



CITY OF BAYSWATER

New Business of an Urgent Nature

ORDINARY COUNCIL MEETING

23 JUNE 2020

Item 13.1 Response to COVID-19 – Waiving of Ground Hire Fees – Bayswater Lacrosse Club

At the COVID-19 Advisory Committee Meeting held 11 June 2020, this matter was considered and the Committee resolved as follows:

PROCEDURAL MOTION

That consideration of this item be deferred to the Ordinary Council meeting on 23 June 2020.

CR GIORGIA JOHNSON MOVED, CR SALLY PALMER SECONDED CARRIED: 3/2

13 NEW BUSINESS OF AN URGENT NATURE**13.1 Response to COVID-19 – Waiving of Ground Hire Fees – Bayswater Lacrosse Club**

Responsible Branch:	Recreation	
Responsible Directorate:	Community and Development	
Authority/Discretion:	<input type="checkbox"/> Advocacy <input checked="" type="checkbox"/> Executive/Strategic <input type="checkbox"/> Legislative	<input type="checkbox"/> Review <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Information Purposes
Voting Requirement:	Simple Majority required	
Attachments:	Nil	
Refer:	Item 10.3: COVID-19AC 11.06.2020 Item 11.4: OCM: 07.04.2020	

PURPOSE

To consider the request by the Bayswater Lacrosse Club to waive ground hire fees for the winter season, in light of the impact that COVID-19 restrictions is having on their ability to undertake operations and generate income in the foreseeable future.

ANALYSIS

Council at its Ordinary Council Meeting held 7 April 2020 considered rental charges for community and community tenants, and resolved in part as follows:

‘That Council, in response to the COVID-19 pandemic and the resulting financial impact on the City’s community and commercial tenants:

- 1. Waives the rental charges for six months (from April to September 2020) for all community lease holders.*
- ...’

This resolution covers leases on club rooms but does not cover the sporting ground hire fees paid on a seasonal basis by sports clubs.

The Bayswater Lacrosse Club has approached the City and requested that ground fees also be waived until the end of the Winter sports season due to financial hardship. They have explained that their club relies on bar, canteen and sponsorship to assist with ground hire fees. The club believes that operation of these functions is restricted in the current COVID-19 environment and they do not expect to be receiving the related revenue. The ground hire fees applicable to the Bayswater Lacrosse Club are \$3,016.00 for the remainder of the Winter season to 18 October 2020.

Whilst there have not been requests from other sports clubs to waive ground fees for the remainder of the Winter season, it is considered that waiving fees for the Bayswater Lacrosse Club sets a precedent with the following implications:

- There are 38 sports clubs based at City reserves. The expected ground hire fees for these clubs to 18 October 2020 is approximately \$60,010.
- There are 17 sports clubs utilising the RISE for training and fixtured games. Whilst these clubs do not rely on canteen revenue there would be an element of fundraising to assist with facility hire. There is the potential for clubs to request assistance with facility hire in line with clubs that utilise City sports reserves. The expected facility hire fees for these clubs to 18 October 2020 is approximately \$39,697.50.
- Whilst the Morley Sport and Recreation Centre is managed by the YMCA on behalf of the City there is a potential for sports clubs to request assistance with facility hire. The expected hire fees to 18 October 2020 is approximately \$23,000.
- There is the potential that restrictions related to COVID-19 may continue into the 2020/21 Summer season of sports. With a precedent set for Winter sport clubs there may be a

request from Summer sports clubs for ground / hire fee assistance. The financial implications of any such request are dependent upon the length of assistance.

The City is not aware of any current external support that sporting groups can access to cover reserve rental costs. As restrictions were in place prior to the commencement of the Winter season, no hire fees have been paid to date. Club room lease payments and utilities expenses estimated at \$1,375.42 for the Bayswater Lacrosse Club have already been approved to be waived in accordance with the above 7 April 2020 Council resolution.

Whilst the Bayswater Lacrosse Club has advised that revenue from bar, canteen and sponsorship are expected to be non-existent there are a number of factors that will influence this outcome:

- The announced COVID-19 restriction easing from 6 June 2020 allows for the operation of bars and canteens albeit with restrictions.
- Lease payments and other outgoings for the club rooms have already been waived by the City.
- The club has not advised the level of registration fees paid by players and members for the shortened season, and whether these fees would cover the expected ground fees.

It is therefore recommended that the request for waiver of ground fees for the Bayswater Lacrosse Club be declined given that club room lease fees and other outgoings have already been waived. There are also significant financial implications to consistently apply a waiver of ground fees to other sports clubs in a similar situation.

Whilst waiving ground fees for the Bayswater Lacrosse Club is not recommended there is an opportunity to defer the collection of fees to reduce the immediate financial pressure. As such it is further recommended that Council authorise the Chief Executive Officer to negotiate a payment plan for ground hire fees with the Bayswater Lacrosse Club.

Additional Information

A report on this matter was considered at the COVID-19 Advisory Committee meeting on 11 June 2020. The Committee deferred the matter to this Council meeting to obtain further information on the lease between the City and the Bayswater Lacrosse Club.

The Bayswater Lacrosse Club's current lease commenced on 1 January 2017 and expires 31 December 2026. It includes an option for a further five years until 31 December 2031.

In accordance with Council's 20 August 2019 resolution Bayswater Lacrosse Club is eligible for a variation to their lease to bring it in line with the Community Facility Lease and Licence/User Agreement Policy from 1 July 2020. In accordance with the policy the variation agreement will only be valid for the maximum term under the policy or until the end of the current lease (whichever is lesser). Once the variation expires the terms of the current lease will reapply, unless a new variation agreement is entered into with the City. The variation agreement length does not modify the total length of the lease. The Club has recently approached the City to vary the lease. The City is liaising with the Club on the required information to progress the variation.

The following table compares the lease variation agreement to their current lease:

Type	Current Lease	Variation Agreement
Agreement Length	10 years (from 2017) + 5 year option.	5 years (from July 2020)
Annual Rent	\$1	\$1
Emergency Services Levy	<u>Lessee to pay</u> \$1,062.02 in 2019/20	<u>Lessee to pay</u> \$1,062.02 in 2019/20
Annual Council Rates	<u>Lessee to pay</u> \$4,572.47 in 2019/20	<u>City to pay</u>

		Estimated at \$4,572.47 in 2020/21
Waste	Nil	Nil
Utility Charges	<u>Lessee to pay</u> Electricity - \$4,735.08 in 2019/20 Gas - \$147.86 In 2019/20 Water – not charged	<u>City to pay</u> Electricity - \$4,735.08 in 2019/20 Gas - \$147.86 In 2019/20 Water – not charged
Total cost to Club	\$10,518.40	\$1,063.47

Given that the variation of the lease would see a substantial cost reduction for the Lacrosse Club in terms of their annual outgoings, it is considered appropriate to renegotiate the lease in accordance with the policy and retain the requirement for the payment of ground hire fees.

IMPLICATIONS

Strategic

Nil.

Financial

The financial implications of waiving the ground fees for the Bayswater Lacrosse club until 18 October 2020 are \$3,016. This amount has not been included in the 2020/21 draft budget.

If a consistent approach is applied to all sports clubs based in the City the associated costs with waiving ground / facility hire fees is summarised in the below table:

Sporting Club	Total
Based on a sports reserve	\$60,010
Based at The RISE	\$39,697
Based at Morley Sport and Recreation	\$23,000
Total to be Waived	\$122,707

No provision has been made for waiver of these fees in the draft 2020/21 budget. Should COVID-19 restrictions continue beyond 18 October 2020 there may be further financial implications as detailed above.

Legislative

Nil.

OFFICER'S RECOMMENDATION

That Council:

1. Declines the request from the Bayswater Lacrosse Club to waive ground hire fees until 18 October 2020.
2. Authorises the Chief Executive Officer to negotiate a payment plan for ground hire fees for the Bayswater Lacrosse Club.