



Ordinary Meeting of Council Attachments

Monday 16 August 2021

Virtual Meeting

ATTACHMENTS

DIRECTOR CORPORATE SERVICES

2. Reports of Councillor Briefings

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3. Councillor Representation Reports

Attachment 1: Maroondah Liveability Safety and Amenity Committee Meeting Minutes - 26 July 20217

Attachment 2: Eastern Transport Coalition Meeting Minutes - 15 July 202112

Attachment 3: Maroondah Community Health and Wellbeing Committee Meeting Minutes - 13 July 202121

Attachment 4: Maroondah Access Inclusion and Equity Advisory Committee Meeting Minutes - 12 July 202126

Attachment 5: Maroondah Arts Advisory Committee Meeting Minutes - 9 June 202130

5. Approval in Principle of 2020/21 Annual Financial Report and Annual Performance Statement

Attachment 1: Financial Statements (Draft) 2020/21 - In principle approval - August 202134

Attachment 2: Performance Statement (Draft) 2020/21 - In principle approval - August 202177

DIRECTOR STRATEGY & COMMUNITY

1. Community Facilities Lease Agreement:

- North Ringood Senior Citizens Club

- East Ringwood Senior Citizens Club

- Enjoying Planned Retirement Incorporated

Attachment 1: Community Facilities Lease Standard - Ringwood North Senior Citizens Club - April 202197

Attachment 2: Community Facilities Lease Standard - Ringwood East Senior Citizens Club - April 2021141

Attachment 3: Community Facilities Lease Standard - Enjoying Planned Retirement - April 2021185



COUNCILLOR BRIEFING – PUBLIC RECORD

Briefing Details:

Date: Monday 19 July 2021

Time: 6:00pm

Location: Teleconference

Attendees:

Councillors

Cr Kylie Spears (Mayor)
Cr Nora Lamont (Deputy Mayor)
Cr Tony Dib OAM, JP

Cr Suzy Stojanovic
Cr Tasa Damante
Cr Rob Steane

Cr Mike Symon
Cr Marijke Graham

Council Officers:

Steve Kozlowski
Marianne Di Giallonardo
Phil Turner
Adam Todorov
Andrew Fuau
Chloe Messerle

Chief Executive Officer
Director Corporate Services
Director Strategy & Community
Director Operations, Assets & Leisure
Director Development & Amenity
Governance Officer

		Item
Phil Medley	Team Leader Council & Community Planning	2
Brian Tu	Community Development Officer	2
Tim Cocks	Manager Leisure	3
Deb Styles	Manager Community Services	4
Natalie Godley	Coordinator Youth & Children's Services	4
Vicki Middleton	Coordinator Maternal & Child Health	4
Heather Cummings	Youth & Children's Planning and Strategy Advisor	4

Apologies:

Councillors:

Cr Paul Macdonald

Council Officers:

Nil

Conflict of Interest Disclosure:

Councillors:

Nil

Council Officers:

Nil

Items Discussed: **## Confidential**

1	Council Meeting Agenda
2	2021 State of Maroondah Report
3	Aquahub Stadium Feasibility Study
4	Children and Families Strategy and Youth Strategy Action Plans
5	Items of a general nature raised by Councillors

Record completed by:

Council Officer	Chloe Messerle
Title	Governance Officer



COUNCILLOR BRIEFING – PUBLIC RECORD

Briefing Details:

Date: Monday 2 August 2021

Time: 6:00pm

Location: Meeting Room 1
& 2, Realm and
teleconference

Attendees:

Councillors		
Cr Kylie Spears (Mayor)	Cr Rob Steane	Cr Mike Symon
Cr Nora Lamont (Deputy Mayor)	Cr Tasa Damante (teleconference)	Cr Marijke Graham
Cr Tony Dib OAM, JP	Cr Paul Macdonald	
Council Officers:		
Steve Kozlowski	Chief Executive Officer	
Marianne Di Giallonardo	Director Corporate Services	
Phil Turner	Director Strategy & Community	
Adam Todorov	Director Operations, Assets & Leisure	
Andrew Fuaux	Director Development & Amenity	
Chloe Messerle	Governance Officer	
		Item
Grant Meyer	Manager Integrated Planning	1
Phil Medley	Team Leader Council & Community Planning	1
Belinda Lim	Social Planning & Development Officer	1
Tony Rocca	Manager Finance & Governance	2
Danielle Pepyat	Governance Projects Officer	2
Steve McIntosh	Manager Assets	3, 5 & 6
John Richardson	Coordinator Assets Projects & Facilities	3, 5 & 6
Sherryn Dunshea	Manager Communications and Engagement	3
Dale Muir	Manager Revenue Property & Customer Service	4

Apologies:

Councillors:

Cr Suzy Stojanovic

Council Officers:

Nil

Conflict of Interest Disclosure:

Councillors:

Nil

Council Officers:

Nil

Items Discussed: ## Confidential

1	Draft Maroondah Liveability Wellbeing and Resilience Strategy 2021-2031
2	Maroondah City Council Complaints Policy as part of the Local Government Act 2021 Implementation.
3	Heathmont & Ringwood Carparks Community Engagement Plan
4##	Evaluation of Realm Cleaning Tender
5##	20995 - Provision of Plumbing Services
6##	20994 - Provision of Electrical Services
7	Tree Management - Issue Raised by Cr Steane
8	Councillor Delegates' Meeting Report
9	Items of a general nature raised by Councillors

Record completed by:

Council Officer	Chloe Messerle
Title	Governance Officer



Maroondah Liveability Safety and Amenity Committee – Minutes

Meeting Details:

Date: Monday 26 July 2021

Time: 10am - 12pm

Location: MS Teams

Attendees:

Councillors

Cr Rob Steane (Chair)
Cr Nora Lamont (Deputy Mayor)
Cr Tasa Damante

Council Officers:

Grant Meyer, Manager Integrated Planning
Chris Zidak, Manager Business and Activity Centre Development
Phil Medley, Team Leader Council and Community Planning
Robyn Williams, Safe and Liveable Communities Officer
Monica Ashton, Tarralla Creek Project Officer
Clare Huggins, 20 Minute Neighbourhoods Strategic Planner and Program Coordinator
John Richardson, Coordinator Assets, Projects & Facilities
Sze Lay Ng, Senior Assets Project Manager
Chloe Messerle, Governance Officer (Minute Taker)

Community Representatives:

Sulochi Walisinghe
Judith Lenthall
Wendy Thomas
Daniela De Martino

Agency Representatives:

Tim Malloch, QIC Eastland
Jodi Long, QIC Eastland
Bruno Spandonide, VicRoads
Jamie Robertson, Metro Trains
Danielle Leemon, Victoria Police
Sue Pitt, Eastern Regional Libraries
John Maudsley, Yarra Valley Water
Melissa Carmody, Melbourne Water
Kathryn Collier, METEC

Apologies:

Councillors:	Nil
Council Officers:	Nil
Community Representatives:	Nil
Agency Representatives:	Shaun Ruigrok, Metropolitan East Bicycle Users Group

Conflict of Interest Disclosure:

Councillors:	Nil
Council Officers:	Nil
Community Representatives:	Nil
Agency Representatives:	Nil

Items Discussed**1. OPENING OF MEETING (Acknowledgment of Country)**

Cr Steane read the Acknowledgement of Country.

2. WELCOME

Cr Steane welcomed all present to the meeting.

CONFIRMATION OF MINUTES - MONDAY, 3 MAY 2021**ITEM 3**

The minutes from the meeting on 3 May 2021 were endorsed.

4. ITEMS**20 MINUTE NEIGHBOURHOOD PRESENTATION****ITEM 4.1**

Phil Medley introduced the item.

Monica Ashton, Tarralla Creek Project Officer and Clare Huggins, 20 Minute Neighbourhoods Strategic Planner and Program Coordinator provided background to the 20 Minute Neighbourhoods project in Croydon South.

The concept of 20 minute neighbourhoods was explained noting the focus on a 20 minute walk from home to access amenities and services. The 20 Minute Neighbourhoods concept seeks to achieve enhanced connectivity, accessibility, sense of place, local vibrancy and social infrastructure. A key objective in the Victorian Government's Plan Melbourne document is to create a city of 20 minute neighbourhoods across Melbourne. 20 Minute neighbourhoods are seen as a global solution to local recovery from COVID-19.

With Victorian Government funding support, Stage 1 involved delivery of a pilot program in Croydon South to explore the concept of 20 minute neighbourhoods and understand local needs / liveability gaps in the neighbourhood informed by community engagement.

Stage 2 of the program involved place activation in Croydon South including a pop-up park, neighbourhood centre improvements and community activities. Program activities have been extended until the end of August due to the current COVID-19 lockdown. The pop-up park was the Winner of the Planning Institute of Australia (PIA) Healthy Active by Design Award in 2021. Monitoring and evaluation has involved consideration of safety and support needs, sense of belonging and connection, community empowerment and recognition, and communication and awareness.

The next steps involve consideration of how the following strategic pillars can inform 20 minute cities across Maroondah - place activation, neighbourhood planning, scaling up, promotion and awareness, and funding and partnerships. Council is currently looking at exploring other localities where the concept of 20 minute neighbourhoods can be applied. Other related Council projects include outdoor dining and street activities project, Greening the Greyfields, and C40 students reinventing cities global competition. Neighbourhood planning process are also being considered.

Monica indicated the project team would be keen to seek input on how Council can better empower community members and facilitate new opportunities for community-led neighbourhood planning. Some discussion was held on how communication from Council can best reach local communities and neighbourhoods, including using community champions to share information. A number of committee members expressed their support for how the project has been delivered, noting the Croydon South activities have been welcomed by traders, while community members have appreciated the face-to-face opportunities that have facilitated improved connection with Council. Daniela De Martino, as a Croydon South trader, also acknowledged the project has been well-received by traders in the Eastfield shops.

PowerPoint presentation included with the minutes.

UPDATE ON CROYDON COMMUNITY PRECINCT AND DEVON STREET MULTI-STOREY CARPARK **ITEM 4.2**

Cr Steane introduced the item.

Sze lay Ng, Senior Assets Project Manager, provided a presentation as included with the minutes. Sze spoke about the progress of the Croydon Community Precinct with an update on the three community hubs as well as Council's advocacy efforts to secure funding for this project.

Hub A will involve a focus on community wellbeing including a new Library. Hub B involves consolidating and linking a range of services in a single facility which was formerly the Civic Offices in Croydon. A range of services have already moved into Hub B. Hub C involves a multipurpose sport and recreation facility.

Council is currently working with stakeholders to inform planning for Hub A with existing organisations in the precinct being moved into Hub B, the former Civic offices. Council is also advocating for external grants to support the potential function spaces along with family and children services in Hub A.

In the coming months, further community and stakeholder engagement will explore public needs and consideration of additional community services being co-located into Hub B.

There was discussion about the name change of 'Arndale Shopping Centre' to 'Croydon Civic Shopping Centre.' This property is not owned by Council and the owners are permitted to change the name without consultation with Council. Discussion surrounded project timelines as well as financial impacts arising from COVID-19.

John Richardson, Coordinator Assets Projects and Facilities, provided a PowerPoint presentation as included with the minutes. John spoke about the Devon Street Multi-Storey Carpark including the commercial tenancy aspect on the ground floor, which will provide natural surveillance at street level as well as an income stream which will assist Council to maintain the premises and CCTV cameras.

John spoke to planning for development of the federally funded \$18m carpark in Devon Street to alleviate parking and congestion in central Croydon. Council is keen for this development to serve as a true community asset.

Council has sought to address safety and aesthetic impacts in the design of the carpark. Lighting and façade design has been applied to ensure strong public surveillance. CPTED principles have been a key focus of the design with CCTV installed within the development. Vegetation has been applied to create green interface and rainwater is to be collected for tenancy toilets. Construction is well underway with the carpark scheduled to be completed in October 2021.

Discussion followed regarding electric car charging stations in the carpark, construction timeframes for the facility, access to smart technology for information on available carparking spaces and disability spaces allocated in the carpark.

John also advised of an opening date in early October 2021.

FEEDBACK LIVEABILITY, WELLBEING AND RESILIENCE STRATEGY CONSULTATION

ITEM 4.3

Cr Steane introduced the item.

Phil Medley, Team Leader Council and Community Planning, provided an update on the Liveability Wellbeing and Resilience Strategy. Over the April 2021 to June 2021 period, five Council advisory committees were engaged to seek their input on development of the Strategy. This committee was consulted at the previous meeting held in May.

A range of feedback was provided through Council's advisory committees with key themes highlighted. These results can be found in the presentation included with the minutes.

The Strategy is in the process of being finalised and will be made available for community feedback in August/September 2021. This feedback opportunity will be advised via a range of communication channels. Whilst the Strategy will have a long-term focus, a number of short-medium term action plans under development will support implementation of the Strategy. These will have a focus on health and wellbeing, disability, active and healthy ageing, and gender equality.

AGENCY/MEMBER - INFORMATION SHARE

ITEM 4.4

Chris Zidak advised that the Business and Activity Centre Development team is working closely with both the local trader associations (Croydon Main Street Traders Association and Ringwood East Traders Association) to ensure patron safety and security by providing lighting to areas used for outdoor dining.

Tim Malloch spoke about reduced activity at Eastland during the COVID19 lockdown, noting an increase in anti-social behaviour during the lockdown period (currently working with VicPol). Traffic around the centre is down 65% during lockdown. Tim acknowledged the costs associated with the maintenance of carpark smart technology and CCTV.

Inspector Danielle Leemon from Victoria Police was welcomed to her first advisory committee meeting. Significant resources from Maroondah have been diverted to border patrol and hotel quarantine duties. Danielle advised that CCTV is a priority for Victoria Police especially in carparks. Glenn Owens has been appointed as a new Senior Sergeant in Croydon with a focus on anti-social behaviour and ongoing liquor issues in Croydon.

Cr Steane advised that the toilet doors had been amended in Croydon Town Square, which is hoped will improve some of the issues being experienced at this location.

Sue Pitt spoke about the click and collect and postal service being offered by ERL. Sue notes that there is much more graffiti in Civic Square Shopping Centre in recent months which is disappointing. Inspector Leemon suggested the quicker that graffiti is removed, the less likely it is to recur. Council aims to remove obscene or defamatory graffiti within 24 hours. Chris Zidak offered to speak with Civic Square Shopping Centre in response to this matter.

John Maudsley from Yarra Valley Water advised that they were still helping residents and commercial residents with financial support since the beginning of COVID-19 and the recent storms/flooding in early June. Work is still underway to clean up following these storms.

Melissa Carmody from Melbourne Water advised they are actively cleaning up storm damage, replanting areas and ensuring there is access. Melbourne Water as well as opening the Liveable Communities, Liveable Waterways grant scheme.

Cr Steane noted that residents had reported an area that has been blocked off with 'orange tape' along the Mullum Mullum track behind Yarra Valley Grammar and requested if an update could be provided. Melissa Carmody offered to follow up on this matter.

Kathryn Collier from METEC spoke about the challenges of lockdown for sessions such as driver education to schools, defensive driving, towing etc. There are also issues with learner permit testing.

CLOSE OF MEETING - NEXT MEETING MONDAY 25 OCTOBER 2021

ITEM 4.5

Cr Steane closed the meeting and advised of the next meeting would be on Monday 25 October 2021 at 10am.

The Meeting concluded at: 11:25am.



EASTERN TRANSPORT COALITION MINUTES OF MEETING

Date: Thursday, 15 July 2021
Time: 6.30pm – 8.30pm
Hosted by: City of Monash
Attendance and video conferencing

Attendees

Councillors

- Cr Stuart James, City of Monash (Chair)
- Cr Susan Laukens, Knox City Council
- Cr Anna Chen, Manningham City Council
- Cr Tina Liu, City of Whitehorse
- Cr Marijke Graham, Maroondah City Council
- Cr Jim Child, Yarra Ranges Council

Officers

- Christopher Marshall, City of Greater Dandenong
- Daniele Raneri, Manningham City Council
- Terry Tillotson, City of Monash
- Chris Hui, City of Whitehorse
- Karen O’Gorman, Yarra Ranges Council
- Mark Varmalis, Yarra Ranges Council
- Michael Blowfield, Maroondah City Council
- Ron Crawford, Knox City Council
- Winchelle Chuson, Knox City Council
- Lucas Sikiotis, City of Greater Dandenong
- Sandra Worsnop, City of Monash

Secretariat

- James McGarvey, The Agenda Group

Guest

- Abraam Gregoriou, Adviser to the Minister for Public Transport, the Hon Ben Carroll MP

Apologies

- Frank Vassilacos, Manningham City Council
- Dale Bristow, Maroondah City Council
- Matthew Hanrahan, Knox City Council
- Rachael Antonacci, City of Monash

1. Welcome and apologies

Cr James assumed the Chair and welcomed the attendees.

2. Conflicts of interest

No conflicts of interest were raised.

3. Ratify previous draft Minutes and actions arising

Moved: Lucas Sikiotis

Seconded: Cr Susan Laukens

Carried

4. ETC Finance Report

Finance Report for 30 June 2021

31 May 2021: \$ 49,223

Expenditure:

The Agenda Group (Mar) \$7,000

Income:

Annual Subscription x 1No. \$8,000

30 June 2021 \$ 50,223

Moved: Lucas Sikiotis

Seconded: Cr Marijke Graham

Carried

5. Guest presentation

Abraam Gregoriou, Adviser to the Minister for Public Transport, the Hon Ben Carroll MP joined the meeting to discuss the Victoria Bus Plan (VBP), which was released by the Victorian Government in June this year.

Mr Gregoriou gave an overview of the Plan, and reported:

Minister Carroll is very passionate about buses – his own electorate doesn't have rail or tram services.

The VBP sets out what the Government wants to achieve. It provides rigour around bus investment and boosts the profile of buses.

As well as setting out what Government wants to achieve, it lays out the approach to achieve it.

It's been over 40 years since the last major reform, and a lot of change has taken place in that time, VBP is designed to address fundamental shifts in population and commuting practices over that time.

The VBP lays the groundwork to meet the needs of the 'Big Build' currently under way, recognising level crossing removals, and meeting zero net emissions goals.

Buses have been the poor third cousin in Melbourne's public transport system.

We can do better, extending services in growth areas and increasing services on busy routes.

Also need a consistent approach to network reform – including timetabling, meeting demand for services and route paths, and addressing the negative perception of buses. Make them reliable, particularly for vulnerable communities.

The Government will start by testing new and innovative ways of meeting the needs of the network. Fleet reform is necessary, particularly for emissions objectives. Demand responsive transport – FlexiRide – is being trialled, including in Rowville. Prepaid all door boarding and rapid running are also being introduced or trialled.

Government wants to work with all key stakeholders on an implementation plan.

This is a big step for Government in how it plans around buses, and is a big step toward greater focus and investment in bus as a public transport mode.

Discussion points:

Cr James spoke of the need for a network wide review, rather than a 'band-aid' approach. Getting the fundamentals right on buses - frequency, reliability, traffic treatments need to come first. Westall Rd extension, if funded, allows for a dedicated bus lane on Blackburn Rd to provide a north-south route serving the Monash Employment Cluster.

Mr Gregoriou said he will talk to DoT about Westall Rd extension/Blackburn Rd bus lane issue.

Michael Blowfield sought details on the reform implementation plan. Mr Gregoriou said there is a lot of work being undertaken by the Department to identify key themes. Government will provide further detail when available.

Cr Chen noted that Councils know their areas best and asked about Councils' role in shaping the implementation plan. Mr Gregoriou said there would be an opportunity for high level discussion and that DoT need to partner with Councils on delivery.

Terry Tillotson described access as part of the bus journey, and that crossing arterial roads is often a major barrier. Mr Gregoriou said that Government is trying to improve access when it installs new and replacement bus stops. The access/path to a bus stop should also be considered through a network planning exercise as part of the Plan.

Cr Liu flagged opportunities for synergies between major projects and bus services, i.e. North East Link and Suburban Rail Loop. Talk around the Box Hill interchange upgrade has been ongoing but yet to materialise in any action. Cr Liu asked how does Council work with other stakeholders to further this project and improve services to a growing area.

Mr Gregoriou said that alignment to major projects is important. NEL is a big opportunity for bus network, and DoT is very keen to ensure bus services are included. Re Box Hill interchange, Mr Gregoriou has spoken to Paul Hamer MP and the Minister has visited the interchange. SRL gives an opportunity to address it, but needs to be planned and staged accordingly.

Cr Laukens indicated she was excited about VBP and its focus on innovation. She said that FlexiRide is an excellent pilot program, catering for 107 users and takes cars off the road, and asked how would such services be further rolled out in areas like the Baywater Business Precinct.

Mr Gregoriou explained that, as part of a connector route, demand responsive transport operates based on an app for consumers, and utilises smaller buses. With areas like Rowville and the BBP, there is an opportunity to connect to other networks. However, there is need of a fundamental shift in the network for the BBP. There is a plan within DoT for it, but needs budget funding.

Karen O'Gorman queried actions around Yarra Valley network reform, and how much detail would the reform go into. Mr Gregoriou wasn't certain on detail relating to Yarra Ranges specifically, but spoke of reviewing what's there currently and understanding community expectations and needs, and then working with stakeholders to review data, look at current routes and areas of growing demand and to provide more rigour on standards and objectives in network and bus route planning.

Cr James explained that under the Road Management Act, responsibility for bus shelters sits with DoT, but Councils have often filled the gap. With DDA compliance requirements, this is becoming very expensive. Minister Carroll has previously indicated interest in a 50-50 partnership between DoT and councils, on a priority basis. Mr Gregoriou recognised there is ambiguity around shelter management. DoT manages shelters in many Council area, but some Councils, like Monash, go it alone and take on responsibility and risk. Government is open to Councils entering the existing contract.

James McGarvey asked whether the Wyndham case study highlighted in the VBP document is a guide to how and on what level network reviews will be conducted. Mr Gregoriou said this is under consideration but options include a review on an LGA basis, or a wider region such as the east/ETC region. Some areas will be identified as having more immediate need for review.

Mr Gregoriou said consistency across Councils, identifying key priorities and potential quick wins on priority problems that can be addressed now, would be welcomed by Government.

6. Bus Network Review Working Group

Daniele Raneri, Manningham City Council informed the group that a final version of the ETC Bus Priority Infrastructure package document has been completed and provided to the Secretariat.

A copy of the updated document will be forward to the group with this meeting's minutes.

7. Items for 22/23 State Budget

Cr James reported that he and James McGarvey had met with Jackson Taylor MP, Member for Bayswater to discuss next steps regarding the ETC's 22/23 state budget project list.

Mr Taylor indicated he would brief his fellow Government MPs in the 'eastern bloc' (i.e. those Government MPs representing eastern suburbs electorates), and provide their feedback.

Beyond the initial brief for this project, Mr Taylor suggested:

- Councils could each put forward projects beyond a \$10 million quantum
- There is particular interest amongst the MPs/Government in network capacity improvements on arterial roads
- Although not finalised, Councils should be aware of new draft boundaries for state electorates in the east, and how suggested projects align with them
- Although the MPs will be happy to consider an overall set of projects put forward by the ETC, it will be important that Councils advocate to their respective local MPs in support of their projects.

Cr James noted that the Member for Dandenong, Gabrielle Williams MP is not part of the 'eastern bloc' MPs and the City of Greater Dandenong would need to liaise directly with her on their projects.

James McGarvey suggested that as ETC members had previously been asked to have road projects identified for discussion at the August meeting, they could use this process to consider network capacity improvements on arterial roads, as recommended by Mr Taylor.

The following is a summary of the items put forward by Councils as at 15th July 2021:

Council	Projects
Dandenong	<ul style="list-style-type: none"> • Dandenong South - Demand Responsive Bus Trial • Signalisation of Stud Road and McFees Road, Dandenong North • Djerring Trail extension – Yarraman Station to Dandenong CBD – Stage 1 upgrade of Railway Parade and Bennett St intersection • Dandenong-Carrum trail – sealing of trail between Greens Rd and Mordialloc Freeway
Manningham	<ul style="list-style-type: none"> • Birrarung and Bulleen Parks Pedestrian bridges feasibility study • Bus shelter program – 31 priority locations • On demand bus trial in place of 280/282 bus routes • Doncaster Road Corridor Bus Rapid Transit Feasibility Study • 3 Ped operated signal upgrades (Victoria St/Reynolds Rd/Foote Street)
Maroondah	<ul style="list-style-type: none"> • Canterbury Road/Waterloo Street/ Great Ryrie Street Signals and Bus Jump Lanes • Ringwood to Croydon Shared User Pathway • Hughes Park Shared User Pathway • 664 Bus Extension into The Range
Whitehorse	<ul style="list-style-type: none"> • Walking and cycling bridge over rail line to connect Nelson Rd and Thurston St, Box Hill • Nunawading-Syndal Pipe Track shared user path on the Melbourne Water pipe track reserve, including the safety improvements proposed by SSRIP for local road crossings
Yarra Ranges	<ul style="list-style-type: none"> • Upwey Railway Station Improvements • Hard Standing Pull Off Areas for Buses • Bus Shelter Lighting within Existing Bus Shelters • Safe Crossing points along Warburton Trail
Monash	<ul style="list-style-type: none"> • Constructing the Missing Link in the Waverley Rail Trail • Upgrading the Djerring Trail to Meet Current Standards
Knox	<ul style="list-style-type: none"> • Ferny Creek Trail extension • Feasibility and Economic Study of the Burwood Hwy and Mountain Hwy Public Transport Corridor and Tram Route 75 Extension Stud Park to Bayswater Station via Henderson Road and Scoresby Road – feasibility study • Burwood Hwy and Cathies Lane Intersection Upgrade • Stud Park to Bayswater Station via Henderson Road and Scoresby Road - feasibility study

8. Presentation – City of Monash

Sandra Worsnop, on behalf of the City of Monash, gave the group a presentation on Council's Shared Path decals program.

Ms Worsnop thanked her colleague Rachael Antonacci for preparing the presentation slides.

The project is about putting down behavioural messages on shared paths.

Covid has brought on a massive increase in users, and with that, an increase in complaints from pedestrians about cyclist behaviour. Mainly elderly pedestrians in particular are feeling unsafe, and there has been reports of some falling off the path and sustaining injuries.

Council has embarked on a rollout of the decals on a number of paths, sending a message to cyclists that they have to be mindful of their behaviour.

The decals took quite a while to develop, with input from the transport engineering and communications teams, starting with basic messages and stick figures.

The 'keep left' messaging is aimed at keeping pedestrians to the left side of the track, allowing for safer overtaking on the right by cyclists.

They've been installed recently, but are being noticed and cyclists are indicating they are grateful for them,

The decals come in two different sizes (1 metre and half metre), as some paths aren't three metres wide. The smaller decals also serve as reminder messages along the way. They also keep the cost down.

The decals are non-slip, recyclable and the price includes installation.

3 are clustered on departure side of slow points on share paths, and decals are placed 250 metres apart along trails.

Discussion points:

Knox Council is developing a campaign to look at cyclist behaviour, and has received a grant from VicRoads to do some animations, which will be shared with the group. One for pedestrian behaviour, another on the need to wear bright clothes.

Other Councils also noted an increase in shared path usage during the pandemic period. It was suggested that decals are temporary, and don't look great after 12 months, and are unreadable after 2 years.

City of Greater Dandenong produced corflute signs targeted at cyclists and pedestrians which could be placed on a pole and moved around as required.

Bell etiquette changes across areas. Busy paths – too much ringing so don't want it. Quiet paths – bells more alarming to pedestrians. Studies suggest oldies don't hear bells, and more people are now wearing ear phones

The decals have some limitations. They have to be on hard surfaces. Also challenge getting approval to put them on trails that Council doesn't own.

They might be more effective when complemented by messaging across multiple touch points and across multiple communities (i.e. bike, shoe retail stores).

Yarra Valley and Warburton trails have seen massive increase in usage. Entry hubs to the trails are good opportunities for concise messaging on bike etiquette, keeping left, etc. People do seem to be adjusting to the challenge of sharing a busy path, with riders using their bells from a distance.

Yarra Ranges has been left with \$60 million in storm damage, and finding budget for such measures would be difficult for Council.

A copy of Sandra's presentation slides will be provided to ETC members with the minutes.

9. Other Business

Cr Jim Child thanked the group for its continuing support and advocacy focus on the need for the Mooroolbark-Lilydale rail line duplication.

Cr Anna Chen reported that the Bulleen Park and Ride construction will get under way in coming weeks, due to be completed by the end of 2022. Cr Chen provided the following link to a video outlining the project:

<https://bigbuild.vic.gov.au/projects/north-east-link-project/design/bulleen-park-and-ride>

Ron Crawford sought an update on the Federal Government's car park program. The group identified that Heathmont, Ringwood, Heatherdale, Belgrave and Mooroolbark. Mitcham has been cancelled.

10. Meeting close

The meeting was closed at 7.57pm.

At this stage the format for the next meeting to be hosted by the City of Greater Dandenong at 6.30pm on Thursday, 19th August 2021, will be decided in consultation between Council and the ETC Chair and Secretariat, and reflect Covid restrictions that may be applicable at the time.

Action Summary

Action Items	Owner(s)	Deadline	Status
1. Councils to provide the ETC Secretariat with completed road project assessments for discussion at the August ETC meeting.	All Councils	Provide items to Secretariat by August 12th	In progress
2. Finalise state budget project lists.	All Councils	August ETC meeting	In progress
3. Distribute updated ETC Bus Priority Infrastructure package document to all ETC members.	ETC Secretariat	23rd July 2021	In progress



Maroondah Community Health and Wellbeing Committee – Minutes

Meeting Details:

Date: Tuesday 13 July 2021

Time: 9:30am - 11:30am

Location: MS Teams

Attendees:

Councillors

Cr Tasa Damante (Chair)
Cr Tony Dib OAM, JP
Cr Suzy Stojanovic

Council Officers:

Phil Turner, Director Strategy and Community
Phil Medley, Team Leader Council and Community Planning
Brian Tu, Community Development Officer
Kirsten Jenkins, Manager Health, Local Laws and Emergency Management
Kailah Thompson, Executive Assistant (Minute Taker)

Agency Representatives:

Sharon Barker (EACH)
Narissa Doumani (Neami National Ringwood)
Edwina Ricci (Maroondah Positive Education Network)
Kevin Gregg-Rowan (Department of Families, Fairness and Housing)
Rod Donald (Youth Substance Abuse Service)

Community Representatives:

Andrea Salmon
Prateeti Sabhlok
Cathy White

Others:

Fiona Burridge, Be Kind Maroondah Facilitator
Zoe Ellul, Be Kind Maroondah Project Officer
Gillian Borovnicar, Community Development Project Officer (Active Healthy Ageing)
Aman Mehta, Strategic Planner

Apologies:

Councillors:

Nil

Council Officers:	Nil
Agency Representatives	Rachel Hughes (EMPHN) Jodie Murphy (Eastland) Fiona Purcell (Outer Eastern Local Learning and Employment Network) Catherine D'Arcy (EACH) Jacky Close (Outer Eastern Primary Care Partnership)
Community Representatives	Helen Parker

Conflict of Interest Disclosure:

Councillors:	Nil
Council Officers:	Nil
Agency Representatives:	Nil
Community Representatives:	Nil

Items Discussed

1. OPENING OF MEETING

The Chair, Cr Damante, opened the meeting and provided an Acknowledgment of Country.

2. WELCOME

CONFIRMATION OF MINUTES - TUESDAY, 20 APRIL 2021

ITEM 3

Motion: That the minutes of the Community Health and Wellbeing Committee from 20 April 2021 be accepted. Moved by Cr Tony Dib and seconded by Cathy White.

4. ITEMS

WELCOME TO MEMBERS

ITEM 4.1

Cr Damante welcomed all to the meeting and thanked everyone for attending virtually.

LIFECONNECT FROM NEAMI NATIONAL

ITEM 4.2

Narissa Doumani from Neami National Ringwood introduced the item and provided a presentation as attached to the minutes.

Narissa outlined the mission of Neami National LifeConnect as a suicide prevention and support after suicide service, with a focus on early intervention in the community. The services offered are government funded and available at no cost to people within the catchment area. Some services include:

- Bereavement counselling
- Group support sessions
- Community support response
- Care coordination

Narissa further detailed the range of workshops offered at Neami National, encouraging committee members to contact her if they are interested in participating. Details on workshops and services are attached to the minutes.

Cr Damante thanked Narissa for her presentation and the support provided by Neami National programs to the Maroondah community.

ACTIVE HEALTHY AGEING INITIATIVE

ITEM 4.3

Gillian introduced the item and provided a presentation as attached to the minutes.

Gillian spoke to the parallels between the Maroondah 2040 Vision and the age friendly journey, and highlighted the key initiatives undertaken thus far including the Pet Therapy Pilot Project and the Dementia Library at Realm.

The Active and Healthy Ageing Framework 2021-2025 will focus on

- Respect
- Safety and Security
- Community
- Health and Wellbeing
- Social Connections
- Quality of Life

Current Active and Healthy Ageing activities include: Tackling Ageism Together - EveryAGE Counts in Melbourne's East, Walking Sports, GenConnect, supporting groups at our senior citizens centres, and supporting COVID-19 recovery efforts.

Cr Damante thanked Gillian for her presentation and asked committee members to e-mail through any questions they may have.

Cr Stojanovic highlighted the need to improve communications with elderly people who could benefit from participating in the programs discussed.

Gillian shared links to current activities should the group be interested in participating or recommending to their networks:

- PRISM project: <https://www.maroondah.vic.gov.au/Community-support-business/Seniors-and-older-people/Active-Healthy-Ageing-Initiative/PRISM-projects>
- Walking Sports - including Pickleball: <https://www.maroondah.vic.gov.au/Community-support-business/Seniors-and-older-people/Walking-sports-in-Maroonah>

BE KIND/MENTAL WELLBEING INITIATIVES**ITEM 4.5**

Fiona Burridge introduced the item and provided a presentation as attached to the minutes.

Fiona outlined the Be Kind program and provided a summary of the activities that were promoted during the COVID-19 pandemic in 2020/21 including:

- The Knit One, Warm One initiative
- The Sunflower Effect project
- Let's Get Neighbourly Maroondah initiative
- Online mental health and wellbeing resources
- Downloadable postcards, neighbourhood help cards and thank you cards
- Promotion of neighbourhood level activities - e.g. Chalk rainbows and Spoonvilles
- Employee wellbeing posters and resources

Zoe Ellul spoke to the Mental Wellbeing activities that have been undertaken by Council over the past 12 months. Activities have included: online presentations and dedicated workshops on anxiety and resilience, mindfulness sessions, mental health first aid courses, and introduction to mental health events. A range of sessions have been delivered in collaboration with surrounding councils.

Zoe also noted a number of events to be delivered later this year including:

- Mental Health First Aid to be held in July
- Good Food Good Mood form and cooking demonstration in September
- 16 Days of Activism Campaign (led by Knox City Council)

Given time constraints Cr Damante asked the group to submit any questions for Fiona and Zoe via the chat function of MS Teams.

Cr Stojanovic raised the importance of increasing community awareness of violence against women and family violence more broadly, particularly around legal rights and gender stereotypes.

CROYDON STRUCTURE PLAN**ITEM 4.6**

Aman Mehta introduced the item and provided a presentation as attached to the minutes.

Aman spoke to the background of the project and the key changes that have occurred within Croydon since the Plan was developed in 2006. A discussion paper has been prepared to inform a new Structure Plan.

The consultation process was explained and the key aspects that received high levels of community support from this process were highlighted.

Aman advised that community consultation on the Discussion Paper would commence in August 2021 and encouraged the group to provide input. He highlighted Council's ongoing

advocacy efforts surrounding removal of the railway crossing to improve connectivity and accessibility.

Cr Damante thanked Aman for his work and presentation.

Committee members highlighted the importance of expanding the consultation to include all schools within Maroondah and the broader Maroondah community, noting that Croydon attracts people from all areas of the municipality and beyond.

INFORMATION SHARE

ITEM 4.7

Edwina shared the news that the Maroondah Positive Education Network has received ongoing funding from the Victorian Government. She also advised that Communities of Wellbeing are partnering with Council to run a Certificate of Wellbeing program to support COVID019 recovery in Maroondah. A showcase will take place on the 16 October 2021.

Given time constraints Cr Damante encouraged committee members to send any information or links to Phil or Brian to be shared in the minutes.

CLOSE MEETING

ITEM 4.8

Cr Damante thanked the committee for their attendance and participation and advised that the October meeting would be held in person at Realm, pending restrictions at the time.

The Meeting concluded at: 11:23am



Maroondah Access Inclusion and Equity Advisory Committee – Minutes

Meeting Details:

Date: Monday 12 July 2021 Time: 9:30am - 11:30am Location: Realm

Attendees:

Councillors Cr Marijke Graham (Acting Chair)
Council Officers: Phil Medley, Team Leader Council and Community Planning Jane Finlay, Community Development Project Officer (Social Inclusion) Debra Styles, Manager Community Services Kailah Thompson, Executive Assistant (Minute Taker)
Agency Representatives: Ange Talidis (Wellways) Kate Gibson (Eastern Community Legal Centre) Sam Smith (Eastern Domestic Violence Service) (proxy for Gabrielle Hitch) Avega Bishop (Women's Health East)
Community Representatives: Philip Hughes Jacob Matthew
Others: Robyn Williams, Safe and Liveable Communities Officer Jane Finlay, Community Development Project Officer (Social Inclusion)

Apologies:

Councillors:	Cr Nora Lamont (Deputy Mayor & Chair) Cr Suzy Stojanovic
Council Officers:	Noelene Greene, Senior Community Development Officer Jack Mulholland, Community Access and Inclusion Facilitator
Agency Representatives:	Judy McDougall (Migrant Information Centre) Elke Smirl (Mullum Mullum Indigenous Gathering Place)

Community Representatives:

Lee Barker (Eastern Volunteers)
Gabrielle Hitch (Eastern Domestic Violence Service)
Heidi Butler-Moore (Glen Park Community Centre)
Vicki Bryce (Uniting)
Cara Hudson, Wesley Bawia

Conflict of Interest Disclosure:

Councillors:

Nil

Council Officers:

Nil

Agency Representatives:

Nil

Community Representatives:

Nil

Items Discussed

1. OPENING OF MEETING

The Acting Chair, Cr Graham, opened the meeting and provided an Acknowledgement of Country.

2. WELCOME

CONFIRMATION OF MINUTES - MONDAY, 19 APRIL 2021

ITEM 3

Motion: That the minutes of the Access, Inclusion and Equity Advisory Committee from 19 April 2021 be accepted. Moved by Jacob Matthew and seconded by Philip Hughes.

4. ITEMS

TERMS OF REFERENCE - ADOPTION

ITEM 4.1

The group requested a number of updates to the terms of reference as outlined below:

- Meeting frequency to be updated to reflect four committee meetings to be held in 2022 and 2023, and three committee meetings to be held in 2021 and 2024 due to Council elections and care taker period.
- Discussion was held on how intersectional matters are considered, including consideration of all populations groups. The group agreed that disability would be added to the policy focus list and financial inclusion linked to affordable housing.

Motion: That the terms of reference be formally adopted with the changes as described above. Moved by Kate Gibson and seconded by Philip Hughes.

**FEEDBACK LIVEABILITY, WELLBEING AND RESILIENCE STRATEGY
CONSULTATION**

ITEM 4.2

Phil Medley introduced the item and provided a PowerPoint presentation as attached to the minutes.

Phil noted the feedback received from the five Advisory Committees in recent months relating to the key themes of:

- Healthy lifestyles
- Liveable neighbourhoods
- Social inclusion
- Celebrating diversity
- Social influences
- Safe communities

The Strategy will be placed on public exhibition in September 2021 with a view to adopt ahead of the Department of Health submission deadline in late October.

Cr Graham encouraged the group to submit feedback on the draft Strategy once it is placed on public exhibition and to share the draft Strategy with their networks.

**DISABILITY POLICY AND ACTION PLAN 2019 - 2021 YEAR 2 REPORT &
DISABILITY ACTION 2021 - 2025 CONSULTATION**

ITEM 4.3

Jane Finlay introduced the item and provided a PowerPoint presentation as attached to the minutes.

Jane spoke to the achievements of the Disability Policy and Action Plan 2019-2021, with highlights including:

- Emergency practises reviewed in line with the vulnerable people in emergencies policy.
- COVID-19 information shared on Councils website in easy and plain English and Auslan links provided.
- Footpaths (with a total length of over 3km) constructed across 13 locations.

The Committee was divided into two groups to facilitate discussion on four consultation questions.

1. What is it like for you living, working or getting around Maroondah?
2. What has helped you to feel included in our community?
3. How can we make Maroondah a more inclusive community?
4. How can you tell whether access and inclusion has improved in Maroondah?

Cr Graham requested that committee members provide any further thoughts on the above questions via email.

MORNING TEA BREAK

ITEM 4.4

GENDER EQUALITY PRESENTATION

ITEM 4.5

Robyn Williams introduced the item and provided a PowerPoint presentation as attached to the minutes.

Robyn spoke to the Gender Equality Act 2021 and the requirements for public sector organisations. She outlined how Council is responding to the requirements of the Act and seeking to progress gender equality, both within the community and within Council.

It was noted that further updates will be provided to the committee as work progresses.

INFORMATION SHARE

ITEM 4.6

Phil Medley encouraged agency representatives to provide a presentation at future committee meetings, noting it would be ideal for each agency to present once per calendar year.

Ange Talidis shared the positive news that the Victorian Government has extended funding for rough sleeper assertive outreach programs for the next four years, meaning the Pathways to Home program can continue.

Cr Graham encouraged members to email through any additional information for inclusion in the minutes.

The Meeting concluded at: 11:33am



Maroondah Arts Advisory Committee – Minutes

Meeting Details:

Date: Wednesday 9 June 2021 Time: 7:00pm - 8:30pm Location: MS Teams

Attendees:

Councillors

Cr Mike Symon (Chair)
Cr Suzy Stojanovic

Council Officers:

Phil Turner, Director Strategy and Community
Debra Styles, Manager, Community Services
Rosalie Hastwell, Team Leader Arts and Cultural Development
Chloe Messerle, Governance Officer (Minute Taker)

Community and Creative Industries Representatives:

Roger Archbold
David Billimoria
Andrea Jackson
Sharon Mullens Taylor (entered the virtual meeting at 7:07pm)
Kiron Robinson

Guests:

Aman Mehta, Strategic Planner

Apologies:

Councillors:

Cr Paul Macdonald

Council Officers:

Nil

Community and Creative
Industries Representatives:

Kali Michailidis, Janet Turpie-Johnstone

Conflict of Interest Disclosure:

Councillors:

Nil

Council Officers:

Nil

Community and Creative
Industries Representatives:

Nil

Items Discussed

1. OPENING OF MEETING (Acknowledgment of Country)

Cr Symon opened the meeting and read the Acknowledgment of Country.

2. WELCOME

Cr Symon welcomed all to the meeting.

CONFIRMATION OF MINUTES - WEDNESDAY, 17 MARCH 2021

ITEM 3

Kiron Robinson confirmed the past minutes and Roger Archbold seconded them.

4. ITEMS

BUSINESS ARISING

ITEM 4.1

Rosalie spoke about the Action Items stemming from the last meeting

Sharyn Taylor entered the virtual meeting at 7:07pm.

Signal Boxes public art program

- A call out for locally based artists to respond to the theme of "Maroondah's cultural vibrancy" has been advertised including through Arts in Maroondah channels, and Arts Hub. The deadline for proposals is 16 June.
- Australia Post was approached regarding the potential of using mail boxes as sites for public art works but these are not available.

Promotion of public art opportunities

- Public Art Officer Jane O'Neill has incorporated suggestions from the last meeting regarding call-outs for artists to respond to public art opportunities.

External grant opportunities

- Arts and Cultural Development staff provided advice to Karralyka for a potential grant through the Federal Government's RISE. However as this would require at least 50% contribution from Council the application was unable to proceed.

ACTION: Team Leader Arts and Cultural Development to continue to monitor for potential grant opportunities for significant projects including public art projects such as Croydon Creative Carpark.

Cultural Recovery Forum

- The Forum was scheduled for 26 May and attracted a high level of interest and registrations from local artists and creatives. However due to COVID restrictions this date was cancelled and will be rescheduled.

Arts and Creativity Awards

MAAC members strongly supported a proposed awards program to recognise and celebrate the achievements of the creative community and affirm the value of the creative industries in Maroondah which have been significantly impacted by COVID measures.

ACTION: Arts and Cultural Development to co-ordinate one-off awards program including a modest event to announce the award recipients as well as a social media campaign and use of Council's website to share stories and examples of creative approaches during 2020 and 2021.

Meeting Dates and Locations

- Meeting dates for 2021 have been sent out. Locations to be confirmed.

Croydon Community Wellbeing Precinct

Request for Croydon Community Wellbeing Precinct Update - a brief update is included later in the current meeting with further updates to follow as plans are developed.

NEIGHBOURHOOD ARTS ACTIVATIONS - RINGWOOD EAST AND CROYDON SOUTH

ITEM 4.2

Rosalie provided a Powerpoint presentation as attached to the minutes.

The presentation highlighted arts and cultural activations developed as part of Croydon South 20 minute Neighbourhood project, and the Ringwood East Place Activation Project.

Arts and cultural activations have been enabled through external funding as well as through additional staff resources funded through Working for Victoria. Performing arts and public art projects have contributed significantly to the success of these neighbourhood projects. Potential further opportunities for neighbourhood activations will be explored as part of cross-functional collaborations with Integrated Planning and Business and Activity Centre Development.

The Committee strongly supported the approach to arts and cultural activations for Croydon South and Ringwood East and commented that the collaborations contributed to more vibrant, connected and inclusive neighbourhoods.

CROYDON - DEVELOPING A COHESIVE VISION FOR ARTS PARTICIPATION AND CREATIVE ENGAGEMENT

ITEM 4.3

Rosalie and Strategic Planner Aman Mehta presented an update on the Croydon Structure Plan and outlined potential links to some of the Key Directions within the Arts and Cultural Development Strategy 2020 - 2025.

See Powerpoint presentation as attached to the minutes.

Discussion by the Committee focussed on the key opportunities for the Structure Plan to contribute to arts and cultural development priorities, including spaces for arts activity; and culturally vibrant public spaces, as well as the Urban Design opportunities.

Suggestions and responses from the MAAC included the following:

- Ensure there is support for a wide range of quieter, natural environments such as Tarralla Creek as well as vibrant spaces
- Value and promote diversity of character across the areas included in the structure plan
- Explore greater use of outdoor and green spaces for performance and events
- Support a focus on arts and wellbeing within the Croydon Community Wellbeing Precinct
- Explore the development of a range of arts zones within a range of areas covered by the structure plan
- Consider the potential for adaptive reuse of Croydon Community School which is in close proximity to arts facilities and spaces in Croydon Community Wellbeing Precinct
- Promote and support an active arts precinct including for its potential to contribute to crime prevention and safer spaces
- Consider strengthening transport access to facilities and activities within the precinct including bike and pedestrian accessibility
- Consider potential use of multi-level carparks for creative and cultural events and other activity
- Protect Main Street's look and feel - maintaining the 'village' feel through the area whilst incorporating additional arts spaces in all forms.

Aman outlined the next steps including the preparation of a Draft Structure Plan and consultation in August 2021.

ANY OTHER BUSINESS

ITEM 4.4

No other business arose.

CLOSE OF MEETING - NEXT MEETING 1 SEPTEMBER 2021

ITEM 4.5

Cr Symon closed the meeting at 8:40pm.

Maroondah City Council
ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2021

**Maroondah City Council
Financial Report
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*Maroondah City Council
2020/2021 Financial Report*

Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the Local Government Act 2020), the Australian Accounting Standards and other mandatory professional reporting requirements.

Antonio Rocca, CA
Principal Accounting Officer

Date: *Monday, 16 August 2021*
Melbourne

In our opinion the accompanying financial statements present fairly the financial transactions of Maroondah City Council for the year ended 30 June 2021 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances that would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

K. Spears
Mayor

Date: *Monday, 16 August 2021*
Melbourne

M. Symon
Councillor

Date: *Monday, 16 August 2021*
Melbourne

S. Kozłowski
Chief Executive Officer

Date: *Monday, 16 August 2021*
Melbourne

*Maroondah City Council
2020/2021 Financial Report*

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Maroondah City Council
2020/2021 Financial Report

**Comprehensive Income Statement
For the Year Ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	96,033	92,769
Statutory fees and fines	3.2	4,357	4,606
User fees	3.3	14,094	20,441
Grants - operating	3.4	10,808	8,921
Grants - capital	3.4	23,664	8,539
Contributions - monetary	3.5	10,205	5,142
Contributions - non monetary	3.5	25	378
Net gain / (loss) on disposal of property, infrastructure, plant and equipment	3.6	12,689	289
Share of net profits / (loss) of associates and joint ventures	6.2	156	131
Other income	3.7	412	1,123
Total income		172,443	142,339
Expenses			
Employee costs	4.1	54,924	55,463
Materials and services	4.2	47,577	49,378
Depreciation	4.3	22,849	21,992
Amortisation - intangible assets	4.4	279	243
Amortisation - right of use assets	4.5	807	324
Bad and doubtful debts	4.6	17	-
Borrowing costs	4.7	843	902
Finance costs - leases	4.8	72	35
Other expenses	4.9	2,759	3,667
Total expenses		130,127	132,004
Surplus / (deficit) for the year		42,316	10,335
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment / (decrement)	6.1	91,936	(32,288)
Total comprehensive result		134,252	(21,953)

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Maroondah City Council
2020/2021 Financial Report

**Balance Sheet
As at 30 June 2021**

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	27,914	47,256
Trade and other receivables	5.1	13,589	21,441
Other financial assets	5.1	37,917	20,598
Inventories	5.2	421	404
Other assets	5.2	1,338	924
Non-current assets classified as held for sale	6.3	-	6,799
Total current assets		81,179	97,422
Non-current assets			
Trade and other receivables	5.1	571	277
Other financial assets	5.1	1,057	1,057
Investments in associates, joint arrangements and subsidiaries	6.2	3,732	3,578
Property, infrastructure, plant and equipment	6.1	1,937,472	1,788,458
Right-of-use assets	5.8	2,149	1,287
Intangible assets	5.2	874	784
Total non-current assets		1,945,855	1,795,441
Total assets		2,027,034	1,892,863
Liabilities			
Current liabilities			
Trade and other payables	5.3	15,036	8,963
Trust funds and deposits	5.3	6,466	5,576
Unearned income	5.3	30,963	30,876
Provisions	5.5	14,389	13,429
Interest-bearing liabilities	5.4	1,541	2,618
Lease liabilities	5.8	934	513
Total current liabilities		69,329	61,975
Non-current liabilities			
Trust funds and deposits	5.3	330	6
Unearned income	5.3	1,952	10,780
Provisions	5.5	1,507	1,863
Interest-bearing liabilities	5.4	14,277	15,817
Lease liabilities	5.8	1,252	789
Total non-current liabilities		19,318	29,255
Total liabilities		88,647	91,230
Net assets		1,938,387	1,801,633
Equity			
Accumulated surplus		837,204	793,386
Reserves	9.1	1,101,183	1,008,247
Total Equity		1,938,387	1,801,633

The above balance sheet should be read in conjunction with the accompanying notes.

Maroondah City Council
2020/2021 Financial Report

**Statement of Changes in Equity
For the Year Ended 30 June 2021**

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		1,801,633	793,386	997,247	11,000
Adjustment for prior periods - property, infrastructure, plant and equipment	6.1	2,502	2,502	-	-
Adjusted Opening balance		1,804,135	795,888	997,247	11,000
Surplus / (deficit) for the year		42,316	42,316	-	-
Net asset revaluation increment / (decrement)	6.1	91,936	-	91,936	-
Transfers to other reserves	9.1	1,000	-	-	1,000
Transfers from other reserves	9.1	(1,000)	(1,000)	-	-
Balance at end of the financial year		1,938,387	837,204	1,089,183	12,000

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020					
Balance at beginning of the financial year		1,861,473	820,938	1,029,535	11,000
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers		(80)	(80)	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities		(2,550)	(2,550)	-	-
Adjustment for prior periods - property, infrastructure, plant and equipment	6.1	(35,257)	(35,257)	-	-
Adjusted Opening balance		1,823,586	783,051	1,029,535	11,000
Surplus / (deficit) for the year		10,335	10,335	-	-
Net asset revaluation increment / (decrement)	6.1	(32,288)	-	(32,288)	-
Balance at end of the financial year		1,801,633	793,386	997,247	11,000

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Maroondah City Council
2020/2021 Financial Report

**Statement of Cash Flows
For the Year Ended 30 June 2021**

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		95,458	91,677
Statutory fees and fines		4,362	4,621
User fees		14,664	23,676
Grants - operating		18,111	20,003
Grants - capital		16,606	26,317
Contributions - monetary		10,321	5,239
Interest received		367	994
Trust funds and deposits taken		42,597	18,583
Net GST refund / (payment)		9,336	7,249
Employee costs		(54,067)	(53,810)
Materials and services		(58,136)	(62,012)
Short-term, low value and variable lease payments		(75)	(114)
Trust funds and deposits repaid		(41,383)	(17,830)
Net cash provided by / (used in) operating activities	9.2	58,161	64,593
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(58,385)	(49,438)
Proceeds from sale of property, infrastructure, plant and equipment		2,518	928
Payments for investments		(127,726)	(73,262)
Proceeds from sale of investments		110,407	89,881
Net cash provided by / (used in) investing activities		(73,186)	(31,891)
Cash flows from financing activities			
Finance costs		(843)	(460)
Repayment of borrowings		(2,617)	(691)
Interest paid - lease liability		(72)	(35)
Repayment of lease liabilities		(785)	(309)
Net cash provided by / (used in) financing activities		(4,317)	(1,495)
Net increase / (decrease) in cash and cash equivalents		(19,342)	31,207
Cash and cash equivalents at the beginning of the financial year		47,256	16,049
Cash and cash equivalents at the end of the financial year		27,914	47,256
Financing arrangements	5.6		
Financial assets	5.1		

The above statement of cash flows should be read in conjunction with the accompanying notes.

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Maroondah City Council
2020/2021 Financial Report

**Statement of Capital Works
For the Year Ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
Property			
Land		8,310	4,196
Total land		8,310	4,196
Buildings		55,866	23,832
Total buildings		55,866	23,832
Total property		64,176	28,028
Plant and equipment			
Plant, machinery and equipment		1,058	2,365
Fixtures, fittings and furniture		358	-
Computers and telecommunications		50	37
Total plant and equipment		1,466	2,402
Infrastructure			
Roads		4,329	3,298
Footpaths and cycleways		2,296	3,436
Drainage		3,110	2,594
Waste management		20	27
Parks, open space and streetscapes		5,246	4,610
Off street car parks		374	489
Other infrastructure		46	727
Total infrastructure		15,421	15,181
Total capital works expenditure		81,063	45,611
Represented by:			
New asset expenditure		53,877	16,696
Asset renewal expenditure		21,907	15,481
Asset upgrade expenditure		5,279	13,435
Total capital works expenditure	1.2, 6.1	81,063	45,611

The above statement of capital works should be read in conjunction with the accompanying notes.

OVERVIEW

Introduction

The Maroondah City Council ("The Council") was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 179 Maroondah Highway Ringwood, VIC 3134.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the Local Government Act 2020).

Significant accounting policies

Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Disclosure of COVID-19 impacts on the current reporting period

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. Maroondah City Council and its employees, stakeholders and constituents have been subject to variable levels of restrictions since this period of time up until the date of these annual financial statements, 30 June 2021.

COVID-19 had a significant impact on the operations of Council in the current reporting period ending 30 June 2021. The financial implications of the pandemic have been considered in the preparation of these financial statements.

The significant effects on the financial statements and estimates, as a result of the pandemic, have been reflected and can be observed in the following components of these financial statements:

- Performance against budget (refer to Note 1)
- Statutory fees and fines (refer to Note 3.2)
- User fees (refer to Note 3.3)
- Funding from other levels of government (refer to Note 3.4)
- Employee costs (refer to Note 4.1)
- Reserves, in relation to the decision making of reserve allocations for the year (refer to Note 9.1)

Maroondah City Council
2020/2021 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$1 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 July 2020. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).

1.1 Income and expenditure

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Income					
Rates and charges	96,240	96,033	(207)	(0%)	
Statutory fees and fines	5,145	4,357	(788)	(15%)	1
User fees	20,162	14,094	(6,068)	(30%)	2
Grants - operating	8,384	10,808	2,424	29%	3
Grants - capital	26,557	23,664	(2,893)	(11%)	4
Contributions - monetary	4,726	10,205	5,479	116%	5
Contributions - non monetary	-	25	25	NA	
Net gain / (loss) on disposal of property, infrastructure, plant and equipment	12,075	12,689	614	5%	
Share of net profits / (losses) of associates and joint ventures	-	156	156	NA	
Other income	1,134	412	(722)	(64%)	6
Total income	174,423	172,443	(1,980)	(1%)	
Expenses					
Employee costs	56,574	54,924	1,650	3%	7
Materials and services	50,360	47,577	2,783	6%	8
Depreciation	24,441	22,849	1,592	7%	9
Amortisation - intangible assets	-	279	(279)	NA	
Amortisation - right of use assets	516	807	(291)	(56%)	10
Bad and doubtful debts	-	17	(17)	NA	
Borrowing costs	861	843	18	2%	
Finance costs - leases	41	72	(31)	(76%)	11
Other expenses	1,482	2,759	(1,277)	(86%)	12
Total expenses	134,275	130,127	4,148	3%	
Surplus / (deficit) for the year	40,148	42,316	2,168	5%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The unfavourable variance relates mainly to fines (\$675k). Traffic fines were lower than budgeted due to the impact of the COVID pandemic (\$529k). Election fines were also lower than anticipated (\$133k), the Victorian Electoral Commission has advised that Maroondah had a much higher level of voter participation than in previous elections and that they applied a higher level of concession in not fining individuals for a failure to vote due to the COVID pandemic.

Maroondah City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2021**

1.1 Income and expenditure (cont'd)

Variance Ref	Item	Explanation
2	User fees	The continued impact of the COVID pandemic on Council has been profound. During the various lockdowns throughout the year, the required closure and/or reduced operating capacity of leisure facilities including Karralyka, Federation Estate, Aquanation, Aquahub, Ringwood Golf, The Rings and Maroondah Nets resulted in a loss of anticipated user fee income of \$6.4m. This is against a budget that was already partially moderated for anticipated impacts of the pandemic, however, it was not foreseeable that Council would face multiple lockdowns leading to facility closures.
3	Grants - operating	The favourable variance relates mainly to the receipt of the Working for Victoria grant (\$1.3m) and the COVID-19 Outdoor Dining grant (\$285k) both from the State Government and also the Meals on Wheels Emergency Support grant (\$185k) from the Federal Government all of which had not been budgeted. All these are offset by associated expenditure that was also unbudgeted, but a direct result of obtaining these grants. The Federal Government Financial Assistance Grant (\$190k) was less than budgeted.
4	Grants - capital	The unfavourable variance relates mainly to car park development (Ringwood \$7m, Heathmont \$760k) due to delays in commencement of construction and ensuring the correct application of AASB 1058 in terms of income recognition. Additionally, there have been revised construction programs for pavilion redevelopments (Dorset Multipurpose \$2m, Ainslie Park \$500k and Springfield Sports \$500k). Capital projects \$2.9m (including Pavilion redevelopment \$2.8m) which had not been budgeted for were undertaken during the period.
5	Contributions - monetary	The improved position compared to budget was due to several factors including developer contributions (\$3.3m) including the Maroondah Transform project (\$3.2m), Public Open Space funds (\$1.6m), and contributions for capital projects (\$395k). Public Open Space funds and developers contributions have restrictions and set requirements in relation to how and what they are spent on.
6	Other income	The unfavourable variance is due to lower than anticipated interest rates for investments held (\$423k) and lower than budgeted commercial rent (\$305k) with the COVID pandemic being a contributing factor for some rental relief.
7	Employee costs	The continued impact of the COVID pandemic on Council has been profound. During the various lockdowns throughout the year, the required closure and/or reduced operating capacity of leisure facilities including Karralyka, Aquanation, Aquahub, Ringwood Golf, Dorset Golf, The Rings and Maroondah Nets resulted in a reduction of anticipated employee costs (\$1.4m).
8	Materials and services	The favourable variance relates to a number of factors including, electricity (\$530k) (Leisure facilities \$362k), water (\$289k), and gas (\$155k) were all less than budgeted with the main impact due to closure of and/or reduced operating capacity in leisure facilities during the various lockdowns throughout the year. Savings were achieved in Street Lighting (\$211k) reflecting use of energy efficient options. Council's advertising and marketing and promotion was also underspent (\$301k), impacted by the COVID pandemic lockdowns with many planned activities cancelled and advertising/marketing and promotion not required. Fuel costs (\$133k) were also down compared to budget, less vehicle usage during the pandemic. Waste management services (\$1.3m) were underspent for the period in the areas domestic, recyclables and green waste collection, however, will be spent in future years given the Waste Strategy targets. Tree maintenance, including reactive and storm damage were higher than budgeted specifically due to recent storm events (\$978k).
9	Depreciation	The favourable variance in depreciation compared to the adopted budget is reflective of an asset base that was adjusted downwards at year-end 2019/20, post the 2020/21 Budget having been adopted. This resulting in a over inflated depreciation figure reflected in the 2020/21 budget compared to the actual result during the year, which was calculated on a lower asset base.
10	Amortisation - right of use assets	AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. The unfavourable variance relates to the amortisation of IT equipment (\$153k) and Leisure Facility (\$120k) leases, both of which had not been budgeted for.
11	Finance costs - leases	Council had higher than budgeted for additions of right of use assets/liabilities during the period, and as such, had higher corresponding financing costs in relation to them. Refer to Note 5.8 for details of additions during the period.
12	Other expenses	Other expenses are lower than expected due to savings in lease payments (\$331k), however this category also includes expenses related to assets written off during the period (\$2.2m), which is subject to variation. Refer to Note 4.9.

Maroondah City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Property					
Land	-	8,310	(8,310)	NA	1
Total land	-	8,310	(8,310)	NA	
Buildings	69,284	55,866	13,418	19%	2
Total buildings	69,284	55,866	13,418	19%	
Total property	69,284	64,176	5,108	7%	
Plant and equipment					
Plant, machinery and equipment	1,634	1,058	576	35%	3
Fixtures, fittings and furniture	383	358	25	7%	
Computers and telecommunications	678	50	628	93%	4
Total plant and equipment	2,695	1,466	1,229	46%	
Infrastructure					
Roads	2,890	4,329	(1,439)	(50%)	5
Footpaths and cycleways	3,051	2,296	755	25%	6
Drainage	2,576	3,110	(534)	(21%)	7
Waste management	-	20	(20)	NA	
Parks, open space and streetscapes	4,117	5,246	(1,129)	(27%)	8
Off street car parks	250	374	(124)	(50%)	9
Other infrastructure	603	46	557	92%	10
Total infrastructure	13,487	15,421	(1,934)	(14%)	
Total capital works expenditure	85,466	81,063	4,403	5%	
Represented by:					
New asset expenditure	54,817	53,877	940	2%	
Asset renewal expenditure	25,757	21,907	3,850	15%	11
Asset upgrade expenditure	4,892	5,279	(387)	(8%)	
Total capital works expenditure	85,466	81,063	4,403	5%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	This was not anticipated to occur during the year, hence there was no budget against it. Opportunity arose to undertake a Land exchange with the Department of Education and Training during the year (\$8.3M).
2	Buildings	The Ringwood Multi Level Car Park development schedule is extended with the project deliverables expanding slightly. Timing as a result of further scope works and analysis leading to an extended timeframe (\$9.7M). The Proclamation Park Pavilion development project completion is extended to 2021/22 (\$2.0M). The Dorset Multipurpose Pavilion Redevelopment construction will start in 2021/22 (\$2.0M).
3	Plant, machinery and equipment	There was an underspend in this class of capital, given there were supply availability issues as a direct impact of COVID. The underspend is partially offset against lower than anticipated income received, given assets were not turned over as planned.
4	Computers and telecommunications	The majority of the cloud migration project has now been completed. There is a change to the hardware replacement policy to a cloud subscription option (operating rather than capital) with funds to be transferred from capital to operating cost in 2021/22 (\$400K).
5	Roads	The grant funded Roads to Recovery - Lincoln Road project is completed ahead of schedule with future funding brought forward (\$1.0M). The Local Area Traffic Management funding program was extended to 2020/21 with eligible projects being 50% funded. Future funding for eligible future projects were utilised to take advantage of the extension (\$0.4M).

*Maroondah City Council
2020/2021 Financial Report*

**Notes to the Financial Report
For the Year Ended 30 June 2021**

1.2 Capital works (cont'd)

Variance Ref	Item	Explanation
6	Footpaths and cycleways	Projects were completed ahead of time during the 2019/20 financial year, however, established post the 2020/21 Budget being adopted. Hence, 2020/21 funding was allocated towards these program of works/projects (\$0.4m). Reducing the actual spend during the current financial period.
7	Drainage	The Stormwater Drainage Renewal program of works were completed ahead of time during the 2019/20 financial year, however, established post the 2020/21 Budget being adopted. Hence, 2020/21 funding was allocated towards these program of works (\$0.4m) and reduced actual spend during the current financial period.
8	Parks, open space and streetscapes	The Silcock Ovals Redevelopment project is ahead of schedule with future funding utilised (\$0.4m). The Quambee Reserve Surface Renovation project was ahead of schedule in the 2019/20 financial year with 2020/21 funding allocated during 2019/20.
9	Off street car parks	The Car Park Improvement program of works was completed ahead of schedule during the 2019/20 financial year, however, established post the 2020/21 Budget being adopted. Hence, future funding was allocated towards these program of works (\$0.1m).
10	Other infrastructure	The Street Lighting Improvement projects is significantly delayed as the product shipment has been delayed affecting the installation works (\$0.4m).
11	Asset renewal expenditure	The Proclamation Park Pavilion development project completion is extended to 2021/22 (\$2.0m). The Dorset Multipurpose Pavilion Redevelopment construction schedule will now commence in 2021/22 (\$2.0m).

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs/directorates.

(a) Chief Executive Office

The Chief Executive Officer is the principal advisor to Council and the key liaison between the elected Council and Council administration. The responsibility of the office is to ensure that Council's vision is realised through the organisation's activities and that policies and programs of Council are effectively managed.

Corporate Services

The directorate is responsible for the provision of corporate services to operational areas of Council, and includes:

- Finance and Governance, including Waste Management and Risk Management
- Workplace People and Culture
- Information Technology
- Revenue, Property and Customer Service including library services.

Development and Amenity

The directorate is responsible for:

- Engineering and Building Services, which delivers the engineering related component of Council's Capital Works program including traffic management, stormwater drainage and flood management, and advice on private subdivisions and developments. Building Services issue building permits and carry out inspections, essential services, swimming pool audits and complaint resolution
- Statutory Planning manages Council's statutory and compliance activities, including the provisions of the Planning and Environmental Act and the Maroondah Planning Scheme
- Health, Local Laws and Emergency Management; manages a range of Council's statutory and compliance activities: including the Public Health and Wellbeing Act, Food Act, Emergency Management Act and Council's Local Laws. It includes Environmental Health, Immunisation, Emergency Management and Local Laws teams.

Operations, Assets and Leisure

The directorate is responsible for:

- Assets, which include strategic asset management, open space strategic direction and policy development, capital works renewal program development for roads, car parks, community facilities and public open spaces, and the delivery of community facility and open space capital works projects
- Leisure, which provides opportunities, activities and events to encourage increased community involvement and physical activity. In addition, it manages Karralyka, Maroondah Federation Estate and Council's Maroondah Leisure facilities, including Aquanation, Aquahub, Ringwood and Dorset Golf, The Rings, The Nets and Croydon Memorial Pool. It is also responsible for overall occupancy of Council's sporting facilities and pavilions including seasonal allocations, leases, licences and casual use
- Operations maintains Maroondah's community assets, including parks, gardens, bushland, roads and footpath; as well as fleet management and maintenance.

Strategy and Community

The directorate is responsible for:

- Business and Development, which coordinates Council's efforts in major projects such as the Ringwood Metropolitan Activity Centre, including Realm. The team also facilitates and supports the sustainable growth of the local economy and business networks
- Community Services, which provides maternal & child health, children's, youth, and aged and disability services to meet the needs of a diverse community, as well as Arts and Cultural Development
- Integrated Planning which looks after strategic land use, environmental sustainability, Maroondah Planning Scheme amendments, and community and policy development.

Maroondah City Council
2020/2021 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 2 Analysis of Council results by program

(b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Chief Executive Office	179	2,886	(2,707)	-	-
Corporate Services	102,447	35,199	67,248	5,434	89,279
Development and Amenity	14,430	10,831	3,599	143	-
Operations, Assets and Leisure	50,131	67,048	(16,917)	25,231	1,937,755
Strategy and Community	5,256	14,163	(8,907)	3,663	-
	172,443	130,127	42,316	34,472	2,027,034

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Chief Executive Office	181	2,377	(2,196)	-	-
Corporate Services	99,950	33,207	66,743	5,416	97,357
Development and Amenity	9,529	10,804	(1,275)	116	-
Operations, Assets and Leisure	27,495	71,108	(43,613)	8,596	1,795,506
Strategy and Community	5,184	14,508	(9,324)	3,332	-
	142,339	132,004	10,335	17,460	1,892,863

Commentary on allocations

Amounts included in the above categories that Council does not allocate for internal reporting purposes include:

Corporate Services: rates revenue including supplementary, Victorian grants commission, insurances

Operations, Assets and Leisure: capital grants, depreciation

Maroondah City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 3 Funding for the delivery of our services	2021	2020
3.1 Rates and charges	\$'000	\$'000

Council uses capital improved value ("CIV") as the basis of valuation of all properties within the municipal district. The CIV of a property is the market value of land and improvements.

The valuation base used to calculate general rates for 2020/21 was \$37.47 billion (2019/20 \$35.64 billion).

General rates	79,379	76,868
Waste management charge	15,742	14,770
Special rates and charges	156	153
Supplementary rates and rate adjustments	414	785
Interest on rates and charges	324	175
Cultural and recreational	18	18
Total rates and charges	96,033	92,769

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation will be first applied in the rating year commencing 1 July 2021.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines	2021	2020
	\$'000	\$'000
Infringements and costs	772	1,038
Court recoveries	204	258
Town planning fees	1,422	1,548
Land information certificates	104	91
Permits	1,743	1,512
Other	112	159
Total statutory fees and fines	4,357	4,606

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees	2021	2020
	\$'000	\$'000
Active leisure centres	9,536	14,808
Aged and health services	453	473
Asset Protection	349	295
Child care and children's programs	264	273
Community facilities recreation	461	412
Community health	12	17
Local laws	45	25
Occupation road reserve	221	179
Performing arts, functions and conferences	1,249	2,883
Public notices	104	97
Youth programs	-	3
Other fees and charges	1,400	976
Total user fees	14,094	20,441

User fees by timing of revenue recognition

User fees recognised at a point in time	14,094	20,441
Total user fees	14,094	20,441

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government	2021	2020
Grants were received in respect of the following:	\$'000	\$'000
Summary of grants		
Commonwealth funded grants	25,834	13,388
State funded grants	8,638	4,072
Total grants income	34,472	17,460

Maroondah City Council
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Notes to the Financial Report
For the Year Ended 30 June 2021

3.4 Funding from other levels of government (cont'd)	2021	2020
(a) Operating Grants	\$'000	\$'000
<i>Recurrent - Commonwealth Government</i>		
Children's services	419	391
Community health	104	95
Financial assistance grants	4,743	5,127
Aged care	1,044	836
Sport and recreation	20	-
Other	1	-
<i>Recurrent - State Government</i>		
Aged care	537	539
Council and community planning	73	-
Children services	1	1
Youth services	32	69
Maternal and child health	1,065	1,035
Other	124	-
Total recurrent operating grants	8,163	8,093
<i>Non-recurrent - Commonwealth Government</i>		
Asset management	32	8
Aged care	-	31
<i>Non-recurrent - State Government</i>		
Sport and recreation	180	8
Asset management	11	42
Waste management	138	289
Community health	27	20
Maternal child and health	131	82
Youth services	230	237
Integrated planning	43	50
Children's services	85	55
Council and community planning	3	-
Working 4 Victoria	1,324	-
COVID - 19	428	-
Other	13	6
Total non-recurrent operating grants	2,645	828
Total operating grants	10,808	8,921
(b) Capital Grants	2021	2020
	\$'000	\$'000
<i>Non-recurrent - Commonwealth Government</i>		
Buildings	45	1,122
Roads	3,527	858
Car parks	15,896	4,810
Recreational, leisure and community facilities	2	110
<i>Non-recurrent - State Government</i>		
Buildings	2,924	759
Roads	582	439
Footpaths and cycleways	24	9
Drainage	51	15
Recreational, leisure and community facilities	418	417
Parks and open space	6	-
Commercial centres	189	-
Total non-recurrent capital grants	23,664	8,539
Total capital grants	23,664	8,539
(c) Unspent grants received on condition that they be spent in a specific manner	2021	2020
	\$'000	\$'000
<i>Operating</i>		
Balance at start of year	11,231	1,640
Received during the financial year and remained unspent at balance date	12,573	11,039
Received in prior years and remained unspent at balance date	140	192
Received in prior years and spent during the financial year	(100)	(1,442)
Balance at year end	12,713	11,231

Maroondah City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2021**

3.4 Funding from other levels of government (cont'd)		
(c) Unspent grants received on condition that they be spent in a specific manner (cont'd)	2021	2020
	\$'000	\$'000
Capital		
Balance at start of year	30,203	2,613
Received during the financial year and remained unspent at balance date	5,254	28,368
Received in prior years and remained unspent at balance date	17,975	1,835
Received in prior years and spent during the financial year	(11,952)	(778)
Balance at year end	<u>23,229</u>	<u>30,203</u>
Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.		

3.5 Contributions	2021	2020
	\$'000	\$'000
Monetary	10,205	5,142
Non-monetary	25	378
Total contributions	<u>10,230</u>	<u>5,520</u>

Contributions of non monetary assets were received in relation to the following asset classes:

Land	-	157
Drainage	-	187
Plant machinery and equipment	-	34
Roads	25	-
Total non-monetary contributions	<u>25</u>	<u>378</u>

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2021	2020
	\$'000	\$'000
Proceeds of sale - monetary	619	854
Proceeds of sale - non-monetary	20,310	-
Written down value of assets disposed	(8,240)	(565)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>12,689</u>	<u>289</u>
The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.		

3.7 Other income	2021	2020
	\$'000	\$'000
Interest on investments	250	811
Interest other	3	2
Rent	159	310
Total other income	<u>412</u>	<u>1,123</u>

Interest is recognised as it is earned. Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 4 The cost of delivering services

4.1 (a) Employee costs	2021	2020
	\$'000	\$'000
Wages and salaries	49,446	49,923
Workcover	297	379
Superannuation	4,686	4,648
Fringe benefits tax	495	513
Total employee costs	<u>54,924</u>	<u>55,463</u>

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	201	251
	<u>201</u>	<u>251</u>
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,353	2,462
Employer contributions - other funds	2,132	1,935
	<u>4,485</u>	<u>4,397</u>
Employer contributions payable at reporting date.	-	-

Refer to note 9.3 for further information relating to Council's superannuation obligations.

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4.2 Materials and services	2021	2020
	\$'000	\$'000
Agency staff	651	829
Apprentices	534	484
Bank charges	325	368
Cleaning	915	926
Communications, postage and advertising	1,181	1,222
Consultants	673	976
Cost of goods sold	630	794
Fire services levy	116	110
Food costs - meals on wheels	516	508
Fuels, oil, registrations and running costs - plant and fleet	904	1,034
Grants to the community	663	438
Insurance	1,014	888
Legal fees	449	611
Library contribution	2,543	2,679
Licence fees	252	191
Maintenance	3,756	3,740
Marketing and promotion	78	355
Materials - depot and golf courses	1,238	1,258
Memberships and subscriptions	184	306
Printing and stationary	218	142
Security	582	378
Training	304	370
Uniforms	97	103
Utilities	3,217	3,553
Other	2,953	3,426
Contract payments - waste	13,099	12,830
Contract payments - operations	4,201	4,457
Contract payments - valuations	25	76
Contract payments - election	461	-
Contractors - other	5,798	6,326
Total materials and services	47,577	49,378
4.3 Depreciation	2021	2020
	\$'000	\$'000
Property	5,228	4,530
Plant and equipment	2,008	2,090
Infrastructure	15,613	15,372
Total depreciation	22,849	21,992
Refer to note 5.2(c), 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		
4.4 Amortisation - intangible assets	2021	2020
	\$'000	\$'000
Software	279	243
Total amortisation - intangible assets	279	243
4.5 Amortisation - right of use assets	2021	2020
	\$'000	\$'000
Photocopiers	42	29
IT equipment	590	275
Leisure equipment	171	20
Land	4	-
Total amortisation - right of use assets	807	324
4.6 Bad and doubtful debts	2021	2020
	\$'000	\$'000
Other debtors	17	-
Total bad and doubtful debts	17	-

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**Notes to the Financial Report
For the Year Ended 30 June 2021**

4.6 Bad and doubtful debts (cont'd)

Movement in provisions for doubtful debts

Balance at the beginning of the year	26	49
New provisions recognised during the year	17	(19)
Amounts already provided for and written off as uncollectible	(4)	(4)
Amounts provided for but recovered during the year	-	-
Balance at end of year	39	26

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.7 Borrowing costs

	2021	2020
	\$'000	\$'000
Interest - borrowings	843	902
Total borrowing costs	843	902

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.8 Finance costs - leases

	2021	2020
	\$'000	\$'000
Interest - lease liabilities	72	35
Total finance costs	72	35

4.9 Other expenses

	2021	2020
	\$'000	\$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	69	76
Auditors' remuneration - internal	71	132
Councillors' allowances	307	317
Operating lease rentals	75	202
Assets written-off / impaired	2,237	2,940
Total other expenses	2,759	3,667

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Cash on hand	23	25
Cash at bank	1,308	10,213
Term deposits	26,583	37,018
Total cash and cash equivalents	27,914	47,256

(b) Other financial assets

	2021	2020
	\$'000	\$'000
Term deposits - current	37,917	20,598
Term deposits - non-current	1,057	1,057
Total other financial assets	38,974	21,655
Total financial assets	66,888	68,911

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3)	6,796	5,582
Total restricted funds	6,796	5,582
Total unrestricted cash and cash equivalents	21,118	41,674

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- cash held to fund carried forward capital works (inclusive of grant funded works)	11,379	2,075
- Grants received during the financial year, or previous financial years that remain unspent at balance date (excluding cash held to fund carry forward capital works that are grant funded)	19,584	30,876
Total funds subject to intended allocations	30,963	32,951

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts. Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost.

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Notes to the Financial Report
For the Year Ended 30 June 2021

5.1 Financial assets (cont'd)

(c) Trade and other receivables

	2021	2020
	\$'000	\$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	3,811	3,290
Garbage charges - debtors	767	645
Infringement debtors	170	165
Provision for doubtful debts - infringements	(4)	(9)
<i>Non statutory receivables</i>		
Loans and advances to community organisations	35	33
Interest accrued - other investments	41	73
Other debtors	8,804	17,261
Provision for doubtful debts - other debtors	(35)	(17)
Total current trade and other receivables	13,589	21,441
Non-current		
<i>Statutory receivables</i>		
Rates debtors	41	41
Infringement debtors	1	-
<i>Non statutory receivables</i>		
Loans and advances to community organisations	74	60
Interest accrued - other investments	5	73
Other debtors	450	103
Total non-current trade and other receivables	571	277
Total trade and other receivables	14,160	21,718

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	5,247	3,020
Past due by up to 30 days	617	13,658
Past due between 31 and 180 days	2,948	65
Past due between 181 and 365 days	67	607
Past due by more than 1 year	529	236
Total trade and other receivables	9,408	17,586

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$177,766 (2020: \$84,820) were impaired. The amount of the provision raised against these debtors was \$17,777 (2020: \$8,482). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	2	31
Past due by more than 1 year	176	53
Total individually impaired receivables	178	84

5.2 Non-financial assets

(a) Inventories

	2021	2020
	\$'000	\$'000
Inventories held for distribution	145	138
Inventories held for sale	276	266
Total inventories	421	404

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

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Notes to the Financial Report
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5.2 Non-financial assets (cont'd)

(b) Other assets

	2021	2020
	\$'000	\$'000
Prepayments	1,312	923
Accrued income	26	1
Total other assets	1,338	924

(c) Intangible assets

	2021	2020
	\$'000	\$'000
Software	874	784
Total intangible assets	874	784

Gross carrying amount

	2021	2020
	\$'000	\$'000
Balance at 1 July 2019	1,790	1,790
Additions	245	245
Disposals - fully amortised	(639)	(639)
Balance at 1 July 2020	1,396	1,396
Additions	369	369
Disposals - fully amortised	(152)	(152)
Balance at 30 June 2021	1,613	1,613

Accumulated amortisation and impairment

	2021	2020
	\$'000	\$'000
Balance at 1 July 2019	1,008	1,008
Amortisation expense	243	243
Disposals - fully amortised	(639)	(639)
Balance at 1 July 2020	612	612
Amortisation expense	279	279
Disposals - fully amortised	(152)	(152)
Balance at 30 June 2021	739	739

Net book value at 30 June 2020

784 784

Net book value at 30 June 2021

874 874

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

5.3 Payables

(a) Trade and other payables

	2021	2020
	\$'000	\$'000
Trade payables	13,721	7,704
Accrued expenses	1,315	1,259
Total trade and other payables	15,036	8,963

(b) Trust funds and deposits

	2021	2020
	\$'000	\$'000
Current		
Refundable deposits	3,921	3,323
Fire services levy	525	405
Retention amounts	698	642
Other refundable deposits	1,164	551
Special rate assessment	158	655
Total current trust funds and deposits	6,466	5,576

Non-current

	2021	2020
	\$'000	\$'000
Other refundable deposits	6	6
Special rate assessment	324	-
Total non-current trust funds and deposits	330	6

Total trust funds and deposits

6,796 5,582

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Maroondah City Council
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**Notes to the Financial Report
For the Year Ended 30 June 2021**

5.3 Payables (cont'd)

(b) Trust funds and deposits

Purpose and nature of items

Refundable / Other Refundable Deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

(c) Unearned income	2021	2020
	\$'000	\$'000
Current		
Grants received in advance - operating	12,573	11,066
Grants received in advance - capital	18,390	19,810
Total current unearned income	30,963	30,876
Non-current		
Grants received in advance - capital	1,952	10,780
Total current unearned income	1,952	10,780
Total unearned income	32,915	41,656

Non-current unearned income amounts represent grant funding received by Council in relation to large, multi-year capital construction agreements. The non-current portion has been identified via planned expenditure and progress towards the projects as per Council's 10 year capital works program and adopted budget.

5.4 Interest-bearing liabilities	2021	2020
	\$'000	\$'000
Current		
Borrowings - secured	1,541	2,618
Total current interest-bearing liabilities	1,541	2,618
Non-current		
Borrowings - secured	14,277	15,817
Total non-current interest-bearing liabilities	14,277	15,817
Total interest-bearing liabilities	15,818	18,435

Borrowings are secured by a deed of charge over Council rates.

(a) The maturity profile for Council's borrowings is:

Not later than one year	1,541	2,618
Later than one year and not later than five years	6,967	6,637
Later than five years	7,310	9,180
	15,818	18,435

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

2021	Total
	\$ '000
Balance at beginning of the financial year	15,292
Additional provisions	4,571
Amounts used	(3,878)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(89)
Balance at the end of the financial year	15,896

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5.5 Provisions (cont'd)

2020

Balance at beginning of the financial year	13,849
Additional provisions	5,205
Amounts used	(3,912)
Change in the discounted amount arising because of time and	150
Balance at the end of the financial year	15,292

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

	2021	2020
	\$'000	\$'000
Annual leave	3,357	3,168
Long service leave	1,101	1,089
Service gratuities	5	5
	4,463	4,262

Current provisions expected to be wholly settled after 12 months

Annual leave	1,467	1,148
Long service leave	8,402	7,942
Service gratuities	57	77
	9,926	9,167

Total current employee provisions

14,389 13,429

Non-current

Long service leave	1,507	1,863
Total non-current employee provisions	1,507	1,863

Aggregate carrying amount of employee provisions:

Current	14,389	13,429
Non-current	1,507	1,863
Total aggregate carrying amount of employee provisions	15,896	15,292

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:	2021	2020
- weighted average discount rate	0.88%	0.57%
- inflation rate	2.95%	4.25%

5.6 Financing arrangements

The Council has the following funding arrangements in place:

	2021	2020
	\$'000	\$'000
Bank overdraft	1,300	1,300
Corporate purchasing cards	300	300
Total facilities	1,600	1,600
Used facilities	16	111
Unused facilities	1,584	1,489

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5.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

2021	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Recycling	1,311	334	-	-	1,645
Waste management	12,457	3,177	-	-	15,634
Cleaning contracts for council buildings	1,085	310	141	-	1,536
Other	1,086	543	449	-	2,078
Total	15,939	4,364	590	-	20,893
Capital					
Buildings	19,989	281	227	-	20,497
Roads	3,067	-	-	-	3,067
Parks and reserves	1,138	592	1,559	-	3,289
Total	24,194	873	1,786	-	26,853

2020	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Recycling	1,290	329	-	-	1,619
Waste management	10,308	2,628	-	-	12,936
Other	2,783	1,553	1,393	-	5,729
Cleaning contracts for council buildings	959	626	634	-	2,219
Total	15,340	5,136	2,027	-	22,503
Capital					
Buildings	2,329	-	-	-	2,329
Roads	1,439	-	-	-	1,439
Parks and reserves	122	-	-	-	122
Total	3,890	-	-	-	3,890

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

5.8 Leases (cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right-of-use assets	Photocopiers	IT equipment	Leisure equipment	Land	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	18	-	25	-	43
Additions	121	1,411	36	-	1,568
Amortisation charge	(29)	(275)	(20)	-	(324)
Balance at 1 July 2020	110	1,136	41	-	1,287
Additions	67	755	836	11	1,669
Amortisation charge	(42)	(590)	(171)	(4)	(807)
Balance at 30 June 2021	135	1,301	706	7	2,149

Lease liabilities	2021	2020
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	989	555
One to five years	1,298	815
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	2,287	1,370

Lease liabilities included in the Balance Sheet at 30 June:

Current	934	513
Non-current	1,252	789
Total lease liabilities	2,186	1,302

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021	2020
	\$'000	\$'000
Expenses relating to:		
Short-term leases	75	114
Total	75	114

Non-cancellable lease commitments - short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable within:

One year	3	18
Total lease commitments	3	18

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Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2020	Adjustments for prior periods	Additions	Contributions	Revaluation	Depreciation	Write off	Disposals	Transfers	At fair value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,117,176	-	43,437	-	73,858	(5,228)	(5)	(1,350)	10,603	1,238,491
Plant and equipment	9,554	248	1,437	-	-	(2,008)	(70)	(90)	358	9,429
Infrastructure	640,743	2,254	4,835	25	18,078	(15,613)	(2,027)	-	3,897	652,192
Work in progress	20,985	-	31,354	-	-	-	(121)	-	(14,858)	37,360
	1,788,458	2,502	81,063	25	91,936	(22,849)	(2,223)	(1,440)	-	1,937,472

Summary of work in progress

	Opening WIP	Additions	Write Off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	13,040	20,739	-	(10,614)	23,165
Plant and equipment	543	29	(121)	(422)	29
Infrastructure	7,402	10,586	-	(3,822)	14,166
Total	20,985	31,354	(121)	(14,858)	37,360

**1 July 2020
\$'000**

Adjustments for prior periods

Council has brought to account a number of additional assets inadvertently omitted, overstated or not discovered during prior recognition processes. This has been adjusted against opening asset balances for Property, Infrastructure, Plant and Equipment and Accumulated Surplus at 1 July 2020.

Works of Art	248
Roads	919
Footpaths and cycleways	109
Drainage	1,226
	2,502

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6.1 Property, infrastructure, plant and equipment (cont'd)
(a) Property

	Land - specialised	Land - non specialised	Total Land	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	232,560	682,191	914,751	312,880	312,880	13,040	1,240,671
Accumulated depreciation at 1 July 2020	-	-	-	(110,455)	(110,455)	-	(110,455)
	232,560	682,191	914,751	202,425	202,425	13,040	1,130,216
Movements in fair value							
Additions	-	8,310	8,310	35,127	35,127	20,739	64,176
Write off	-	-	-	(9)	(9)	-	(9)
Revaluation	(37)	81,701	81,664	-	-	-	81,664
Transfers	-	-	-	10,603	10,603	(10,614)	(11)
Disposals	-	(1,350)	(1,350)	-	-	-	(1,350)
	(37)	88,661	88,624	45,721	45,721	10,125	144,470
Movements in accumulated depreciation							
Adjustment for prior period	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	(5,228)	(5,228)	-	(5,228)
Revaluation	-	-	-	(7,806)	(7,806)	-	(7,806)
Write off	-	-	-	4	4	-	4
Transfers	-	-	-	-	-	-	-
	-	-	-	(13,030)	(13,030)	-	(13,030)
At fair value 30 June 2021	232,523	770,852	1,003,375	358,601	358,601	23,165	1,385,141
Accumulated depreciation at 30 June 2021	-	-	-	(123,485)	(123,485)	-	(123,485)
	232,523	770,852	1,003,375	235,116	235,116	23,165	1,261,656

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Notes to the Financial Report
For the Year Ended 30 June 2021

6.1 Property, infrastructure, plant and equipment (cont'd)
(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work In Progress	Total Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	12,177	6,117	1,209	543	20,046
Accumulated depreciation at 1 July 2020	(5,844)	(3,051)	(1,054)	-	(9,949)
	6,333	3,066	155	543	10,097
Movements in fair value					
Adjustment for prior period	-	248	-	-	248
Additions	1,046	341	50	29	1,466
Contributions	-	-	-	-	-
Write off	(236)	(290)	(24)	(121)	(671)
Transfers	203	155	-	(422)	(64)
Disposals	(711)	-	-	-	(711)
	302	454	26	(514)	268
Movements in accumulated depreciation					
Adjustment for prior period	-	-	-	-	-
Depreciation and amortisation	(1,528)	(413)	(67)	-	(2,008)
Write off	200	256	24	-	480
Disposals	621	-	-	-	621
	(707)	(157)	(43)	-	(907)
At fair value 30 June 2021	12,479	6,571	1,235	29	20,314
Accumulated depreciation at 30 June 2021	(6,551)	(3,208)	(1,097)	-	(10,856)
	5,928	3,363	138	29	9,458

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**Notes to the Financial Report
For the Year Ended 30 June 2021**

6.1 Property, infrastructure, plant and equipment (cont'd)
(c) Infrastructure

	Roads	Footpaths and cycleways	Drainage	Parks open spaces and streetscapes	Off street car parks	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	455,136	110,750	432,940	73,532	23,221	7,402	1,102,981
Accumulated depreciation at 1 July 2020	(169,690)	(81,429)	(165,107)	(34,688)	(3,922)	-	(454,836)
	285,446	29,321	267,833	38,844	19,299	7,402	648,145
Movements in fair value							
Adjustment for prior period	952	109	1,226	-	-	-	2,287
Additions	1,123	867	959	1,603	283	10,586	15,421
Revaluation	3,673	908	24,606	-	198	-	29,385
Contributions	25	-	-	-	-	-	25
Write-off	(147)	-	(297)	(3,040)	-	-	(3,484)
Transfers	1,848	437	457	1,022	133	(3,822)	75
	7,474	2,321	26,951	(415)	614	6,764	43,709
Movements in accumulated depreciation							
Adjustment for prior period	(33)	-	-	-	-	-	(33)
Depreciation and amortisation	(7,069)	(1,451)	(3,953)	(2,738)	(402)	-	(15,613)
Revaluation	(1,346)	(562)	(9,374)	-	(25)	-	(11,307)
Write-off	34	-	113	1,310	-	-	1,457
Transfers	-	-	-	-	-	-	-
	(8,414)	(2,013)	(13,214)	(1,428)	(427)	-	(25,496)
At fair value 30 June 2021	462,610	113,071	459,891	73,117	23,835	14,166	1,146,690
Accumulated depreciation at 30 June 2021	(178,104)	(83,442)	(178,321)	(36,116)	(4,349)	-	(480,332)
	284,506	29,629	281,570	37,001	19,486	14,166	666,358

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**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 6 Assets we manage (cont'd)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Asset recognition thresholds and depreciation periods	Depreciation period Years	Threshold limit \$'000
Property		
land	-	-
Buildings		
buildings	25 - 150	10
Plant and equipment		
plant, machinery and equipment	2 - 10	3
fixtures, fittings and furniture	2 - 15	0.7
works of art	-	-
computers and telecommunications	2 - 10	0.7
Infrastructure		
road pavements and seals	36 - 65	20
road substructure	36	20
road formation and earthworks	150 - 200	20
road kerb, channel and minor culverts	65	5
road appurtenance	10 - 65	5
footpaths and cycleways	50 - 80	5
drainage	110	5
Parks, reserves and recreational		
sub-surface drainage	10	5
irrigation	10	5
lake improvement works	60 - 80	5
sporting grounds surfaces	20 - 50	5
playground equipment	15 - 20	5
public seating	15 - 20	5
Intangible assets		
intangible assets	5	2

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Note 6 Assets we manage (cont'd)

Valuation of land and buildings

The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or un-serviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

An indexed based revaluation was conducted on land and buildings in the current year by a qualified independent valuer (Alvin Lee - Certified Practising Valuer No. 62944), and a full revaluation will be conducted in 2021/22.

Full revaluations for financial reporting purposes are conducted bi-annually by Council, with the most recent previous revaluation undertaken in May 2020 by a qualified independent valuer (James Graps AAPI - Certified Practising Valuer No. 101826).

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	12,723	758,129	Jun-21
Specialised land	-	-	232,523	Jun-21
Buildings	-	1,929	233,187	Jun-21
Total	-	14,652	1,223,839	

Valuation of infrastructure

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on Rawlinsons Australian Construction Handbook 2021 - Edition 39. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	284,506	Jun-21
Footpaths and cycleways	-	-	29,629	Jun-21
Drainage	-	-	281,570	Jun-21
Parks open spaces and streetscapes	-	-	37,001	Jun-21
Off street car parks	-	-	19,486	Jun-21
Total	-	-	652,192	

Description of significant unobservable inputs into level 3 valuations

Specialised land (land under roads) is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values of 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values average \$543.94 per square metre.

Non specialised land is valued using a market based mass modelling technique. Significant unobservable inputs include the extent and impact of restriction of use. The extent and impact of restrictions on use varies, and the market value of land varies significantly depending on the location of the land and the current market conditions.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2021 \$'000	2020 \$'000
Reconciliation of specialised land		
Land under roads	232,523	232,560
Total specialised land	232,523	232,560

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For the Year Ended 30 June 2021**

6.2 Investments in associates, joint arrangements and subsidiaries	2021	2020
	\$'000	\$'000
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Eastern Regional Library Corporation	3,471	3,305
- Narre Warren User Group	261	273
Total	3,732	3,578

Eastern Regional Library Corporation

Background

Council's equity share in the Eastern Regional Library Corporation as at 30 June 2021, based on the Corporation's unaudited financial report, is disclosed as a non-current investment.

The equity holders in the Eastern Regional Library Corporation are:

Maroondah City Council - 24.89%

Knox City Council - 36.39%

Yarra Ranges Shire Council - 38.72%

Council's share of accumulated surplus / (deficit)

Council's share of accumulated surplus / (deficit) at start of year	3,305	3,150
Reported surplus / (deficit) for year	166	155
Council's share of accumulated surplus / (deficit) at end of year	3,471	3,305

Narre Warren User Group

Background

Council holds a 15.94% interest in the net assets relating to the use of the now closed Narre Warren regional landfill facility. The investment held by the Narre Warren User Group is used for monitoring of the site, receipt of royalties and interest on the investment. Refer to Note 8.1 Contingent assets and liabilities.

Council's share of accumulated surplus / (deficit)

Council's share of accumulated surplus / (deficit) at start of year	273	297
Reported surplus / (deficit) for year	(12)	(24)
Council's share of accumulated surplus / (deficit) at end of year	261	273

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

6.3 Non-current assets classified as held for sale	2021	2020
	\$'000	\$'000
Land and buildings - carrying amount	-	6,799
	-	6,799

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

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**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 7 People and relationships

7.1 Council and key management remuneration

2021	2020
No.	No.

(a) Related Parties

Parent entity

Maroondah City Council is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.2.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

T. Damante
T. Dib
M. Graham (including as Deputy Mayor July 2020 - September 2020)
N. Lamont (including as Deputy Mayor November 2020 to current)
P. Macdonald
S. Mazzuchelli (from July 2020 - September 2020)
K. Spears (including as Mayor November 2020 to current)
R. Steane
S. Stojanovic (from November 2020 to current)
M. Symon (including as Mayor July 2020 - September 2020)

Key Management Personnel

Chief Executive Officer
Director - Corporate Services
Director - Development and Amenity
Director - Operations, Assets and Leisure
Director - Strategy and Community

Total Number of Councillors	10	9
Total of Chief Executive Officer and other Key Management Personnel	5	5
Total Number of Key Management Personnel	15	14

(c) Remuneration of Key Management Personnel

2021	2020
\$'000	\$'000

Total remuneration of key management personnel was as follows:

Short-term benefits	1,589	1,562
Long-term benefits	26	(26)
Post employment benefits	154	150
Total Remuneration of Key Management Personnel	1,769	1,686

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2021	2020
	No.	No.
\$1,000 - \$9,999	1	-
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	6	7
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	1
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	2	1
\$260,000 - \$269,999	-	2
\$270,000 - \$279,999	2	-
\$390,000 - \$399,999	-	1
\$400,000 - \$409,999	1	-
	15	14

Maroondah City Council
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Notes to the Financial Report
For the Year Ended 30 June 2021

7.1 Council and key management remuneration (cont'd)

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

a) has management responsibilities and reports directly to the Chief Executive; or

b) whose total annual remuneration exceeds \$151,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:

\$151,000 - \$169,999

\$170,000 - \$179,999

\$180,000 - \$189,999

\$190,000 - \$199,999

	2021	2020
No.	No.	No.
	3	3
	9	10
	2	4
	3	-
	<u>17</u>	<u>17</u>
	3,014	2,974

Total Remuneration for the reporting year for Senior Officers included above, amounted to:

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

There were 12 transactions that occurred during the current period with one related party for mowing services. The total of these transactions was \$53,677.80, and were made on standard terms through an open tender process.

54 52

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties.

There were no outstanding balances with related parties for the period ending 30 June 2021.

- 9

(c) Loans to / from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows:

No loans to / from related parties for the 2020/21 year.

(d) Commitments to / from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

No commitments to or from related parties noted for the 2020/21 year.

Note 8 Managing uncertainties**8.1 Contingent assets and liabilities****(a) Contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Insurance claims

Council regularly receives claims and demands arising from incidents which occur on land belonging to Council or that arise from the actions or omissions of Council and or its officers. Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. Council carries \$600m of public liability insurance and \$600m of professional indemnity insurance, both with a policy excess of \$50,000 each. The maximum liability of Council in any single claim is the extent of its excess. There are no above excess claims of which Council is aware which would either fall outside the terms of Council's insurance policies or that have not been reported to the LMI scheme.

Legal matters

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As the matters are yet to be finalised, and the financial outcomes are unable to be estimated, no allowance for these contingencies have been made in the financial report.

Liability Mutual insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

Other contingent liabilities

Approximately \$1,641,315 (\$1,715,275 in 2020) is held by Whitehorse City Council in a Landfill Site Aftercare Reserve in relation to the Narre Warren Landfill Site to deal with any environmental problems that could arise in relation to the completed landfill site. Based on experience during operation no problems are expected but the Reserve will continue to be held for approximately the next 20 years until the site is safe. Council's exposure is 15.94% per cent of any works that are required to be completed.

(b) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

Maroondah City Council acts as guarantor against the borrowings for Ringwood Diving Inc. The liability is limited to \$25,000.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and Interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council has assessed the impact of these new standards, and as at 30 June 2021, there are no new or pending accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) applicable for the year ending 30 June 2022 that are expected to impact Council.

8.3 Financial instruments**(a) Objectives and policies**

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

8.3 Financial instruments (cont'd)

(b) Market risk (cont'd)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment products;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Credit risk exists in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property. There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(a).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset. To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(b), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 0.10%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. *AASB 13 Fair value measurement*, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Maroondah City Council
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**Note 9 Other matters
9.1 Reserves**

(a) Asset revaluation reserves

2021

Property

Land	499,956	-	81,664	581,620
Buildings	65,739	-	(7,806)	57,933
	565,695	-	73,858	639,553

Infrastructure

Roads	249,992	-	2,327	252,319
Footpaths and cycleways	27,699	-	346	28,045
Drainage	153,415	-	15,232	168,647
Off street car parks	447	-	173	620
	431,553	-	18,078	449,631

Total asset revaluation reserves	997,247	-	91,936	1,089,183
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2020

Property

Land	549,322	-	(49,366)	499,956
Buildings	63,449	-	2,290	65,739
	612,771	-	(47,076)	565,695

Infrastructure

Roads	243,352	-	6,640	249,992
Footpaths and cycleways	26,953	-	746	27,699
Drainage	146,459	-	6,956	153,415
Off street car parks	-	-	447	447
	416,764	-	14,789	431,553

Total asset revaluation reserves	1,029,535	-	(32,288)	9,972,477
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The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

(b) Other reserves

2021

General	11,000	-	1,000	12,000
Total Other reserves	11,000	-	1,000	12,000

2020

General	11,000	-	-	11,000
Total Other reserves	11,000	-	-	11,000

The general reserve is used to record funds set aside for future possible contingencies e.g. unfunded superannuation call, unplanned capital expenditure.

Maroondah City Council
2020/2021 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2021**

9.2 Reconciliation of cash flows from operating activities to surplus / (deficit)	2021 \$'000	2020 \$'000
Surplus / (deficit) for the year	42,316	10,335
Depreciation and amortisation	23,935	22,559
(Profit) / loss on disposal of property, infrastructure, plant and equipment	(12,689)	(289)
Assets written off and adjustments	2,225	2,718
Finance costs	915	937
Contributions - non-monetary assets	(25)	(378)
Other	(1,227)	(205)
<i>Change in assets and liabilities:</i>		
(Increase) / decrease in trade and other receivables	7,558	(9,883)
(Increase) / decrease in prepayments	(414)	(454)
Increase / (decrease) in trade and other payables	2,507	(1,959)
Increase / (decrease) in trust funds and other deposits	1,214	753
(Increase) / decrease in inventories	(17)	(11)
Increase / (decrease) in unearned income	(8,741)	39,027
Increase / (decrease) in provisions	604	1,443
Net cash provided by / (used in) operating activities	58,161	64,593

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper / Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 *Employee Benefits*.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.6% pa
Salary information 2.5% pa for two years, and 2.75% pa thereafter
Price inflation (CPI) 2.0% pa

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

Net investment returns 4.8% pa
Salary information 2.75% pa
Price inflation (CPI) 2.25% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

9.3 Superannuation (cont'd)

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2020 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2020	2019
	\$'000	\$'000
	Triennial	Interim
A VBI surplus	100,000	151,300
A total service liability surplus	200,000	233,400
A discount accrued benefits surplus	217,800	256,700

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021. Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

Performance Statement

For the year ended 30 June 2021

Description of municipality

The City of Maroondah covers a land area of 61.4 square kilometres in Melbourne's outer east, 22 kilometres from the Central Business District (CBD). The area is a substantially developed peri-urban residential municipality, with an estimated population of 119,401 residents¹ and 47,021 households with an average of 2.54 people per household.²

The City of Maroondah includes the suburbs of Bayswater North, Croydon, Croydon Hills, Croydon North, Croydon South, Heathmont, Kilsyth South, Ringwood, Ringwood East, Ringwood North and Waranwood. The City also includes small sections of Kilsyth, Park Orchards, Vermont and Wonga Park. With little remaining land available for greenfield residential development, future population growth will be mainly stimulated by housing consolidation and medium density development.

Maroondah has the strategic advantage of being located at the north-eastern junction of the Eastern Freeway - EastLink corridor. There are two train lines and a large number of bus routes linking the City with other regions. Our sustainable transport links continue to expand, with on-road cycling paths and shared paths on major trails, including the Mullum Mullum Creek Trail, the EastLink Trail, Taralla Creek Trail and the Dandenong Creek Trail.

Disclosure of COVID-19 impacts on the current reporting period

On 11 March 2020, the novel coronavirus (COVID-19) was declared a global pandemic by the World Health Organisation. COVID-19 had a significant impact on the operations of Council in the current reporting period ending 30 June 2021.

The effect on information contained within this performance statement because of the pandemic has been considered in commentary on material variations and is reflected in results across several indicators contained within this report.

This Performance Statement reflects Council performance on indicators included in the Local Government Performance Reporting Framework. Please note that the source for some of the data included in this framework is derived from external sources such as the Local Government Community Satisfaction Survey, the Australian Bureau of Statistics and the Department of Health and Human Services.

¹ Estimated Residential Population, Australian Bureau of Statistics, 2019.

² Maroondah Population Forecasts, Id Consulting, 2019.

Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator / <i>measure</i>	Results				Material Variations
	2018	2019	2020	2021	
Population					
Expenses per head of municipal population	\$1,095	\$1,134	\$1,113	\$1,090	No material variation.
[Total expenses / Municipal population]					
Infrastructure per head of municipal population	\$7,066	\$7,457	\$7,369	\$7,823	Although the variance is not significant, when comparing like-for-like municipalities in the prior period, Maroondah has spent anywhere between \$500 to nearly \$3,000 per head more on infrastructure than those comparable municipalities (Know Your Council website). This is reflective of Maroondah's view on placing importance on community infrastructure, as well as this, the large capital program that has been supplemented by grant funding and an opportunity to stimulate the economy during COVID.
[Value of infrastructure / Municipal population]					
Population density per length of road	244	246	248	245	No material variation.
[Municipal population / Kilometres of local roads]					

	Results				
Indicator / measure	2018	2019	2020	2021	Material Variations
Own-source revenue					
Own-source revenue per head of municipal population	\$995	\$1,045	\$1,007	\$1,070	No material variation.
[Own-source revenue / Municipal population]					
Recurrent grants					
Recurrent grants per head of municipal population	\$102	\$95	\$68	\$68	No material variation.
[Recurrent grants / Municipal population]					
Disadvantage					
Relative socio-economic disadvantage	9	9	9	9	No material variation.
[Index of Relative Socio-Economic Disadvantage by decile]					
Workforce turnover					
Percentage of staff turnover	9.0%	13.0%	8.5%	9.4%	There were a number of retirements during the year, as well as resignations, mainly driven by people relocating to other states. However, the 2020/21 turnover of 9.40% is lower than the average of the previous three periods of 10.16%.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100					

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2021

Service / indicator / measure	Results				Material Variations
	2018	2019	2020	2021	
Aquatic facilities					The annual utilisation of aquatic facilities decreased further during the 2020/21 period as a direct result of the COVID pandemic. The facilities were closed 151 days during the 2020/21 year, compared to 63 days of closure during the 2019/20 year. Additionally, when the facilities were re-opened, there were capacity limits in place.
Utilisation					
Utilisation of aquatic facilities	8.75	10.11	7.57	3.34	
<i>[Number of visits to aquatic facilities / Municipal population]</i>					
Animal management					The number of successful prosecutions remains low due to delays in processing infringements and not as a result of unsuccessful prosecutions. Animal prosecutions cannot be controlled by Council and will arise as matters progress through the lifecycle of an infringement, or as matters such as dog attacks are reported and are taken to court. The Chief Magistrate has also set a 20-week lag time for matters to be lodged at court which means Council are working through a backlog of matters.
Health and safety					
The percentage of successful animal management prosecutions	-	-	100.00%	0.00%	
<i>[Number of successful animal management prosecutions / Total number of animal management prosecutions] x 100</i>					
Food safety					Data shown is for the 2020 calendar year to align with reporting to the Department of Health (DoH). The percentage of critical and major non-compliance notifications followed up is tracking in accordance with previous financial years.
Health and safety					
Critical and major non-compliance outcome notifications	100.0%	99.06%	100.00%	100.00%	
<i>[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100</i>					

Service / indicator / measure	Results				Material Variations
	2018	2019	2020	2021	
Governance					
Satisfaction					
Satisfaction with council decisions	59	62	59	60	No material variation.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
Libraries					
Participation					
Active library borrowers in municipality	16.18%	16.26%	15.88%	13.83%	The number of active library borrowers within the municipality can be expected to vary over time. Borrowing can include print and audio-visual materials, which were restricted during the COVID pandemic, and digital materials which were popular during restrictions due to ease of online access. Social distancing requirements (capped building occupancy), library closures and other movement restrictions had a major impact on reduced borrowing of physical items.
[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100					
Maternal and child health					
Participation					
Participation in the MCH service	73.88%	78.11%	76.18%	76.19%	This measure captures participation of children in key age and stage appointments which can vary due to timing of appointments during the financial year. Full year participation rates remain consistent with the Victorian state average.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					

Service / indicator / measure	Results				Material Variations
	2018	2019	2020	2021	
Participation					
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	69.90%	72.63%	76.24%	78.31%	Participation rates for aboriginal children vary over time due to Aboriginal families moving in and out of Maroondah, accessing services beyond municipal boundaries and children entering home care. MCH outreach services including Enhanced Home Visiting, Supported Playgroups, new Eastland Centre and drop in service, have seen participation rates steadily rising.
Roads					
Satisfaction					
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	68	70	64	67	This satisfaction rating can vary year on year due to variety of reasons including but not limited to: the term 'local road' not being defined; some respondents may take into account the condition of VicRoads' arterial roads when responding; the term 'condition' not being defined; and some respondents taking into account traffic congestion and safety when responding. The associated additional works undertaken during the year could correlate to an improved satisfaction result.
Statutory Planning					
Decision making					
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	90.41%	90.24%	92.59%	81.82%	The measure showed a lower percentage of decisions upheld at VCAT compared to the previous financial year, which may reflect the smaller number of decisions being considered by the Tribunal and lengthy VCAT timeframes because of the coronavirus COVID pandemic. Increased wait times are seeing a greater number of applicants negotiating outcomes with Council in the lead up to the VCAT hearing, which in turn increases the number of consent orders granted.

Service / indicator / measure	Results				Material Variations
	2018	2019	2020	2021	
Waste Collection					
Waste diversion					
Kerbside collection waste diverted from landfill	54.14%	53.66%	56.83%	56.71%	No material variation.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100					

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial Performance Indicators

For the year ended 30 June 2021

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Efficiency					Increase is in the acceptable and expected parameters, as are the forward-looking forecasts across the next four years.				
Revenue level									
Average rate per property assessment	-	-	\$1,520	\$1,565					
[Total rate revenue (general rates and municipal charges) / Number of property assessments]									
Expenditure level					Movement has been consistent across the past four years with the current year actuals within \$40 of the past three-year average. The increment in the expenses per property assessment mainly relates to increased materials and services expenditure in 21/22, however, this also has other corresponding income recognised during the year that is				
Expenses per property assessment									
[Total expenses / Number of property assessments]	\$2,562	\$2,654	\$2,583	\$2,551					

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
									not reflected in this measure. This is similarly applicable to the future periods.
Liquidity									
Working capital									
Current assets compared to current liabilities	204.09%	199.11%	157.20%	117.09%	123.39%	157.90%	145.42%	146.71%	Changes/fluctuations in the 2019/20 and 2020/21 liquidity ratio are a result of newly adopted accounting standards, which have increased the value of Council's short-term liabilities. As well as this, Council's cash balance has been significantly impacted due to the COVID Pandemic, with 2020/21 alone, resulting in reduction in user fees of over \$6m. The indicator then looks to stabilise in future years.
<i>[Current assets / Current liabilities] x100</i>									

Dimension / indicator / <i>measure</i>	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Unrestricted cash					Unrestricted cash is as per the accounts 2020/21. At 30 June 2021, Council had \$38m in term deposits due to mature within 90 days. These deposits are not reflected in this measure as they are included in Other Financial Assets, being term deposits held with an original maturity term greater than 90 days.				
Unrestricted cash compared to current liabilities									
<i>[Unrestricted cash / Current liabilities] x100</i>									
Obligations					This was a new indicator in 2019/20, which includes renewal and upgrade expenditure. The drop during the 2020/21 period was expected, given the level of dollars directed towards new infrastructure, which were mostly grant funded. However, the ratio is still within the range that is considered low risk and one Council considers to be meeting targeted ranges. The				
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation									
<i>[Asset renewal and asset upgrade expenses / Asset depreciation] x100</i>									

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
									future forecasts are based on the 10 year capital works program, with a dip below expected ranges in 2022/23 that will be consistently reviewed, given cumulative COVID pandemic impacts.
Loans and borrowings									
Loans and borrowings compared to rates	23.60%	20.77%	19.90%	16.50%	24.57%	21.10%	17.69%	14.61%	This indicator measures total interest-bearing liabilities compared to rate revenue. Due to impact of the COVID pandemic, Council deferred one of the bi-annual loan repayments. With that, Council then made three (one additional) loan repayments during 2020/21 period. In 2021/22, this figure is expected to increase given Council's Budget 2021/22 has proposed new borrowings included in its forecasts. This percentage is then expected to decline year-on-year from 2022/23 onwards.
<i>[Interest bearing loans and borrowings / Rate revenue] x100</i>									

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Loans and borrowings									
Loans and borrowings repayments compared to rates	2.71%	2.56%	1.24%	3.61%	3.59%	3.46%	3.32%	3.23%	Decreasing trend reflects that without additional borrowings, the principal loan amount continues to reduce year-on-year. Due to impact of the COVID pandemic, Council deferred one of the bi-annual loan repayments in 2019/20. In 2020/21 we have made three (one additional) loan repayments. Next year, this figure is expected to increase given Council's Budget 2021/22 has proposed new borrowings included in its forecasts. This percentage is then expected to decline year-on-year from 2022/23 onwards.
<i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>									

	Results				Forecasts					
Dimension / indicator / measure	2018	2019	2020	2021	2022	2023	2024	2025	Material Variations	
Indebtedness										
Non-current liabilities compared to own source revenue	17.23%	15.41%	24.51%	15.12%	18.23%	15.92%	12.77%	10.74%	The 2019/20 year was the first year of new Accounting Standard implementation, in relation to income earning for both operating and capital grants, has led to higher than otherwise predicted non-current liability amounts. Future forecasts remain quite steady, with a slight increase projected in 2021/22 (additional borrowings projected) and gradually decline, as Council repays borrowings over time.	
[Non-current liabilities / Own source revenue] x100										

	Results				Forecasts					
Dimension / indicator / <i>measure</i>	2018	2019	2020	2021	2022	2023	2024	2025	Material Variations	
Operating position										The impact of the COVID Pandemic on Council has been significant. Council has experienced a material decrease in user fees income (over \$6m compared to budget) and partial decrease in the associated costs. However, achieving a higher underlying surplus been the result of one-off gains from the sale of Warrandyte Rd and other land swap transactions (non-cash transactions). Future forecasts would indicate levels that are more normalised over time, with not as many one-off events currently anticipated when compared to those events that impacted the 2020/21 outcome.
Adjusted underlying result										
Adjusted underlying surplus (or deficit)	5.35%	6.58%	1.06%	12.52%						
<i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>										

Dimension / indicator / <i>measure</i>	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Stability					<p>The impact of the COVID pandemic has resulted in reduced user fees income, hence resulting in a concentration in rates income making up a greater portion of the overall Council income. In future years, it is anticipated that this percentage will continue to fall gradually, as user fees improve post COVID impacts cumulatively across the next four years.</p>				
Rates concentration									
Rates compared to adjusted underlying revenue	62.97%	63.09%	69.42%	64.45%					
<i>[Rate revenue / Adjusted underlying revenue] x100</i>									
Rates effort									
Rates compared to property values									
Rates compared to property values	0.26%	0.23%	0.26%	0.25%					
<i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>					No material variation.				

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2021

Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020) requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 28 June 2021 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

Antonio Rocca CA

Principal Accounting Officer

Dated: 16 August 2021

In our opinion, the accompanying performance statement of Maroondah City Council for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020) to certify this performance statement in its final form.

K Spears

Mayor

Dated: 16 August 2021

M Symon

Councillor

Dated: 16 August 2021

S Kozlowski

Chief Executive Officer

Dated: 16 August 2021



MAROONDAH CITY COUNCIL

North Ringwood Senior Citizen's Club

COMMUNITY FACILITY LEASE 2021

This lease package is a controlled document and is one of a suite of documents used by Council when granting third parties the use of Council premises. Permission for the use of this document by Council staff must be obtained from Council's Manager Leisure.





Maroondah City Council 2018 standard community facility lease package

This lease has been developed for use in the lease of community facilities by Maroondah City Council (**Council**). It is based on a standard document prepared by Maddocks lawyers, modified for Council's own purposes.

The Council documents used to leases or licence the use of Council premises include:

- This standard community facility lease;
- A standard community facility licence;
- Standard documents to vary, surrender and renew community facility leases and community facility licences;
- A suite of documents relating to the seasonal allocation of Council premises (through a form of licence); and
- Overarching policy documents, including –
 - Community Facilities Occupancy policy (2015); and
 - Community Facilities Pricing policy (2015).

This community facility lease consists of two parts:

Part One – Recitals and Execution Page

The Recitals set out the factual circumstances in which the lease was entered into. They do not form an operative part of the lease (i.e. grant rights or create obligations) but Council can rely and may be able to take action based on any representations made by the tenant (usually in Recital I).

The execution page is where Council and the tenant formally sign (or execute) the lease to confirm their mutual acceptance of the terms and conditions of the lease.

Part Two – Particulars, Standard Clauses and Annexures

The Particulars are the specific details of each lease: the parties to the lease, the land being leased, the period of the lease, the rent etc. There are then 23 standard clauses which set out Council's community facility lease terms. These Particulars must be completed for the standard terms to be able to have effect.

There are four Annexures to each Council lease:

- Annexure A records any amendments to the standard clauses and includes any additional special conditions (which prevail over standard clauses).
- Annexure B inserts a plan of the premises. It is this plan that shows the specific land and buildings being leased to the tenant.
- Annexure C inserts a copy of the Ministerial Determination dated 24 July 2008¹.
- Annexure D are Council's standard documents to exercise any option to extend the term of the Lease.

¹ This Determination exempts certain Local Government leases from retail tenancy lease laws.



Part One – Recitals

- A. Maroondah City Council owns the land known as –
- Norwood Reserve, Warrandyte Road, Ringwood North, 3134
 - Volume 8127 Folio 900
(**Council's Land**)
- B. North Ringwood Senior Citizen's Club (78 793 208 578) is a not for profit incorporated association that is registered in Victoria and operates within the municipality of Maroondah (**Tenant**).
- C. The Tenant wishes to lease part or all of the Council Land from Council.
- D. Council has granted the Tenant a lease of the part of Council's Land bounded in red on the aerial photograph or other plan shown in Annexure B of Part Two of this lease package on the terms and conditions set out in this lease (**Premises**).
- E. Located on the Premises are the following Council assets –
- Senior Citizens centre
 - Annex utilised by Early Planned Retirement
 - Historical Society room
 - Kindergarten Building
- F. Located on the Premises are the following assets not owned by Council: the Tenant's property.
- G. Subject to the terms of this lease, the Tenant has the exclusive use of the Premises and all Council assets located on the Premises.
- H. The purpose of Council granting this lease to the Tenant is to enable the Tenant to carry on of activities normally associated with a senior citizens club (leisure and recreational activities, social inclusion programs and events which support older residents of Maroondah)
- I. In granting this lease to the Tenant, the Tenant acknowledges it has made and Council has relied upon the following representations –
- The Premises will only be used for not for profit purposes and not for any commercial purposes;
 - The Tenant will only use the Premises in a manner that complies with the terms and conditions of this lease;
 - The Tenant is financially sound and will be able to pay its rent and all other of its debts as and when they fall due; and
 - The Tenant has disclosed to Council all matters about the Tenant and about this lease known by the Tenant which may materially affect either Council's decision to grant this lease to the Tenant or the terms of this lease.



Part One – Execution Page

The Council leases the Premises to the Tenant subject to the terms contained in this Lease.

This Lease is executed as a deed on the day of 2021

The Common Seal of Maroondah)
City Council was affixed in the)
presence of:)

..... Councillor

..... Chief Executive Officer

Dated this day of 2021

Executed for and on behalf of [insert)
name of Tenant] in accordance with its)
Constitution by:)

(Signed)

..... PRINT name and position held

(Signed)

..... PRINT name and position held

Dated this day of 2021



Part Two – Standard terms of Maroondah City Council community facility lease

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Particulars

Item 1. Council: (Clause 1)	Maroondah City Council of Braeside Avenue, Ringwood 3134
Item 2. Tenant: (Clause 1)	Ringwood North Senior Citizens Incorporated 78 793 208 578 125A Warrandyte Road, Ringwood North, 3134
Item 3. Land: (Clause 1)	The land contained in certificate of title volume 8127 folio 900 and known as Norwood Reserve, Warrandyte Road, Ringwood North, 3134
Item 4. Premises: (Clause 1)	That part of the Land shown bounded in red on the plan in Annexure B
Item 5. Commencement Date: (Clause 1)	1 July 2021
Item 6. Term: (Clause 1)	Three (3) years
Item 7. Further Term(s): (Clause 1 & 3.2)	Two (2) further term(s) of three (3) year(s)
Item 8. First and Last dates for exercising the Option for the Further Term: (Clause 3.2.1)	First date 1 January 2024 Last date 1 April 2024
Item 9. Rent : (Clause 1 & 3)	Year 1: \$835.25 incl GST Year 2: \$856.01 incl GST Year 3: \$877.41 incl GST Year 4: \$899.35 incl GST Year 5: \$921.83 incl GST Year 6: \$944.88 incl GST Year 7: \$968.50 incl GST Year 8: \$992.71 incl GST Year 9: \$1,017.53 incl GST The Rent is payable annually in advance, within 28 days of Council issuing an invoice for the Rent, commencing on the Commencement Date, and then on each anniversary of the Commencement Date during the Term and any Further Term. Council will generally issue its tax invoice for the Rent in March or April preceding the next anniversary of the Lease. This payment obligation also applies to the payment of Rent during any Further Term.
Item 10. Rent During Further Term: (Clause 1 and 5)	To be determined by Council if the option is exercised



Particulars (continued)

Item 11. Security Deposit: (Clause 1 & 8.1)	\$1,000 plus GST
Item 12. Community Use: (Clause 1 & 14.1)	The carrying on of activities normally associated with supporting older residents with social inclusion, leisure, recreation and social support related activities.
Item 13. Hours of Use (Clause 14.4)	Not applicable
Item 14. Special Conditions: (Clause 1 & 22.6)	The Special Conditions in section two of Annexure A form part of this Lease.
Item 15. Changes to Council's standard terms: (Clause 22.6)	<p>The following standard clauses have been amended (as set out in section one of Annexure A):</p> <p>14.4 clause deleted - unrestricted use of facility</p> <ul style="list-style-type: none">2.1 Shared use spaces



1. Definitions

In this Lease unless expressed or implied to the contrary²:

Commencement Date means the date specified in Item 5.

Community Use means the use specified in Item 12 which falls within the uses specified in the Determination.

Council means Maroondah City Council as stated in Item 1 and includes the Council's successors and assigns and where it is consistent with the context includes the Council's employees and agents.

Council's Fixtures means all fittings, fixtures, and chattels contained in the Premises at the Commencement Date or installed by the Council during the Term.

CPI means the Consumer Prices Index – All Groups (Melbourne) or agreed equivalent

Determination means the Ministerial Determination dated 24 July 2008, a copy of which is attached at Annexure C.

Disaster Recovery Plan means the recovery plan prepared by Council (and other agencies) to be applied in the event of a disaster.

Further Term means the further term(s) specified in Item 7.

Hours of Use means the hours specified in Item 13.

Item means an item in the Particulars to the Lease.

Land means the land specified in Item 3.

Lease means this Lease.

Lettable Area(s) means the lettable area of the Land assessed for Rates and Taxes as determined by a surveyor engaged by the Council.

Maintenance Schedule means the schedule published on Council's internet website³ which sets out the repair and maintenance responsibilities of the parties to the Lease.

Municipal Emergency Management Plan means the management plan prepared by Council and other agencies that is applied in the event of an emergency.

Part means one of the two (2) parts to this Lease, which collectively constitute and form the terms of this Lease.

Premises means the premises specified in Item 4 and includes the Council's Fixtures.

Rates and Taxes means the rates, taxes, charges and levies specified in clause 6.1.

² Note: clause, Particular and annexure are defined in clause 23.5.1.

³ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version (if any).



Rent means the amount specified in Item 9 as reviewed, adjusted or increased under this Lease.

Security Deposit means a Security Deposit for the amount specified in Item 11.

Services refers to utilities including electricity, gas, water, telephone and internet connection.

Special Conditions means the conditions referred to in Item 14.

Tenant means the Tenant specified in Item 2 and includes the Tenant's successors and assigns and where it is consistent with the context includes the Tenant's employees, contractors, agents, invitees and persons the Tenant allows in the Premises.

Tenant's Property means all property in the Premises including all fixtures and fittings owned or leased by the Tenant but excluding the Council's Fixtures.

Term means the term specified in Item 6 and includes any period of overholding.

2. Compliance with *Local Government Act 1989*

Where applicable, the grant of this Lease is subject to the Council giving notice of its intention to grant this Lease and resolving to grant this Lease pursuant to the requirements of the *Local Government Act 1989* (Vic).

3. Duration of the Lease

3.1 Term

This Lease is for the Term starting on the Commencement Date.

3.2 Option for a Further Term

The Council will agree to the Lease being extended for the Further Term if the Tenant:

- 3.2.1 gives the Council written notice in a form similar to the relevant letter in Annexure D asking to exercise the option to extend the term of the Lease, provided such notice is given not earlier than 6 months nor later than 3 months before the end of the Term (the first and last dates for exercising the option for the Further Term are specified in Item 8);
- 3.2.2 has remedied any breach of this Lease of which the Tenant has received written notice from the Council;
- 3.2.3 has not persistently defaulted under this Lease where the Council has given written notice of the defaults; and
- 3.2.4 complies with all reasonable requirements of the Council.

3.3 Process to exercise an option for a Further Term

The process to exercise an option for a Further Term once Council has received the written request from the Tenant's pursuant to clause 3.2.1 above is –



- 3.3.1 Council will advise the Tenant in writing whether Council agrees to the option for the Further Term being exercised⁴;
- 3.3.2 If Council agrees to the option being exercised then Council will send the Tenant an exercise of option agreement in a form similar to the relevant letter in Annexure D; and
- 3.3.3 The Tenant must then execute the exercise of option agreement and return it to the Council within 28 days of receipt failing which the option lapses at Council's discretion. If an option for a Further Term lapses then Council will confirm same to the Tenant in writing⁵.

3.4 Commencement and terms of the Further Term

Where an option for a Further Term has been exercised then the Further Term will commence on the day after the initial Term ends and operates on the same terms and conditions as the initial Term save that

- 3.4.1 there will be with no option for a Further Term where the last option for a Further Term has been exercised; and
- 3.4.2 the Rent for the Further Term will be the Rent stated in Item 10.

3.5 Overholding

If the Tenant continues in occupation of the Premises after the end of the Term, without objection by the Council:

- 3.5.1 the Tenant occupies the Premises subject to the same terms and conditions contained in this Lease;
- 3.5.2 the Council or the Tenant may end this Lease during any period of overholding by giving 30 days written notice to the other party expiring at any time; and
- 3.5.3 the Council may increase the Rent and the amount of any Security Deposit by giving the Tenant one months' written notice and those increases will apply from the end of the notice, even where the Tenant has already paid Rent further in advance.

4. Payment of Rent

The Tenant must pay the Rent to the Council in the manner specified by the Council in Item 9.

5. Rent for any Further Term

The Rent for any Further Term will be set for each year of the Further Term by Council prior to the Further Term commencing. The Rent will be determined by the application of any relevant policy adopted by Council or by reference to the historical and expected future movement in the CPI rounded up or down to the nearest \$50 or \$100 as Council reasonably determines.

⁴ If the Tenant has complied with the four requirements of clause 3.2 then Council is required to agree to the option being exercised. The option is the Tenant's, not Council's.

⁵ This signed letter of agreement is the formal documentation confirming the lease has been extended for the Further Term. It should be added to both parties copy of the Lease. Council does not execute a new lease when an option is exercised.



6. Outgoings

6.1 Rates and Taxes

The Tenant must pay to the Council, or the relevant authority:

- 6.1.1 water rates and charges, including water usage charges;
- 6.1.2 sewerage and drainage rates and charges;
- 6.1.3 land tax (assessed on a single holding basis); and
- 6.1.4 all other rates, taxes, charges and levies assessed in connection with the Premises save that the Tenant will not be required to pay for the waste collection services set out in clause 18.7 that Council will provide.

6.2 Proportion of Rates and Taxes

If any Rates and Taxes are not separately assessed in connection with the Premises, the Tenant must pay to the Council within 30 days of demand the proportion of the Rates and Taxes that the area of the Premises bears to the total Lettable Area assessed.

6.3 Receipt for Payment

The Tenant must provide to the Council receipts for any Rates and Taxes paid by the Tenant within 30 days of request by the Council.

7. Other expenses

7.1 Services

The Tenant must, by the due date on the demand, pay for all services in connection with the Premises, including electricity, gas, water, telephone, internet and cable communications or entertainment services and where any service is not separately metered, the Tenant must pay for a reasonable proportion of those services as determined by Council, acting reasonably.

7.2 Costs and Duty

The Tenant must pay to the Council within 30 days of demand:

- 7.2.1 Council's reasonable costs of preparing, negotiating and finalising this Lease;
- 7.2.2 the stamp duty payable on this Lease (including penalties and fees);
- 7.2.3 the Council's reasonable costs in considering the granting of any consent or approval under this Lease (regardless of whether the Council actually gives such consent or approval);
- 7.2.4 the Council's architects or contractor's fees payable pursuant to clause 11.3; and
- 7.2.5 the Council's costs (including charges on a solicitor-own client basis) incurred as a result of a breach of this Lease by the Tenant.



8. GST

8.1 Definitions

In this clause:

- 8.1.1 words and expressions that are not defined in this Lease but which have a defined meaning in the GST Law have the same meaning as in the GST Law;
- 8.1.2 GST Law has the meaning given to that term in the A New Tax System (*Goods and Services Tax*) Act 1999.

8.2 GST Exclusive

Except as otherwise provided by this clause, all consideration payable under this Lease in relation to any supply is exclusive of GST.

8.3 Increase in Consideration

If GST is payable in respect of any supply made by a supplier under this Lease (**GST Amount**), the recipient will pay to the supplier an amount equal to the GST payable on the supply.

8.4 Payment of GST

Subject to clause 8.3 the recipient will pay the GST Amount at the same time and in the same manner as the consideration for the supply is to be provided under this Lease.

8.5 Tax Invoice

The supplier must provide a tax invoice to the recipient before the supplier will be entitled to payment of the GST Amount under clause 8.4.

8.6 Reimbursements

If this Lease requires a party to reimburse an expense or outgoing of another party, the amount to be paid or reimbursed by the first party will be the sum of:

- 8.6.1 the amount of the expense or outgoing less any input tax credits in respect of the expense or outgoing to which the other party is entitled; and
- 8.6.2 if the payment or reimbursement is subject to GST, an amount equal to that GST.

8.7 Adjustment events

If an adjustment event occurs in relation to a taxable supply under this Lease:

- 8.7.1 the supplier must provide an adjustment note to the recipient within 7 days of becoming aware of the adjustment; and
- 8.7.2 any payment necessary to give effect to the adjustment must be made within 7 days after the date of receipt of the adjustment note.



9. Security Deposit

9.1 Council's Right to Use Security Deposit

The Council may call up payment of the Security Deposit required by clause 9.2 if the Tenant does not comply with any of its obligations under this Lease.

9.2 Delivery of Security Deposit

The Tenant must:

- 9.2.1 pay to the Council the Security Deposit by way of bank cheque together with the Tenant's tax file number on or before the Commencement Date; or
- 9.2.2 if the Council requires, deliver to the Council a bank guarantee for an amount equal to the Security Deposit (the bank guarantee must be on terms acceptable to the Council acting reasonably) on or before the Commencement Date; and
- 9.2.3 pay any additional amount towards the Security Deposit within 14 days of demand to maintain the Security Deposit at the required level.

9.3 Tenant to replace Security Deposit

The Tenant must, within 14 days of demand, replace any amount of the Security Deposit used by the Council (including providing a replacement or additional bank guarantee).

9.4 Return of Security Deposit

The Council must, if the Tenant has complied with all of its obligations under this Lease, return the Security Deposit to the Tenant within 60 days of the end of this Lease.

9.5 Sale of the Land

The Tenant must provide the Security Deposit to any future owner of the Land if this Lease continues beyond the sale of the Land.

10. Payment requirements

10.1 No Deduction or Right of Set-off

The Tenant must pay all amounts due under this Lease to the Council (including the Rent and Rates and Taxes) without deduction or right of set-off.

10.2 Interest on Late Payments

The Tenant must pay to the Council on demand interest at the rate per annum equal to the current rate fixed under section 2 of the *Penalty Interest Rates Act 1983* (Vic) on any money payable by the Tenant under this Lease and remaining unpaid after the due date. Interest will be computed from the date on which such payment became due.



10.3 Payment after Termination

The Tenant must:

- 10.3.1 make all payments due under this Lease; and
 - 10.3.2 provide all information to the Council under this Lease to calculate any such payments,
- even if this Lease has ended.

10.4 Method of payment

The Tenant must make all payments under this Lease in such manner as the Council reasonably requires, which may include by electronic funds transfer or direct debit.

11. Repairs, Refurbishment and Alterations

11.1 Repairs and Maintenance

- 11.1.1 The Tenant must maintain⁶ and repair the Premises in accordance with Maintenance Schedule.
- 11.1.2 Without limiting clause 11.1.1, the Tenant must:
 - (a) keep the Premises and the Tenant's Property clean and free from rubbish, store all rubbish in proper containers and have it regularly removed;
 - (b) keep the Premises in the same condition as it was in at the date the Tenant first entered occupation of the Premises (fair wear and tear excepted);
 - (c) pay to Council any costs incurred by Council in maintaining, repairing or replacing items in the Premises that are damaged, worn or destroyed with items of at least the same quality which are:
 - (i) the Tenant's responsibility under the Maintenance Schedule; or
 - (ii) not listed on the Maintenance Schedule,and which are not maintained, repaired or replaced by the Tenant as required under this Lease⁷;
 - (d) make good any damage caused to any adjacent property by the Tenant;
 - (e) take all reasonable measures to ensure that any fair wear and tear to the Premises does not cause any loss or damage to the Premises or to any person;
 - (f) give the Council prompt written notice of any material damage to the Premises or anything likely to be a risk to the Premises or any person or property in or near the Premises; and

⁶ Maintenance includes the regular servicing of specific items such as automatic doors, air conditioners, heaters, dishwashers and the like.

⁷ As the failure to repair or replace is a breach of this Lease then Council can immediately access the Tenant's Security Deposit, if there is one, rather than making demand for payment from the Tenant. Refer to clause 9.2.



- (g) generally comply with the procedures for maintenance and repairs set out in Council's Community Facilities Occupancy Policy (provided a copy is given to the Tenant) to the extent that Policy is not inconsistent with this Lease.

11.2 Electrical Equipment

The Tenant must ensure that all electrical equipment and appliances are inspected, tested and tagged in accordance with, and as often as required by, the standards contained in the Standard Inspection and Testing AS/NZS 3760.

11.3 Alterations to Premises

The Tenant must ensure any alterations or works to the Premises, any services to the Premises or the Tenant's Property are carried out strictly in accordance with the process set out in Council's policy for alterations to premises under a community facilities lease published on Council's internet website⁸.

The Tenant is not required to seek the Council's consent to making any alterations to the display of the Tenant's property in the Premises.

11.4 Not Interfere with Services

The Tenant must not interfere, misuse or overload any services to the Premises, including electricity, gas and water.

11.5 Defacing Premises

The Tenant must not deface or damage the Premises (including drilling holes in the Premises) except where approved by the Council in accordance with clause 11.3.

11.6 Failure to Repair and Maintain

If the Tenant does not carry out any repairs, maintenance or other works required under this Lease within 14 days of receiving written notice from the Council to do so, then the Council may enter the Premises to carry out such repairs, maintenance and works at any reasonable time after giving the Tenant further reasonable notice. The cost of all such repairs, maintenance and works must be paid by the Tenant to the Council on demand⁹.

11.7 Repairs to Council's Fixtures

The Tenant must reimburse the Council for the cost of any repairs to the Council's Fixtures within 14 days of demand¹⁰.

⁸ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A policy titled 'Process for a tenant carrying out any alterations or works to the Premises' was published in 2013.

⁹ As the failure to repair or maintain is a breach of this Lease then Council can immediately access the Tenant's Security Deposit, if there is one, rather than making demand for payment from the Tenant. Refer to clause 9.2.

¹⁰ A failure to reimburse entitles Council to access the Tenant's Security Deposit, if there is one. Refer to clause 9.2.



12. Insurance¹¹

12.1 Public Liability, Consequential Loss and Glass Insurance

12.1.1 The Tenant must throughout this Lease maintain insurance, in the name of the Tenant and with Council named as principal or as an interested party, with an insurer approved by the Council, for:

- (a) public liability for the amount of \$20 million for each single event (or such greater sum as reasonably required by the Council); and
- (b) any windows and any other glass in the Premises for their full replacement value.

12.1.2 The Tenant acknowledges that the insurance set out in clause 12.1.1(a) must extend to the whole of the Premises and all activities of the Tenant including the activities of any volunteers and invitees of the Tenant.

12.2 Tenant's Property

The Tenant must insure the Tenant's Property for loss and damage from risks including fire and water damage for its full replacement value.

12.3 Payment and Production of Policies

The Tenant must pay all insurance premiums on or before the due date for payment and produce to the Council copies of the certificate of currency on or before each anniversary of the Commencement Date.

12.4 Not Invalidate Policies

The Tenant must:

- 12.4.1 not do anything which may make any insurance effected by the Council or the Tenant invalid, capable of being cancelled (by the insurer) or rendered ineffective, or which may increase any insurance premium payable by the Council; and
- 12.4.2 pay any increase in any insurance premium payable by the Council where such increase has been caused by the Tenant's act, default or use of the Premises.

12.5 Requirements by Insurer

The Tenant must comply with all reasonable requirements of the Council's insurer in connection with the Premises.

12.6 Other Insurance

The Tenant must, at its cost, effect and maintain:

- 12.6.1 workers' compensation insurance for its employees; and
- 12.6.2 if required by Council, professional indemnity, and directors and officers liability, insurance,

¹¹ Insurance of Council buildings and improvements (e.g. tennis courts, baseball fields, soccer fields etc) and Council's fixtures (generally anything fixed to the building or improvement) are Council's responsibility. Tenants are not required to insure these.



to the reasonable satisfaction of Council.

13. Release, Indemnity, Compensation and Liability

13.1 Release

The Tenant uses and occupies the Premises at its own risk and releases the Council from all claims resulting from any damage, loss, death or injury in connection with the Premises except to the extent that such claims arise out of the Council's negligence.

13.2 Indemnity

The Tenant must indemnify and hold harmless the Council against all claims resulting from any damage, loss, death or injury in connection with the Premises and the use and occupation of the Premises by the Tenant. The Tenant's liability to indemnify the Council will be reduced proportionally to the extent that the Council's negligence contributed to the loss or liability.

13.3 No Compensation

The Council is not liable to the Tenant for any loss or damage incurred by the Tenant due to:

- 13.3.1 any damage to the Premises;
- 13.3.2 the failure of the Council's Fixtures or any plant and equipment (including air conditioning and water or other heaters) to operate properly;
- 13.3.3 the interruption or damage to any services (including electricity, gas or water) to the Premises; and
- 13.3.4 the overflow or leakage of water in the Premises.

13.4 No Liability

The Tenant acknowledges and agrees that the Council will not be liable to the Tenant under this Lease (including but not limited to a breach of the covenant of quiet enjoyment or a derogation of the grant of this Lease) for any acts or omissions of the Council undertaken in any capacity including (but not limited to) in exercising any powers under the *Local Government Act 1989* (Vic) or the *Planning and Environment Act 1987* (Vic) except nothing in this clause releases Council from any obligations it owes to the Tenant under this Lease in its capacity as the owner of the Premises.

14. Community Use

14.1 Permitted Use

The Tenant must use the Premises for the Community Use and not use the Premises for any other purpose, with the intention being that the Tenant will maximise community use of the Premises within the Permitted Use. This means the Tenant is under a positive obligation to maximise the use of the Premises. If there are times where the Tenant is not using the Premises, then subject to clause 16 and special condition 2, Council may permit the Tenant to make the Premises available for use or hire by other community groups or individuals provided those other groups or individuals use the Premises in a manner that complies with the Permitted Use and the other terms of this Lease.



14.2 No Warranty

The Tenant:

- 14.2.1 acknowledges that the Council does not represent that the Premises are suitable for the Community Use; and
- 14.2.2 must make its own enquiries as to the suitability of the Premises for the Community Use.

14.3 Illegal Purpose

The Tenant must not use the Premises for any illegal purpose or carry on a noxious or offensive activity on the Premises.

15. Other obligations concerning the Premises

15.1 Compliance with Laws

The Tenant must comply with all laws and any requirements of any authority in connection with the Premises and the Tenant's use and occupation of the Premises including but not limited to, any requirements of the *Equal Opportunity Act 1995 (Vic)*, *Occupational Health and Safety Act 1958 (Vic)*, *Accident Compensation Act 1985* and the *Workers Compensation Act 1958 (Vic)* if applicable, except the Tenant will not be required to carry out any structural works unless the need for such works arises from:

- (a) the negligent act or omission of the Tenant;
- (b) the failure by the Tenant to comply with its obligations under this Lease; or
- (c) the Tenant's use of the Premises.

15.2 Licences and Permits

The Tenant must maintain all licences and permits required for the Tenant's use of the Premises and obtain the prior written consent¹² of the Council before varying any licence or permit or applying for any new licence or permit.

15.3 Nuisance

The Tenant must not do anything in connection with the Premises which may:

- 15.3.1 cause a nuisance or interfere with any other person; or
- 15.3.2 be dangerous or offensive in the Council's reasonable opinion.

15.4 Security

The Tenant must:

- 15.4.1 keep the Premises secure at all times when the Premises are not being used by the Tenant;
- 15.4.2 comply with any building security policy or procedure, key policy or procedure or similar policy or procedure published by Council on its internet website¹³;

¹² Clause 22.8 provides how Council can exercise this consent right.



- 15.4.3 not have additional keys cut or install any security system without the prior written consent¹⁴ of Council. The Tenant acknowledges that the Council may (in granting such consent) require the Tenant to provide Council with any access codes, cards or key servicing the Premises. If the Tenant fails to comply with any such condition Council may remove or temporarily or permanently disable the security system servicing the Premises at the Tenant's cost;
- 15.4.4 be able, at all times, to identify the person in possession of any key issued to the Tenant by Council. If the Tenant is not able to identify such persons to Council's reasonable satisfaction then, in addition to any other rights or remedies under this Lease, Council reserves the right to change the locks and re-key the Premises and issue new keys, the costs of which becomes a debt due and payable to Council by the Tenant upon the written demand of Council;
- 15.4.5 pay the cost of all security attendance at the Premises unless a police report is produced or panel fault is identified;
- 15.4.6 ensure all alarm codes are kept secure and that all alarms are in good working order¹⁵ and are properly de-armed during the Tenant's use of the Premises and re-armed after the Tenant's use of the Premises. If any Council officer, contractor or an emergency service, including, but not limited to a fire brigade, attends the Premises in response to an alarm that is triggered other than in an emergency situation, then the Tenant will be responsible for paying directly or reimbursing Council in respect of any cost or payment that must be made to the Council officer, contractor and/or emergency service as a result.

15.5 Signs

The Tenant must seek the prior written consent¹⁶ of the Council before displaying or affixing any signs, advertisements or notices to any part of the Premises where such signs, advertisements or notices are visible from outside the Premises.

15.6 No Smoking

The Tenant must:

- 15.6.1 not permit any smoking in the Premises; and
- 15.6.2 display 'no smoking' signs in the Premises if requested by the Council.

15.7 Vacation of Premises

The Tenant must not leave the Premises vacant for more than 45 continuous days without the prior written consent¹⁷ of Council.

15.8 Emergency Procedures

The Tenant must:

- 15.8.1 keep a fully stocked first aid kit at the Premises and replenish it when required;

¹³ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A policy titled 'Maroondah Key Policy 2012' was published in 2013.

¹⁴ Clause 22.8 provides how Council can exercise this consent right.

¹⁵ Council, at its cost, will undertake regular inspection and maintenance of Council provided security systems. If there is any fault in a security system the Tenant is to promptly inform Council so an inspection can be undertaken.

¹⁶ Clause 22.8 provides how Council can exercise this consent right.

¹⁷ As above.



- 15.8.2 establish and display an emergency evacuation plan, and test the utility of any such evacuation plan, at regular intervals during each year of the Term; and
- 15.8.3 only use emergency equipment at the Premises for genuine emergencies and must promptly inform Council if emergency equipment is utilised by the Tenant and the reasons for such utilisation. If Council is of the view that the emergency equipment has been properly and reasonably used then Council will replenish the emergency equipment at Council's cost. However, if Council is not satisfied that the emergency equipment has been properly and reasonably used for an emergency, then the Tenant will be responsible for replenishing the emergency equipment at the Tenant's cost.

15.9 Heavy Objects and Flammable Substances

The Tenant must not:

- 15.9.1 store any flammable or explosive substances in the Premises unless they are required for the Community Use; or
- 15.9.2 store any unreasonably heavy objects in the Premises or store anything likely to damage the Premises.

Where flammable or explosive substances are stored in the Premises not in breach of this Lease, then the Tenant must give Council written notice of same including details of the substances, their volume, storage container and location.¹⁸

15.10 Television and Radio

The Tenant must not install any televisions, radios, music systems or other equipment in the Premises which can be heard outside the Premises without obtaining the prior written consent¹⁹ of the Council.

15.11 Endanger Premises

The Tenant must not do or permit anything to be done in connection with the Premises which in the opinion of the Council may endanger the Premises or be a risk to any person or property.

15.12 Tenant's Employees

The Tenant must use all reasonable endeavours to ensure that the Tenant's employees, agents, contractors and invitees observe and comply with the Tenant's obligations under this Lease, where appropriate.

15.13 Animals

The Tenant must not allow any animals other than assistance dogs to enter the Premises, unless the animals are required for or part of the Community Use of the Premises.

15.14 Auction Sales

The Tenant must not conduct or allow to be conducted any auctions, garage sales, car boot sales, fetes or similar activities without the prior written consent²⁰ of Council.

¹⁸ This notification enables Council to determine whether additional safety measures, such as emergency services warning signs, are required for the Premises. If there are any questions or concerns about chemicals in the Premises then Tenants are encouraged to contact Council so Council's corporate occupational health and safety adviser can review the circumstances and situation.

¹⁹ Clause 22.8 provides how Council can exercise this consent right.

²⁰ As above.



15.15 Liquor Licence

The Tenant must:

- 15.15.1 seek the prior written consent²¹ of the Council before applying for any licence or permit under the *Liquor Control Reform Act 1998* (Vic) (licence or permit), or applying for any variation, removal, transfer, surrender or release of the licence or permit or nominating any person to be a licensee or permittee;
- 15.15.2 produce the licence or permit to the Council for inspection upon demand;
- 15.15.3 comply with any conditions of the licence or permit imposed by the Council;
- 15.15.4 comply with all conditions of the licence or permit and all laws relating to the licence or permit;
- 15.15.5 not allow the licence or permit to be cancelled or suspended;
- 15.15.6 renew the licence or permit and notify the Council in writing within 14 days of the renewal;
- 15.15.7 promptly notify the Council in writing if the licence or permit is cancelled or suspended or if the Tenant receives any notice, summons or fine in relation to the licence or permit;
- 15.15.8 indemnify the Council for any damages or costs incurred in relation to the licence or permit or a breach of this clause by the Tenant; and
- 15.15.9 surrender the licence or permit within 21 days of receiving a written notice from the Council, which the Council may give to the Tenant if the Tenant's use of the Premises is causing or likely to cause a nuisance to local residents.

15.16 Gambling

- 15.16.1 The Tenant must not conduct any form of gambling on or associated with the Premises, whether such gambling requires a permit or licence or not, without the prior written consent²² of Council.
- 15.16.2 The Tenant must not apply for a licence or permit pursuant to the *Gambling Regulation Act 2003* (Vic) (**GRA**) without the prior written consent of Council.
- 15.16.3 The Tenant must provide a copy of any licence or permit issued pursuant to the GRA to Council.

15.17 Gaming Licence

The Tenant must seek the prior written consent²³ of the Council before applying for any licence under the *Gaming Machine Control Act 1991* (Vic).

15.18 Tenant Membership

The Tenant will:

²¹ As above.

²² As above.

²³ As above.



- 15.18.1 permit residents and ratepayers of the municipality of Maroondah to become members of the Tenant upon satisfying the Tenant's reasonable requirements for membership;
- 15.18.2 upon demand, inform the Council of the overall number of members of the Tenant and the number of Maroondah residents that are members of the Tenant; and
- 15.18.3 within 7 days of demand, provide the Council with access to all necessary documents to enable the Council to verify the membership of the Tenant. For the sake of clarity, Council will not copy or record the personal details of any member of the Tenant during any verification inspection.

15.19 Tenant Reporting Obligations

The Tenant must give Council:

- 15.19.1 within 5 months of the end of each financial year, an audited financial report or review (as per Incorporations Act requirements) including a statement of assets and liabilities and profit and loss statement for the Tenant for the just completed (preceding) financial year;
- 15.19.2 within 28 days of the Tenant's annual general meeting, a written report in a format similar to the template report for Tenants that Council makes available on its internet website²⁴ and, as a minimum, detailing:
 - (a) the activities conducted by the Tenant during the preceding year and, where applicable, a list of the groups which have used the Premises;
 - (b) the elected office bearers of the Tenant for the next year;
 - (c) any significant or cyclical maintenance of the Premises undertaken by the Tenant in accordance with the Maintenance Schedule or otherwise;
 - (d) a current list of each person who holds a key to the Premises including a reference to the key number (if any) allocated to the key by Council;
 - (e) reports of all OH&S incidents (including near misses and those causing injury) arising on, in or near the Premises or in connection with the Tenant's use of the Premises;
 - (f) the activities that the Tenant is proposing to conduct at the Premises in the next Lease year including a list of any groups that will use the Premises; and
 - (g) a report on the current number of active members of the Tenant and how many of the active members live within the municipality of Maroondah.

15.20 Determination Warranty and Obligations

- 15.20.1 The Tenant acknowledges that the Council has entered into this Lease on the basis that the Tenant warrants that:
 - (a) the Tenant is a body corporate that exists for the purposes of providing community or similar facilities or promoting community objectives and that it applies its profits in promoting its objects and prohibits payment of any dividend or amount to its members; and

²⁴ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A template report was published in 2012.



- (b) accordingly, pursuant to the Determination, the *Retail Leases Act 2003* does not apply to this Lease.

15.20.2 The Tenant warrants that its constitution or rules of association prohibit payment of any dividend, benefit or other amount to its members.

15.20.3 The Tenant agrees and acknowledges that during the Term and any further term:

- (a) it must apply any profits that it receives in promoting its objects;
- (b) it must not amend its rules or its constitution without the prior written consent²⁵ of Council; and
- (c) it must provide a copy of its constitution or rules to Council within 7 days of the Commencement Date and otherwise upon demand by Council.

15.21 Tax Exempt

The Tenant must not undertake any activity or permit anything to be done which may cause it to cease being exempt from Commonwealth income tax under the *Income Tax Assessment Act 1997*.

16. Dealing with Interest in the Premises

16.1 No Parting with Possession

The Tenant must not give up possession of the Premises including assigning this Lease, subleasing the Premises or granting to any person a licence or concession in respect of the Premises, without the prior written consent²⁶ of Council. Where hiring of the Premises to third parties is permitted by Council then Special Condition 2 applies. Council will generally allow such hiring to maximise community use of the Premises, noting the positive obligation of the Tenant under clause 14.1, provided such hiring is to groups and on terms acceptable to Council.

16.2 Change in Shareholding

If the Tenant is a corporation (other than a corporation listed on any stock exchange in Australia) a change in the control of the corporation as such control existed at the Commencement Date (whether occurring at the one time or through a series or succession of issues or transfers) or a change in the holding of more than one-half of the issued share capital, either beneficially or otherwise, will be deemed to be a novation or assignment of this Lease. Before any such novation or assignment of this Lease can be effective and binding upon the Council the Tenant must seek the Council's prior written consent²⁷.

16.3 Mortgage of Lease

The Tenant must not create any security over this Lease or the Tenant's Property.

²⁵ Clause 22.8 provides how Council can exercise this consent right.

²⁶ As above.

²⁷ As above.



17. Tenant's obligations at the end of this Lease

17.1 Tenant's Obligations

At the end of this Lease, the Tenant must:

- 17.1.1 vacate the Premises and give the Premises back to the Council in a condition consistent with the Tenant having complied with its obligations under this Lease;
- 17.1.2 remove the Tenant's Property (including all signs and lettering) and reinstate the Premises in the condition the Premises were in prior to the installation of the Tenant's Property including making good any damage caused by the removal of the Tenant's Property; and
- 17.1.3 give to the Council all keys and other security devices for the purposes of obtaining access to and securing the Premises.

17.2 Tenant's Property Left in Premises

Anything left in the Premises after 7 days of the end of this Lease will be deemed to be abandoned by the Tenant and will become the property of the Council and may be kept or removed or disposed of (including being sold by private sale) by the Council at the Tenant's cost and at the Tenant's risk.

18. Council's rights and obligations

18.1 Quiet Enjoyment

As long as the Tenant does not breach this Lease, the Council must not interfere with the Tenant's use and occupation of the Premises except as provided by this Lease.

18.2 Alterations to the Premises

The Council may carry out any works, alterations, renovation or refurbishment of the Premises which may include extending or reducing any buildings on the Premises at any reasonable time after giving the Tenant reasonable notice of any work proposed pursuant to this clause.

18.3 Dealing with the Land

The Council may:

- 18.3.1 subdivide the Land or grant easements or other rights over the Land or the Premises except where it will unreasonably interfere with the Tenant's use and occupation of the Premises;
- 18.3.2 install, repair and replace pipes, cables and conduits in the Premises; and
- 18.3.3 use the roof and external walls of the Premises for any purposes the Council determines.

18.4 Entry by Council

The Council may enter the Premises at any reasonable time after giving the Tenant reasonable notice to:



- 18.4.1 inspect the condition of the Premises;
- 18.4.2 rectify any default by the Tenant under this Lease;
- 18.4.3 carry out any inspection, repairs, maintenance, works or alterations in the Premises which the Council decides to or is required to carry out by any law or authority.

For the purposes of this clause, where the Tenant has previously lodged a maintenance request and Council is entering the Premises to action that request, then prior notice of entry from Council to the Tenant is not required.

The Council must use all reasonable endeavours to cause as little disruption as possible to the Tenant's use of the Premises in exercising the Council's rights under this clause.

18.5 Emergency Entry, Municipal Emergencies and Disasters

- 18.5.1 The Council may enter the Premises at any time without giving notice to the Tenant in an emergency.
- 18.5.2 If the Council's Municipal Emergency Management Plan or Business Continuity Plan (or equivalent plans however titled) is activated then, notwithstanding any other provision of this Lease, Council reserves the right to enter and assume control of part or all of the Premises for emergency management or business continuity purposes for as long as is reasonably needed.
- 18.5.3 If Council assumes control of the Premises pursuant to clause 18.5.2 then Council must:
 - (a) use reasonable efforts to secure and protect the Tenant's Property, including data and confidential/personal information;
 - (b) return the Premises to the Tenant in the same condition that the Premises were in when Council assumed control of the Premises;
 - (c) acting in good faith, pay a reasonable proportion of any Rates and Taxes or Services assessed to the Premises during the period of the Council's occupation of the Premises; and
 - (d) reduce the Rent on a proportionate basis during the Council's occupation of the Premises.
- 18.5.4 The Tenant acknowledges and agrees that under no circumstance will the Tenant hinder the Council's use of the Premises or the Council's ability to respond to or deal with a municipal emergency or business continuity situation.

18.6 Reletting and Sale

The Council may:

- 18.6.1 once the Tenant has indicated that they will not exercise the option for a further term, affix a 'For Lease' sign on the Premises and show the Premises to intending tenants at any reasonable time upon reasonable notice to the Tenant during the 6 months prior to the end of the Term (except where the Tenant has validly exercised an option for a Further Term); and



- 18.6.2 affix a 'For Sale' sign on the Premises and show the Premises to intending purchasers of the Premises at any reasonable time upon reasonable notice to the Tenant during the Term.

Any sign erected by the Council must not unreasonably interfere with the Tenant's use and occupation of the Premises.

18.7 Waste services

Council will provide, without charge to the Tenant, two (2) two hundred and forty (240) litre waste bins and two (2) two hundred and forty (240) litre recyclables bins for the use of the Tenant in accordance with Council's waste collection practices current at the time. Any additional waste collection services that Council agrees to provide will be provided at the Tenant's cost.

19. Termination of Lease

19.1 Re-entry

The Council may re-enter the Premises and terminate this Lease if:

- 19.1.1 any part of the Rent is in arrears for 30 days (whether or not the Council has demanded payment);
- 19.1.2 the Tenant breaches this Lease and does not remedy the breach within 14 days of receipt of written notice from the Council; or
- 19.1.3 any funding or service agreement between Council and the Tenant ends.

19.2 Damages following Determination

If this Lease is terminated by the Council, the Tenant agrees to compensate the Council for any loss or damage the Council suffers arising in connection with the Tenant's breach of this Lease including the loss of the benefit of the Tenant performing its obligations under this Lease up to the expiration of the Term.

19.3 Essential Terms

The essential terms of this Lease are clauses 3, 6.1, 7.1, 7.2, 8, 9, 11.1, 11.3, 12, 14.1, 15.1, 15.15, 15.17, 15.18, 15.19, 16.1, 18.5 and any special condition that is expressed to be an essential term of this Lease. The breach of an essential term is a repudiation of this Lease.

19.4 No Deemed Termination

If the Tenant vacates the Premises, the Council will not be deemed to have terminated this Lease merely by the acceptance of keys from the Tenant, entry into the Premises for any purpose, or the showing of the Premises to prospective tenants or purchasers. This Lease will be deemed to continue until such time as the Council gives notice to the Tenant terminating this Lease, or otherwise agrees with the Tenant that this Lease is terminated.

20. Insolvency Event

20.1 If:

- 20.1.1 the Tenant is insolvent or admits or is presumed to be so;



- 20.1.2 an application or order is made for the winding up or dissolution of the Tenant, or a resolution is passed or any steps are taken to pass a resolution for a winding up or dissolution of the Tenant;
- 20.1.3 an administrator, provisional liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in respect of the Tenant, or any action is taken to appoint any such person and the action is not stayed, withdrawn or dismissed within fourteen days; or
- 20.1.4 the Tenant enters into, or takes any action to enter into, an arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or an assignment for the benefit of, all or any class of its creditors or members or a moratorium involving any of them,

then an act of insolvency has occurred, and the Council may then terminate this Lease at any time by giving the Tenant 14 days written notice.

21. Destruction or Damage of Premises

21.1 Reduction in Rent

If the Premises, or any part of the Premises, are destroyed or damaged to the extent that the Tenant cannot use or have access to the Premises (except if the Tenant causes or contributes to the destruction or damage, or the Council's insurer is not legally required to reinstate the Premises because the Tenant caused or contributed to the destruction or damage) then the Council will reduce the Rent and any outgoings by a reasonable amount depending upon the nature and extent of destruction or damage until the Tenant can use or have access to the Premises.

21.2 Reinstatement of Premises

If the Premises or any part of the Premises are destroyed or damaged, the Council may, within 6 months from the date of such damage or destruction, give notice to the Tenant:

- 21.2.1 terminating this Lease, where the Council considers that the damage or destruction is such that repairing it is impracticable or undesirable; or
- 21.2.2 that the Council will commence reinstatement of the Premises to a condition where the Tenant can use or have access to the Premises.

The Council does not have to reinstate the Premises.

21.3 Tenant's Right of Termination

Where the Tenant has not caused or contributed to the damage or destruction of the Premises and the payment of the insurance for the Premises is not refused due to the act or default of the Tenant, the Tenant may give written notice to the Council terminating this Lease where the Council does not:

- 21.3.1 give notice to the Tenant pursuant to clause 21.2; or
- 21.3.2 commence reinstatement within 12 months of the date of damage or destruction.

Upon termination of this Lease, each party is released from all further obligations under this Lease except nothing in this clauses releases either party from any breach of this Lease arising prior to the date of termination.



21.4 No Compensation

The Tenant acknowledges that if the Premises are destroyed or damaged, the Tenant is not entitled to receive any compensation from the Council. If however, the damage is at Council's fault then any insurance excess will be compensated.

22. General

22.1 Notices

Any notice required to be served under this Lease must be in writing and must be served by post, facsimile transmission, or hand delivered to:

- 22.1.1 the Tenant at its address set out in this Lease, the Tenant's registered office address, the Premises, or the last known address of the Tenant; and
- 22.1.2 the Council at its address set out in this Lease or any other address notified in writing to the Tenant by the Council.

22.2 Time of Service

A notice or other communication is deemed served:

- 22.2.1 if served personally or left at the person's address, upon service;
- 22.2.2 if posted, 2 business days after posted;
- 22.2.3 if served by facsimile transmission, subject to the next sub-clause, at the time indicated on the transmission report produced by the sender's facsimile machine indicating that the facsimile was sent in its entirety to the addressee's facsimile machine; and
- 22.2.4 if received after 6.00 pm in the place of receipt or on a day which is not a business day, at 9.00 am on the next business day.

22.3 Entire Understanding

This Lease contains the entire understanding between the parties as to the subject matter contained in it. All previous agreements, representations, warranties, explanations and commitments, expressed or implied, affecting this subject matter are superseded by this Lease and have no effect.

22.4 Variation of this Lease²⁸

This Lease may only be varied by agreement recorded in a written document headed 'Variation of Lease' or similar and signed or executed by both parties.

22.5 Waiver

If the Council accepts the Rent or any other monies under this Lease (before or after the end of this Lease) or does not exercise or delays exercising any of the Council's rights under this Lease, it will not be a waiver of the breach of this Lease by the Tenant or of the Council's rights under this Lease.

²⁸ A renewal of this lease (by the exercise of an option, if any, to extend its term) is not a variation. Similarly, an exercise of an option is on the same terms and conditions. If the parties wish to change any terms and conditions when exercising an option then they must execute a formal variation (which can be done at the same time that the options is exercised).



22.6 Special Conditions

This Lease is subject to the Special Conditions set out in section two of Annexure A. The Special Conditions override any inconsistent provisions in this Lease.

22.7 Standard terms

The twenty three (23) clauses contained in this Part Two constitute Council's standard terms for a community facilities lease. Changes to those clauses noted in section one of Annexure A are deemed to be made to the relevant clauses in this Lease.

22.8 Council's Consent

If Council's consent is required under this Lease, Council may withhold or give its consent in its absolute discretion and, if it gives its consent, it may give its consent subject to such conditions as, in its absolute discretion, it requires.

22.9 Relationship of parties

This Lease does not create any relationship between the parties other than as landlord and tenant in respect of the Lease of the Premises. The Tenant must not hold itself out, or allow anyone associated with the Tenant to hold themselves out, as being an agent of Council or being in any other way entitled to make any contract or representation for or on behalf of Council or to bind Council to the performance, variation, release or discharge of any obligation.

23. Interpretation

23.1 Governing Law and Jurisdiction

This Lease is governed by and is to be construed in accordance with the laws of Victoria. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and waives any right to object to proceedings being brought in those courts.

23.2 Persons

In this Lease, a reference to a person includes a firm, partnership, association, corporation or other corporate body.

23.3 Joint and Several

If a party consists of more than 1 person, this Lease binds them jointly and each of them severally.

23.4 Legislation

In this Lease, a reference to a statute, determination, standard, guideline, policy or similar document includes regulations under the statute and any consolidations, amendments, re-enactments, replacements or updates of any of them.

23.5 Clauses and Headings

In this Lease:

- 23.5.1 a reference to a clause, Particulars or Annexure is a reference to a clause, Particulars or Annexure in or to this Lease; and



- 23.5.2 headings and sub-headings are inserted for ease of reference only and do not effect the interpretation of this Lease.

23.6 Severance

In this Lease:

- 23.6.1 if a provision is held to be illegal, invalid, void, voidable or unenforceable, that provision must be read down to the extent necessary to ensure that it is not illegal, invalid, void, voidable or unenforceable; and
- 23.6.2 if it is not possible to read down a provision as required in this clause, that provision is severable without affecting the validity or enforceability of the remaining part of that provision or the other provisions in this Lease.

23.7 Number and Gender

In this Lease, a reference to:

- 23.7.1 the singular includes the plural and vice versa; and
- 23.7.2 a gender includes the other genders.

23.8 Exclusion of Statutory Provisions

The following statutory provisions are excluded from this Lease:

- 23.8.1 Section 144 of the *Property Law Act 1958* (Vic); and
- 23.8.2 Division 7 of Part IV of the *Transfer of Land Act 1958* (Vic).

23.9 No restriction of Council's powers, duties or discretions

Nothing in this Lease fetters or restricts the powers, duties or discretions of Council in the exercise of its statutory or other functions, powers, duties and authority.

23.10 Council documents relevant to this Lease published on Council's internet website

- 23.10.1 Where this Lease requires the Tenant to comply with a document, policy, procedure or form (Documents) published on Council's internet website then Council must give written notice to the Tenant of the publishing of the Document and the Document's general intent and effect before the Tenant is bound by that Document.
- 23.10.2 If Council makes any changes to a Documents published pursuant to clause 23.10.1 then those changes only apply to the Tenant once the Tenant is given written notice (including by electronic mail) by Council of the change to the relevant Document and the intent and effect of any changes.
- 23.10.3 For clarity, it is not intended by Council that Documents published by Council pursuant to this clause 23.10 will impose additional financial burden on the Tenant or shift liabilities or responsibilities of Council under this Lease to the Tenant. The Documents are intended to be policy and procedural documents.



23.11 General

To the extent permitted by law, no rule of interpretation must be applied in the interpretation of this Lease to the disadvantage of one party on the basis that it prepared or put forward any document comprising part of this Lease.



Annexure A

Section One – Changes to Council’s standard community lease terms

The following standard clauses from Part Two of this Lease are amended as noted below:

Clause	How amended (changes tracked)	Final form of amendment (untracked)
14.4	Clause deleted - unrestricted use of facility	
2	Clause inserted - Shared Use Spaces	

Section Two - Special Conditions

1. Hire Agreement

1.1 For the purposes of this Special Condition:

Hire Agreement means a hire agreement between the Tenant and a third party to temporarily use the Premises on the terms and conditions set out in this Lease.

Hire Fee means the fee payable by the third party to the Tenant under the Hire Agreement for the use of the Premises.

1.2 The Tenant may only enter into a Hire Agreement if it obtains the prior written consent²⁹ of the Council including in relation to whom the Premises is being hired to and on what terms. Council may provide a Council approved form of hire agreement on its internet website for use by the Tenant.

1.3 The Council and the Tenant acknowledge and agree that the Hire Agreement may provide for the Tenant to charge a Hire Fee provided that the Tenant applies the Hire Fee towards maintaining the Premises or promoting its objects in accordance with clause 15.20 of this Lease.

This Special Condition is an essential term of this Lease.

2. Shared Use Spaces

2.1 The Tenant does not have the exclusive use of the whole facility. At the time this Lease was entered into the Enjoying Planned Retirement and Ringwood Historical Society (**Other Tenants**) both have the exclusive use of the parts of the facility. It is the responsibility of both the Tenant and the Other Tenants to arrange and pay for the cleaning and maintenance of any shared areas of the facility and to ensure these areas are kept in a clean and safe condition. In the event of a dispute between the Tenant and any of the Other Tenants in relation to the shared areas they must first attempt to resolve the dispute themselves failing which they accept Council can resolve the dispute by making a decision that is binding on both or all three parties to the dispute following whatever process Council deems reasonable in the circumstances, provided the process Council chooses is fair to all parties involved in the dispute.

²⁹ Clause 22.8 provides how Council can exercise this consent right.



3. Relocation

3.1 Relocation

If the Council wants to redevelop the Land and/or the Premises, subdivide the Land, grant easements or other rights over the Land or carry out any works on the Land and/or the Premises, which the Council cannot adequately carry out due to the Tenant's occupation of the Premises under this Lease, the Council may give written notice to the Tenant:

- 3.1.1 requiring the Tenant to surrender this Lease by executing a deed of surrender in a form prepared by the Council (**Deed**) on a date being not earlier than 6 months after receipt of the notice by the Tenant; and
- 3.1.2 offering the Tenant a new lease of alternative premises on suitable land (**Alternative Premises**) which must, as far as practicable, be suitable for the Community Use.

The Council must also provide to the Tenant at the time of giving the Tenant the notice specified above, reasonable details of the Council's proposal for any redevelopment, works or other use determined by Council.

3.2 Terms of New Lease on the Land

The new lease of the Alternative Premises offered to the Tenant under Special Condition 3.1 must be on the same terms as this Lease except:

- 3.2.1 the term of the new lease will be equal to the remainder of the Term as at the date that this Lease is to be surrendered by the Tenant; and
- 3.2.2 the Alternative Premises will be in a location selected by the Council taking into account any reasonable requirements of the Tenant.

3.3 Surrender of Lease and New Lease

- 3.3.1 If the Council gives the Tenant a notice under Special Condition 3.1, the Tenant must:
 - (a) execute and return the Deed to the Council within 30 days of receipt by the Tenant;
 - (b) give notice within 30 days of receipt of the notice under Special Condition 3.1 to the Council either accepting or rejecting the offer of a new lease of the Alternative Premises; and
 - (c) where the Tenant accepts the new lease of the Alternative Premises, execute and return to the Council the new lease within 30 days of receipt of the new lease by the Tenant.
- 3.3.2 If the Tenant does not give the Council any notice under Special Condition 3.3.1(b), the Tenant will be deemed to have rejected the offer of the new lease of the Alternative Premises.
- 3.3.3 If the Tenant gives the Council a notice rejecting the offer of the new lease of the Alternative Premises, or is deemed to have rejected such offer under Special Condition 3.3.2, the Tenant must vacate the Premises in accordance with the terms of the this Lease and the Deed on the date specified in the notice under Special Condition 3.1.



3.4 No Compensation

The Tenant acknowledges that it is not entitled to receive any compensation from the Council where the Council requires the Tenant to surrender this Lease in accordance with this Special Condition and, on and from the date of the surrender of this Lease, (irrespective of whether the Deed is executed by the Tenant), the Tenant releases the Council from all further obligations under this Lease.

3.5 Limit on Relocation

The Council must not serve a notice on the Tenant pursuant to Special Condition 3.1 more than once during the Term.

3.6 Relocation Period

If requested by the Tenant in the notice given by the Tenant to the Council pursuant to Special Condition 3.1, the Council will provide that the new lease of the Alternative Premises will commence 30 days prior to the expiration of this Lease, during which time the Tenant may complete the relocation of the Tenant's Property, so long as the Tenant has complied with its obligations under this Special Condition.

4. Demolition

4.1 Notice to the Tenant

The Council may give a notice to the Tenant, which provides for the termination of the Lease on the grounds of a proposed demolition, on a date not being earlier than 6 months after receipt of the notice by the Tenant.

4.2 Surrender of Lease

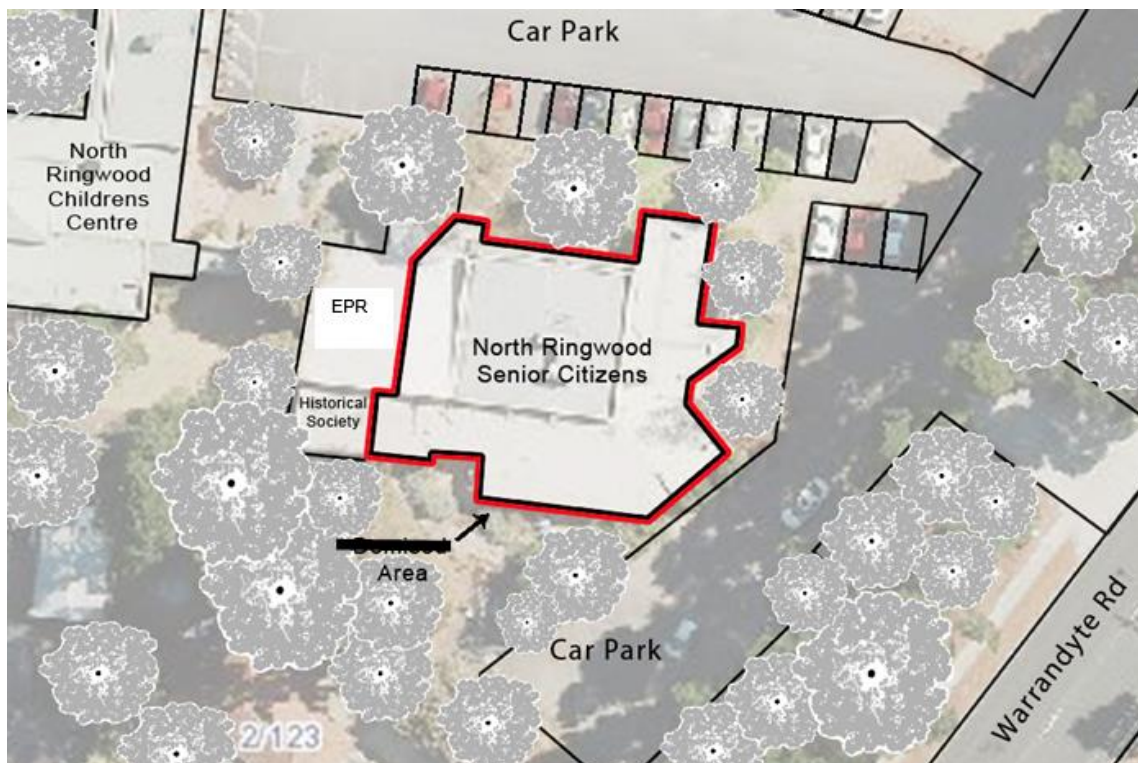
If the Council gives the Tenant a notice under Special Condition 4.1, the Tenant must execute and return to the Council a deed of surrender of this Lease within 14 days of receipt by the Tenant.

4.3 Compensation

The Tenant acknowledges that it is not entitled to receive any compensation from the Council where the Council requires the Tenant to surrender this Lease in accordance with this Special Condition and, on and from the date of surrender of this Lease (irrespective of whether a deed of surrender of lease is executed by the Tenant), the Tenant releases the Council from all further obligations under this Lease.

Annexure B

Plan of Premises





Annexure C

Determination



Victoria Government Gazette

No. S 209 Thursday 24 July 2008
By Authority: Victorian Government Printer

Retail Leases Act 2003

PREMISES NOT CONSTITUTING RETAIL PREMISES

This Determination is made under Section 5(1) (e) of the **Retail Leases Act 2003**.

- A. I determine that each of the following kinds of leases is a lease to which section 4(2)(h) of that Act applies:
- (a) a lease of premises by a Council within the meaning of the **Local Government Act 1989** under which the premises may be used wholly or predominantly for any one or more of the following purposes:
 - i. public or municipal purposes;
 - ii. charitable purposes;
 - iii. as a residence of a practising minister of religion;
 - iv. for the education and training of persons to be ministers of religion;
 - v. as a club for or a memorial to persons who served in the First or Second World War or in any other war, hostilities or special assignment referred to in the **Patriotic Funds Act 1958**;
 - vi. for the purposes of the Returned Services League of Australia;
 - vii. for the purposes of the Air Force Association (Victoria Division);
 - viii. for the purposes of the Australian Legion of Ex-Servicemen and Women (Victorian Branch);
 - (b) a lease of premises by a Council within the meaning of the **Local Government Act 1989** (including in its capacity as a committee of management within the meaning of the **Crown Land (Reserves) Act 1978**) under which the premises are used wholly or predominantly by a body, corporate or unincorporate, that exists for the purposes of providing or promoting community, cultural, sporting, recreational or similar facilities or activities or objectives and that applies its profits in promoting its objects and prohibits the payment of any dividend or amount to its members;
whether or not the premises are occupied by the tenant, held by the tenant in trust for the occupant or sub-leased by the tenant to another person.
- B. A certificate signed by the Small Business Commissioner shall be sufficient evidence that a lease is a kind of lease to which paragraph A of this Determination applies.
- C. This Determination is in addition to and does not replace any other Determination and, particularly but without limitation, is to be read subject to the Ministerial Determination dated 20 August 2004 made by the Minister for Small Business and notified in the Victoria Government Gazette No. S184 Monday 23 August 2004 to the extent that any premises, tenant or lease is subject to that Determination.
- D. Nothing in this Determination is to be taken to prevent its application to any sub-lease of any lease in respect of which this Determination applies in any way, in addition to its application to any such lease.
- E. Further, nothing in this Determination is to be taken as limiting the powers of the Small Business Commissioner under Part 10 of the **Retail Leases Act 2003**.

This determination comes into effect on 1 August 2008.

Dated 22 July 2008

JOE HELPER MP
Minister for Small Business



2 S 209 24 July 2008

Victoria Government Gazette

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Annexure D

Pro-forma letter from the Tenant to Council providing notice pursuant to clause 3.2.1

[Date]

[Council officer name and title]
Maroondah City Council
P.O. Box 156
Ringwood Vic 3134

Dear [salutation],

**Lease of [insert premises details] by [insert tenant details] (Tenant)
Notice of desire to exercise the option to renew the lease**

Please accept this letter as formal notice pursuant to clause 3.2.1 of the above lease that the Tenant wishes to exercise the option to renew the lease for a further term of [insert number of years].

To my knowledge the Tenant is not currently in breach of any provision of the lease nor has the Tenant persistently defaulted under the lease. The Tenant also agrees to comply with all reasonable requirements of Council in renewing the lease.

Under the lease I understand the next step is Council will respond in writing to this notice.

I look forward to hearing from you.

Yours sincerely,

[Insert name]

[Insert position held at the Tenant e.g. public officer and the Tenant's name]



Annexure D (continued)

Pro-forma Letter from Council granting the Tenant a new lease for a Further Term pursuant to clause 3.3.2

[Date]

[Tenant officer name and title]

[Tenant name and address]

... Vic 31..

Dear [salutation],

Lease of [insert premises details] by [insert tenant details] (Tenant) Confirmation of the exercise of an option to renew the lease

Council confirms receipt of the Tenant's notice dated [insert date] indicating the Tenant's wishes to exercise the option to renew the lease for a **Further Term** of [insert number of years].

Please accept this letter as formal notice pursuant to clause 3.3.2 of the above lease that Council agrees to the option for a Further Term being exercised. Please sign the enclosed duplicate of this letter and return it to Council. These exchanges of letters constitute the exercise of the option for to extend this lease for the Further Term.

This means the key details of the option term of the lease will be:

1. Commencement date of the **Further Term**: [insert time and date]
2. End date of the **Further Term**: [insert time and date]
3. Rent for each year of the Further Term:
 - a. **Further Term** year one – \$ [insert amount]
 - b. **Further Term** year two – \$ [insert amount]
 - c. **Further Term** year three – \$ [insert amount]
 - d. **Further Term** year four – \$ [insert amount]
 - e. **Further Term** year five – \$ [insert amount]
 - f. **Further Term** year six - \$ [insert amount]
4. **Additional Further Terms**: [insert, if none write 'nil']

All other terms of the Lease remain as the same terms and conditions for the initial term of the Lease.

Council looks forward to receiving the return of the enclosed duplicate of this letter, executed by [insert name of the Tenant] and to your continued occupation and use of the Premises.

Yours sincerely,

[Insert Council officer name]

[Insert Council officer title]

Then create a duplicate of the letter with the following execution clause for the Tenant at the end –

The Tenant agrees to extend the term of the above Lease of the above Premises for the Further Term on the terms and conditions contained in the letter from Council dated [insert date] of one page of which this is a reformatted duplicate:

.....



Signed for and on behalf of [insert Tenant's name] in accordance with its constitution by –

PRINT name:

Position held:

Date:



MAROONDAH CITY COUNCIL

East Ringwood Senior Citizen's Club

COMMUNITY FACILITY LEASE 2021

This lease package is a controlled document and is one of a suite of documents used by Council when granting third parties the use of Council premises. Permission for the use of this document by Council staff must be obtained from Council's Manager Leisure.





Maroondah City Council 2018 standard community facility lease package

This lease has been developed for use in the lease of community facilities by Maroondah City Council (**Council**). It is based on a standard document prepared by Maddocks lawyers, modified for Council's own purposes.

The Council documents used to leases or licence the use of Council premises include:

- This standard community facility lease;
- A standard community facility licence;
- Standard documents to vary, surrender and renew community facility leases and community facility licences;
- A suite of documents relating to the seasonal allocation of Council premises (through a form of licence); and
- Overarching policy documents, including –
 - Community Facilities Occupancy policy (2015); and
 - Community Facilities Pricing policy (2015).

This community facility lease consists of two parts:

Part One – Recitals and Execution Page

The Recitals set out the factual circumstances in which the lease was entered into. They do not form an operative part of the lease (i.e. grant rights or create obligations) but Council can rely and may be able to take action based on any representations made by the tenant (usually in Recital I).

The execution page is where Council and the tenant formally sign (or execute) the lease to confirm their mutual acceptance of the terms and conditions of the lease.

Part Two – Particulars, Standard Clauses and Annexures

The Particulars are the specific details of each lease: the parties to the lease, the land being leased, the period of the lease, the rent etc. There are then 23 standard clauses which set out Council's community facility lease terms. These Particulars must be completed for the standard terms to be able to have effect.

There are four Annexures to each Council lease:

- Annexure A records any amendments to the standard clauses and includes any additional special conditions (which prevail over standard clauses).
- Annexure B inserts a plan of the premises. It is this plan that shows the specific land and buildings being leased to the tenant.
- Annexure C inserts a copy of the Ministerial Determination dated 24 July 2008¹.
- Annexure D are Council's standard documents to exercise any option to extend the term of the Lease.

¹ This Determination exempts certain Local Government leases from retail tenancy lease laws.



Part One – Recitals

- A. Maroondah City Council owns the land known as –
- a. 6 Laurence Grove, Ringwood East, 3136
 - b. Volume 7887 Folio 152
(**Council's Land**)
- B. East Ringwood Senior Citizen's Club Incorporated (ABN 37 262 305 240) is a not for profit incorporated association that is registered in Victoria and operates within the municipality of Maroondah (**Tenant**).
- C. The Tenant wishes to lease part or all of the Council Land from Council.
- D. Council has granted the Tenant a lease of the part of Council's Land bounded in red on the aerial photograph or other plan shown in Annexure B of Part Two of this lease package on the terms and conditions set out in this lease (**Premises**).
- E. Located on the Premises are the following Council assets –
1. Senior Citizens Club rooms
 2. Annex utilised by Yarra Valley Bridge Club
- F. Located on the Premises are the following assets not owned by Council: the Tenant's property.
- G. Subject to the terms of this lease, the Tenant has the exclusive use of the Premises and all Council assets located on the Premises.
- H. The purpose of Council granting this lease to the Tenant is to enable the Tenant the carrying on of activities normally associated with a senior citizens club (leisure and recreational activities, social inclusion programs and events which support older residents of Maroondah)
- I. In granting this lease to the Tenant, the Tenant acknowledges it has made and Council has relied upon the following representations –
- a. The Premises will only be used for not for profit purposes and not for any commercial purposes;
 - b. The Tenant will only use the Premises in a manner that complies with the terms and conditions of this lease;
 - c. The Tenant is financially sound and will be able to pay its rent and all other of its debts as and when they fall due; and
 - d. The Tenant has disclosed to Council all matters about the Tenant and about this lease known by the Tenant which may materially affect either Council's decision to grant this lease to the Tenant or the terms of this lease.



Part One – Execution Page

The Council leases the Premises to the Tenant subject to the terms contained in this Lease.

This Lease is executed as a deed on the day of 2021

The Common Seal of Maroondah)
City Council was affixed in the)
presence of:)

..... Councillor

..... Chief Executive Officer

Dated this day of 2021

Executed for and on behalf of [insert)
name of Tenant] in accordance with its)
Constitution by:)

(Signed)

..... PRINT name and position held

(Signed)

..... PRINT name and position held

Dated this day of 2021



Part Two – Standard terms of Maroondah City Council community facility lease

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Particulars

Item 1. Council: (Clause 1)	Maroondah City Council of Braeside Avenue, Ringwood 3134
Item 2. Tenant: (Clause 1)	Ringwood East Senior Citizens Incorporated 42 987 082 371 6 Laurence Grove, Ringwood East, 3134
Item 3. Land: (Clause 1)	The land contained in certificate of title volume 7887 folio 152 and known as 6 Laurence Grove, Ringwood East, 3134
Item 4. Premises: (Clause 1)	That part of the Land shown bounded in red on the plan in Annexure B
Item 5. Commencement Date: (Clause 1)	1 July 2021
Item 6. Term: (Clause 1)	Three (3) years
Item 7. Further Term(s): (Clause 1 & 3.2)	Two (2) further term(s) of three (3) year(s)
Item 8. First and Last dates for exercising the Option for the Further Term: (Clause 3.2.1)	First date 1 January 2024 Last date 1 April 2024
Item 9. Rent : (Clause 1 & 3)	Year 1: \$835.25 incl GST Year 2: \$856.01 incl GST Year 3: \$877.41 incl GST Year 4: \$899.35 incl GST Year 5: \$921.83 incl GST Year 6: \$944.88 incl GST Year 7: \$968.50 incl GST Year 8: \$992.71 incl GST Year 9: \$1,017.53 incl GST The Rent is payable annually in advance, within 28 days of Council issuing an invoice for the Rent, commencing on the Commencement Date, and then on each anniversary of the Commencement Date during the Term and any Further Term. Council will generally issue its tax invoice for the Rent in March or April preceding the next anniversary of the Lease. This payment obligation also applies to the payment of Rent during any Further Term.
Item 10. Rent During Further Term: (Clause 1 and 5)	To be determined by Council if the option is exercised



Particulars (continued)

Item 11. Security Deposit: (Clause 1 & 8.1)	\$1,000 plus GST
Item 12. Community Use: (Clause 1 & 14.1)	The carrying on of activities normally associated with supporting older residents with social inclusion, leisure, recreation and social support related activities.
Item 13. Hours of Use (Clause 14.4)	Not applicable
Item 14. Special Conditions: (Clause 1 & 22.6)	The Special Conditions in section two of Annexure A form part of this Lease.
Item 15. Changes to Council's standard terms: (Clause 22.6)	<p>The following standard clauses have been amended (as set out in section one of Annexure A):</p> <p>14.4 clause deleted - unrestricted use of facility</p> <ul style="list-style-type: none">2.1 Shared use spaces



1. Definitions

In this Lease unless expressed or implied to the contrary²:

Commencement Date means the date specified in Item 5.

Community Use means the use specified in Item 12 which falls within the uses specified in the Determination.

Council means Maroondah City Council as stated in Item 1 and includes the Council's successors and assigns and where it is consistent with the context includes the Council's employees and agents.

Council's Fixtures means all fittings, fixtures, and chattels contained in the Premises at the Commencement Date or installed by the Council during the Term.

CPI means the Consumer Prices Index – All Groups (Melbourne) or agreed equivalent

Determination means the Ministerial Determination dated 24 July 2008, a copy of which is attached at Annexure C.

Disaster Recovery Plan means the recovery plan prepared by Council (and other agencies) to be applied in the event of a disaster.

Further Term means the further term(s) specified in Item 7.

Hours of Use means the hours specified in Item 13.

Item means an item in the Particulars to the Lease.

Land means the land specified in Item 3.

Lease means this Lease.

Lettable Area(s) means the lettable area of the Land assessed for Rates and Taxes as determined by a surveyor engaged by the Council.

Maintenance Schedule means the schedule published on Council's internet website³ which sets out the repair and maintenance responsibilities of the parties to the Lease.

Municipal Emergency Management Plan means the management plan prepared by Council and other agencies that is applied in the event of an emergency.

Part means one of the two (2) parts to this Lease, which collectively constitute and form the terms of this Lease.

Premises means the premises specified in Item 4 and includes the Council's Fixtures.

Rates and Taxes means the rates, taxes, charges and levies specified in clause 6.1.

² Note: clause, Particular and annexure are defined in clause 23.5.1.

³ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version (if any).



Rent means the amount specified in Item 9 as reviewed, adjusted or increased under this Lease.

Security Deposit means a Security Deposit for the amount specified in Item 11.

Services refers to utilities including electricity, gas, water, telephone and internet connection.

Special Conditions means the conditions referred to in Item 14.

Tenant means the Tenant specified in Item 2 and includes the Tenant's successors and assigns and where it is consistent with the context includes the Tenant's employees, contractors, agents, invitees and persons the Tenant allows in the Premises.

Tenant's Property means all property in the Premises including all fixtures and fittings owned or leased by the Tenant but excluding the Council's Fixtures.

Term means the term specified in Item 6 and includes any period of overholding.

2. Compliance with *Local Government Act 1989*

Where applicable, the grant of this Lease is subject to the Council giving notice of its intention to grant this Lease and resolving to grant this Lease pursuant to the requirements of the *Local Government Act 1989* (Vic).

3. Duration of the Lease

3.1 Term

This Lease is for the Term starting on the Commencement Date.

3.2 Option for a Further Term

The Council will agree to the Lease being extended for the Further Term if the Tenant:

- 3.2.1 gives the Council written notice in a form similar to the relevant letter in Annexure D asking to exercise the option to extend the term of the Lease, provided such notice is given not earlier than 6 months nor later than 3 months before the end of the Term (the first and last dates for exercising the option for the Further Term are specified in Item 8);
- 3.2.2 has remedied any breach of this Lease of which the Tenant has received written notice from the Council;
- 3.2.3 has not persistently defaulted under this Lease where the Council has given written notice of the defaults; and
- 3.2.4 complies with all reasonable requirements of the Council.

3.3 Process to exercise an option for a Further Term

The process to exercise an option for a Further Term once Council has received the written request from the Tenant's pursuant to clause 3.2.1 above is –



- 3.3.1 Council will advise the Tenant in writing whether Council agrees to the option for the Further Term being exercised⁴;
- 3.3.2 If Council agrees to the option being exercised then Council will send the Tenant an exercise of option agreement in a form similar to the relevant letter in Annexure D; and
- 3.3.3 The Tenant must then execute the exercise of option agreement and return it to the Council within 28 days of receipt failing which the option lapses at Council's discretion. If an option for a Further Term lapses then Council will confirm same to the Tenant in writing⁵.

3.4 Commencement and terms of the Further Term

Where an option for a Further Term has been exercised then the Further Term will commence on the day after the initial Term ends and operates on the same terms and conditions as the initial Term save that

- 3.4.1 there will be with no option for a Further Term where the last option for a Further Term has been exercised; and
- 3.4.2 the Rent for the Further Term will be the Rent stated in Item 10.

3.5 Overholding

If the Tenant continues in occupation of the Premises after the end of the Term, without objection by the Council:

- 3.5.1 the Tenant occupies the Premises subject to the same terms and conditions contained in this Lease;
- 3.5.2 the Council or the Tenant may end this Lease during any period of overholding by giving 30 days written notice to the other party expiring at any time; and
- 3.5.3 the Council may increase the Rent and the amount of any Security Deposit by giving the Tenant one months' written notice and those increases will apply from the end of the notice, even where the Tenant has already paid Rent further in advance.

4. Payment of Rent

The Tenant must pay the Rent to the Council in the manner specified by the Council in Item 9.

5. Rent for any Further Term

The Rent for any Further Term will be set for each year of the Further Term by Council prior to the Further Term commencing. The Rent will be determined by the application of any relevant policy adopted by Council or by reference to the historical and expected future movement in the CPI rounded up or down to the nearest \$50 or \$100 as Council reasonably determines.

⁴ If the Tenant has complied with the four requirements of clause 3.2 then Council is required to agree to the option being exercised. The option is the Tenant's, not Council's.

⁵ This signed letter of agreement is the formal documentation confirming the lease has been extended for the Further Term. It should be added to both parties copy of the Lease. Council does not execute a new lease when an option is exercised.



6. Outgoings

6.1 Rates and Taxes

The Tenant must pay to the Council, or the relevant authority:

- 6.1.1 water rates and charges, including water usage charges;
- 6.1.2 sewerage and drainage rates and charges;
- 6.1.3 land tax (assessed on a single holding basis); and
- 6.1.4 all other rates, taxes, charges and levies assessed in connection with the Premises save that the Tenant will not be required to pay for the waste collection services set out in clause 18.7 that Council will provide.

6.2 Proportion of Rates and Taxes

If any Rates and Taxes are not separately assessed in connection with the Premises, the Tenant must pay to the Council within 30 days of demand the proportion of the Rates and Taxes that the area of the Premises bears to the total Lettable Area assessed.

6.3 Receipt for Payment

The Tenant must provide to the Council receipts for any Rates and Taxes paid by the Tenant within 30 days of request by the Council.

7. Other expenses

7.1 Services

The Tenant must, by the due date on the demand, pay for all services in connection with the Premises, including electricity, gas, water, telephone, internet and cable communications or entertainment services and where any service is not separately metered, the Tenant must pay for a reasonable proportion of those services as determined by Council, acting reasonably.

7.2 Costs and Duty

The Tenant must pay to the Council within 30 days of demand:

- 7.2.1 Council's reasonable costs of preparing, negotiating and finalising this Lease;
- 7.2.2 the stamp duty payable on this Lease (including penalties and fees);
- 7.2.3 the Council's reasonable costs in considering the granting of any consent or approval under this Lease (regardless of whether the Council actually gives such consent or approval);
- 7.2.4 the Council's architects or contractor's fees payable pursuant to clause 11.3; and
- 7.2.5 the Council's costs (including charges on a solicitor-own client basis) incurred as a result of a breach of this Lease by the Tenant.



8. GST

8.1 Definitions

In this clause:

- 8.1.1 words and expressions that are not defined in this Lease but which have a defined meaning in the GST Law have the same meaning as in the GST Law;
- 8.1.2 GST Law has the meaning given to that term in the A New Tax System (*Goods and Services Tax*) Act 1999.

8.2 GST Exclusive

Except as otherwise provided by this clause, all consideration payable under this Lease in relation to any supply is exclusive of GST.

8.3 Increase in Consideration

If GST is payable in respect of any supply made by a supplier under this Lease (**GST Amount**), the recipient will pay to the supplier an amount equal to the GST payable on the supply.

8.4 Payment of GST

Subject to clause 8.3 the recipient will pay the GST Amount at the same time and in the same manner as the consideration for the supply is to be provided under this Lease.

8.5 Tax Invoice

The supplier must provide a tax invoice to the recipient before the supplier will be entitled to payment of the GST Amount under clause 8.4.

8.6 Reimbursements

If this Lease requires a party to reimburse an expense or outgoing of another party, the amount to be paid or reimbursed by the first party will be the sum of:

- 8.6.1 the amount of the expense or outgoing less any input tax credits in respect of the expense or outgoing to which the other party is entitled; and
- 8.6.2 if the payment or reimbursement is subject to GST, an amount equal to that GST.

8.7 Adjustment events

If an adjustment event occurs in relation to a taxable supply under this Lease:

- 8.7.1 the supplier must provide an adjustment note to the recipient within 7 days of becoming aware of the adjustment; and
- 8.7.2 any payment necessary to give effect to the adjustment must be made within 7 days after the date of receipt of the adjustment note.



9. Security Deposit

9.1 Council's Right to Use Security Deposit

The Council may call up payment of the Security Deposit required by clause 9.2 if the Tenant does not comply with any of its obligations under this Lease.

9.2 Delivery of Security Deposit

The Tenant must:

- 9.2.1 pay to the Council the Security Deposit by way of bank cheque together with the Tenant's tax file number on or before the Commencement Date; or
- 9.2.2 if the Council requires, deliver to the Council a bank guarantee for an amount equal to the Security Deposit (the bank guarantee must be on terms acceptable to the Council acting reasonably) on or before the Commencement Date; and
- 9.2.3 pay any additional amount towards the Security Deposit within 14 days of demand to maintain the Security Deposit at the required level.

9.3 Tenant to replace Security Deposit

The Tenant must, within 14 days of demand, replace any amount of the Security Deposit used by the Council (including providing a replacement or additional bank guarantee).

9.4 Return of Security Deposit

The Council must, if the Tenant has complied with all of its obligations under this Lease, return the Security Deposit to the Tenant within 60 days of the end of this Lease.

9.5 Sale of the Land

The Tenant must provide the Security Deposit to any future owner of the Land if this Lease continues beyond the sale of the Land.

10. Payment requirements

10.1 No Deduction or Right of Set-off

The Tenant must pay all amounts due under this Lease to the Council (including the Rent and Rates and Taxes) without deduction or right of set-off.

10.2 Interest on Late Payments

The Tenant must pay to the Council on demand interest at the rate per annum equal to the current rate fixed under section 2 of the *Penalty Interest Rates Act 1983* (Vic) on any money payable by the Tenant under this Lease and remaining unpaid after the due date. Interest will be computed from the date on which such payment became due.



10.3 Payment after Termination

The Tenant must:

- 10.3.1 make all payments due under this Lease; and
 - 10.3.2 provide all information to the Council under this Lease to calculate any such payments,
- even if this Lease has ended.

10.4 Method of payment

The Tenant must make all payments under this Lease in such manner as the Council reasonably requires, which may include by electronic funds transfer or direct debit.

11. Repairs, Refurbishment and Alterations

11.1 Repairs and Maintenance

- 11.1.1 The Tenant must maintain⁶ and repair the Premises in accordance with Maintenance Schedule.
- 11.1.2 Without limiting clause 11.1.1, the Tenant must:
 - (a) keep the Premises and the Tenant's Property clean and free from rubbish, store all rubbish in proper containers and have it regularly removed;
 - (b) keep the Premises in the same condition as it was in at the date the Tenant first entered occupation of the Premises (fair wear and tear excepted);
 - (c) pay to Council any costs incurred by Council in maintaining, repairing or replacing items in the Premises that are damaged, worn or destroyed with items of at least the same quality which are:
 - (i) the Tenant's responsibility under the Maintenance Schedule; or
 - (ii) not listed on the Maintenance Schedule,and which are not maintained, repaired or replaced by the Tenant as required under this Lease⁷;
 - (d) make good any damage caused to any adjacent property by the Tenant;
 - (e) take all reasonable measures to ensure that any fair wear and tear to the Premises does not cause any loss or damage to the Premises or to any person;
 - (f) give the Council prompt written notice of any material damage to the Premises or anything likely to be a risk to the Premises or any person or property in or near the Premises; and

⁶ Maintenance includes the regular servicing of specific items such as automatic doors, air conditioners, heaters, dishwashers and the like.

⁷ As the failure to repair or replace is a breach of this Lease then Council can immediately access the Tenant's Security Deposit, if there is one, rather than making demand for payment from the Tenant. Refer to clause 9.2.



- (g) generally comply with the procedures for maintenance and repairs set out in Council's Community Facilities Occupancy Policy (provided a copy is given to the Tenant) to the extent that Policy is not inconsistent with this Lease.

11.2 Electrical Equipment

The Tenant must ensure that all electrical equipment and appliances are inspected, tested and tagged in accordance with, and as often as required by, the standards contained in the Standard Inspection and Testing AS/NZS 3760.

11.3 Alterations to Premises

The Tenant must ensure any alterations or works to the Premises, any services to the Premises or the Tenant's Property are carried out strictly in accordance with the process set out in Council's policy for alterations to premises under a community facilities lease published on Council's internet website⁸.

The Tenant is not required to seek the Council's consent to making any alterations to the display of the Tenant's property in the Premises.

11.4 Not Interfere with Services

The Tenant must not interfere, misuse or overload any services to the Premises, including electricity, gas and water.

11.5 Defacing Premises

The Tenant must not deface or damage the Premises (including drilling holes in the Premises) except where approved by the Council in accordance with clause 11.3.

11.6 Failure to Repair and Maintain

If the Tenant does not carry out any repairs, maintenance or other works required under this Lease within 14 days of receiving written notice from the Council to do so, then the Council may enter the Premises to carry out such repairs, maintenance and works at any reasonable time after giving the Tenant further reasonable notice. The cost of all such repairs, maintenance and works must be paid by the Tenant to the Council on demand⁹.

11.7 Repairs to Council's Fixtures

The Tenant must reimburse the Council for the cost of any repairs to the Council's Fixtures within 14 days of demand¹⁰.

⁸ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A policy titled 'Process for a tenant carrying out any alterations or works to the Premises' was published in 2013.

⁹ As the failure to repair or maintain is a breach of this Lease then Council can immediately access the Tenant's Security Deposit, if there is one, rather than making demand for payment from the Tenant. Refer to clause 9.2.

¹⁰ A failure to reimburse entitles Council to access the Tenant's Security Deposit, if there is one. Refer to clause 9.2.



12. Insurance¹¹

12.1 Public Liability, Consequential Loss and Glass Insurance

12.1.1 The Tenant must throughout this Lease maintain insurance, in the name of the Tenant and with Council named as principal or as an interested party, with an insurer approved by the Council, for:

- (a) public liability for the amount of \$20 million for each single event (or such greater sum as reasonably required by the Council); and
- (b) any windows and any other glass in the Premises for their full replacement value.

12.1.2 The Tenant acknowledges that the insurance set out in clause 12.1.1(a) must extend to the whole of the Premises and all activities of the Tenant including the activities of any volunteers and invitees of the Tenant.

12.2 Tenant's Property

The Tenant must insure the Tenant's Property for loss and damage from risks including fire and water damage for its full replacement value.

12.3 Payment and Production of Policies

The Tenant must pay all insurance premiums on or before the due date for payment and produce to the Council copies of the certificate of currency on or before each anniversary of the Commencement Date.

12.4 Not Invalidate Policies

The Tenant must:

- 12.4.1 not do anything which may make any insurance effected by the Council or the Tenant invalid, capable of being cancelled (by the insurer) or rendered ineffective, or which may increase any insurance premium payable by the Council; and
- 12.4.2 pay any increase in any insurance premium payable by the Council where such increase has been caused by the Tenant's act, default or use of the Premises.

12.5 Requirements by Insurer

The Tenant must comply with all reasonable requirements of the Council's insurer in connection with the Premises.

12.6 Other Insurance

The Tenant must, at its cost, effect and maintain:

- 12.6.1 workers' compensation insurance for its employees; and
- 12.6.2 if required by Council, professional indemnity, and directors and officers liability, insurance,

¹¹ Insurance of Council buildings and improvements (e.g. tennis courts, baseball fields, soccer fields etc) and Council's fixtures (generally anything fixed to the building or improvement) are Council's responsibility. Tenants are not required to insure these.



to the reasonable satisfaction of Council.

13. Release, Indemnity, Compensation and Liability

13.1 Release

The Tenant uses and occupies the Premises at its own risk and releases the Council from all claims resulting from any damage, loss, death or injury in connection with the Premises except to the extent that such claims arise out of the Council's negligence.

13.2 Indemnity

The Tenant must indemnify and hold harmless the Council against all claims resulting from any damage, loss, death or injury in connection with the Premises and the use and occupation of the Premises by the Tenant. The Tenant's liability to indemnify the Council will be reduced proportionally to the extent that the Council's negligence contributed to the loss or liability.

13.3 No Compensation

The Council is not liable to the Tenant for any loss or damage incurred by the Tenant due to:

- 13.3.1 any damage to the Premises;
- 13.3.2 the failure of the Council's Fixtures or any plant and equipment (including air conditioning and water or other heaters) to operate properly;
- 13.3.3 the interruption or damage to any services (including electricity, gas or water) to the Premises; and
- 13.3.4 the overflow or leakage of water in the Premises.

13.4 No Liability

The Tenant acknowledges and agrees that the Council will not be liable to the Tenant under this Lease (including but not limited to a breach of the covenant of quiet enjoyment or a derogation of the grant of this Lease) for any acts or omissions of the Council undertaken in any capacity including (but not limited to) in exercising any powers under the *Local Government Act 1989* (Vic) or the *Planning and Environment Act 1987* (Vic) except nothing in this clause releases Council from any obligations it owes to the Tenant under this Lease in its capacity as the owner of the Premises.

14. Community Use

14.1 Permitted Use

The Tenant must use the Premises for the Community Use and not use the Premises for any other purpose, with the intention being that the Tenant will maximise community use of the Premises within the Permitted Use. This means the Tenant is under a positive obligation to maximise the use of the Premises. If there are times where the Tenant is not using the Premises, then subject to clause 16 and special condition 2, Council may permit the Tenant to make the Premises available for use or hire by other community groups or individuals provided those other groups or individuals use the Premises in a manner that complies with the Permitted Use and the other terms of this Lease.



14.2 No Warranty

The Tenant:

- 14.2.1 acknowledges that the Council does not represent that the Premises are suitable for the Community Use; and
- 14.2.2 must make its own enquiries as to the suitability of the Premises for the Community Use.

14.3 Illegal Purpose

The Tenant must not use the Premises for any illegal purpose or carry on a noxious or offensive activity on the Premises.

15. Other obligations concerning the Premises

15.1 Compliance with Laws

The Tenant must comply with all laws and any requirements of any authority in connection with the Premises and the Tenant's use and occupation of the Premises including but not limited to, any requirements of the *Equal Opportunity Act 1995 (Vic)*, *Occupational Health and Safety Act 1958 (Vic)*, *Accident Compensation Act 1985* and the *Workers Compensation Act 1958 (Vic)* if applicable, except the Tenant will not be required to carry out any structural works unless the need for such works arises from:

- (a) the negligent act or omission of the Tenant;
- (b) the failure by the Tenant to comply with its obligations under this Lease; or
- (c) the Tenant's use of the Premises.

15.2 Licences and Permits

The Tenant must maintain all licences and permits required for the Tenant's use of the Premises and obtain the prior written consent¹² of the Council before varying any licence or permit or applying for any new licence or permit.

15.3 Nuisance

The Tenant must not do anything in connection with the Premises which may:

- 15.3.1 cause a nuisance or interfere with any other person; or
- 15.3.2 be dangerous or offensive in the Council's reasonable opinion.

15.4 Security

The Tenant must:

- 15.4.1 keep the Premises secure at all times when the Premises are not being used by the Tenant;
- 15.4.2 comply with any building security policy or procedure, key policy or procedure or similar policy or procedure published by Council on its internet website¹³;

¹² Clause 22.8 provides how Council can exercise this consent right.



- 15.4.3 not have additional keys cut or install any security system without the prior written consent¹⁴ of Council. The Tenant acknowledges that the Council may (in granting such consent) require the Tenant to provide Council with any access codes, cards or key servicing the Premises. If the Tenant fails to comply with any such condition Council may remove or temporarily or permanently disable the security system servicing the Premises at the Tenant's cost;
- 15.4.4 be able, at all times, to identify the person in possession of any key issued to the Tenant by Council. If the Tenant is not able to identify such persons to Council's reasonable satisfaction then, in addition to any other rights or remedies under this Lease, Council reserves the right to change the locks and re-key the Premises and issue new keys, the costs of which becomes a debt due and payable to Council by the Tenant upon the written demand of Council;
- 15.4.5 pay the cost of all security attendance at the Premises unless a police report is produced or panel fault is identified;
- 15.4.6 ensure all alarm codes are kept secure and that all alarms are in good working order¹⁵ and are properly de-armed during the Tenant's use of the Premises and re-armed after the Tenant's use of the Premises. If any Council officer, contractor or an emergency service, including, but not limited to a fire brigade, attends the Premises in response to an alarm that is triggered other than in an emergency situation, then the Tenant will be responsible for paying directly or reimbursing Council in respect of any cost or payment that must be made to the Council officer, contractor and/or emergency service as a result.

15.5 Signs

The Tenant must seek the prior written consent¹⁶ of the Council before displaying or affixing any signs, advertisements or notices to any part of the Premises where such signs, advertisements or notices are visible from outside the Premises.

15.6 No Smoking

The Tenant must:

- 15.6.1 not permit any smoking in the Premises; and
- 15.6.2 display 'no smoking' signs in the Premises if requested by the Council.

15.7 Vacation of Premises

The Tenant must not leave the Premises vacant for more than 45 continuous days without the prior written consent¹⁷ of Council.

15.8 Emergency Procedures

The Tenant must:

- 15.8.1 keep a fully stocked first aid kit at the Premises and replenish it when required;

¹³ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A policy titled 'Maroondah Key Policy 2012' was published in 2013.

¹⁴ Clause 22.8 provides how Council can exercise this consent right.

¹⁵ Council, at its cost, will undertake regular inspection and maintenance of Council provided security systems. If there is any fault in a security system the Tenant is to promptly inform Council so an inspection can be undertaken.

¹⁶ Clause 22.8 provides how Council can exercise this consent right.

¹⁷ As above.



- 15.8.2 establish and display an emergency evacuation plan, and test the utility of any such evacuation plan, at regular intervals during each year of the Term; and
- 15.8.3 only use emergency equipment at the Premises for genuine emergencies and must promptly inform Council if emergency equipment is utilised by the Tenant and the reasons for such utilisation. If Council is of the view that the emergency equipment has been properly and reasonably used then Council will replenish the emergency equipment at Council's cost. However, if Council is not satisfied that the emergency equipment has been properly and reasonably used for an emergency, then the Tenant will be responsible for replenishing the emergency equipment at the Tenant's cost.

15.9 Heavy Objects and Flammable Substances

The Tenant must not:

- 15.9.1 store any flammable or explosive substances in the Premises unless they are required for the Community Use; or
- 15.9.2 store any unreasonably heavy objects in the Premises or store anything likely to damage the Premises.

Where flammable or explosive substances are stored in the Premises not in breach of this Lease, then the Tenant must give Council written notice of same including details of the substances, their volume, storage container and location.¹⁸

15.10 Television and Radio

The Tenant must not install any televisions, radios, music systems or other equipment in the Premises which can be heard outside the Premises without obtaining the prior written consent¹⁹ of the Council.

15.11 Endanger Premises

The Tenant must not do or permit anything to be done in connection with the Premises which in the opinion of the Council may endanger the Premises or be a risk to any person or property.

15.12 Tenant's Employees

The Tenant must use all reasonable endeavours to ensure that the Tenant's employees, agents, contractors and invitees observe and comply with the Tenant's obligations under this Lease, where appropriate.

15.13 Animals

The Tenant must not allow any animals other than assistance dogs to enter the Premises, unless the animals are required for or part of the Community Use of the Premises.

15.14 Auction Sales

The Tenant must not conduct or allow to be conducted any auctions, garage sales, car boot sales, fetes or similar activities without the prior written consent²⁰ of Council.

¹⁸ This notification enables Council to determine whether additional safety measures, such as emergency services warning signs, are required for the Premises. If there are any questions or concerns about chemicals in the Premises then Tenants are encouraged to contact Council so Council's corporate occupational health and safety adviser can review the circumstances and situation.

¹⁹ Clause 22.8 provides how Council can exercise this consent right.

²⁰ As above.



15.15 Liquor Licence

The Tenant must:

- 15.15.1 seek the prior written consent²¹ of the Council before applying for any licence or permit under the *Liquor Control Reform Act 1998* (Vic) (licence or permit), or applying for any variation, removal, transfer, surrender or release of the licence or permit or nominating any person to be a licensee or permittee;
- 15.15.2 produce the licence or permit to the Council for inspection upon demand;
- 15.15.3 comply with any conditions of the licence or permit imposed by the Council;
- 15.15.4 comply with all conditions of the licence or permit and all laws relating to the licence or permit;
- 15.15.5 not allow the licence or permit to be cancelled or suspended;
- 15.15.6 renew the licence or permit and notify the Council in writing within 14 days of the renewal;
- 15.15.7 promptly notify the Council in writing if the licence or permit is cancelled or suspended or if the Tenant receives any notice, summons or fine in relation to the licence or permit;
- 15.15.8 indemnify the Council for any damages or costs incurred in relation to the licence or permit or a breach of this clause by the Tenant; and
- 15.15.9 surrender the licence or permit within 21 days of receiving a written notice from the Council, which the Council may give to the Tenant if the Tenant's use of the Premises is causing or likely to cause a nuisance to local residents.

15.16 Gambling

- 15.16.1 The Tenant must not conduct any form of gambling on or associated with the Premises, whether such gambling requires a permit or licence or not, without the prior written consent²² of Council.
- 15.16.2 The Tenant must not apply for a licence or permit pursuant to the *Gambling Regulation Act 2003* (Vic) (**GRA**) without the prior written consent of Council.
- 15.16.3 The Tenant must provide a copy of any licence or permit issued pursuant to the GRA to Council.

15.17 Gaming Licence

The Tenant must seek the prior written consent²³ of the Council before applying for any licence under the *Gaming Machine Control Act 1991* (Vic).

15.18 Tenant Membership

The Tenant will:

²¹ As above.

²² As above.

²³ As above.



- 15.18.1 permit residents and ratepayers of the municipality of Maroondah to become members of the Tenant upon satisfying the Tenant's reasonable requirements for membership;
- 15.18.2 upon demand, inform the Council of the overall number of members of the Tenant and the number of Maroondah residents that are members of the Tenant; and
- 15.18.3 within 7 days of demand, provide the Council with access to all necessary documents to enable the Council to verify the membership of the Tenant. For the sake of clarity, Council will not copy or record the personal details of any member of the Tenant during any verification inspection.

15.19 Tenant Reporting Obligations

The Tenant must give Council:

- 15.19.1 within 5 months of the end of each financial year, an audited financial report or review (as per Incorporations Act requirements) including a statement of assets and liabilities and profit and loss statement for the Tenant for the just completed (preceding) financial year;
- 15.19.2 within 28 days of the Tenant's annual general meeting, a written report in a format similar to the template report for Tenants that Council makes available on its internet website²⁴ and, as a minimum, detailing:
 - (a) the activities conducted by the Tenant during the preceding year and, where applicable, a list of the groups which have used the Premises;
 - (b) the elected office bearers of the Tenant for the next year;
 - (c) any significant or cyclical maintenance of the Premises undertaken by the Tenant in accordance with the Maintenance Schedule or otherwise;
 - (d) a current list of each person who holds a key to the Premises including a reference to the key number (if any) allocated to the key by Council;
 - (e) reports of all OH&S incidents (including near misses and those causing injury) arising on, in or near the Premises or in connection with the Tenant's use of the Premises;
 - (f) the activities that the Tenant is proposing to conduct at the Premises in the next Lease year including a list of any groups that will use the Premises; and
 - (g) a report on the current number of active members of the Tenant and how many of the active members live within the municipality of Maroondah.

15.20 Determination Warranty and Obligations

- 15.20.1 The Tenant acknowledges that the Council has entered into this Lease on the basis that the Tenant warrants that:
 - (a) the Tenant is a body corporate that exists for the purposes of providing community or similar facilities or promoting community objectives and that it applies its profits in promoting its objects and prohibits payment of any dividend or amount to its members; and

²⁴ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A template report was published in 2012.



- (b) accordingly, pursuant to the Determination, the *Retail Leases Act 2003* does not apply to this Lease.

15.20.2 The Tenant warrants that its constitution or rules of association prohibit payment of any dividend, benefit or other amount to its members.

15.20.3 The Tenant agrees and acknowledges that during the Term and any further term:

- (a) it must apply any profits that it receives in promoting its objects;
- (b) it must not amend its rules or its constitution without the prior written consent²⁵ of Council; and
- (c) it must provide a copy of its constitution or rules to Council within 7 days of the Commencement Date and otherwise upon demand by Council.

15.21 Tax Exempt

The Tenant must not undertake any activity or permit anything to be done which may cause it to cease being exempt from Commonwealth income tax under the *Income Tax Assessment Act 1997*.

16. Dealing with Interest in the Premises

16.1 No Parting with Possession

The Tenant must not give up possession of the Premises including assigning this Lease, subleasing the Premises or granting to any person a licence or concession in respect of the Premises, without the prior written consent²⁶ of Council. Where hiring of the Premises to third parties is permitted by Council then Special Condition 2 applies. Council will generally allow such hiring to maximise community use of the Premises, noting the positive obligation of the Tenant under clause 14.1, provided such hiring is to groups and on terms acceptable to Council.

16.2 Change in Shareholding

If the Tenant is a corporation (other than a corporation listed on any stock exchange in Australia) a change in the control of the corporation as such control existed at the Commencement Date (whether occurring at the one time or through a series or succession of issues or transfers) or a change in the holding of more than one-half of the issued share capital, either beneficially or otherwise, will be deemed to be a novation or assignment of this Lease. Before any such novation or assignment of this Lease can be effective and binding upon the Council the Tenant must seek the Council's prior written consent²⁷.

16.3 Mortgage of Lease

The Tenant must not create any security over this Lease or the Tenant's Property.

²⁵ Clause 22.8 provides how Council can exercise this consent right.

²⁶ As above.

²⁷ As above.



17. Tenant's obligations at the end of this Lease

17.1 Tenant's Obligations

At the end of this Lease, the Tenant must:

- 17.1.1 vacate the Premises and give the Premises back to the Council in a condition consistent with the Tenant having complied with its obligations under this Lease;
- 17.1.2 remove the Tenant's Property (including all signs and lettering) and reinstate the Premises in the condition the Premises were in prior to the installation of the Tenant's Property including making good any damage caused by the removal of the Tenant's Property; and
- 17.1.3 give to the Council all keys and other security devices for the purposes of obtaining access to and securing the Premises.

17.2 Tenant's Property Left in Premises

Anything left in the Premises after 7 days of the end of this Lease will be deemed to be abandoned by the Tenant and will become the property of the Council and may be kept or removed or disposed of (including being sold by private sale) by the Council at the Tenant's cost and at the Tenant's risk.

18. Council's rights and obligations

18.1 Quiet Enjoyment

As long as the Tenant does not breach this Lease, the Council must not interfere with the Tenant's use and occupation of the Premises except as provided by this Lease.

18.2 Alterations to the Premises

The Council may carry out any works, alterations, renovation or refurbishment of the Premises which may include extending or reducing any buildings on the Premises at any reasonable time after giving the Tenant reasonable notice of any work proposed pursuant to this clause.

18.3 Dealing with the Land

The Council may:

- 18.3.1 subdivide the Land or grant easements or other rights over the Land or the Premises except where it will unreasonably interfere with the Tenant's use and occupation of the Premises;
- 18.3.2 install, repair and replace pipes, cables and conduits in the Premises; and
- 18.3.3 use the roof and external walls of the Premises for any purposes the Council determines.

18.4 Entry by Council

The Council may enter the Premises at any reasonable time after giving the Tenant reasonable notice to:



- 18.4.1 inspect the condition of the Premises;
- 18.4.2 rectify any default by the Tenant under this Lease;
- 18.4.3 carry out any inspection, repairs, maintenance, works or alterations in the Premises which the Council decides to or is required to carry out by any law or authority.

For the purposes of this clause, where the Tenant has previously lodged a maintenance request and Council is entering the Premises to action that request, then prior notice of entry from Council to the Tenant is not required.

The Council must use all reasonable endeavours to cause as little disruption as possible to the Tenant's use of the Premises in exercising the Council's rights under this clause.

18.5 Emergency Entry, Municipal Emergencies and Disasters

- 18.5.1 The Council may enter the Premises at any time without giving notice to the Tenant in an emergency.
- 18.5.2 If the Council's Municipal Emergency Management Plan or Business Continuity Plan (or equivalent plans however titled) is activated then, notwithstanding any other provision of this Lease, Council reserves the right to enter and assume control of part or all of the Premises for emergency management or business continuity purposes for as long as is reasonably needed.
- 18.5.3 If Council assumes control of the Premises pursuant to clause 18.5.2 then Council must:
 - (a) use reasonable efforts to secure and protect the Tenant's Property, including data and confidential/personal information;
 - (b) return the Premises to the Tenant in the same condition that the Premises were in when Council assumed control of the Premises;
 - (c) acting in good faith, pay a reasonable proportion of any Rates and Taxes or Services assessed to the Premises during the period of the Council's occupation of the Premises; and
 - (d) reduce the Rent on a proportionate basis during the Council's occupation of the Premises.
- 18.5.4 The Tenant acknowledges and agrees that under no circumstance will the Tenant hinder the Council's use of the Premises or the Council's ability to respond to or deal with a municipal emergency or business continuity situation.

18.6 Reletting and Sale

The Council may:

- 18.6.1 once the Tenant has indicated that they will not exercise the option for a further term, affix a 'For Lease' sign on the Premises and show the Premises to intending tenants at any reasonable time upon reasonable notice to the Tenant during the 6 months prior to the end of the Term (except where the Tenant has validly exercised an option for a Further Term); and



- 18.6.2 affix a 'For Sale' sign on the Premises and show the Premises to intending purchasers of the Premises at any reasonable time upon reasonable notice to the Tenant during the Term.

Any sign erected by the Council must not unreasonably interfere with the Tenant's use and occupation of the Premises.

18.7 Waste services

Council will provide, without charge to the Tenant, two (2) two hundred and forty (240) litre waste bins and two (2) two hundred and forty (240) litre recyclables bins for the use of the Tenant in accordance with Council's waste collection practices current at the time. Any additional waste collection services that Council agrees to provide will be provided at the Tenant's cost.

19. Termination of Lease

19.1 Re-entry

The Council may re-enter the Premises and terminate this Lease if:

- 19.1.1 any part of the Rent is in arrears for 30 days (whether or not the Council has demanded payment);
- 19.1.2 the Tenant breaches this Lease and does not remedy the breach within 14 days of receipt of written notice from the Council; or
- 19.1.3 any funding or service agreement between Council and the Tenant ends.

19.2 Damages following Determination

If this Lease is terminated by the Council, the Tenant agrees to compensate the Council for any loss or damage the Council suffers arising in connection with the Tenant's breach of this Lease including the loss of the benefit of the Tenant performing its obligations under this Lease up to the expiration of the Term.

19.3 Essential Terms

The essential terms of this Lease are clauses 3, 6.1, 7.1, 7.2, 8, 9, 11.1, 11.3, 12, 14.1, 15.1, 15.15, 15.17, 15.18, 15.19, 16.1, 18.5 and any special condition that is expressed to be an essential term of this Lease. The breach of an essential term is a repudiation of this Lease.

19.4 No Deemed Termination

If the Tenant vacates the Premises, the Council will not be deemed to have terminated this Lease merely by the acceptance of keys from the Tenant, entry into the Premises for any purpose, or the showing of the Premises to prospective tenants or purchasers. This Lease will be deemed to continue until such time as the Council gives notice to the Tenant terminating this Lease, or otherwise agrees with the Tenant that this Lease is terminated.

20. Insolvency Event

20.1 If:

- 20.1.1 the Tenant is insolvent or admits or is presumed to be so;



- 20.1.2 an application or order is made for the winding up or dissolution of the Tenant, or a resolution is passed or any steps are taken to pass a resolution for a winding up or dissolution of the Tenant;
- 20.1.3 an administrator, provisional liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in respect of the Tenant, or any action is taken to appoint any such person and the action is not stayed, withdrawn or dismissed within fourteen days; or
- 20.1.4 the Tenant enters into, or takes any action to enter into, an arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or an assignment for the benefit of, all or any class of its creditors or members or a moratorium involving any of them,

then an act of insolvency has occurred, and the Council may then terminate this Lease at any time by giving the Tenant 14 days written notice.

21. Destruction or Damage of Premises

21.1 Reduction in Rent

If the Premises, or any part of the Premises, are destroyed or damaged to the extent that the Tenant cannot use or have access to the Premises (except if the Tenant causes or contributes to the destruction or damage, or the Council's insurer is not legally required to reinstate the Premises because the Tenant caused or contributed to the destruction or damage) then the Council will reduce the Rent and any outgoings by a reasonable amount depending upon the nature and extent of destruction or damage until the Tenant can use or have access to the Premises.

21.2 Reinstatement of Premises

If the Premises or any part of the Premises are destroyed or damaged, the Council may, within 6 months from the date of such damage or destruction, give notice to the Tenant:

- 21.2.1 terminating this Lease, where the Council considers that the damage or destruction is such that repairing it is impracticable or undesirable; or
- 21.2.2 that the Council will commence reinstatement of the Premises to a condition where the Tenant can use or have access to the Premises.

The Council does not have to reinstate the Premises.

21.3 Tenant's Right of Termination

Where the Tenant has not caused or contributed to the damage or destruction of the Premises and the payment of the insurance for the Premises is not refused due to the act or default of the Tenant, the Tenant may give written notice to the Council terminating this Lease where the Council does not:

- 21.3.1 give notice to the Tenant pursuant to clause 21.2; or
- 21.3.2 commence reinstatement within 12 months of the date of damage or destruction.

Upon termination of this Lease, each party is released from all further obligations under this Lease except nothing in these clauses releases either party from any breach of this Lease arising prior to the date of termination.



21.4 No Compensation

The Tenant acknowledges that if the Premises are destroyed or damaged, the Tenant is not entitled to receive any compensation from the Council. If however, the damage is at Council's fault then any insurance excess will be compensated.

22. General

22.1 Notices

Any notice required to be served under this Lease must be in writing and must be served by post, facsimile transmission, or hand delivered to:

- 22.1.1 the Tenant at its address set out in this Lease, the Tenant's registered office address, the Premises, or the last known address of the Tenant; and
- 22.1.2 the Council at its address set out in this Lease or any other address notified in writing to the Tenant by the Council.

22.2 Time of Service

A notice or other communication is deemed served:

- 22.2.1 if served personally or left at the person's address, upon service;
- 22.2.2 if posted, 2 business days after posted;
- 22.2.3 if served by facsimile transmission, subject to the next sub-clause, at the time indicated on the transmission report produced by the sender's facsimile machine indicating that the facsimile was sent in its entirety to the addressee's facsimile machine; and
- 22.2.4 if received after 6.00 pm in the place of receipt or on a day which is not a business day, at 9.00 am on the next business day.

22.3 Entire Understanding

This Lease contains the entire understanding between the parties as to the subject matter contained in it. All previous agreements, representations, warranties, explanations and commitments, expressed or implied, affecting this subject matter are superseded by this Lease and have no effect.

22.4 Variation of this Lease²⁸

This Lease may only be varied by agreement recorded in a written document headed 'Variation of Lease' or similar and signed or executed by both parties.

22.5 Waiver

If the Council accepts the Rent or any other monies under this Lease (before or after the end of this Lease) or does not exercise or delays exercising any of the Council's rights under this Lease, it will not be a waiver of the breach of this Lease by the Tenant or of the Council's rights under this Lease.

²⁸ A renewal of this lease (by the exercise of an option, if any, to extend its term) is not a variation. Similarly, an exercise of an option is on the same terms and conditions. If the parties wish to change any terms and conditions when exercising an option then they must execute a formal variation (which can be done at the same time that the options is exercised).



22.6 Special Conditions

This Lease is subject to the Special Conditions set out in section two of Annexure A. The Special Conditions override any inconsistent provisions in this Lease.

22.7 Standard terms

The twenty-three (23) clauses contained in this Part Two constitute Council's standard terms for a community facilities lease. Changes to those clauses noted in section one of Annexure A are deemed to be made to the relevant clauses in this Lease.

22.8 Council's Consent

If Council's consent is required under this Lease, Council may withhold or give its consent in its absolute discretion and, if it gives its consent, it may give its consent subject to such conditions as, in its absolute discretion, it requires.

22.9 Relationship of parties

This Lease does not create any relationship between the parties other than as landlord and tenant in respect of the Lease of the Premises. The Tenant must not hold itself out, or allow anyone associated with the Tenant to hold themselves out, as being an agent of Council or being in any other way entitled to make any contract or representation for or on behalf of Council or to bind Council to the performance, variation, release or discharge of any obligation.

23. Interpretation

23.1 Governing Law and Jurisdiction

This Lease is governed by and is to be construed in accordance with the laws of Victoria. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and waives any right to object to proceedings being brought in those courts.

23.2 Persons

In this Lease, a reference to a person includes a firm, partnership, association, corporation or other corporate body.

23.3 Joint and Several

If a party consists of more than 1 person, this Lease binds them jointly and each of them severally.

23.4 Legislation

In this Lease, a reference to a statute, determination, standard, guideline, policy or similar document includes regulations under the statute and any consolidations, amendments, re-enactments, replacements or updates of any of them.

23.5 Clauses and Headings

In this Lease:

- 23.5.1 a reference to a clause, Particulars or Annexure is a reference to a clause, Particulars or Annexure in or to this Lease; and



23.5.2 headings and sub-headings are inserted for ease of reference only and do not effect the interpretation of this Lease.

23.6 Severance

In this Lease:

23.6.1 if a provision is held to be illegal, invalid, void, voidable or unenforceable, that provision must be read down to the extent necessary to ensure that it is not illegal, invalid, void, voidable or unenforceable; and

23.6.2 if it is not possible to read down a provision as required in this clause, that provision is severable without affecting the validity or enforceability of the remaining part of that provision or the other provisions in this Lease.

23.7 Number and Gender

In this Lease, a reference to:

23.7.1 the singular includes the plural and vice versa; and

23.7.2 a gender includes the other genders.

23.8 Exclusion of Statutory Provisions

The following statutory provisions are excluded from this Lease:

23.8.1 Section 144 of the *Property Law Act 1958* (Vic); and

23.8.2 Division 7 of Part IV of the *Transfer of Land Act 1958* (Vic).

23.9 No restriction of Council's powers, duties or discretions

Nothing in this Lease fetters or restricts the powers, duties or discretions of Council in the exercise of its statutory or other functions, powers, duties and authority.

23.10 Council documents relevant to this Lease published on Council's internet website

23.10.1 Where this Lease requires the Tenant to comply with a document, policy, procedure or form (Documents) published on Council's internet website then Council must give written notice to the Tenant of the publishing of the Document and the Document's general intent and effect before the Tenant is bound by that Document.

23.10.2 If Council makes any changes to a Documents published pursuant to clause 23.10.1 then those changes only apply to the Tenant once the Tenant is given written notice (including by electronic mail) by Council of the change to the relevant Document and the intent and effect of any changes.

23.10.3 For clarity, it is not intended by Council that Documents published by Council pursuant to this clause 23.10 will impose additional financial burden on the Tenant or shift liabilities or responsibilities of Council under this Lease to the Tenant. The Documents are intended to be policy and procedural documents.



23.11 General

To the extent permitted by law, no rule of interpretation must be applied in the interpretation of this Lease to the disadvantage of one party on the basis that it prepared or put forward any document comprising part of this Lease.



Annexure A

Section One – Changes to Council’s standard community lease terms

The following standard clauses from Part Two of this Lease are amended as noted below:

Clause	How amended (changes tracked)	Final form of amendment (untracked)
14.4	Clause deleted - unrestricted use of facility	
2	Clause inserted - Shared Use Spaces	

Section Two - Special Conditions

1. Hire Agreement

1.1 For the purposes of this Special Condition:

Hire Agreement means a hire agreement between the Tenant and a third party to temporarily use the Premises on the terms and conditions set out in this Lease.

Hire Fee means the fee payable by the third party to the Tenant under the Hire Agreement for the use of the Premises.

1.2 The Tenant may only enter into a Hire Agreement if it obtains the prior written consent²⁹ of the Council including in relation to whom the Premises is being hired to and on what terms. Council may provide a Council approved form of hire agreement on its internet website for use by the Tenant.

1.3 The Council and the Tenant acknowledge and agree that the Hire Agreement may provide for the Tenant to charge a Hire Fee provided that the Tenant applies the Hire Fee towards maintaining the Premises, or promoting its objects in accordance with clause 15.20 of this Lease.

This Special Condition is an essential term of this Lease.

2. Shared Use Spaces

2.1 The Tenant does not have the exclusive use of the whole facility. At the time this Lease was entered into with the Yarra Valley Bridge Club (**Other Tenants**) who have the exclusive use of the parts of the facility. It is the responsibility of both the Tenant and the Other Tenants to arrange and pay for the cleaning and maintenance of any shared areas of the facility and to ensure these areas are kept in a clean and safe condition. In the event of a dispute between the Tenant and any of the Other Tenants in relation to the shared areas they must first attempt to resolve the dispute themselves failing which they accept Council can resolve the dispute by making a decision that is binding on both or all three parties to the dispute following whatever process Council deems reasonable in the circumstances, provided the process Council chooses is fair to all parties involved in the dispute.

²⁹ Clause 22.8 provides how Council can exercise this consent right.



3. Relocation

3.1 Relocation

If the Council wants to redevelop the Land and/or the Premises, subdivide the Land, grant easements or other rights over the Land or carry out any works on the Land and/or the Premises, which the Council cannot adequately carry out due to the Tenant's occupation of the Premises under this Lease, the Council may give written notice to the Tenant:

- 3.1.1 requiring the Tenant to surrender this Lease by executing a deed of surrender in a form prepared by the Council (**Deed**) on a date being not earlier than 6 months after receipt of the notice by the Tenant; and
- 3.1.2 offering the Tenant a new lease of alternative premises on suitable land (**Alternative Premises**) which must, as far as practicable, be suitable for the Community Use.

The Council must also provide to the Tenant at the time of giving the Tenant the notice specified above, reasonable details of the Council's proposal for any redevelopment, works or other use determined by Council.

3.2 Terms of New Lease on the Land

The new lease of the Alternative Premises offered to the Tenant under Special Condition 3.1 must be on the same terms as this Lease except:

- 3.2.1 the term of the new lease will be equal to the remainder of the Term as at the date that this Lease is to be surrendered by the Tenant; and
- 3.2.2 the Alternative Premises will be in a location selected by the Council taking into account any reasonable requirements of the Tenant.

3.3 Surrender of Lease and New Lease

- 3.3.1 If the Council gives the Tenant a notice under Special Condition 3.1, the Tenant must:
 - (a) execute and return the Deed to the Council within 30 days of receipt by the Tenant;
 - (b) give notice within 30 days of receipt of the notice under Special Condition 3.1 to the Council either accepting or rejecting the offer of a new lease of the Alternative Premises; and
 - (c) where the Tenant accepts the new lease of the Alternative Premises, execute and return to the Council the new lease within 30 days of receipt of the new lease by the Tenant.
- 3.3.2 If the Tenant does not give the Council any notice under Special Condition 3.3.1(b), the Tenant will be deemed to have rejected the offer of the new lease of the Alternative Premises.
- 3.3.3 If the Tenant gives the Council a notice rejecting the offer of the new lease of the Alternative Premises, or is deemed to have rejected such offer under Special Condition 3.3.2, the Tenant must vacate the Premises in accordance with the terms of the this Lease and the Deed on the date specified in the notice under Special Condition 3.1.



3.4 No Compensation

The Tenant acknowledges that it is not entitled to receive any compensation from the Council where the Council requires the Tenant to surrender this Lease in accordance with this Special Condition and, on and from the date of the surrender of this Lease, (irrespective of whether the Deed is executed by the Tenant), the Tenant releases the Council from all further obligations under this Lease.

3.5 Limit on Relocation

The Council must not serve a notice on the Tenant pursuant to Special Condition 3.1 more than once during the Term.

3.6 Relocation Period

If requested by the Tenant in the notice given by the Tenant to the Council pursuant to Special Condition 3.1, the Council will provide that the new lease of the Alternative Premises will commence 30 days prior to the expiration of this Lease, during which time the Tenant may complete the relocation of the Tenant's Property, so long as the Tenant has complied with its obligations under this Special Condition.

4. Demolition

4.1 Notice to the Tenant

The Council may give a notice to the Tenant, which provides for the termination of the Lease on the grounds of a proposed demolition, on a date not being earlier than 6 months after receipt of the notice by the Tenant.

4.2 Surrender of Lease

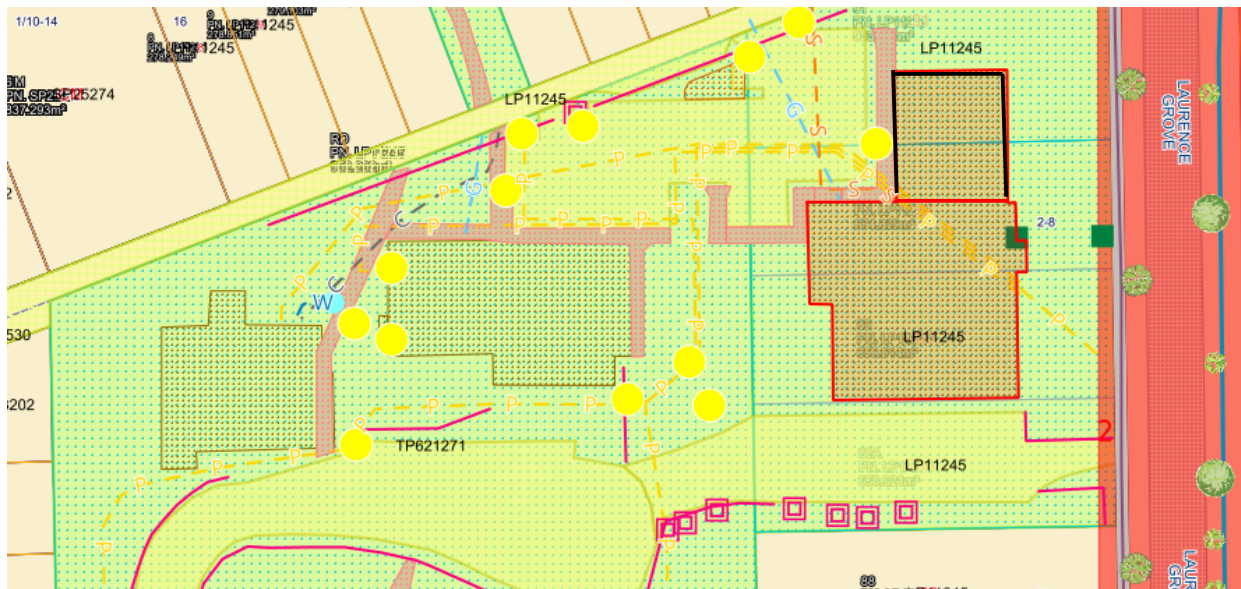
If the Council gives the Tenant a notice under Special Condition 4.1, the Tenant must execute and return to the Council a deed of surrender of this Lease within 14 days of receipt by the Tenant.

4.3 Compensation

The Tenant acknowledges that it is not entitled to receive any compensation from the Council where the Council requires the Tenant to surrender this Lease in accordance with this Special Condition and, on and from the date of surrender of this Lease (irrespective of whether a deed of surrender of lease is executed by the Tenant), the Tenant releases the Council from all further obligations under this Lease.

Annexure B

Plan of Premises (red outline)





Annexure C

Determination



Victoria Government Gazette

No. S 209 Thursday 24 July 2008
By Authority: Victorian Government Printer

Retail Leases Act 2003

PREMISES NOT CONSTITUTING RETAIL PREMISES

This Determination is made under Section 5(1) (e) of the **Retail Leases Act 2003**.

- A. I determine that each of the following kinds of leases is a lease to which section 4(2)(h) of that Act applies:
- (a) a lease of premises by a Council within the meaning of the **Local Government Act 1989** under which the premises may be used wholly or predominantly for any one or more of the following purposes:
 - i. public or municipal purposes;
 - ii. charitable purposes;
 - iii. as a residence of a practising minister of religion;
 - iv. for the education and training of persons to be ministers of religion;
 - v. as a club for or a memorial to persons who served in the First or Second World War or in any other war, hostilities or special assignment referred to in the **Patriotic Funds Act 1958**;
 - vi. for the purposes of the Returned Services League of Australia;
 - vii. for the purposes of the Air Force Association (Victoria Division);
 - viii. for the purposes of the Australian Legion of Ex-Servicemen and Women (Victorian Branch);
 - (b) a lease of premises by a Council within the meaning of the **Local Government Act 1989** (including in its capacity as a committee of management within the meaning of the **Crown Land (Reserves) Act 1978**) under which the premises are used wholly or predominantly by a body, corporate or unincorporate, that exists for the purposes of providing or promoting community, cultural, sporting, recreational or similar facilities or activities or objectives and that applies its profits in promoting its objects and prohibits the payment of any dividend or amount to its members;
whether or not the premises are occupied by the tenant, held by the tenant in trust for the occupant or sub-leased by the tenant to another person.
- B. A certificate signed by the Small Business Commissioner shall be sufficient evidence that a lease is a kind of lease to which paragraph A of this Determination applies.
- C. This Determination is in addition to and does not replace any other Determination and, particularly but without limitation, is to be read subject to the Ministerial Determination dated 20 August 2004 made by the Minister for Small Business and notified in the Victoria Government Gazette No. S184 Monday 23 August 2004 to the extent that any premises, tenant or lease is subject to that Determination.
- D. Nothing in this Determination is to be taken to prevent its application to any sub-lease of any lease in respect of which this Determination applies in any way, in addition to its application to any such lease.
- E. Further, nothing in this Determination is to be taken as limiting the powers of the Small Business Commissioner under Part 10 of the **Retail Leases Act 2003**.

This determination comes into effect on 1 August 2008.

Dated 22 July 2008

JOE HELPER MP
Minister for Small Business



2 S 209 24 July 2008

Victoria Government Gazette

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Annexure D

Pro-forma letter from the Tenant to Council providing notice pursuant to clause 3.2.1

[Date]

[Council officer name and title]
Maroondah City Council
P.O. Box 156
Ringwood Vic 3134

Dear [salutation],

**Lease of [insert premises details] by [insert tenant details] (Tenant)
Notice of desire to exercise the option to renew the lease**

Please accept this letter as formal notice pursuant to clause 3.2.1 of the above lease that the Tenant wishes to exercise the option to renew the lease for a further term of [insert number of years].

To my knowledge the Tenant is not currently in breach of any provision of the lease nor has the Tenant persistently defaulted under the lease. The Tenant also agrees to comply with all reasonable requirements of Council in renewing the lease.

Under the lease I understand the next step is Council will respond in writing to this notice.

I look forward to hearing from you.

Yours sincerely,

[Insert name]

[Insert position held at the Tenant e.g. public officer and the Tenant's name]



Annexure D (continued)

Pro-forma Letter from Council granting the Tenant a new lease for a Further Term pursuant to clause 3.3.2

[Date]

[Tenant officer name and title]

[Tenant name and address]

... Vic 31..

Dear [salutation],

Lease of [insert premises details] by [insert tenant details] (Tenant) Confirmation of the exercise of an option to renew the lease

Council confirms receipt of the Tenant's notice dated [insert date] indicating the Tenant's wishes to exercise the option to renew the lease for a **Further Term** of [insert number of years].

Please accept this letter as formal notice pursuant to clause 3.3.2 of the above lease that Council agrees to the option for a Further Term being exercised. Please sign the enclosed duplicate of this letter and return it to Council. These exchanges of letters constitute the exercise of the option for to extend this lease for the Further Term.

This means the key details of the option term of the lease will be:

1. Commencement date of the **Further Term**: [insert time and date]
2. End date of the **Further Term**: [insert time and date]
3. Rent for each year of the Further Term:
 - a. **Further Term** year one – \$ [insert amount]
 - b. **Further Term** year two – \$ [insert amount]
 - c. **Further Term** year three – \$ [insert amount]
 - d. **Further Term** year four – \$ [insert amount]
 - e. **Further Term** year five – \$ [insert amount]
 - f. **Further Term** year six - \$ [insert amount]
4. **Additional Further Terms**: [insert, if none write 'nil']

All other terms of the Lease remain as the same terms and conditions for the initial term of the Lease.

Council looks forward to receiving the return of the enclosed duplicate of this letter, executed by [insert name of the Tenant] and to your continued occupation and use of the Premises.

Yours sincerely,

[Insert Council officer name]

[Insert Council officer title]

Then create a duplicate of the letter with the following execution clause for the Tenant at the end –

The Tenant agrees to extend the term of the above Lease of the above Premises for the Further Term on the terms and conditions contained in the letter from Council dated [insert date] of one page of which this is a reformatted duplicate:

.....



Signed for and on behalf of [insert Tenant's name] in accordance with its constitution by –

PRINT name:

Position held:

Date:



MAROONDAH CITY COUNCIL

**Enjoying Planned Retirement
Incorporated**

COMMUNITY FACILITY LEASE 2021

This lease package is a controlled document and is one of a suite of documents used by Council when granting third parties the use of Council premises. Permission for the use of this document by Council staff must be obtained from Council's Manager Leisure.





Maroondah City Council 2018 standard community facility lease package

This lease has been developed for use in the lease of community facilities by Maroondah City Council (**Council**). It is based on a standard document prepared by Maddocks lawyers, modified for Council's own purposes.

The Council documents used to leases or licence the use of Council premises include:

- This standard community facility lease;
- A standard community facility licence;
- Standard documents to vary, surrender and renew community facility leases and community facility licences;
- A suite of documents relating to the seasonal allocation of Council premises (through a form of licence); and
- Overarching policy documents, including –
 - Community Facilities Occupancy policy (2015); and
 - Community Facilities Pricing policy (2015).

This community facility lease consists of two parts:

Part One – Recitals and Execution Page

The Recitals set out the factual circumstances in which the lease was entered into. They do not form an operative part of the lease (i.e. grant rights or create obligations) but Council can rely and may be able to take action based on any representations made by the tenant (usually in Recital I).

The execution page is where Council and the tenant formally sign (or execute) the lease to confirm their mutual acceptance of the terms and conditions of the lease.

Part Two – Particulars, Standard Clauses and Annexures

The Particulars are the specific details of each lease: the parties to the lease, the land being leased, the period of the lease, the rent etc. There are then 23 standard clauses which set out Council's community facility lease terms. These Particulars must be completed for the standard terms to be able to have effect.

There are four Annexures to each Council lease:

- Annexure A records any amendments to the standard clauses and includes any additional special conditions (which prevail over standard clauses).
- Annexure B inserts a plan of the premises. It is this plan that shows the specific land and buildings being leased to the tenant.
- Annexure C inserts a copy of the Ministerial Determination dated 24 July 2008¹.
- Annexure D are Council's standard documents to exercise any option to extend the term of the Lease.

¹ This Determination exempts certain Local Government leases from retail tenancy lease laws.



Part One – Recitals

- A. Maroondah City Council owns the land known as –
a. Norwood Reserve, Warrandyte Road, Ringwood North, 3134
b. Volume 8127 Folio 900
(**Council's Land**)
- B. Enjoying Planned Retirement Incorporated (ABN 25 614 181 055) is a not for profit incorporated association that is registered in Victoria and operates within the municipality of Maroondah (**Tenant**).
- C. The Tenant wishes to lease part or all of the Council Land from Council.
- D. Council has granted the Tenant a lease of the part of Council's Land bounded in red on the aerial photograph or other plan shown in Annexure B of Part Two of this lease package on the terms and conditions set out in this lease (**Premises**).
- E. Located on the Premises are the following Council assets –
1. Senior Citizens centre
2. Annex utilised by Early Planned Retirement
3. Historical Society room
4. Kindergarten Building
- F. Located on the Premises are the following assets not owned by Council: the Tenant's property.
- G. Subject to the terms of this lease, the Tenant has the exclusive use of the Premises and all Council assets located on the Premises.
- H. The purpose of Council granting this lease to the Tenant is to enable the Tenant to carry on of activities normally associated with a senior citizens club (leisure and recreational activities, social inclusion programs and events which support older residents of Maroondah)
- I. In granting this lease to the Tenant, the Tenant acknowledges it has made and Council has relied upon the following representations –
a. The Premises will only be used for not for profit purposes and not for any commercial purposes;
b. The Tenant will only use the Premises in a manner that complies with the terms and conditions of this lease;
c. The Tenant is financially sound and will be able to pay its rent and all other of its debts as and when they fall due; and
d. The Tenant has disclosed to Council all matters about the Tenant and about this lease known by the Tenant which may materially affect either Council's decision to grant this lease to the Tenant or the terms of this lease.



Part One – Execution Page

The Council leases the Premises to the Tenant subject to the terms contained in this Lease.

This Lease is executed as a deed on the day of 20

The Common Seal of Maroondah)
City Council was affixed in the)
presence of:)

..... Councillor

..... Chief Executive Officer

Dated this day of 2021

Executed for and on behalf of [insert)
name of Tenant] in accordance with its)
Constitution by:)

(Signed)

..... PRINT name and position held

(Signed)

..... PRINT name and position held

Dated this day of 2021



Part Two – Standard terms of Maroondah City Council community facility lease

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Particulars

Item 1. Council: (Clause 1)	Maroondah City Council of Braeside Avenue, Ringwood 3134
Item 2. Tenant: (Clause 1)	Enjoying Planned Retirement Incorporated 25 614 181 055 Norwood Reserve, Annex, 125A Warrandyte Road, Ringwood North, 3134
Item 3. Land: (Clause 1)	The land contained in certificate of title volume 8127 folio 900 and known as Norwood Reserve, Warrandyte Road, Ringwood North, 3134
Item 4. Premises: (Clause 1)	That part of the Land shown bounded in red on the plan in Annexure B
Item 5. Commencement Date: (Clause 1)	1 July 2021
Item 6. Term: (Clause 1)	Three (3) years
Item 7. Further Term(s): (Clause 1 & 3.2)	Two (2) further term(s) of Three (3) year(s)
Item 8. First and Last dates for exercising the Option for the Further Term: (Clause 3.2.1)	First date 1 January 2024 Last date 1 April 2024
Item 9. Rent : (Clause 1 & 3)	Year 1: \$835.25 incl GST Year 2: \$856.01 incl GST Year 3: \$877.41 incl GST Year 4: \$899.35 incl GST Year 5: \$921.83 incl GST Year 6: \$944.88 incl GST Year 7: \$968.50 incl GST Year 8: \$992.71 incl GST Year 9: \$1,017.53 incl GST The Rent is payable annually in advance, within 28 days of Council issuing an invoice for the Rent, commencing on the Commencement Date, and then on each anniversary of the Commencement Date during the Term and any Further Term. Council will generally issue its tax invoice for the Rent in March or April preceding the next anniversary of the Lease. This payment obligation also applies to the payment of Rent during any Further Term.
Item 10. Rent During Further Term: (Clause 1 and 5)	To be determined by Council if the option is exercised

Particulars (continued)



- | | |
|---|--|
| Item 11. Security Deposit:
(Clause 1 & 8.1) | \$1,000 plus GST |
| Item 12. Community Use:
(Clause 1 & 14.1) | The carrying on of activities normally associated with supporting older residents with social inclusion, leisure, recreation and social support related activities. |
| Item 13. Hours of Use
(Clause 14.4) | Not applicable |
| Item 14. Special Conditions:
(Clause 1 & 22.6) | The Special Conditions in section two of Annexure A form part of this Lease. |
| Item 15. Changes to Council's standard terms:
(Clause 22.6) | <p>The following standard clauses have been amended (as set out in section one of Annexure A):</p> <p>14.4 clause deleted - unrestricted use of facility</p> <ul style="list-style-type: none">▪ 2.1 Shared use spaces |



1. Definitions

In this Lease unless expressed or implied to the contrary²:

Commencement Date means the date specified in Item 5.

Community Use means the use specified in Item 12 which falls within the uses specified in the Determination.

Council means Maroondah City Council as stated in Item 1 and includes the Council's successors and assigns and where it is consistent with the context includes the Council's employees and agents.

Council's Fixtures means all fittings, fixtures, and chattels contained in the Premises at the Commencement Date or installed by the Council during the Term.

CPI means the Consumer Prices Index – All Groups (Melbourne) or agreed equivalent

Determination means the Ministerial Determination dated 24 July 2008, a copy of which is attached at Annexure C.

Disaster Recovery Plan means the recovery plan prepared by Council (and other agencies) to be applied in the event of a disaster.

Further Term means the further term(s) specified in Item 7.

Hours of Use means the hours specified in Item 13.

Item means an item in the Particulars to the Lease.

Land means the land specified in Item 3.

Lease means this Lease.

Lettable Area(s) means the lettable area of the Land assessed for Rates and Taxes as determined by a surveyor engaged by the Council.

Maintenance Schedule means the schedule published on Council's internet website³ which sets out the repair and maintenance responsibilities of the parties to the Lease.

Municipal Emergency Management Plan means the management plan prepared by Council and other agencies that is applied in the event of an emergency.

Part means one of the two (2) parts to this Lease, which collectively constitute and form the terms of this Lease.

Premises means the premises specified in Item 4 and includes the Council's Fixtures.

Rates and Taxes means the rates, taxes, charges and levies specified in clause 6.1.

² Note: clause, Particular and annexure are defined in clause 23.5.1.

³ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version (if any).



Rent means the amount specified in Item 9 as reviewed, adjusted or increased under this Lease.

Security Deposit means a Security Deposit for the amount specified in Item 11.

Services refers to utilities including electricity, gas, water, telephone and internet connection.

Special Conditions means the conditions referred to in Item 14.

Tenant means the Tenant specified in Item 2 and includes the Tenant's successors and assigns and where it is consistent with the context includes the Tenant's employees, contractors, agents, invitees and persons the Tenant allows in the Premises.

Tenant's Property means all property in the Premises including all fixtures and fittings owned or leased by the Tenant but excluding the Council's Fixtures.

Term means the term specified in Item 6 and includes any period of overholding.

2. Compliance with *Local Government Act 2020*

Where applicable, the grant of this Lease is subject to the Council giving notice of its intention to grant this Lease and resolving to grant this Lease pursuant to the requirements of the *Local Government Act 2020* (Vic).

3. Duration of the Lease

3.1 Term

This Lease is for the Term starting on the Commencement Date.

3.2 Option for a Further Term

The Council will agree to the Lease being extended for the Further Term if the Tenant:

- 3.2.1 gives the Council written notice in a form similar to the relevant letter in Annexure D asking to exercise the option to extend the term of the Lease, provided such notice is given not earlier than 6 months nor later than 3 months before the end of the Term (the first and last dates for exercising the option for the Further Term are specified in Item 8);
- 3.2.2 has remedied any breach of this Lease of which the Tenant has received written notice from the Council;
- 3.2.3 has not persistently defaulted under this Lease where the Council has given written notice of the defaults; and
- 3.2.4 complies with all reasonable requirements of the Council.

3.3 Process to exercise an option for a Further Term

The process to exercise an option for a Further Term once Council has received the written request from the Tenant's pursuant to clause 3.2.1 above is –



- 3.3.1 Council will advise the Tenant in writing whether Council agrees to the option for the Further Term being exercised⁴;
- 3.3.2 If Council agrees to the option being exercised then Council will send the Tenant an exercise of option agreement in a form similar to the relevant letter in Annexure D; and
- 3.3.3 The Tenant must then execute the exercise of option agreement and return it to the Council within 28 days of receipt failing which the option lapses at Council's discretion. If an option for a Further Term lapses then Council will confirm same to the Tenant in writing⁵.

3.4 Commencement and terms of the Further Term

Where an option for a Further Term has been exercised then the Further Term will commence on the day after the initial Term ends and operates on the same terms and conditions as the initial Term save that

- 3.4.1 there will be with no option for a Further Term where the last option for a Further Term has been exercised; and
- 3.4.2 the Rent for the Further Term will be the Rent stated in Item 10.

3.5 Overholding

If the Tenant continues in occupation of the Premises after the end of the Term, without objection by the Council:

- 3.5.1 the Tenant occupies the Premises subject to the same terms and conditions contained in this Lease;
- 3.5.2 the Council or the Tenant may end this Lease during any period of overholding by giving 30 days written notice to the other party expiring at any time; and
- 3.5.3 the Council may increase the Rent and the amount of any Security Deposit by giving the Tenant one months' written notice and those increases will apply from the end of the notice, even where the Tenant has already paid Rent further in advance.

4. Payment of Rent

The Tenant must pay the Rent to the Council in the manner specified by the Council in Item 9.

5. Rent for any Further Term

The Rent for any Further Term will be set for each year of the Further Term by Council prior to the Further Term commencing. The Rent will be determined by the application of any relevant policy adopted by Council or by reference to the historical and expected future movement in the CPI rounded up or down to the nearest \$50 or \$100 as Council reasonably determines.

⁴ If the Tenant has complied with the four requirements of clause 3.2 then Council is required to agree to the option being exercised. The option is the Tenant's, not Council's.

⁵ This signed letter of agreement is the formal documentation confirming the lease has been extended for the Further Term. It should be added to both parties copy of the Lease. Council does not execute a new lease when an option is exercised.



6. Outgoings

6.1 Rates and Taxes

The Tenant must pay to the Council, or the relevant authority:

- 6.1.1 water rates and charges, including water usage charges;
- 6.1.2 sewerage and drainage rates and charges;
- 6.1.3 land tax (assessed on a single holding basis); and
- 6.1.4 all other rates, taxes, charges and levies assessed in connection with the Premises save that the Tenant will not be required to pay for the waste collection services set out in clause 18.7 that Council will provide.

6.2 Proportion of Rates and Taxes

If any Rates and Taxes are not separately assessed in connection with the Premises, the Tenant must pay to the Council within 30 days of demand the proportion of the Rates and Taxes that the area of the Premises bears to the total Lettable Area assessed.

6.3 Receipt for Payment

The Tenant must provide to the Council receipts for any Rates and Taxes paid by the Tenant within 30 days of request by the Council.

7. Other expenses

7.1 Services

The Tenant must, by the due date on the demand, pay for all services in connection with the Premises, including electricity, gas, water, telephone, internet and cable communications or entertainment services and where any service is not separately metered, the Tenant must pay for a reasonable proportion of those services as determined by Council, acting reasonably.

7.2 Costs and Duty

The Tenant must pay to the Council within 30 days of demand:

- 7.2.1 Council's reasonable costs of preparing, negotiating and finalising this Lease;
- 7.2.2 the stamp duty payable on this Lease (including penalties and fees);
- 7.2.3 the Council's reasonable costs in considering the granting of any consent or approval under this Lease (regardless of whether the Council actually gives such consent or approval);
- 7.2.4 the Council's architects or contractor's fees payable pursuant to clause 11.3; and
- 7.2.5 the Council's costs (including charges on a solicitor-own client basis) incurred as a result of a breach of this Lease by the Tenant.



8. GST

8.1 Definitions

In this clause:

- 8.1.1 words and expressions that are not defined in this Lease but which have a defined meaning in the GST Law have the same meaning as in the GST Law;
- 8.1.2 GST Law has the meaning given to that term in the A New Tax System (*Goods and Services Tax*) Act 1999.

8.2 GST Exclusive

Except as otherwise provided by this clause, all consideration payable under this Lease in relation to any supply is exclusive of GST.

8.3 Increase in Consideration

If GST is payable in respect of any supply made by a supplier under this Lease (**GST Amount**), the recipient will pay to the supplier an amount equal to the GST payable on the supply.

8.4 Payment of GST

Subject to clause 8.3 the recipient will pay the GST Amount at the same time and in the same manner as the consideration for the supply is to be provided under this Lease.

8.5 Tax Invoice

The supplier must provide a tax invoice to the recipient before the supplier will be entitled to payment of the GST Amount under clause 8.4.

8.6 Reimbursements

If this Lease requires a party to reimburse an expense or outgoing of another party, the amount to be paid or reimbursed by the first party will be the sum of:

- 8.6.1 the amount of the expense or outgoing less any input tax credits in respect of the expense or outgoing to which the other party is entitled; and
- 8.6.2 if the payment or reimbursement is subject to GST, an amount equal to that GST.

8.7 Adjustment events

If an adjustment event occurs in relation to a taxable supply under this Lease:

- 8.7.1 the supplier must provide an adjustment note to the recipient within 7 days of becoming aware of the adjustment; and
- 8.7.2 any payment necessary to give effect to the adjustment must be made within 7 days after the date of receipt of the adjustment note.



9. Security Deposit

9.1 Council's Right to Use Security Deposit

The Council may call up payment of the Security Deposit required by clause 9.2 if the Tenant does not comply with any of its obligations under this Lease.

9.2 Delivery of Security Deposit

The Tenant must:

- 9.2.1 pay to the Council the Security Deposit by way of bank cheque together with the Tenant's tax file number on or before the Commencement Date; or
- 9.2.2 if the Council requires, deliver to the Council a bank guarantee for an amount equal to the Security Deposit (the bank guarantee must be on terms acceptable to the Council acting reasonably) on or before the Commencement Date; and
- 9.2.3 pay any additional amount towards the Security Deposit within 14 days of demand to maintain the Security Deposit at the required level.

9.3 Tenant to replace Security Deposit

The Tenant must, within 14 days of demand, replace any amount of the Security Deposit used by the Council (including providing a replacement or additional bank guarantee).

9.4 Return of Security Deposit

The Council must, if the Tenant has complied with all of its obligations under this Lease, return the Security Deposit to the Tenant within 60 days of the end of this Lease.

9.5 Sale of the Land

The Tenant must provide the Security Deposit to any future owner of the Land if this Lease continues beyond the sale of the Land.

10. Payment requirements

10.1 No Deduction or Right of Set-off

The Tenant must pay all amounts due under this Lease to the Council (including the Rent and Rates and Taxes) without deduction or right of set-off.

10.2 Interest on Late Payments

The Tenant must pay to the Council on demand interest at the rate per annum equal to the current rate fixed under section 2 of the *Penalty Interest Rates Act 1983* (Vic) on any money payable by the Tenant under this Lease and remaining unpaid after the due date. Interest will be computed from the date on which such payment became due.



10.3 Payment after Termination

The Tenant must:

- 10.3.1 make all payments due under this Lease; and
 - 10.3.2 provide all information to the Council under this Lease to calculate any such payments,
- even if this Lease has ended.

10.4 Method of payment

The Tenant must make all payments under this Lease in such manner as the Council reasonably requires, which may include by electronic funds transfer or direct debit.

11. Repairs, Refurbishment and Alterations

11.1 Repairs and Maintenance

- 11.1.1 The Tenant must maintain⁶ and repair the Premises in accordance with Maintenance Schedule.
- 11.1.2 Without limiting clause 11.1.1, the Tenant must:
 - (a) keep the Premises and the Tenant's Property clean and free from rubbish, store all rubbish in proper containers and have it regularly removed;
 - (b) keep the Premises in the same condition as it was in at the date the Tenant first entered occupation of the Premises (fair wear and tear excepted);
 - (c) pay to Council any costs incurred by Council in maintaining, repairing or replacing items in the Premises that are damaged, worn or destroyed with items of at least the same quality which are:
 - (i) the Tenant's responsibility under the Maintenance Schedule; or
 - (ii) not listed on the Maintenance Schedule,and which are not maintained, repaired or replaced by the Tenant as required under this Lease⁷;
 - (d) make good any damage caused to any adjacent property by the Tenant;
 - (e) take all reasonable measures to ensure that any fair wear and tear to the Premises does not cause any loss or damage to the Premises or to any person;
 - (f) give the Council prompt written notice of any material damage to the Premises or anything likely to be a risk to the Premises or any person or property in or near the Premises; and

⁶ Maintenance includes the regular servicing of specific items such as automatic doors, air conditioners, heaters, dishwashers and the like.

⁷ As the failure to repair or replace is a breach of this Lease then Council can immediately access the Tenant's Security Deposit, if there is one, rather than making demand for payment from the Tenant. Refer to clause 9.2.



- (g) generally comply with the procedures for maintenance and repairs set out in Council's Community Facilities Occupancy Policy (provided a copy is given to the Tenant) to the extent that Policy is not inconsistent with this Lease.

11.2 Electrical Equipment

The Tenant must ensure that all electrical equipment and appliances are inspected, tested and tagged in accordance with, and as often as required by, the standards contained in the Standard Inspection and Testing AS/NZS 3760.

11.3 Alterations to Premises

The Tenant must ensure any alterations or works to the Premises, any services to the Premises or the Tenant's Property are carried out strictly in accordance with the process set out in Council's policy for alterations to premises under a community facilities lease published on Council's internet website⁸.

The Tenant is not required to seek the Council's consent to making any alterations to the display of the Tenant's property in the Premises.

11.4 Not Interfere with Services

The Tenant must not interfere, misuse or overload any services to the Premises, including electricity, gas and water.

11.5 Defacing Premises

The Tenant must not deface or damage the Premises (including drilling holes in the Premises) except where approved by the Council in accordance with clause 11.3.

11.6 Failure to Repair and Maintain

If the Tenant does not carry out any repairs, maintenance or other works required under this Lease within 14 days of receiving written notice from the Council to do so, then the Council may enter the Premises to carry out such repairs, maintenance and works at any reasonable time after giving the Tenant further reasonable notice. The cost of all such repairs, maintenance and works must be paid by the Tenant to the Council on demand⁹.

11.7 Repairs to Council's Fixtures

The Tenant must reimburse the Council for the cost of any repairs to the Council's Fixtures within 14 days of demand¹⁰.

⁸ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A policy titled 'Process for a tenant carrying out any alterations or works to the Premises' was published in 2013.

⁹ As the failure to repair or maintain is a breach of this Lease then Council can immediately access the Tenant's Security Deposit, if there is one, rather than making demand for payment from the Tenant. Refer to clause 9.2.

¹⁰ A failure to reimburse entitles Council to access the Tenant's Security Deposit, if there is one. Refer to clause 9.2.



12. Insurance¹¹

12.1 Public Liability, Consequential Loss and Glass Insurance

- 12.1.1 The Tenant must throughout this Lease maintain insurance, in the name of the Tenant and with Council named as principal or as an interested party, with an insurer approved by the Council, for:
- (a) public liability for the amount of \$20 million for each single event (or such greater sum as reasonably required by the Council); and
 - (b) any windows and any other glass in the Premises for their full replacement value.
- 12.1.2 The Tenant acknowledges that the insurance set out in clause 12.1.1(a) must extend to the whole of the Premises and all activities of the Tenant including the activities of any volunteers and invitees of the Tenant.

12.2 Tenant's Property

The Tenant must insure the Tenant's Property for loss and damage from risks including fire and water damage for its full replacement value.

12.3 Payment and Production of Policies

The Tenant must pay all insurance premiums on or before the due date for payment and produce to the Council copies of the certificate of currency on or before each anniversary of the Commencement Date.

12.4 Not Invalidate Policies

The Tenant must:

- 12.4.1 not do anything which may make any insurance effected by the Council or the Tenant invalid, capable of being cancelled (by the insurer) or rendered ineffective, or which may increase any insurance premium payable by the Council; and
- 12.4.2 pay any increase in any insurance premium payable by the Council where such increase has been caused by the Tenant's act, default or use of the Premises.

12.5 Requirements by Insurer

The Tenant must comply with all reasonable requirements of the Council's insurer in connection with the Premises.

12.6 Other Insurance

The Tenant must, at its cost, effect and maintain:

- 12.6.1 workers' compensation insurance for its employees; and
- 12.6.2 if required by Council, professional indemnity, and directors and officers liability, insurance,

¹¹ Insurance of Council buildings and improvements (e.g. tennis courts, baseball fields, soccer fields etc) and Council's fixtures (generally anything fixed to the building or improvement) are Council's responsibility. Tenants are not required to insure these.



to the reasonable satisfaction of Council.

13. Release, Indemnity, Compensation and Liability

13.1 Release

The Tenant uses and occupies the Premises at its own risk and releases the Council from all claims resulting from any damage, loss, death or injury in connection with the Premises except to the extent that such claims arise out of the Council's negligence.

13.2 Indemnity

The Tenant must indemnify and hold harmless the Council against all claims resulting from any damage, loss, death or injury in connection with the Premises and the use and occupation of the Premises by the Tenant. The Tenant's liability to indemnify the Council will be reduced proportionally to the extent that the Council's negligence contributed to the loss or liability.

13.3 No Compensation

The Council is not liable to the Tenant for any loss or damage incurred by the Tenant due to:

- 13.3.1 any damage to the Premises;
- 13.3.2 the failure of the Council's Fixtures or any plant and equipment (including air conditioning and water or other heaters) to operate properly;
- 13.3.3 the interruption or damage to any services (including electricity, gas or water) to the Premises; and
- 13.3.4 the overflow or leakage of water in the Premises.

13.4 No Liability

The Tenant acknowledges and agrees that the Council will not be liable to the Tenant under this Lease (including but not limited to a breach of the covenant of quiet enjoyment or a derogation of the grant of this Lease) for any acts or omissions of the Council undertaken in any capacity including (but not limited to) in exercising any powers under the *Local Government Act 1989* (Vic) or the *Planning and Environment Act 1987* (Vic) except nothing in this clause releases Council from any obligations it owes to the Tenant under this Lease in its capacity as the owner of the Premises.

14. Community Use

14.1 Permitted Use

The Tenant must use the Premises for the Community Use and not use the Premises for any other purpose, with the intention being that the Tenant will maximise community use of the Premises within the Permitted Use. This means the Tenant is under a positive obligation to maximise the use of the Premises. If there are times where the Tenant is not using the Premises, then subject to clause 16 and special condition 2, Council may permit the Tenant to make the Premises available for use or hire by other community groups or individuals provided those other groups or individuals use the Premises in a manner that complies with the Permitted Use and the other terms of this Lease.



14.2 No Warranty

The Tenant:

- 14.2.1 acknowledges that the Council does not represent that the Premises are suitable for the Community Use; and
- 14.2.2 must make its own enquiries as to the suitability of the Premises for the Community Use.

14.3 Illegal Purpose

The Tenant must not use the Premises for any illegal purpose or carry on a noxious or offensive activity on the Premises.

15. Other obligations concerning the Premises

15.1 Compliance with Laws

The Tenant must comply with all laws and any requirements of any authority in connection with the Premises and the Tenant's use and occupation of the Premises including but not limited to, any requirements of the *Equal Opportunity Act 1995 (Vic)*, *Occupational Health and Safety Act 1958 (Vic)*, *Accident Compensation Act 1985* and the *Workers Compensation Act 1958 (Vic)* if applicable, except the Tenant will not be required to carry out any structural works unless the need for such works arises from:

- (a) the negligent act or omission of the Tenant;
- (b) the failure by the Tenant to comply with its obligations under this Lease; or
- (c) the Tenant's use of the Premises.

15.2 Licences and Permits

The Tenant must maintain all licences and permits required for the Tenant's use of the Premises and obtain the prior written consent¹² of the Council before varying any licence or permit or applying for any new licence or permit.

15.3 Nuisance

The Tenant must not do anything in connection with the Premises which may:

- 15.3.1 cause a nuisance or interfere with any other person; or
- 15.3.2 be dangerous or offensive in the Council's reasonable opinion.

15.4 Security

The Tenant must:

- 15.4.1 keep the Premises secure at all times when the Premises are not being used by the Tenant;
- 15.4.2 comply with any building security policy or procedure, key policy or procedure or similar policy or procedure published by Council on its internet website¹³;

¹² Clause 22.8 provides how Council can exercise this consent right.



- 15.4.3 not have additional keys cut or install any security system without the prior written consent¹⁴ of Council. The Tenant acknowledges that the Council may (in granting such consent) require the Tenant to provide Council with any access codes, cards or key servicing the Premises. If the Tenant fails to comply with any such condition Council may remove or temporarily or permanently disable the security system servicing the Premises at the Tenant's cost;
- 15.4.4 be able, at all times, to identify the person in possession of any key issued to the Tenant by Council. If the Tenant is not able to identify such persons to Council's reasonable satisfaction then, in addition to any other rights or remedies under this Lease, Council reserves the right to change the locks and re-key the Premises and issue new keys, the costs of which becomes a debt due and payable to Council by the Tenant upon the written demand of Council;
- 15.4.5 pay the cost of all security attendance at the Premises unless a police report is produced or panel fault is identified;
- 15.4.6 ensure all alarm codes are kept secure and that all alarms are in good working order¹⁵ and are properly de-armed during the Tenant's use of the Premises and re-armed after the Tenant's use of the Premises. If any Council officer, contractor or an emergency service, including, but not limited to a fire brigade, attends the Premises in response to an alarm that is triggered other than in an emergency situation, then the Tenant will be responsible for paying directly or reimbursing Council in respect of any cost or payment that must be made to the Council officer, contractor and/or emergency service as a result.

15.5 Signs

The Tenant must seek the prior written consent¹⁶ of the Council before displaying or affixing any signs, advertisements or notices to any part of the Premises where such signs, advertisements or notices are visible from outside the Premises.

15.6 No Smoking

The Tenant must:

- 15.6.1 not permit any smoking in the Premises; and
- 15.6.2 display 'no smoking' signs in the Premises if requested by the Council.

15.7 Vacation of Premises

The Tenant must not leave the Premises vacant for more than 45 continuous days without the prior written consent¹⁷ of Council.

15.8 Emergency Procedures

The Tenant must:

- 15.8.1 keep a fully stocked first aid kit at the Premises and replenish it when required;

¹³ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A policy titled 'Maroondah Key Policy 2012' was published in 2013.

¹⁴ Clause 22.8 provides how Council can exercise this consent right.

¹⁵ Council, at its cost, will undertake regular inspection and maintenance of Council provided security systems. If there is any fault in a security system the Tenant is to promptly inform Council so an inspection can be undertaken.

¹⁶ Clause 22.8 provides how Council can exercise this consent right.

¹⁷ As above.



- 15.8.2 establish and display an emergency evacuation plan, and test the utility of any such evacuation plan, at regular intervals during each year of the Term; and
- 15.8.3 only use emergency equipment at the Premises for genuine emergencies and must promptly inform Council if emergency equipment is utilised by the Tenant and the reasons for such utilisation. If Council is of the view that the emergency equipment has been properly and reasonably used then Council will replenish the emergency equipment at Council's cost. However, if Council is not satisfied that the emergency equipment has been properly and reasonably used for an emergency, then the Tenant will be responsible for replenishing the emergency equipment at the Tenant's cost.

15.9 Heavy Objects and Flammable Substances

The Tenant must not:

- 15.9.1 store any flammable or explosive substances in the Premises unless they are required for the Community Use; or
- 15.9.2 store any unreasonably heavy objects in the Premises or store anything likely to damage the Premises.

Where flammable or explosive substances are stored in the Premises not in breach of this Lease, then the Tenant must give Council written notice of same including details of the substances, their volume, storage container and location.¹⁸

15.10 Television and Radio

The Tenant must not install any televisions, radios, music systems or other equipment in the Premises which can be heard outside the Premises without obtaining the prior written consent¹⁹ of the Council.

15.11 Endanger Premises

The Tenant must not do or permit anything to be done in connection with the Premises which in the opinion of the Council may endanger the Premises or be a risk to any person or property.

15.12 Tenant's Employees

The Tenant must use all reasonable endeavours to ensure that the Tenant's employees, agents, contractors and invitees observe and comply with the Tenant's obligations under this Lease, where appropriate.

15.13 Animals

The Tenant must not allow any animals other than assistance dogs to enter the Premises, unless the animals are required for or part of the Community Use of the Premises.

15.14 Auction Sales

The Tenant must not conduct or allow to be conducted any auctions, garage sales, car boot sales, fetes or similar activities without the prior written consent²⁰ of Council.

¹⁸ This notification enables Council to determine whether additional safety measures, such as emergency services warning signs, are required for the Premises. If there are any questions or concerns about chemicals in the Premises then Tenants are encouraged to contact Council so Council's corporate occupational health and safety adviser can review the circumstances and situation.

¹⁹ Clause 22.8 provides how Council can exercise this consent right.

²⁰ As above.



15.15 Liquor Licence

The Tenant must:

- 15.15.1 seek the prior written consent²¹ of the Council before applying for any licence or permit under the *Liquor Control Reform Act 1998* (Vic) (licence or permit), or applying for any variation, removal, transfer, surrender or release of the licence or permit or nominating any person to be a licensee or permittee;
- 15.15.2 produce the licence or permit to the Council for inspection upon demand;
- 15.15.3 comply with any conditions of the licence or permit imposed by the Council;
- 15.15.4 comply with all conditions of the licence or permit and all laws relating to the licence or permit;
- 15.15.5 not allow the licence or permit to be cancelled or suspended;
- 15.15.6 renew the licence or permit and notify the Council in writing within 14 days of the renewal;
- 15.15.7 promptly notify the Council in writing if the licence or permit is cancelled or suspended or if the Tenant receives any notice, summons or fine in relation to the licence or permit;
- 15.15.8 indemnify the Council for any damages or costs incurred in relation to the licence or permit or a breach of this clause by the Tenant; and
- 15.15.9 surrender the licence or permit within 21 days of receiving a written notice from the Council, which the Council may give to the Tenant if the Tenant's use of the Premises is causing or likely to cause a nuisance to local residents.

15.16 Gambling

- 15.16.1 The Tenant must not conduct any form of gambling on or associated with the Premises, whether such gambling requires a permit or licence or not, without the prior written consent²² of Council.
- 15.16.2 The Tenant must not apply for a licence or permit pursuant to the *Gambling Regulation Act 2003* (Vic) (**GRA**) without the prior written consent of Council.
- 15.16.3 The Tenant must provide a copy of any licence or permit issued pursuant to the GRA to Council.

15.17 Gaming Licence

The Tenant must seek the prior written consent²³ of the Council before applying for any licence under the *Gaming Machine Control Act 1991* (Vic).

15.18 Tenant Membership

The Tenant will:

²¹ As above.

²² As above.

²³ As above.



- 15.18.1 permit residents and ratepayers of the municipality of Maroondah to become members of the Tenant upon satisfying the Tenant's reasonable requirements for membership;
- 15.18.2 upon demand, inform the Council of the overall number of members of the Tenant and the number of Maroondah residents that are members of the Tenant; and
- 15.18.3 within 7 days of demand, provide the Council with access to all necessary documents to enable the Council to verify the membership of the Tenant. For the sake of clarity, Council will not copy or record the personal details of any member of the Tenant during any verification inspection.

15.19 Tenant Reporting Obligations

The Tenant must give Council:

- 15.19.1 within 5 months of the end of each financial year, an audited financial report or review (as per Incorporations Act requirements) including a statement of assets and liabilities and profit and loss statement for the Tenant for the just completed (preceding) financial year;
- 15.19.2 within 28 days of the Tenant's annual general meeting, a written report in a format similar to the template report for Tenants that Council makes available on its internet website²⁴ and, as a minimum, detailing:
 - (a) the activities conducted by the Tenant during the preceding year and, where applicable, a list of the groups which have used the Premises;
 - (b) the elected office bearers of the Tenant for the next year;
 - (c) any significant or cyclical maintenance of the Premises undertaken by the Tenant in accordance with the Maintenance Schedule or otherwise;
 - (d) a current list of each person who holds a key to the Premises including a reference to the key number (if any) allocated to the key by Council;
 - (e) reports of all OH&S incidents (including near misses and those causing injury) arising on, in or near the Premises or in connection with the Tenant's use of the Premises;
 - (f) the activities that the Tenant is proposing to conduct at the Premises in the next Lease year including a list of any groups that will use the Premises; and
 - (g) a report on the current number of active members of the Tenant and how many of the active members live within the municipality of Maroondah.

15.20 Determination Warranty and Obligations

- 15.20.1 The Tenant acknowledges that the Council has entered into this Lease on the basis that the Tenant warrants that:
 - (a) the Tenant is a body corporate that exists for the purposes of providing community or similar facilities or promoting community objectives and that it applies its profits in promoting its objects and prohibits payment of any dividend or amount to its members; and

²⁴ Subject to Council complying with the requirements of clause 23.10 which require notice to the Tenant and an explanation of any changes made compared to the preceding version. A template report was published in 2012.



- (b) accordingly, pursuant to the Determination, the *Retail Leases Act 2003* does not apply to this Lease.

15.20.2 The Tenant warrants that its constitution or rules of association prohibit payment of any dividend, benefit or other amount to its members.

15.20.3 The Tenant agrees and acknowledges that during the Term and any further term:

- (a) it must apply any profits that it receives in promoting its objects;
- (b) it must not amend its rules or its constitution without the prior written consent²⁵ of Council; and
- (c) it must provide a copy of its constitution or rules to Council within 7 days of the Commencement Date and otherwise upon demand by Council.

15.21 Tax Exempt

The Tenant must not undertake any activity or permit anything to be done which may cause it to cease being exempt from Commonwealth income tax under the *Income Tax Assessment Act 1997*.

16. Dealing with Interest in the Premises

16.1 No Parting with Possession

The Tenant must not give up possession of the Premises including assigning this Lease, subleasing the Premises or granting to any person a licence or concession in respect of the Premises, without the prior written consent²⁶ of Council. Where hiring of the Premises to third parties is permitted by Council then Special Condition 2 applies. Council will generally allow such hiring to maximise community use of the Premises, noting the positive obligation of the Tenant under clause 14.1, provided such hiring is to groups and on terms acceptable to Council.

16.2 Change in Shareholding

If the Tenant is a corporation (other than a corporation listed on any stock exchange in Australia) a change in the control of the corporation as such control existed at the Commencement Date (whether occurring at the one time or through a series or succession of issues or transfers) or a change in the holding of more than one-half of the issued share capital, either beneficially or otherwise, will be deemed to be a novation or assignment of this Lease. Before any such novation or assignment of this Lease can be effective and binding upon the Council the Tenant must seek the Council's prior written consent²⁷.

16.3 Mortgage of Lease

The Tenant must not create any security over this Lease or the Tenant's Property.

²⁵ Clause 22.8 provides how Council can exercise this consent right.

²⁶ As above.

²⁷ As above.



17. Tenant's obligations at the end of this Lease

17.1 Tenant's Obligations

At the end of this Lease, the Tenant must:

- 17.1.1 vacate the Premises and give the Premises back to the Council in a condition consistent with the Tenant having complied with its obligations under this Lease;
- 17.1.2 remove the Tenant's Property (including all signs and lettering) and reinstate the Premises in the condition the Premises were in prior to the installation of the Tenant's Property including making good any damage caused by the removal of the Tenant's Property; and
- 17.1.3 give to the Council all keys and other security devices for the purposes of obtaining access to and securing the Premises.

17.2 Tenant's Property Left in Premises

Anything left in the Premises after 7 days of the end of this Lease will be deemed to be abandoned by the Tenant and will become the property of the Council and may be kept or removed or disposed of (including being sold by private sale) by the Council at the Tenant's cost and at the Tenant's risk.

18. Council's rights and obligations

18.1 Quiet Enjoyment

As long as the Tenant does not breach this Lease, the Council must not interfere with the Tenant's use and occupation of the Premises except as provided by this Lease.

18.2 Alterations to the Premises

The Council may carry out any works, alterations, renovation or refurbishment of the Premises which may include extending or reducing any buildings on the Premises at any reasonable time after giving the Tenant reasonable notice of any work proposed pursuant to this clause.

18.3 Dealing with the Land

The Council may:

- 18.3.1 subdivide the Land or grant easements or other rights over the Land or the Premises except where it will unreasonably interfere with the Tenant's use and occupation of the Premises;
- 18.3.2 install, repair and replace pipes, cables and conduits in the Premises; and
- 18.3.3 use the roof and external walls of the Premises for any purposes the Council determines.

18.4 Entry by Council

The Council may enter the Premises at any reasonable time after giving the Tenant reasonable notice to:



- 18.4.1 inspect the condition of the Premises;
- 18.4.2 rectify any default by the Tenant under this Lease;
- 18.4.3 carry out any inspection, repairs, maintenance, works or alterations in the Premises which the Council decides to or is required to carry out by any law or authority.

For the purposes of this clause, where the Tenant has previously lodged a maintenance request and Council is entering the Premises to action that request, then prior notice of entry from Council to the Tenant is not required.

The Council must use all reasonable endeavours to cause as little disruption as possible to the Tenant's use of the Premises in exercising the Council's rights under this clause.

18.5 Emergency Entry, Municipal Emergencies and Disasters

- 18.5.1 The Council may enter the Premises at any time without giving notice to the Tenant in an emergency.
- 18.5.2 If the Council's Municipal Emergency Management Plan or Business Continuity Plan (or equivalent plans however titled) is activated then, notwithstanding any other provision of this Lease, Council reserves the right to enter and assume control of part or all of the Premises for emergency management or business continuity purposes for as long as is reasonably needed.
- 18.5.3 If Council assumes control of the Premises pursuant to clause 18.5.2 then Council must:
 - (a) use reasonable efforts to secure and protect the Tenant's Property, including data and confidential/personal information;
 - (b) return the Premises to the Tenant in the same condition that the Premises were in when Council assumed control of the Premises;
 - (c) acting in good faith, pay a reasonable proportion of any Rates and Taxes or Services assessed to the Premises during the period of the Council's occupation of the Premises; and
 - (d) reduce the Rent on a proportionate basis during the Council's occupation of the Premises.
- 18.5.4 The Tenant acknowledges and agrees that under no circumstance will the Tenant hinder the Council's use of the Premises or the Council's ability to respond to or deal with a municipal emergency or business continuity situation.

18.6 Reletting and Sale

The Council may:

- 18.6.1 once the Tenant has indicated that they will not exercise the option for a further term, affix a 'For Lease' sign on the Premises and show the Premises to intending tenants at any reasonable time upon reasonable notice to the Tenant during the 6 months prior to the end of the Term (except where the Tenant has validly exercised an option for a Further Term); and



- 18.6.2 affix a 'For Sale' sign on the Premises and show the Premises to intending purchasers of the Premises at any reasonable time upon reasonable notice to the Tenant during the Term.

Any sign erected by the Council must not unreasonably interfere with the Tenant's use and occupation of the Premises.

18.7 Waste services

Council will provide, without charge to the Tenant, two (2) two hundred and forty (240) litre waste bins and two (2) two hundred and forty (240) litre recyclables bins for the use of the Tenant in accordance with Council's waste collection practices current at the time. Any additional waste collection services that Council agrees to provide will be provided at the Tenant's cost.

19. Termination of Lease

19.1 Re-entry

The Council may re-enter the Premises and terminate this Lease if:

- 19.1.1 any part of the Rent is in arrears for 30 days (whether or not the Council has demanded payment);
- 19.1.2 the Tenant breaches this Lease and does not remedy the breach within 14 days of receipt of written notice from the Council; or
- 19.1.3 any funding or service agreement between Council and the Tenant ends.

19.2 Damages following Determination

If this Lease is terminated by the Council, the Tenant agrees to compensate the Council for any loss or damage the Council suffers arising in connection with the Tenant's breach of this Lease including the loss of the benefit of the Tenant performing its obligations under this Lease up to the expiration of the Term.

19.3 Essential Terms

The essential terms of this Lease are clauses 3, 6.1, 7.1, 7.2, 8, 9, 11.1, 11.3, 12, 14.1, 15.1, 15.15, 15.17, 15.18, 15.19, 16.1, 18.5 and any special condition that is expressed to be an essential term of this Lease. The breach of an essential term is a repudiation of this Lease.

19.4 No Deemed Termination

If the Tenant vacates the Premises, the Council will not be deemed to have terminated this Lease merely by the acceptance of keys from the Tenant, entry into the Premises for any purpose, or the showing of the Premises to prospective tenants or purchasers. This Lease will be deemed to continue until such time as the Council gives notice to the Tenant terminating this Lease, or otherwise agrees with the Tenant that this Lease is terminated.

20. Insolvency Event

20.1 If:

- 20.1.1 the Tenant is insolvent or admits or is presumed to be so;



- 20.1.2 an application or order is made for the winding up or dissolution of the Tenant, or a resolution is passed or any steps are taken to pass a resolution for a winding up or dissolution of the Tenant;
- 20.1.3 an administrator, provisional liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in respect of the Tenant, or any action is taken to appoint any such person and the action is not stayed, withdrawn or dismissed within fourteen days; or
- 20.1.4 the Tenant enters into, or takes any action to enter into, an arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or an assignment for the benefit of, all or any class of its creditors or members or a moratorium involving any of them,

then an act of insolvency has occurred, and the Council may then terminate this Lease at any time by giving the Tenant 14 days written notice.

21. Destruction or Damage of Premises

21.1 Reduction in Rent

If the Premises, or any part of the Premises, are destroyed or damaged to the extent that the Tenant cannot use or have access to the Premises (except if the Tenant causes or contributes to the destruction or damage, or the Council's insurer is not legally required to reinstate the Premises because the Tenant caused or contributed to the destruction or damage) then the Council will reduce the Rent and any outgoings by a reasonable amount depending upon the nature and extent of destruction or damage until the Tenant can use or have access to the Premises.

21.2 Reinstatement of Premises

If the Premises or any part of the Premises are destroyed or damaged, the Council may, within 6 months from the date of such damage or destruction, give notice to the Tenant:

- 21.2.1 terminating this Lease, where the Council considers that the damage or destruction is such that repairing it is impracticable or undesirable; or
- 21.2.2 that the Council will commence reinstatement of the Premises to a condition where the Tenant can use or have access to the Premises.

The Council does not have to reinstate the Premises.

21.3 Tenant's Right of Termination

Where the Tenant has not caused or contributed to the damage or destruction of the Premises and the payment of the insurance for the Premises is not refused due to the act or default of the Tenant, the Tenant may give written notice to the Council terminating this Lease where the Council does not:

- 21.3.1 give notice to the Tenant pursuant to clause 21.2; or
- 21.3.2 commence reinstatement within 12 months of the date of damage or destruction.

Upon termination of this Lease, each party is released from all further obligations under this Lease except nothing in this clauses releases either party from any breach of this Lease arising prior to the date of termination.



21.4 No Compensation

The Tenant acknowledges that if the Premises are destroyed or damaged, the Tenant is not entitled to receive any compensation from the Council. If however, the damage is at Council's fault then any insurance excess will be compensated.

22. General

22.1 Notices

Any notice required to be served under this Lease must be in writing and must be served by post, facsimile transmission, or hand delivered to:

- 22.1.1 the Tenant at its address set out in this Lease, the Tenant's registered office address, the Premises, or the last known address of the Tenant; and
- 22.1.2 the Council at its address set out in this Lease or any other address notified in writing to the Tenant by the Council.

22.2 Time of Service

A notice or other communication is deemed served:

- 22.2.1 if served personally or left at the person's address, upon service;
- 22.2.2 if posted, 2 business days after posted;
- 22.2.3 if served by facsimile transmission, subject to the next sub-clause, at the time indicated on the transmission report produced by the sender's facsimile machine indicating that the facsimile was sent in its entirety to the addressee's facsimile machine; and
- 22.2.4 if received after 6.00 pm in the place of receipt or on a day which is not a business day, at 9.00 am on the next business day.

22.3 Entire Understanding

This Lease contains the entire understanding between the parties as to the subject matter contained in it. All previous agreements, representations, warranties, explanations and commitments, expressed or implied, affecting this subject matter are superseded by this Lease and have no effect.

22.4 Variation of this Lease²⁸

This Lease may only be varied by agreement recorded in a written document headed 'Variation of Lease' or similar and signed or executed by both parties.

22.5 Waiver

If the Council accepts the Rent or any other monies under this Lease (before or after the end of this Lease) or does not exercise or delays exercising any of the Council's rights under this Lease, it will not be a waiver of the breach of this Lease by the Tenant or of the Council's rights under this Lease.

²⁸ A renewal of this lease (by the exercise of an option, if any, to extend its term) is not a variation. Similarly, an exercise of an option is on the same terms and conditions. If the parties wish to change any terms and conditions when exercising an option then they must execute a formal variation (which can be done at the same time that the options is exercised).



22.6 Special Conditions

This Lease is subject to the Special Conditions set out in section two of Annexure A. The Special Conditions override any inconsistent provisions in this Lease.

22.7 Standard terms

The twenty-three (23) clauses contained in this Part Two constitute Council's standard terms for a community facilities lease. Changes to those clauses noted in section one of Annexure A are deemed to be made to the relevant clauses in this Lease.

22.8 Council's Consent

If Council's consent is required under this Lease, Council may withhold or give its consent in its absolute discretion and, if it gives its consent, it may give its consent subject to such conditions as, in its absolute discretion, it requires.

22.9 Relationship of parties

This Lease does not create any relationship between the parties other than as landlord and tenant in respect of the Lease of the Premises. The Tenant must not hold itself out, or allow anyone associated with the Tenant to hold themselves out, as being an agent of Council or being in any other way entitled to make any contract or representation for or on behalf of Council or to bind Council to the performance, variation, release or discharge of any obligation.

23. Interpretation

23.1 Governing Law and Jurisdiction

This Lease is governed by and is to be construed in accordance with the laws of Victoria. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and waives any right to object to proceedings being brought in those courts.

23.2 Persons

In this Lease, a reference to a person includes a firm, partnership, association, corporation or other corporate body.

23.3 Joint and Several

If a party consists of more than 1 person, this Lease binds them jointly and each of them severally.

23.4 Legislation

In this Lease, a reference to a statute, determination, standard, guideline, policy or similar document includes regulations under the statute and any consolidations, amendments, re-enactments, replacements or updates of any of them.

23.5 Clauses and Headings

In this Lease:

- 23.5.1 a reference to a clause, Particulars or Annexure is a reference to a clause, Particulars or Annexure in or to this Lease; and



23.5.2 headings and sub-headings are inserted for ease of reference only and do not effect the interpretation of this Lease.

23.6 Severance

In this Lease:

23.6.1 if a provision is held to be illegal, invalid, void, voidable or unenforceable, that provision must be read down to the extent necessary to ensure that it is not illegal, invalid, void, voidable or unenforceable; and

23.6.2 if it is not possible to read down a provision as required in this clause, that provision is severable without affecting the validity or enforceability of the remaining part of that provision or the other provisions in this Lease.

23.7 Number and Gender

In this Lease, a reference to:

23.7.1 the singular includes the plural and vice versa; and

23.7.2 a gender includes the other genders.

23.8 Exclusion of Statutory Provisions

The following statutory provisions are excluded from this Lease:

23.8.1 Section 144 of the *Property Law Act 1958* (Vic); and

23.8.2 Division 7 of Part IV of the *Transfer of Land Act 1958* (Vic).

23.9 No restriction of Council's powers, duties or discretions

Nothing in this Lease fetters or restricts the powers, duties or discretions of Council in the exercise of its statutory or other functions, powers, duties and authority.

23.10 Council documents relevant to this Lease published on Council's internet website

23.10.1 Where this Lease requires the Tenant to comply with a document, policy, procedure or form (Documents) published on Council's internet website then Council must give written notice to the Tenant of the publishing of the Document and the Document's general intent and effect before the Tenant is bound by that Document.

23.10.2 If Council makes any changes to a Documents published pursuant to clause 23.10.1 then those changes only apply to the Tenant once the Tenant is given written notice (including by electronic mail) by Council of the change to the relevant Document and the intent and effect of any changes.

23.10.3 For clarity, it is not intended by Council that Documents published by Council pursuant to this clause 23.10 will impose additional financial burden on the Tenant or shift liabilities or responsibilities of Council under this Lease to the Tenant. The Documents are intended to be policy and procedural documents.



23.11 General

To the extent permitted by law, no rule of interpretation must be applied in the interpretation of this Lease to the disadvantage of one party on the basis that it prepared or put forward any document comprising part of this Lease.



Annexure A

Section One – Changes to Council’s standard community lease terms

The following standard clauses from Part Two of this Lease are amended as noted below:

Clause	How amended (changes tracked)	Final form of amendment (untracked)
14.4	Clause deleted - unrestricted use of facility	
2	Clause inserted - Shared Use Spaces	

Section Two - Special Conditions

1. Hire Agreement

1.1 For the purposes of this Special Condition:

Hire Agreement means a hire agreement between the Tenant and a third party to temporarily use the Premises on the terms and conditions set out in this Lease.

Hire Fee means the fee payable by the third party to the Tenant under the Hire Agreement for the use of the Premises.

1.2 The Tenant may only enter into a Hire Agreement if it obtains the prior written consent²⁹ of the Council including in relation to whom the Premises is being hired to and on what terms. Council may provide a Council approved form of hire agreement on its internet website for use by the Tenant.

1.3 The Council and the Tenant acknowledge and agree that the Hire Agreement may provide for the Tenant to charge a Hire Fee provided that the Tenant applies the Hire Fee towards maintaining the Premises or promoting its objects in accordance with clause 15.20 of this Lease.

This Special Condition is an essential term of this Lease.

2. Shared Use Spaces

2.1 The Tenant does not have the exclusive use of the whole facility. At the time this Lease was entered into the North Ringwood Senior Citizen's Club and Ringwood Historical Society (**Other Tenants**) both have the exclusive use of the parts of the facility. It is the responsibility of both the Tenant and the Other Tenants to arrange and pay for the cleaning and maintenance of any shared areas of the facility and to ensure these areas are kept in a clean and safe condition. In the event of a dispute between the Tenant and any of the Other Tenants in relation to the shared areas they must first attempt to resolve the dispute themselves failing which they accept Council can resolve the dispute by making a decision that is binding on both or all three parties to the dispute following whatever process Council deems reasonable in the circumstances, provided the process Council chooses is fair to all parties involved in the dispute.

²⁹ Clause 22.8 provides how Council can exercise this consent right.



3. Relocation

3.1 Relocation

If the Council wants to redevelop the Land and/or the Premises, subdivide the Land, grant easements or other rights over the Land or carry out any works on the Land and/or the Premises, which the Council cannot adequately carry out due to the Tenant's occupation of the Premises under this Lease, the Council may give written notice to the Tenant:

- 3.1.1 requiring the Tenant to surrender this Lease by executing a deed of surrender in a form prepared by the Council (**Deed**) on a date being not earlier than 6 months after receipt of the notice by the Tenant; and
- 3.1.2 offering the Tenant a new lease of alternative premises on suitable land (**Alternative Premises**) which must, as far as practicable, be suitable for the Community Use.

The Council must also provide to the Tenant at the time of giving the Tenant the notice specified above, reasonable details of the Council's proposal for any redevelopment, works or other use determined by Council.

3.2 Terms of New Lease on the Land

The new lease of the Alternative Premises offered to the Tenant under Special Condition 3.1 must be on the same terms as this Lease except:

- 3.2.1 the term of the new lease will be equal to the remainder of the Term as at the date that this Lease is to be surrendered by the Tenant; and
- 3.2.2 the Alternative Premises will be in a location selected by the Council taking into account any reasonable requirements of the Tenant.

3.3 Surrender of Lease and New Lease

- 3.3.1 If the Council gives the Tenant a notice under Special Condition 3.1, the Tenant must:
 - (a) execute and return the Deed to the Council within 30 days of receipt by the Tenant;
 - (b) give notice within 30 days of receipt of the notice under Special Condition 3.1 to the Council either accepting or rejecting the offer of a new lease of the Alternative Premises; and
 - (c) where the Tenant accepts the new lease of the Alternative Premises, execute and return to the Council the new lease within 30 days of receipt of the new lease by the Tenant.
- 3.3.2 If the Tenant does not give the Council any notice under Special Condition 3.3.1(b), the Tenant will be deemed to have rejected the offer of the new lease of the Alternative Premises.
- 3.3.3 If the Tenant gives the Council a notice rejecting the offer of the new lease of the Alternative Premises, or is deemed to have rejected such offer under Special Condition 3.3.2, the Tenant must vacate the Premises in accordance with the terms of the this Lease and the Deed on the date specified in the notice under Special Condition 3.1.



3.4 No Compensation

The Tenant acknowledges that it is not entitled to receive any compensation from the Council where the Council requires the Tenant to surrender this Lease in accordance with this Special Condition and, on and from the date of the surrender of this Lease, (irrespective of whether the Deed is executed by the Tenant), the Tenant releases the Council from all further obligations under this Lease.

3.5 Limit on Relocation

The Council must not serve a notice on the Tenant pursuant to Special Condition 3.1 more than once during the Term.

3.6 Relocation Period

If requested by the Tenant in the notice given by the Tenant to the Council pursuant to Special Condition 3.1, the Council will provide that the new lease of the Alternative Premises will commence 30 days prior to the expiration of this Lease, during which time the Tenant may complete the relocation of the Tenant's Property, so long as the Tenant has complied with its obligations under this Special Condition.

4. Demolition

4.1 Notice to the Tenant

The Council may give a notice to the Tenant, which provides for the termination of the Lease on the grounds of a proposed demolition, on a date not being earlier than 6 months after receipt of the notice by the Tenant.

4.2 Surrender of Lease

If the Council gives the Tenant a notice under Special Condition 4.1, the Tenant must execute and return to the Council a deed of surrender of this Lease within 14 days of receipt by the Tenant.

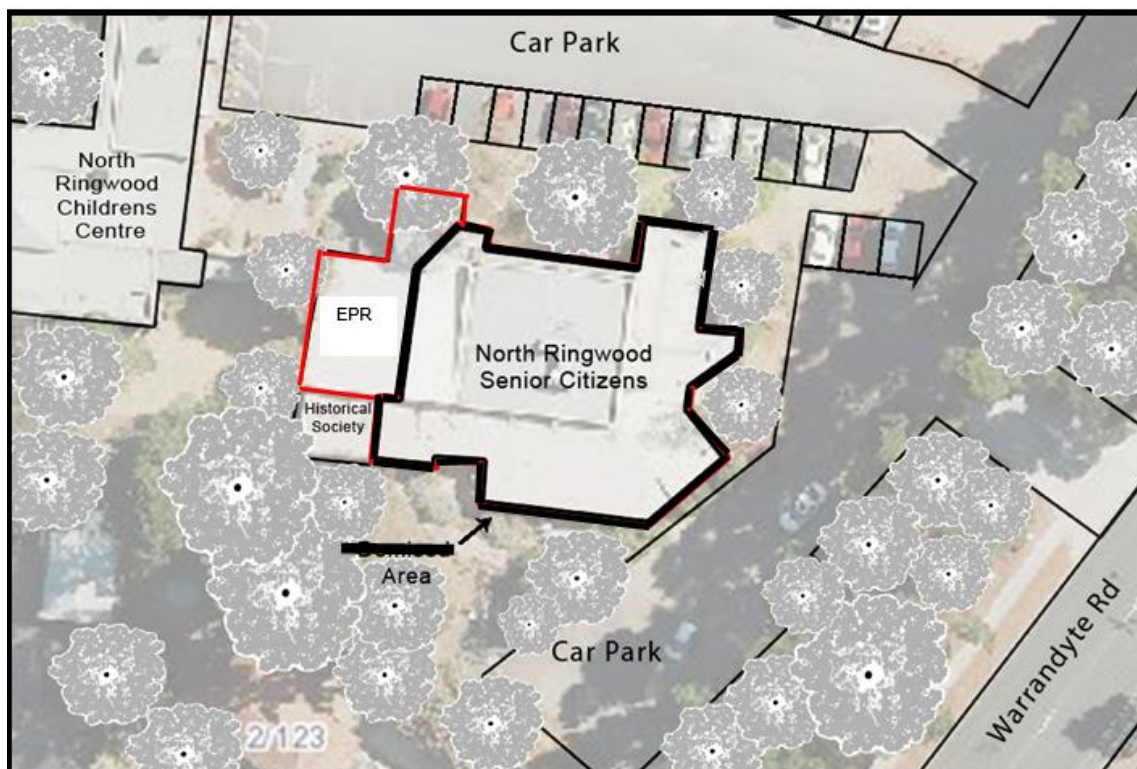
4.3 Compensation

The Tenant acknowledges that it is not entitled to receive any compensation from the Council where the Council requires the Tenant to surrender this Lease in accordance with this Special Condition and, on and from the date of surrender of this Lease (irrespective of whether a deed of surrender of lease is executed by the Tenant), the Tenant releases the Council from all further obligations under this Lease.

Annexure B

Plan of Premises

Enjoying Planned Retirement (EPR) - Annex





Annexure C

Determination



Victoria Government Gazette

No. S 209 Thursday 24 July 2008
By Authority: Victorian Government Printer

Retail Leases Act 2003

PREMISES NOT CONSTITUTING RETAIL PREMISES

This Determination is made under Section 5(1) (e) of the **Retail Leases Act 2003**.

- A. I determine that each of the following kinds of leases is a lease to which section 4(2)(h) of that Act applies:
- (a) a lease of premises by a Council within the meaning of the **Local Government Act 1989** under which the premises may be used wholly or predominantly for any one or more of the following purposes:
 - i. public or municipal purposes;
 - ii. charitable purposes;
 - iii. as a residence of a practising minister of religion;
 - iv. for the education and training of persons to be ministers of religion;
 - v. as a club for or a memorial to persons who served in the First or Second World War or in any other war, hostilities or special assignment referred to in the **Patriotic Funds Act 1958**;
 - vi. for the purposes of the Returned Services League of Australia;
 - vii. for the purposes of the Air Force Association (Victoria Division);
 - viii. for the purposes of the Australian Legion of Ex-Servicemen and Women (Victorian Branch);
 - (b) a lease of premises by a Council within the meaning of the **Local Government Act 1989** (including in its capacity as a committee of management within the meaning of the **Crown Land (Reserves) Act 1978**) under which the premises are used wholly or predominantly by a body, corporate or unincorporate, that exists for the purposes of providing or promoting community, cultural, sporting, recreational or similar facilities or activities or objectives and that applies its profits in promoting its objects and prohibits the payment of any dividend or amount to its members;
whether or not the premises are occupied by the tenant, held by the tenant in trust for the occupant or sub-leased by the tenant to another person.
- B. A certificate signed by the Small Business Commissioner shall be sufficient evidence that a lease is a kind of lease to which paragraph A of this Determination applies.
- C. This Determination is in addition to and does not replace any other Determination and, particularly but without limitation, is to be read subject to the Ministerial Determination dated 20 August 2004 made by the Minister for Small Business and notified in the Victoria Government Gazette No. S184 Monday 23 August 2004 to the extent that any premises, tenant or lease is subject to that Determination.
- D. Nothing in this Determination is to be taken to prevent its application to any sub-lease of any lease in respect of which this Determination applies in any way, in addition to its application to any such lease.
- E. Further, nothing in this Determination is to be taken as limiting the powers of the Small Business Commissioner under Part 10 of the **Retail Leases Act 2003**.

This determination comes into effect on 1 August 2008.

Dated 22 July 2008

JOE HELPER MP
Minister for Small Business

2 S 209 24 July 2008

Victoria Government Gazette

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Annexure D

Pro-forma letter from the Tenant to Council providing notice pursuant to clause 3.2.1

[Date]

[Council officer name and title]
Maroondah City Council
P.O. Box 156
Ringwood Vic 3134

Dear [salutation],

**Lease of [insert premises details] by [insert tenant details] (Tenant)
Notice of desire to exercise the option to renew the lease**

Please accept this letter as formal notice pursuant to clause 3.2.1 of the above lease that the Tenant wishes to exercise the option to renew the lease for a further term of [insert number of years].

To my knowledge the Tenant is not currently in breach of any provision of the lease nor has the Tenant persistently defaulted under the lease. The Tenant also agrees to comply with all reasonable requirements of Council in renewing the lease.

Under the lease I understand the next step is Council will respond in writing to this notice.

I look forward to hearing from you.

Yours sincerely,

[Insert name]

[Insert position held at the Tenant e.g. public officer and the Tenant's name]



Annexure D (continued)

Pro-forma Letter from Council granting the Tenant a new lease for a Further Term pursuant to clause 3.3.2

[Date]

[Tenant officer name and title]

[Tenant name and address]

... Vic 31..

Dear [salutation],

Lease of [insert premises details] by [insert tenant details] (Tenant) Confirmation of the exercise of an option to renew the lease

Council confirms receipt of the Tenant's notice dated [insert date] indicating the Tenant's wishes to exercise the option to renew the lease for a **Further Term** of [insert number of years].

Please accept this letter as formal notice pursuant to clause 3.3.2 of the above lease that Council agrees to the option for a Further Term being exercised. Please sign the enclosed duplicate of this letter and return it to Council. These exchanges of letters constitute the exercise of the option for to extend this lease for the Further Term.

This means the key details of the option term of the lease will be:

1. Commencement date of the **Further Term**: [insert time and date]
2. End date of the **Further Term**: [insert time and date]
3. Rent for each year of the Further Term:
 - a. **Further Term** year one – \$ [insert amount]
 - b. **Further Term** year two – \$ [insert amount]
 - c. **Further Term** year three – \$ [insert amount]
 - d. **Further Term** year four – \$ [insert amount]
 - e. **Further Term** year five – \$ [insert amount]
 - f. **Further Term** year six - \$ [insert amount]
4. **Additional Further Terms**: [insert, if none write 'nil']

All other terms of the Lease remain as the same terms and conditions for the initial term of the Lease.

Council looks forward to receiving the return of the enclosed duplicate of this letter, executed by [insert name of the Tenant] and to your continued occupation and use of the Premises.

Yours sincerely,

[Insert Council officer name]

[Insert Council officer title]

Then create a duplicate of the letter with the following execution clause for the Tenant at the end –

The Tenant agrees to extend the term of the above Lease of the above Premises for the Further Term on the terms and conditions contained in the letter from Council dated [insert date] of one page of which this is a reformatted duplicate:

.....



Signed for and on behalf of [insert Tenant's name] in accordance with its constitution by –

PRINT name:

Position held:

Date: