



Waratah
Wynyard
Council



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Open Space, Sport and Recreation Plan 2017-2027 Occupancy Agreement, Usage, Fees and Charges Issues Paper



About this document

This paper is one of the series of documents delivered as part of the Open Space, Sport and Recreation Plan prepared for Waratah-Wynyard and Circular Head Councils.

Other documents have included:

- Off-road Trails Issues Paper
- Camping Issues Paper
- Public Toilets and Community Meeting Spaces Issues Paper
- Master Plans for four sites:
 - Smithton Sports and Recreation Precinct
 - Stanley Showground
 - Wynyard Recreation Ground
 - Frederick Street Recreation Reserve
- Locality Analysis
- Draft Report

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1. User agreements

What type of occupancy agreement should Council enter into?

During the consultation, key areas of concern were the absence of formal agreements with Council, maintenance costs, the cost of utilities such as lighting and power, and fees.

Not all clubs have occupancy agreements and not all occupancy agreements are current or have consistent principles underpinning conditions of use. There are some inequities about sub-letting conditions.

The majority of respondent clubs in Waratah-Wynyard have a casual hire agreement (39%) while others have exclusive use (26%). Few clubs/organisations license the facility for the times they need (9%).

In Circular Head, half the respondents had a casual hire agreement, while the others had exclusive use agreements (17%) licensed for only the times they need (17%), and 17% manage the facilities on behalf of Council.

Some sporting and recreation grounds are not owned by Council; they are leased by Council from the Crown or leased directly from the Crown to a user group. Variable ownership provides inconsistencies between clubs – by no fault of Council or organisations. The Council may be better off having an arrangement with the Crown over sports grounds used by local club and providing the same occupancy agreements over all.

@leisure comments

All users should have a user agreement and agreements should be consistent in type and conditions. User and owner responsibilities and roles should be clear, and practical for both parties to execute. User agreements could also be cost effective to implement.

A checklist of possible conditions to include in agreements is provided as Attachment 1.

A simple agreement with a user is a good idea. It aids communication between Council and the user.

Agreements should clearly set out Council's objectives and provide a clear base of conditions and requirements for clubs to operate under, in line with accepted codes and standards.

If a user does not have insurance, a user should be able to pay slightly more for Council insurance to be included.

There are two main types of occupancy agreements: leases or licenses. Note: casual hire or casual or seasonal permits commonly used on sports grounds are a form of license.

The main difference between the two types of agreements is that a *lease* is for exclusive use and occupation of a facility and a *license* is for use at specific times only, enabling multiple users to access the facility. Licensed users pay only for use of that period of occupation, and it assumes that for the rest of the time the facility can be used by others including the broader population. For this reason, capital works and major maintenance are usually paid for by Council, whereas a leasee pays all costs (e.g. rates, all recurrent costs, outgoings and maintenance costs as well as potentially replacement costs).

In most cases, it is not desirable that sport and recreation assets are leased to users. Leases do not maximise use and it is unlikely that most user groups have the skills or capability to cover the cost of maintaining the asset at a suitable standard to be returned as new at the end of the lease.

Shared use of sports facilities is important to ensure sustainability. Therefore a lease agreement for exclusive use is now typically only issued in exceptional circumstances. For example when the user has contributed significant capital, where an entity can profit from delivering a service where there is a community benefit, or where the use is at a level where it doesn't need to be increased or subsidised by Council.

Leases have traditionally been used when clubs have made capital contributions and the exclusive use of facilities secures the asset. However, in many instances, clubs do not have the resources to manage and maintain assets to a standard that can be returned to the community as new at the end of the lease.

Conditions and roles and responsibilities

Roles and responsibilities need to be clearly defined and as consistent as possible.

These need to be realistic given the resources of Council and user groups. For example, Council may have skill sets and equipment that clubs don't have, and create economies of scale in maintaining multiple sports grounds.

Clubs and user groups said they would like Council to continue to audit all buildings to check compliance and, for example, complete asbestos removal as these are not things clubs can deal with (e.g. Squash Centre and Wynyard Bird Club).

A checklist of possible conditions to consider is attached to this paper.

The Councils could help groups, such as golf clubs, with their facilities to rent spaces to community groups and utilise a similar conditional agreement to encourage this.

What previous Council reports have said

Report to Waratah-Wynyard Council on Recreation Grounds, WE Enkelaar Pty Ltd Consulting Chartered Engineers (2002)

Conditions of hire should be in writing and be comprehensive to cover all of the major responsibilities of both parties including booking procedure, use of equipment, ground inspections, licenses, behavioural rules, council regulations and emergency procedures, insurance and indemnity conditions, cleaning and supervision.

Under no circumstances should a council facility be occupied or used without a formal agreement.

Reserves Working Party Report, Waratah-Wynyard Council (June 2000)

Licenses can be issued to clubs requiring short-term agreements of between 1 to 5 years, for outdoor playing surfaces and pavilions.

A license is appropriate where more than one user group regularly occupies a facility and for specialised facilities such as tennis courts.

Clubs who currently apply on a seasonal basis for ground and pavilion allocation and have proven over a five-year period that they are responsible users of Council facilities can be offered a three-year license agreement to reduce the number of agreements and paperwork required on an annual basis.

Seasonal or casual permits should be used where users seek short-term occupancy, have few responsibilities and pay a fee which reasonably reflects the cost of maintenance and use.

Another officer's noted:

Waratah-Wynyard Council need user agreements that 1) facilitate shared and multi-use; 2) include the right or otherwise to sublet the facility that is the subject of the user agreement; and 3) are either a user agreement or license.

@leisure comment

Use agreements for sports clubs should be more akin to service agreements than commercial lease agreements. Rather than profit, the outcomes sought from occupancy should be measured by participation benefits.

The conditions in occupancy agreements should provide a mechanism for:

- clubs and Council to work toward a common set of objectives that will ultimately lead to an increase in use (but not over-use) and participation
- cost-effective management of sports facilities and sustainable clubs.

It is desirable that clubs have short-term and simple agreements that are clear and easily renewable.

Councils need clubs to deliver sports competitions and can use agreements to acknowledge the contributions made by clubs, provide incentives to meet councils' objectives (e.g. increase social and physical activity and deliver sports opportunities to the community) and facilitate good governance. In this way, Council is subsidising the business that clubs are in in return for the delivery of community benefits. This philosophy should underpin sports and recreation user agreements.

2. Shared use of facilities

In Waratah-Wynyard half the clubs completing a survey believed there were opportunities to share the facilities or encourage use by others.

Suggestions on how to maximise participation and reduce operating costs included: improving the state of the facilities to attract more users, combining/merging sports to make single clubs, sharing amenities between clubs and using facilities for public meetings.

The majority of Circular Head respondents didn't believe there were further opportunities to share facilities (60%). However, the 40% that did suggested school facilities could be used during the day and facilities could be expanded to allow enough room for multiple clubs to use them simultaneously.

Many clubs see sharing as difficult. Often this relates to concerns about the safe display of trophies and memorabilia, however these details can be addressed in facility design. Another major sticking point is the sense of ownership and entitlement to buildings and facilities to which clubs have contributed, even though some of these may have received government funding.

There are some 'community' buildings that are not utilised as much as they could be. It was suggested during the consultation that the surf lifesaving facilities at Somerset and Boat Harbour should be shared more by the community, in addition to facilities at the Wynyard Football Club.

The Wynyard Yacht Club, Wynyard Golf Club (however not on public land) and Wynyard Bowls Club need to look at the terms of their tenancy and see if change could benefit them. Wynyard Yacht Club and Wynyard Bowls Club are on Crown land. It was also suggested that Artscape should be shared more, as should the Senior Citizens Centre.

For facilities that can be shared such as clubhouses and grass playing surfaces (i.e. excluding natural bowls greens, which should only be used for bowls) the fee for using such a facility on an 'exclusive use' basis should be greater than the shared use fee.

The councils should also encourage clubs to hire their facilities on two conditions: 1) that use is consistent with the function of the facility and in the community's interest; and 2) that the price of use is in keeping with Council's pricing schedule or policy.

Where committees of management operate it is still desirable that the order of fee charged is relatively consistent across reserves.

Users views about agreements and communication with Council

Currently, the majority of reserves in Circular Head are managed by voluntary committees. In Circular Head, few groups had major issues – other than pricing – with current agreements. With regard to one reserve (Smithton Recreation Reserve) some clubs, however, said the arrangements around licensing and memorabilia were not equitable and were confusing.

In Waratah-Wynyard, reserves are managed centrally by Council, although some clubs have agreements directly with the Crown or their leasees. Most clubs/organisations interviewed also said they did not have a problem with their current facility arrangement or user agreement. The issues raised were mostly related to the condition of facilities rather than the actual nature of the agreement. Issues raised included: size of the facility, user groups believing they have more rights than others, issues around liquor licensing, insufficient storage space and lack of shelter.

Key priorities identified in the community survey related to fees or occupancy agreements included:

- reducing fees for users of the Community Recreation Centre
- lowering sports fees for kids in Table Cape
- subsidising a bus service from Forest Primary.

Some clubs illustrated a general confusion about Council processes and management of reserves and facilities.

They are seeking greater transparency and support as they are struggling to manage existing assets with a range of issues.

Some clubs said they do not know who to approach in Council about use arrangements; others go to one person and if they do not get what they want they approach another member of staff person. "A perception of inequity pervades".

Many clubs acknowledged in recent times Council had opened up discussions with them, which was valued.

What specific users said

- The Inglis Pony Club does not have a formal agreement with Council. The club needs some certainty that it will remain at the venue.
- Unless Council decides to leave the Wynyard Showgrounds, we are recommending a move to a very clear agreement between Council and the Wynyard Show Society about public liability and other insurance matters.

@leisure comment – communication

Occupancy agreements, especially yearly licences, provide an opportunity to communicate with Council, seek and review usage information and discuss issues.

Many Councils bring together their user groups once a season to facilitate understanding of the Council's level of service provision; to discuss programming, participant and volunteer recruitment and provide training on common issues, recent legislation changes and grants.

There is a need to fully explain user/licence agreements, the principles underpinning them and 'ownership' status of buildings. There needs to be more clarity around subletting and related issues such as insurance responsibilities.

Additional communication could "help clubs to understand occupancy agreement should be a partnership ("not a one-way street") and that Council has an appreciation of their contribution, but Council has a finite capacity and competing priorities when considering how to contribute". (Staff notes)

Currently, there are alternative ways to recognise and amortise a club's contribution to a facility without restricting other community use and ensuring the asset is adequately maintained.

Directions

1. All clubs and use groups should have occupancy agreements for the use of community and sporting facilities and reserves.
2. A licence (an agreement for casual, seasonal or annual use over 3-5 years) is the preferred form of occupancy agreement as it retains the asset in public ownership and encourages sharing. This form of agreement assumes Council would be largely responsible for asset management (to an agreed standard).
3. Usage agreements shall require (and reward) clubs and user groups for sharing. Facility design should ensure sharing is practical.
4. Agreements should be devised more like service agreements than commercial leases and set out: common objectives for the facilities, specific responsibilities for grounds, facilities and surrounds, and encourage use especially by people less able to participate.

5. The nature of agreements and conditions of use should be consistent across all facilities and require clubs to provide records of use and member numbers per season.
6. Council should negotiate with the Crown to have consistent occupancy agreement for community facilities on public land so that they have the same type of agreement, conditions and tenure.
7. Utilise the process of managing agreements to enhance communication between Council and user groups, to share information about demand, assist with growing participation and facilitate club development.
8. Organise discussion and networking opportunities to share ideas and information and aid sharing between user groups in each season.

3. Capital contributions by clubs

There is a need for a clear policy on capital contributions by user groups in addition to a fees and charges and occupancy policy.

Sometimes there is a sense of “over entitlement” by user groups because they have contributed to the development of a facility they use and they assume that they “own” the building to which they have contributed. This sense of ownership – while providing value and responsibility – typically prevents others from using a community facility, and it is commonly assumed by groups who have made a capital contribution that they do not need to pay for use. This “over entitlement” may also create issues in the long term when it prevents more strategic objectives being met, such as when the asset needs to be renewed, or if and when use declines and other users with higher demand are seeking access to facilities.

A club contribution can make a considerable difference as to whether a development can proceed. Therefore, it is important to encourage a user group to contribute if they can. A user contribution may enable development that otherwise would not have been possible. However, the nature of development should be in line with the community’s best interest and the established core service level. Alternatively, Council should determine that a user group can contribute to elevating the standard of development to above that what Council could otherwise afford.

A council should acknowledge user contributions towards a facility, whether in-kind support or a financial contribution to construct a facility. For example, a council may agree that a club’s contribution be repaid as a rental rebate over a set period. It is logical that such a contribution be exchanged for a reduction in the cost of use for a defined period. Acknowledgement should also be made via physical recognition, such as a commemorative plaque or naming of the

facility. Once the user group’s contribution has been amortised over an agreed period, it should be known that the facility’s ownership rests with the Council.

What previous Council reports have said

Reserves Working Party Report, Waratah-Wynyard Council (June 2000)

There are several instances where “ownership” of buildings on reserves is perceived to be unclear. These clubs should be required to have invested significant capital or invest a percentage of revenue into the facility and be responsible for all relevant maintenance works.

It is suggested that where a tenant body has contributed more than \$50,000 in capital improvement funds to a site, it be eligible to apply for a five-year lease with a five-year option.

@leisure comment

Many clubs are not in the position to invest capital in facilities, and this may not be their core role. Clubs’ role is providing organised programs and competitions for the community that Council can’t provide.

However, if the standard of infrastructure desired by a club is above a reasonable level for the whole community to support and use, and if a club can raise funds in delivering their competitions they should be encouraged to contribute over and above the agreed core service level or, for example, seek regional government grants. Where this is possible a club should be encouraged to establish a sinking fund to benefit the replacement of infrastructure – such as playing surfaces.

It is not desirable that capital contributions be recognised primarily through long tenure or exclusive use if this excludes other community users. Capital contributions can however be amortised over the life of the improvement or preferably a shorter finite term.

Where a club is willing to contribute to the provision of a facility Council should negotiate a rental rebate for a set period, after which the usual rental agreement would be reinstated.

No equity in the community facility by a club should be implied, and this should be clear in any occupancy agreement.

Where possible a contribution should not imply exclusive use. If a lease and exclusive use is provided to a club it is assumed that the occupier should pay all costs including rates and taxes, as well as the cost of use and therefore maintenance and replacement of the facility.

Additional tenure may be negotiated based on a capital contribution however it is essential that the user/contributor understands that if the demand for the activity they provide diminishes compared to other growing activities, for example, their contribution does not indicate their exclusive rights to a public facility. Moreover Council may in exceptional circumstances relocate them to an equivalent facility that better suits the activity or level of demand.

What previous Council reports said

Reserves Working Party Report, Wynyard Council (June 2000)

Within the agreement options could be provided to extend the period of the lease, provided the maximum term is not exceeded.

@leisure comment

The shorter the occupancy period, the more administration there is in the renewal of licenses and leases. However with longer-term occupancy agreements, clubs do not recall the details of these and they may become irrelevant, and the nature of use and fortunes of a club can change significantly over time.

4. Allocation policy

What previous Council reports said

Reserves Working Party Report, Waratah-Wynyard Council (June 2000)

Clubs who apply for seasonal use of a ground and club rooms or a community facility and have proven track record as responsible users of Council facilities could be offered a short term (e.g. three year) license agreement, to reduce the number of agreements and paperwork required on an annual basis.

Seasonal or casual permits (note these are licenses) can be issued where users require short-term use, have few responsibilities and pay a fee which reasonably reflects the cost of maintenance and use.

@leisure comment

Booking systems for grounds and facilities appear very basic and require clubs to ring, email or visit Council to complete a booking. There are some inexpensive or free booking products available online that would be more cost effective to use.

Three-year licence agreements are cost-effective to administer and still give clubs relative certainty around tenure. With three-year licences club committees are likely to stay in touch with the requirements of licences as compared to a long-term agreement where the details may become out of focus with the changeover of committee members and Council staff.

In many cases, the current demand for the use of sport and recreation facilities does not reflect the traditional seasonal use structure. Seasonal hire agreements can encourage a club to book use during times they may not require it, to provide flexibility. However for in-demand spaces this may restrict use even when the occupancy may be high. It may also make it more expensive and difficult for sessional users – such as fitness and non-volunteer sport users – to access grounds and community facilities.

In future charging by session or per hour may make clubs more conscious of costs and allow access for other users who may contribute to reduced costs overall. Charging on a more sessional basis may also enable Council to charge more for peak times and less for groups with lower willingness to pay who are happy to use facilities during the day for example.

Who should receive priority of use?

There is some evidence of facilities being exclusively used when this may not be required – or booked out for the season even though they are not being used for the whole time. In other cases some facilities may be protected from use and the club is using another facility that other clubs may be more dependent on.

A priority user is a user who is:

- a) dependent on a type of facility;
- b) requires use in the core competition season for the sport (i.e. not the alternate season); and
- c) does not have alternative competition facilities to use.

One example identified during this study for the need for such a policy, was the use of indoor courts for hockey for summer use – in order to protect the surface of its outdoor facility – when this impacts on the ability of indoor court sports to use a service they are dependent on, and means that the use of the hockey surface is not being maximised.

Directions

9. Encourage clubs or peak bodies to make capital contributions to the development of facilities to: a) progress them to a higher quality; or b) enable these to be developed more quickly than otherwise possible; or c) provide more specialised surfaces than a community can otherwise afford.
10. A standard capital contribution agreement with a sunset clause should be struck with the user group willing to make a contribution to a capital project.
11. The capital contribution agreement should include the date and amount contributed. It may include in-kind contributions if work is designed and project managed by Council. In return for the contribution, a user group should be offered a rental rebate for a specified term commensurate to the amount contributed. The agreement should acknowledge that the facility's ownership rests with the Council, and sharing with other users is required unless all costs associated with the operation and replacement of the infrastructure is the user group's responsibility.
12. An acknowledgement of a capital contribution by a user group should be made (i.e. a through a commemorative plaque and/or naming, for example).

5. Pricing

An area of most concern to clubs is the fee for using facilities. Some clubs feel there should be no cost to user groups for using community facilities, as people volunteer their time.

Many Circular Head residents believe that sporting opportunities are over-priced and Council should contribute more so that fees might be reduced or remain stable. Many clubs in Circular Head also said fees were too high.

Clubs also believe there are some inequities about who pays for what within existing arrangements.

For many groups and clubs, funds are obtained through minimal membership fees and/or by providing basic services for Council (e.g. camera club) or chopping and re-selling wood (Calder Hall) for example.

With minimal financial resources, groups and clubs rely solely on Council to provide and maintain facilities (especially community halls) to ensure clubs' viability and longevity.

In contrast, there were suggestions by those groups that use non-Council owned public halls, that they would require funding or assistance in the future to remain financially viable.

The Council can offer a grant to assist clubs with things such as water bills through Council's budgeted items (Elected Members).

Cricket clubs find it difficult to pay the fees required by Councils for the use of grounds on the north west coast.

Council has indicated that fees are well short of covering operating costs, let alone the replacement costs or overheads.

Cost recovery and/or willingness to pay

Councils are seeking increasing returns from their investment in sports grounds however there is a relatively low willingness to pay for sport and access to facilities by users in WW and CH Councils, and the cost recovery goals are not likely to be realistic.

Also, Council may be better off encouraging more use and valuing the social capital of volunteering and participation as the main output, rather than cash – of which most Clubs have minimal.

In this region the willingness to pay appears quite low, probably due to the considerable level of volunteering, especially in Circular Head.

Facility rental and insurance costs appear historically low, as are community incomes. There are also relatively high levels of disability in the community and an ageing demographic.

@leisure comment

There are some key principles associated with sports fees, charges and occupancy agreements:

1. A user charge should always be levied, or alternatively provided in-kind, by agreement. This ensures there is a value attached to the service. Reducing the fee sometimes devalues the service.
2. The full cost of delivering the service should always be understood and known by regular users. In many cases costs are not known by user groups.
3. There should be a relationship between the costs and the fee. In this way clubs and Council should both be responsible for reducing the costs or keeping the costs low – i.e. not wasting water and power etc. – which then keeps the fee low.
4. Before the service are reduced to lower costs, Council should review its costs to see if any can be reduced or contained, but also consider the potential to increase revenue through: increased use, encouraging additional users, sharing of costs, secondary spending etc.
5. Users should pay by the hour or small chunks of time – i.e. *training x times per week, x competition slots per week*, and for all hours booked. This may enable other users to use the space for just a short period.

6. If use isn't broken down into small periods of time e.g. per hour or per session, there may be an assumption that one club has access to all time slots within a week, then no-one else can use it and if the user group doesn't use it all the time, they may not pay for all and Council loses income.
7. If the price is too high, participation will be affected. If participation is the most desirable outcome Council can consider encouraging users to provide additional participation outcomes – e.g. programs for specific target groups, schools, or “come and try” activities – instead of paying cash which is difficult for clubs to raise and which may take them away from the sport.
8. Fees should be charged for marginal costs of use, such as the costs of undertaking works that are specific to users' requirements (e.g. preparing the cricket wicket or mowing the field to the codes' requirements, cleaning after use, line marking or the costs of electricity for lights for training).
9. Fees should not try to recover the cost of providing the opportunity for a resident to play sport or the capital cost of providing the facility in the first place – or the general mow that enables someone to run around the playing field or fly a kite. Fees to users should not be the general costs of providing the park for everyone to use, which is the cost born by the community of providing the opportunity to play sport, exercise, kick a footy or fly a kite, or maintain the trees around the park or the garden beds.
10. Fees should not include the costs of capital works. Fees should be targeted to recovering the recurrent costs of use. Capital costs, which provide benefits and opportunities for the whole population, should be met through the rate base. The councils may wish to request that a specific proportion of capital works be funded

by the sport (peak body or club), and this agreed amount which benefits the club or user group should be contributed to by the users. This can be dealt with on an ongoing basis i.e. through a rental rebate, specific loan or government grant.

11. Fees from the facility should be returned to the facility. This helps a club see the value of fees and encourages use.

How fees should be determined

Degree of subsidisation

The Council has undertaken an exercise to determine the percentage recovery of costs per reserve. This is good practice however, the reason why Council is in the business of sports is because the benefits cannot be delivered by the free market – i.e. you cannot make a profit in this area – and need to consider sport as a public benefit. Hence, Council should assume that it will always need to subsidise sport.

In most cases around Australia, it is rare that councils receive more than approx. 20% return from clubs and user groups of playing fields. To assume that it will be higher – e.g. 50% or even 30% – is not likely to be realistic.

Council could seek a 15-20% return and monitor the impact of this over say 2 seasons, before introducing an ongoing target.

Most councils have a policy on who uses community facilities and what they pay.

Typically:

- not-for-profit groups pay less than commercial entities
- volunteer not-for-profit groups tend to pay less than other not-for-profit groups.
- public schools (especially primary schools) typically don't pay if they lack equivalent facilities
- seasonal users typically pay less than casual/one-off users, and typically peak users pay more than users in off-peak times
- charges typically relate to the grading (quality) of a sports reserve e.g. A-D or

the catchment classification of the reserve (local, district regional).

How are non-volunteer sports charged?

There is an increasing number of sports organisations who don't fit into the traditional volunteer club mould. "Pay and play" social sports like mixed netball and volleyball, "touch" "Oztag", AFL Nines or futsal and are more common now. These are important to encourage people who want to participate and can't afford the time to train or contribute to the running of the club.

Events like ParkRun and Personal Trainers are private companies. Sports may be not-for-profit affiliates (e.g. touch) or small franchisees (e.g. Step into Life). These need to be supported by access to facilities as they target people who choose this style of participation over a club or who may not be able to join and compete as a club.

These more commercial/business offerings may not provide the same value to the community that volunteer sports do. However sports can run these more commercial "play as you play"-style activities. Many population groups such as women often rely on private providers of sport and fitness activities as they offer the flexibility, lack of routine commitment and scheduling that meets their needs better than clubs can offer.

Any council sport and recreation pricing or occupancy agreement policy should recognise the value and extent of social and non-volunteer based sports that are in demand. There are however considerable social capital benefits of volunteer sports. Hence volunteer-based clubs/ committees using facilities should be subsidised more than business-based providers.

Some sports like golf and lawn bowls are located on private land. This is largely historical and by virtue that they are often supported by licensed premises. This doesn't mean they are more financially viable than other sports.

In fact, the Clubs Australia census shows more than 50% of licensed clubs are in financial trouble. For golf and bowls, the costs of operation have increased significantly to the

point where it is difficult for these clubs to break even if they have not been able to change their business model.

However, in most cases 'private facilities' only require a membership or fee to be paid by the community member to use these or play in the same way as people who play other volunteer club sports.

Who pays what

What people said about this

Other clubs pointed out that Somerset Recreation Ground provides for a single sport and pays no rent. This site is Crown land.

Survey respondents said that AFL players do not pay a weekly fee. This puts undue pressure on Circular Head Council to provide facilities and pressure on clubs to remain viable. A change of attitude and approach may be needed. (*Circular Head Rec Development Plan*, HM Leisure Planning, 2011).

Different committees of management hold varying views on their ability to generate revenue.

Some users perceive considerable inequities around fees and charges due to select club holding liquor licences and what can recoup from bar sales. Others indicate that some clubs can sublet quite profitably, and demand high fees for the use of their grounds while others cannot.

Where there is a summer and winter tenant it is important that both tenants have access to income generating opportunities such as equal access to the bar.

Should summer and winter tenants pay the same?

There are questions about whether winter sports should be charged more than those in the summer season, as the demand for and damage to grounds is greater in winter. One solution is not to differentiate between summer and winter costs (as this requires additional administration) and use over the two seasons is averaged out the cost to clubs per annum.

Typically winter sports create greater wear than summer users, because of their more

intensive use and the wet weather in winter. However, if grounds are not well managed in the summer growing season and insufficient water applied, use in winter season may be affected.

Also, it should be noted that most field sports – especially soccer, cricket, diamond sports and hockey as well as touch and AFL Nines, have extended play into both ‘traditional’ seasons, or play preseason competitions.

@leisure comment

Typically, Councils:

- allow schools (at least primary schools) to use for grounds for free on the basis that they must book and if they don't have equivalent facilities.
- subsidise volunteer sports more than non-volunteer sports
- require commercial hirers to pay higher fees than community/not-for-profit and volunteer sports, for sessional use
- subsidise junior clubs more than senior clubs – reflecting their different levels of ability to play
- commonly give preference to sports playing in their traditional season (the in-season code) as a way of limiting some sports impacting on others.

Typically, each out-of-season code will need to negotiate preseason access to grounds where in-season clubs may require them, especially for finals, if separate facilities are not available.

Locality-specific issues raised by clubs about fees and charges and occupancy agreements

Smithton

- Finance is difficult at times in Smithton Saints Basketball Club. It also needs to keep the game affordable for the community. Court hire costs paid to Council are high. They currently get half-price for juniors.
- The Smithton Football Club use of the community recreation centre does come at a high cost. The club believes that the management of the Community Recreation Centre should be a Council paid position rather than paid for by the indoor committee.
- Players in Scotchtown Football Club are continually demanding money, or they will go elsewhere. It's one of the major issues of the club.
- Electricity is a big expense for hockey in Smithton.
- There are opportunities to use the hockey turf in summer, but users would need to pay the same rate as hockey players and teams. This is potentially a barrier.
- The Samurai Ju-Jitsu Federation said its charges keep increasing quite steeply each year.
- The Circular Head Community Recreation Centre costs a lot to rent, and it's difficult to make money for the club due to rent etc. Club members need to pay an extra \$10 membership fee for the community building and/or access to the gym and this is difficult to recoup from people.
- Several clubs said there was a need to reduce fees for users of the Circular Head Community Recreation Centre.
- AFL say the costs to use the Smithton football ground venue are also too high.
- Council bills are the biggest cost for Circular Head Netball Association.

- Investigation into the reduction of electricity costs to hockey, recycling of water from a ground watering system and improvement of hot water supply and lighting system are needed to keep costs down.
- Users said the cost of water is very high and the Smithton Recreation Ground does not have in-ground irrigation which means the costs of moving manual irrigation is very high.

Scotchtown

- Redpa Football Club said Circular Head Council needs to consider the charges paid at Scotchtown.

Wynyard

- Continue to charge a seasonal fee for formal users of the Frederick Street Reserve as determined in the annual budget.
- Yolla Football Club uses Wynyard Recreation Ground once per year to run a night game and fundraiser. The issue is they have been charged \$450 by Wynyard FC to use ground and lights, but when WFC needed to use Yolla Recreation Ground they were reluctant to pay.
- The cost of course maintenance, fertiliser, chemicals and machinery are the biggest challenges of Wynyard Golf course).
- The Wynyard BMX Club pays \$1000 per year to Council for the license agreement. Although the club gets a grant from Council most years, half of this is used to pay the Council license fee. The club would like to have at least a five-year agreement in the future. This would help secure grants etc. from Sport and Recreation Tas.
- The Wynyard Junior Soccer Club mentioned that as they have provided a good community, they cannot understand the need for them to pay a ground hire fee to Council.
- The cost of the agreement, as well as line marking and other fees, is difficult

for the Wynyard Softball Club to manage.

- Lighting and power costs are an issue for Wynyard Squash Club, due to being an indoors sport, therefore membership costs need to be higher.
- Waratah-Wynyard Council could help Wynyard Basketball Club with court hire fees. In the 2014/15 season, court hire was \$17k. The club would prefer an annual fee to reduce the need to get tokens for lights.
- Wynyard Agricultural and Pastoral Society said that if the Council did not maintain the grounds during the year, the show committee would need to come up with another arrangement. (Interesting the Council maintains the grounds throughout the year but the show committee holds the lease for the whole year and do not do any maintenance of the grounds!!).
- "A big issue at Wynyard Showground is that no one is making any money and would not be able to put back into facilities".
- The biggest cost in Wynyard Showground is the hire of the hall which goes to Council.
- "Riding for Disabled" is looking for grants that would probably need to be 40k+.
- The Burnie Council marks all the grounds for free, but Waratah Wynyard Council charge a lot for this.

Somerset

- Considering Somerset Recreation Ground is a single-sport facility, for which no rent is paid, Council should consider the possibility of transferring the lease to the sporting club.
- More support is needed for Somerset Lifesaving Club. Their volunteers have to pay their membership to provide a community service!
- Government funding needs to be available to pay the fees.
- Council fees need to stay on the low end to keep viability. Somerset Soccer

Club needs to pay \$20k to Football Federation each year, so it is always a challenge to raise this each year.

Boat Harbour

- Boat Harbour Surf Lifesaving Club has no formal agreement with the Council, and hasn't been funded by Council.

Yolla

- Yolla Cricket Club doesn't turn over much finance. Fees tend to be killing clubs. The club works hard with sponsorship.

Forest

- There is no insurance on the South Forest Hall (South Forest Indoor Bowls Club). It is too expensive, and each player has to pay a fee.

Other general comments made about fees

Some residents said that camping is expensive in Circular Head, i.e. compared to Parks fees.

Users said that the costs are high in Circular Head Christian School Stadium.

All groups/clubs are different in the way they are charged, but in some locations, clubs pay the bills and do the maintenance but do not get a general usage charge.

Waratah-Wynyard Council needs a pricing policy that accepts that equity is not achievable but seeks to create as even a playing field as possible and considers costs to Council, capacity to pay and community benefit (Officer notes).

What previous Council reports have said

Reserves Working Party Report, Waratah-Wynyard Council (June 2000)

There needed to be a distinction in charges between single and multiple-use facilities.

The multiple-use facilities should be encouraged by greater subsidisation.

There should be a further distinction in charges between indoor and outdoor facilities because of their significantly different maintenance requirements.

- Multiple-purpose indoor: 50% of overall expenditure
- Special purpose indoor: 75% of overall expenditure.
- Multi-purpose outdoor: 33% of overall expenditure.
- Special purpose outdoor: 50% of overall expenditure.

@leisure comment

If the percentage return has been set per reserve by Council one option is for all uses to contribute to that total figure.

This creates an incentive to share facilities where users also share all costs.

If the charge is for "the overall reserve" it is likely that this includes activities which are more about general opportunities for community use rather than the cost of use.

In some indoor facilities, there is a charge for use and tokens for lights. This seems to be cumbersome and may return more than the cost of use.

Market rates should also be considered here as typically there is little variation across centres, where responsibilities are similar.

Currently, some outdoor sports clubs such as cricket appear to have to undertake significant works not required of others, such as indoor sports.

Principles

Pricing of sports grounds should reflect marginal costs of use. This means Council and users must know their costs, and cost are fairly be apportioned across all users.

The licence fees should reflect marginal costs related to the recurring maintenance of the playing surface, or facilities used specifically by the user (not the general surrounds that benefit the whole community, for example).

Volunteer clubs should all pay a consistent fee for the same standard of facility and competition, regardless of where they play. This consistency should also apply to grounds managed by committees of management.

Directions

13. All users should pay a user fee that does not discourage use.
14. Fees should be the same for the same type and quality of facility, regardless of the location.
15. Use should be allocated based on sessions, not seasons, to encourage other users.
16. The price a user pays should be consistent with the same type of facility regardless of where the ground is.
17. User fees should reflect a proportion of costs only related to that use (marginal cost).
18. Club users of facilities should be subsidised more than non-volunteer users.
19. Users willing to share, and those providing for females, juniors, all-ability teams and masters users should pay less than other users.
20. Where possible co-locate any future indoor centres with schools and other facilities to enable cost sharing, maximise occupancy and the provision of a management presence and programming to increase use and income.
21. Seek a 15-20% return from usage and monitor the impact of this over say 2 seasons, before introducing an ongoing target.

Attachment 1: Checklist / Suggested content for a user agreement

Type of information	Check List / Suggested Content for a user agreement
Name of User Group	xxxxxxx
Contact at Council	Your contact at Council the duration of this license is xxxxx.
Date and term	This agreement commences on the following date. xx/ xx/xx The term of this agreement is xxxx 3/5 years.
Nature of Agreement	This is a User Licence Agreement between xx Council and the licensee xxxxxxxxxxxxx for the following days and times time during the season of xxx xbetween xxx xxx each year.
Type of User Group	The licensee is a: 1. Government Department 2. Not-for-profit (volunteer) club 3. Not-for-profit sporting organisation, or peak body 4. School 5. Charity with DGR status 6. Private company
Objectives of the facility	The objectives of the xxxxx are: <ul style="list-style-type: none"> To increase participation in physical and social aquatic related activities, especially by target groups who are least likely to be able to participate To enhance the performance of xxxxx sports To support the development and operation of volunteer sports To reduce the net cost of delivering the service to rate payers by maximizing usage and investigating operational efficiencies at xxxxx Add anything specific
Facilities	The facilities covered by this user agreement are as follows: 1. xxxx 2. xxx
Fee Type	The license fee to be paid will be based on the attached fees and charges register, xxxxxx, for the term of the licence (or per annum)
Discount	The discount provided is xxxxxxxx . This is in accordance with Council policy xxxxxxx This is based as per the xx Policy xxxxxxx
Marketing and promotion of sport and recreation	Council will work with peak bodies, clubs and sporting associations and the licensee to promote participation the facility and the sport and recreation activities provided and assist with the development of these sports.
Booking request and hire process	Additional booking requests can be from other users can be made through xxxx. Insurance Payment methods

Scheduled Use Allocation/ process	The allocation for regular user groups shall be in accordance the priorities listed in the Council's lane allocation policy xxxxxxxx. Any additional; facilities utilise, such as the meeting room, café area and fitness centre shall be considered as additional services and therefore charged at the appropriate hiring rate.
Events	<p>Council reserves the right to negotiate with the licensee to reschedule/ reallocate the use and provide equivalent space to the licensee to maximise ground usage, if the licensee cannot illustrate equivalent demand and with due notice – for the purpose of using utilise the space for a regional or state level event.</p> <p>The Council may at any time require the Licensee to modify use schedule at the facility to maintain the safe movement of spectators, maximise facility usage and protect the integrity of the facility.</p> <p>Council will endeavour to provide as much notice as is practical should alterations be required to the Licensees schedule of use.</p>
Form of payment	<p>The licensee shall pay to the Council the licence fee on xx or by xxxx each calendar year, or by direct debit instalments as xxxxxxxx.</p> <p>The Licensee agrees that there will be no collection of fees/subs/payment of any form from the Facility.</p> <p>Payment for use is to be in accordance with an invoice provided monthly and via direct debit, cheque or online payment.</p> <p>Payment of bookings is subject to the payment schedules provided by xxx and/or Council monthly invoice guidelines.</p> <p>Organisations/licensees are required to pay the fee for use as invoiced within 30 days of the date of the invoice sent by the Manager.</p> <p>xxxx</p>
Other Conditions	
Insurance	<p>The licensee will be responsible for having and maintaining a current public liability policy of insurance for the amount of not less than \$10 million for each and every occurrence, during the license period as per Council hiring policy.</p> <p>The public liability insurance policy shall include a cross liability clause and waiver of subrogation for the named insured and;</p> <p>A copy of the current public liability insurance policy shall be provided to the Manager prior to the commencement of the Licence Period, and upon renewal during the Licence period.</p>
Cancellation of use / closure of the facility	<p>In the event that the Facilities cannot be made available to the Licensee on the date(s) for which it has been hired by reason of fire, flood, damage, industrial dispute, heavy rain, emergency requirements, or any other reason whatsoever, the Council will not be liable for any loss, damage or injury suffered by the Licensee by reason of the unavailability of the Facilities, with the exception of refunding in full to the Licensee any security bond and hiring fee paid for the booking cancelled. In the case of ground closure due to heavy rain that will impact on the safety of players and the longevity of the field, Council, the peak body, or club may cancel the game / round and close the ground.</p> <p>In this case no refund will be made to the club for less than xxx of grounds closures xxxxx</p>
Supervision and accounting for members	<p>The licensee is expected to comply with all requirements and directions of Council or delegate in relation to the use of the Facilities.</p> <p>The Licensee agrees to be responsible for reasonable supervision controls in regards to all members, participants, officials, and staff and volunteers of the Licensees using the Facilities during the scheduled use, to the satisfaction of the Manager.</p> <p>Leaving the venue safely</p>

	Notice Behaviour of patrons Alcohol
Clean facilities	The Licensee agrees that he/she has satisfied himself that the facilities are fit for the hiring purpose, and are left in a clean and serviceable condition.
Code of conduct	The Licensee is responsible for agreeing to a Code of Conduct for the members, participants, officials and staff for which it is responsible during the use of the facilities. The Licensee is responsible for the maintenance of and preservation of good order in the facilities during scheduled use.
Communication with Council	User agreements between Council & the Licensee are valid only between the specified dates, times & duration as stated in the signed agreement. All previous verbal agreements, mutual understandings, or 'traditions' in relation to access to facilities are no longer valid. The Licensee acknowledges upon expiry of a valid user agreement and group-booking request; the Licensee must re-submit a revised group-booking request to renew. Council will provide formal written notice of expiry of any user agreement(s) <Council to insert> days before the final date of booking. If the Licensee fails to provide Council with formal notification of intent to renew by way of a complete group booking request, Council withholds the right to consider alternative booking requests <Council to insert> days before the final date of the expiring booking which may result in the reallocation of services/facilities.
Food and beverages and Sale of goods	The Licensee is only able to sell, offer, or expose for sale or permit to be sold, any refreshments or other goods in the Facility (if it has all necessary licenses xxxx food handling, liquor and expresses permission from Council). The Licence is not to erect any form of marquee, hut, stall or similar structure in or adjacent to the Facilities or do so contrary to any condition imposed by the Council; In the case of indoor facilities: All merchandising and catering rights for xxxx remain exclusively with Council. All catering (food, beverage) inside the facilities or on the premises must be supplied or arranged by the in-house catering service at the facility.
Illegal activity	The Licensee must not permit any illegal activities in the Facilities, including the conduct of unauthorised lotteries and gambling. The Licensee must not conduct any activities that may be deemed at the discretion of Council likely to cause a raised level of public scrutiny or embarrassment to the Council.
Dangerous goods	The Licensee must not bring or permit to be brought into the Facilities, any dangerous goods including any heavy equipment or inflammable substances.
First Aid	The Licensee is responsible for rendering first aid to any of its members or affiliate for the period of the license and alerting Council staff member immediately of any incident.
Damage to facilities and equipment	The Licensee shall not cause and shall prevent any damage to the facilities and any fixture and fittings, and/or equipment with the facilities whilst in use. If the Licensee becomes aware of any damage to the venues or any of the foregoing, the Licensee shall notify the manager or delegate in writing (Inset Council report form/ process) as soon as reasonably possible. Any electrical equipment brought into the facilities by the licensee must have undergone a current PAT test. It is the responsibility of the licensee to ensure electrical equipment remains up to 3m away from the pool tank.

	The Licensee agrees to pay to the Council on demand, the cost of repairing or making good any wilful damage to the Facilities by the User Groups members or participants or the loss of any equipment arising out of or incidental to the hiring, or damage caused by events outside the control of the Licensee.
Equipment	Council reserves the right to inspect and test any equipment that the Licensee intends to bring into the facility (scoreboards/water based devices and electronics) and if the equipment is deemed not safe or appropriate for use.
Smoking	Smoking is prohibited in the Facilities, including any buildings, grounds, entrances or forecourts.
Animals	Animals are prohibited in the Facilities. This clause does not apply to seeing eye/ guide dogs under the control of a person with vision impairment, or a person with a disability who has an assistance dog.
Alcohol consumption	Users are prohibited to bring, or permit to be brought, into the Facilities, any alcoholic beverages or glass;
Glass	The Licensee acknowledges that no glass containers may be used in the Facilities and the Manager may confiscate any glass containers used in breach of this condition and/or direct the cessation of liquor consumption at any time at his or her absolute discretion.
Evacuation	In the event of a facility evacuation, the licensee's participants are required to follow the instructions provided by Council staff when this licence agreement was signed. Council to provide
Non-transferable booking or sub-licence	This license may sub-hire to xxxxxx for uses and times approved by Council such as xxxxxx for times when the licensee is not using the facility . However this does not imply the transfer or assignment of this license or a Facility booking covered under this license, to any other party.
Termination of Agreement	<p>The Council may terminate the licence if requested in writing if the Licensee does not comply with the terms and conditions set out in this Licence, and when requested to show cause as to why terms and conditions have not been adhered to.</p> <p>Any request from Council to terminate the agreement can be made in writing. Should Council seek to terminate this License, it may request the Licensee to show due cause (within 30 days), as to why the licence should not be cancelled.</p>

Summary of Directions

1. All clubs and use groups should have occupancy agreements for the use of community and sporting facilities and reserves. 7
2. A licence (an agreement for casual, seasonal or annual use over 3-5 years) is the preferred form of occupancy agreement as it retains the asset in public ownership and encourages sharing. This form of agreement assumes Council would be largely responsible for asset management (to an agreed standard). 7
3. Usage agreements shall require (and reward) clubs and user groups for sharing. Facility design should ensure sharing is practical. 7
4. Agreements should be devised more like service agreements than commercial leases and set out: common objectives for the facilities, specific responsibilities for grounds, facilities and surrounds, and encourage use especially by people less able to participate. 7
5. The nature of agreements and conditions of use should be consistent across all facilities and require clubs to provide records of use and member numbers per season. 7
6. Council should negotiate with the Crown to have consistent occupancy agreement for community facilities on public land so that they have the same type of agreement, conditions and tenure. 7
7. Utilise the process of managing agreements to enhance communication between Council and user groups, to share information about demand, assist with growing participation and facilitate club development. 7
8. Organise discussion and networking opportunities to share ideas and information and aid sharing between user groups in each season. 7
9. Encourage clubs or peak bodies to make capital contributions to the development of facilities to: a) progress them to a higher quality; or b) enable these to be developed more quickly than otherwise possible; or c) provide more specialised surfaces than a community can otherwise afford. 10
10. A standard capital contribution agreement with a sunset clause should be struck with the user group willing to make a contribution to a capital project. 10
11. The capital contribution agreement should include the date and amount contributed. It may include in-kind contributions if work is designed and project managed by Council. In return for the contribution, a user group should be offered a rental rebate for a specified term commensurate to the amount contributed. The agreement should acknowledge that the facility's ownership rests with the Council, and sharing with other users is required unless all costs associated with the operation and replacement of the infrastructure is the user group's responsibility. 10
12. An acknowledgement of a capital contribution by a user group should be made (i.e. a through a commemorative plaque and/or naming, for example). 10

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