p> <p>RE: Council Meeting: 20 September 2022, Item 10.4: Proposed lease to Black Rock Life Saving Club, Black Rock</p> <p>On behalf of the Black Rock Life Saving Club (BRLSC) Committee and members, we write to confirm that we do not accept the proposed rent terms outlined in the Heads of Agreement (HOA). All other HOA terms have been negotiated in good faith between both parties and are accepted.</p> <p>We request that Councillors agree to Option 2 (Item 10.4, page 174): to reduce the rent payable from the current proposed rent terms which is based on BRLSC being classified as a <i>Group 3 Tenant – other clubs and organisations</i> under the ‘Council Lease and Licence Policy 2018’.</p> <p>We request that BRLSC’s lease be categorised as a <i>Group 2 Not-for-Profit community group</i>, which is consistent with other neighbouring councils and aligned to the Department of Land, Water and Planning’s (DELWP) ‘Occupation and use of Crown Land by lifesaving clubs in Victoria’ policy. This policy recognises that lifesaving clubs are unique: being used as dual emergency and community service hubs, and that a ‘community-use’ rent payable to land managers is reflective of the extensive community benefits provided by lifesaving clubs.</p> <p>BRLSC currently pays \$218.64 annual rent, which is lower than Council’s minimum rent for Group 2 tenants. Council’s current proposed rent term at year 1 is a 1457% increase on our current rent and by year 21, the increase is over 4000% on the current rent.</p> <p>Assigning BRLSC as a Group 2 tenant, would require BRLSC to pay Council’s minimum nominal rent of \$410.10 (including GST) per annum. BRLSC would also pay a 5 % rent escalation over the term of the lease. These rent terms would be acceptable to BRLSC.</p> <p>In addition, as per the HOA, BRLSC will maintain a sinking fund to contribute towards maintenance. The current HOA includes a sinking fund of \$500; however, BRLSC will commit to a \$1200 allocation per annum to a sinking fund.</p> <p>Please note, this offer will be withdrawn if it is not accepted.</p>		

Rationale for option 2:

Option 2 – Agree to Reduced rental

Summary	Council could agree to reduce the rent payable from the current proposed rent calculated in accordance with the Policy, to the nominal rent of \$410.10(incl. GST) per annum
Benefits	More funds for the club to use for lifesaving and other activities. Less pressure on the club to make money from the building to pay lease related costs.
Issues	Less income for Council to off-set ongoing maintenance costs. Other similar clubs or tenants may argue that it is unfair for certain clubs to have a reduced rental when they are paying the Policy rate. Agreeing to the reduction would represent approximately \$113,000 of rent Council will not receive over the life of the lease.

Benefits:

BRLSC's primary purpose is to provide lifesaving services. The funds generated through club activities, community hire or private hires will be re-invested back into resourcing operations; maintaining the facility; purchasing lifesaving equipment; delivering volunteer and youth lifesaving skills programs, engagement, and retention initiatives; and development programs for members and the broader community. Life Saving Clubs are not for profit associations.

This rent option, also ensures that increased community access is achieved through our community partnerships model. Community access will be prioritised to other not-for-profit community groups to deliver programs for the local community or fundraising activities to deliver their services for the benefit of the local community.

BRLSC are progressing conversations with several organisations including Black Rock Pre-school regarding extending their use of the new facility, and other organisations including Family Life and Probus. We are also progressing discussions with council officers around youth engagement programs for public housing tenants.

BRLSC is committed, through our Community Partnerships Manager role (outlined in our management model) to include community access programs and cater for shared community use at times when the training room and meeting room spaces are not being used by lifesavers for related emergency service purposes.

From a land manager's perspective, lifesaving clubs that raise funds are better able to fulfil their obligations as tenants and contribute to facility management.

Issues:

Council is quoting a loss of \$113,000 in rent that would cover maintenance costs. Over 21 years, this equates to \$5,381 per annum.

Whilst we acknowledge that Council will not receive \$113,000 in rent over the term of the lease, the **value that BRLSC provides each year** to the community through volunteer services in patrolling hours alone, **is valued at over \$56,000 per annum**. This does not

include on costs, other volunteer hours such as rescue-ready and award training, re-qualification of awards (trainers and lifesavers), coaching and club administration. The volunteer hours are unique to life saving and are above and beyond volunteers in other sporting clubs.

Whilst Council notes other clubs may argue that it is unfair that a different rate is applied, BRLSC argues that life saving clubs have been put in the wrong tenant category based on the significant public service value and the public benefit of Life Saving Clubs.

We note from the Lease and Licence Policy 2018 Community Engagement Summary Report (dated 5th June 2018), the feedback that Life Saving Clubs should have been acknowledged for their unique community service and set apart and defined separately under the Council policy.

Perceptions:

Some Councillors and rate payers may think that BRLSC can rent the facility out every weekend and generate lots of revenue to afford Council's proposed rent terms. However, our **management model prioritises community-based access** over private/commercial functions.

Lifesaving facilities are emergency management facilities. The primary purpose of a lifesaving club is to support state-wide emergency management and deliver public safety programs, particularly through providing lifesaving and education services to, and for, the community.

Delivering on BRLSC's primary purpose is our priority focus for facility usage. Our secondary focus will be other not-for-profit community use and finally private hires. Private hires will be managed with due respect of neighbours and local traders (who are also supporters of the club). The facility does not offer function off-street parking.

Lease and Licence Policy - Brighton

We note that the Brighton Life Saving Club lease is scheduled to be heard before BRLSC.

We would like to bring to Councillors' attention that BRLSC's lease is on Crown Land and that Brighton Life Saving Club has negotiated separate terms with Council as the land and building owner of their facility.

In setting BRLSC's rent terms, the rent policy for Life Saving Clubs, the 'Occupation and Use of Crown Land by Lifesaving Clubs in Victoria' policy statement directions should be applied.

Rent paid to land managers should reflect the community benefits that lifesaving clubs provide in delivering their lifesaving, emergency, and community services.

BRLSC has been negotiating and designing a new life saving club facility in good faith since November 2019 on terms related to our lease needs.

Policy direction 15

Rent paid to land managers will reflect the community benefits that lifesaving clubs provide in delivering their lifesaving, emergency and community services.

Rent paid by lifesaving clubs to land managers in accordance with their lease will reflect the community benefits that lifesaving clubs provide in delivering their lifesaving, emergency and community services.

Lease rentals for lifesaving club facilities will be determined in accordance with the criteria outlined in the leasing policy. The criteria applied for determining rent for lifesaving clubs reflect the lifesaving, emergency services and community benefits that lifesaving clubs provide and the value that the Victorian community places on lifesaving clubs' services. They also ensure competitive neutrality principles are applied to leasing.

Community use rent

Policy direction 16

Lifesaving clubs that do not have an exclusive third-party commercial use within their leased premises will be eligible for community-use rent.

Lifesaving clubs that do not have an exclusive third-party commercial use within their leased premises will be eligible for community-use rent.

BRLSC need Council's support in applying a reasonable rental approach so that we can sustain our operations, attract, and retain volunteer members and provide critical public service delivery well into the future.

BRLSC is not proposing an exclusive third-party commercial use within our leased premises and therefore should be eligible for community-use rent. This will enable BRLSC to direct resources to emergency and community service delivery, operations and facility maintenance and management.

Through the introduction of a Community Partnerships Manager in our future governance model, we are committed to building sustainable community partnerships, which is consistent with Council's intent around community utilisation.

Our intent has always been to increase community access in the new lifesaving club facility. In fact, the BRLSC building sub-committee has argued for many changes throughout the design process to facilitate improved community access all-year round.

Given our significant public and community value and the social return on investment that BRLSC will provide, BRLSC is requesting that parties agree on the community-use rent of \$410.10 plus 5% annual increments over the 21-year lease term, noting that BRLSC is also committing to increasing the sinking fund to \$1200 per annum.

Kind regards,



Nicola Harrop
President
Black Rock Life Saving Club

Dear Bayside City Council

I have been a member of the Black Rock Life Saving Club for **3** years and it's great to see the State Government and Council investing in the redevelopment of a new life saving facility.

It is concerning to hear that Council's current proposed rent terms at year 1 is a **1457% increase** on our current rent and by year 21, the increase is over **4000%** on the current rent.

As a not-for-profit organisation and contributor to Emergency Management Victoria, Black Rock Life Saving Club reinvests all funds generated through memberships and fundraising activities back into lifesaving operations; maintaining the facility; purchasing lifesaving equipment; delivering volunteer and youth engagement, and retention initiatives, educational water safety programs for children; and development programs for members and the broader community.

Black Rock Life Saving Club should be granted a community-use rent based on the significant contribution in delivering emergency services for the local community. We need Council's support in applying a reasonable rental approach so that we can sustain our operations, attract, and retain volunteer members, develop community partnerships, and provide critical public service delivery well into the future.

Regards

Catherine Duggan

Dear Bayside Council

RE: Council Meeting: 20 September 2022, Item 10.4: Proposed lease to Black Rock Life Saving Club, Black Rock

I represent a community group of bay swimmers based at Black Rock beach. This group is informal but we do call ourselves the Black Rock Salts. In Summer regular morning swimmer numbers reach around 30 people. This number drops away in Winter but there are regular 7.30am & 8.00am morning swimmers swimming all year. While swimming is the main focus, there are regular coffee gatherings based on the swims & we have a Christmas party each year. It is a great venue for social engagement for local people as well as providing some safety as we don't swim alone.

The Group is made up of mainly older people, that is over 50, but most swimmers are over 60 and we have two swimmers over 80. We have been in discussion with the Life Saving Club about a new Swimmers' membership to utilise change room facilities between 6.30am & 10.00am in the new Club Room. This membership type will see Club facilities used when they currently stand idle and we don't believe our activities, which are generally finished by 9.00am, will interfere with other Community Groups wanting to use the facilities or indeed with the Club's activities.

We do note the volunteer nature of the work done by the Club however and the increasing degree of effort needed to complete the safety related training, re-qualification and documentation requirements. Much of the volunteers time is tied up in these activities of which Fund Raising is also a part. (Many of the swimmers in our Group have been active Life Savers as younger people. In my case starting regular patrols at Jan Juc in 1973.)

It is concerning to hear that Council's current proposed rent at year 1 is a **1457% increase** on the current rent and by year 21, the increase is over **4000%**.

We believe Black Rock Life Saving Club should be granted a community-use rent based on the significant contribution in delivering emergency services for the local community. We would like to see Council's support in applying a reasonable rental approach so that Community Groups such as ours can become more organised, and attract more Bayside residents to the healthy pastime of cold water swimming by providing a warm & safe place to change.

We would be happy to discuss these matters with you and will seek to speak at Tuesday's meeting.

Yours Faithfully

Cameron McDonald

4.	Mrs Vicky McKay (on behalf of Sandringham Life Saving Club)	(A)
<p>I am the President of Sandringham Life Saving Club. It's great to see the State Government and local councils investing in the redevelopment of new life saving facilities in the area.</p> <p>It is, however, concerning to hear that Bayside City Council have categorised re-developing Life Saving Clubs in Bayside as "Group Three – Other Clubs and Organisations" given the dual emergency and community service hubs they provide and the extensive community benefits provided by lifesaving clubs.</p> <p>As a not-for-profit organisation and contributor to Emergency Management Victoria, local Life Saving Clubs reinvest all funds generated through memberships and fundraising activities back into lifesaving operations; maintaining the facility; purchasing lifesaving equipment; delivering volunteer and youth engagement, and retention initiatives, educational water safety programs for children and community members; and development, education and wellbeing programs for members and the broader community (irrespective of age, experience or background).</p> <p>Bayside lifesaving clubs should be granted a community-use rent based on the significant contribution in delivering emergency services for the local community as we have been provided in the past and have built our operating models on accordingly. We need Council's support in applying a reasonable rental approach for all lifesaving clubs into the future so that we can sustain our operations, attract, and retain volunteer members, provide community safety and wellbeing education and support programs, develop community partnerships, and provide critical public service delivery well into the future.</p> <p>Signed</p> <p>Vicky McKay Club President Sandringham Life Saving Club</p>		

5.	Mr Shane Ryan (on behalf of Half Moon Bay Life Saving Club)	(A)
<p>Dear Bayside City Council Officers and Councillors</p>		
<p>RE: Council Meeting: 20 September 2022, Item 10.4: Proposed lease to Black Rock Life Saving Club, Black Rock</p>		
<p>I am the President of Half Moon Bay Life Saving Club. It's great to see the State Government and Council investing in the redevelopment of new life saving facilities in the area.</p>		
<p>It is concerning to hear that Council have categorised re-developing Life Saving Clubs in Bayside as "Group Three – Other Clubs and Organisations".</p>		
<p>As a not-for-profit organisation and contributor to Emergency Management Victoria, local Life Saving Clubs reinvest all funds generated through memberships and fundraising activities back into lifesaving operations; maintaining the facility; purchasing lifesaving equipment; delivering volunteer and youth engagement, and retention initiatives, educational water safety programs for children; and development programs for members and the broader community. Bayside Life Saving Club should be granted a community-use rent based on the significant contribution in delivering emergency services for the local community. We need Council's support in applying a reasonable rental approach for re-developing clubs so that we can sustain our operations, attract, and retain volunteer members, develop community partnerships, and provide critical public service delivery well into the future.</p>		
<p>Regards</p>		
<p>Shane Ryan President Half Moon Bay Life Saving Club</p>		