

SUPPLEMENTARY AGENDA



Mid Month Meeting of Council

To be held at the

Civic Centre

511 Burwood Highway

Wantirna South

On

Monday 10 November 2025 at 7:00 PM

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Bruce Dobson
Chief Executive Officer

6 Supplementary Items

6.1 Lease Agreement between Knox City Council and Scouts Victoria

Final Report Destination:	Council
Paper Type:	For Decision
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Executive:	Director, Connected Communities, Judy Chalkley

SUMMARY

The Lease Agreement between Knox City Council and the Scout Association of Australia, Victorian Branch (Scouts Victoria) is currently overhauled and requires Council delegation to execute a new Lease Agreement/s. This report updates Council on the status of discussions between Council officers and Scouts Victoria, and seeks a Council decision to authorise the Chief Executive Officer (or such person as the Chief Executive Officer delegates) to negotiate and execute the new Lease Agreement/s, within the parameters outlined in the report.

Scouts Victoria have been delivering the benefits of the Scouting movement for many years within the City of Knox. Individual Scout Groups were established and halls built across the municipality between 1958-1972 on Council land. Scouts Victoria constructed the buildings and are the owners of the buildings. The leases between Knox City Council and Scouts Victoria are known as “Land Leases,” and are for the land the Scout buildings have been built upon, and not the buildings.

Whilst there are 15 Scout sites across the municipality, this report is for 13 sites only. Eleven of the sites are on Council owned land and the two other sites Council manage on behalf of the Victorian State Government and Melbourne Water. The Scout site at Heany Park is on a separate Agreement managed by Council’s Biodiversity Team, and it is anticipated that once endorsed this lease template will be used to execute the Heany Park site lease with some additional environmental considerations. An additional Scout site in Bayswater is situated on Vic Track land with the Lease managed by the Department of Transport.

Officers have been in discussions with Scouts Victoria for the future of the leases and the buildings built upon the land, within the Knox municipality. These discussions have progressed to the point where officers are now recommending the leases can be finalised.

RECOMMENDATION

That Council resolve to:

1. Note that the relevant provisions of Section 115 of the Local Government Act 2020 regarding Lease of Land have been met.
2. Enter into Lease Agreement/s with Scouts Victoria for the eleven Scout Hall sites listed in this report which are on Council-owned land:
 - a) For the purpose of providing Scout related activities; and
 - b) With an annual rent payable of \$450 per site per annum, increasing by 4% on the annual anniversary of the Agreement, plus outgoings.
3. Enter into Lease Agreements with Scouts Victoria for the two Scout Hall sites for which Council is the manager of the land on behalf of the Victorian State Government and Melbourne Water:
 - a) For the purpose of providing Scout related activities;
 - b) Using terms agreeable to the land-owners (noting these leases will need to be approved by the landowners); and
 - c) With an annual rent payable of \$450 per site per annum, increasing by 4% on the annual anniversary of the agreement, plus outgoings.
4. Authorise the Chief Executive Officer (or such person as the Chief Executive Officer nominates) to negotiate and execute the lease agreement/s for each site, generally in accordance with:
 - a) the above resolutions;
 - b) the officer recommendations in section 1 of the Officers' report;
 - c) the draft lease as outlined in Confidential Attachment 1; and
 - d) where applicable, the requirements of the Victorian State Government and Melbourne Water as relevant land owners;with such minor or administrative changes considered necessary and appropriate at the discretion of the Chief Executive Officer or their nominee.
5. Authorise the Chief Executive Officer (or such person as the Chief Executive Officer nominates), pursuant to Section 125 of the Local Government Act 2020, to communicate the content of the Confidential Attachments for the limited purpose of communicating the effect of this resolution to the extent necessary at their discretion, including for the purpose of informing staff and the community about the content and/or Council decision.

1. DISCUSSION

There are a total of 15 Scout buildings located within Knox, built and owned by Scouts Victoria. The majority of these buildings are located on land owned by Council or, in some instances, State Government land managed by the Department of Transport (DoT – VicTrack), Melbourne Water or Department of Energy, Environment and Climate Action (DECCA). Scouts retain ownership of their buildings, while the Lease allows the Scouts to occupy the land (a version of leases known as “Land Leases” or “Ground Leases”).

The Lease Agreements proposed in this paper are in relation to 13 sites – 11 located on Council owned land, and two on land that Council manages on behalf of State Government agencies.

1. 1st Bayswater – Guy Turner Reserve, 5 Amber Street, Bayswater.
2. 1st Boronia – 44 Chandler Park, Boronia.
3. 1st Knoxfield – Carrington Park 20 O’Connor Road, Knoxfield.
4. 1st Rowville – Arcadia Reserve, 61 -69Turramurra Drive, Rowville
5. 1st The Basin – The Basin Triangle 358 – 360 Forest Road, The Basin.
6. 1st Wantirna South – Walker Reserve 29-39 Tyner Road, Wantirna South.
7. 1st/3rd Ferntree Gully – Wally Tew Reserve, Brenock Park Drive, Ferntree Gully.
8. 4th Bayswater – 15 The Haven, Bayswater.
9. 8th Knox – Norvel Road Reserve, 8 Norvel Road, Ferntree Gully.
10. 4th Knox – Egan Lee Reserve, 63 Wallace Road, Knoxfield.
11. 4th Knox Rovers – Glenfern Park, 2A Glenfern Road, Ferntree Gully.
12. 2nd Wantirna – Wantirna Reserve 17 –59 Mountain Highway, Wantirna (DECCA).
13. Knoxfield District Centre, Lewis Park, 100 Lewis Road, Wantirna South (Melbourne Water).

In addition to the 13 sites discussed in this paper, Scouts Victoria also have:

- An additional separate Occupancy Agreement with Council for Heany Park. This Agreement is negotiated separately and managed by Council's Biodiversity team due to the significant biodiversity present on the site.
- A site located at Lot 17, Station Street, Bayswater which is directly managed between DoT – Vic Track and Scouts.

The current lease is in overholding while officers have been in discussions with Scouts Victoria and Knox District for the future of the Leases and the buildings built upon the land, within the Knox municipality.

At the Council Meeting held on 23 October 2012, Council resolved to approve a Lease Agreement between Knox City Council and Scouts Victoria for the 13 sites across Knox noted above. The Lease Agreement included the following major terms: annual lease fee of \$10 per annum (GST inclusive); and a maximum term of nine years commencing 1 November 2012.

Ahead of the previous Lease expiry on 31 October 2021, Council's Strategic Planning Committee on 13 September 2021 resolved to enter a one-year Lease Agreement with Scouts Victoria for the 13 Scout Halls on Council and Council-managed land, expiring November 2022. During this period a detailed investigation was recommended to be undertaken in consultation with Scouts Victoria, into Knox Scout facility usage, shared use opportunities and building conditions for Scouts Victoria owned facilities located on Council land.

Council officers subsequently engaged a consultant to undertake a feasibility strategy incorporating Scout facility utilisation and demand, future shared use opportunities and alignment to Scouts Victoria and Council strategic facility planning processes (refer to Confidential Attachment 2). Funding was also approved to undertake a building condition audit for each site (refer to Confidential Attachment 2).

Council officers engaged with Scouts Victoria and representatives of the Knox District and local Scout Groups and relevant Council officers in relation to the Scouts Feasibility report recommendations, building audit reports, Essential Safety Measures (ESM) responsibilities, Lease fee, Lease term, permitted use and the maintenance schedule responsibilities that form the basis of the Lease Agreements (refer to Confidential Attachment 4). The engagement has informed the draft Lease at Confidential Attachment 1. The draft Lease includes several updated clauses from the previous Agreement, including those relevant to Essential Safety Measures, reporting, and use (in particular sleepover activities). Individual Leases for each site are recommended; this allows any site-specific requirements to be individually managed without affecting the lease of the other sites.

Below are summarised the key terms of the Draft Lease and the status of discussions with Scout Victoria:

Item	Previous Lease/s	Officer Recommendations	Status of discussions with Scouts Victoria
Lease of Land	Historically, there has been a single Lease Agreement between Council and Scouts Australia-Victorian Branch providing occupancy of land for the relevant sites.	Having separate leases provides greater flexibility should circumstances change at an individual site. This approach allows for straightforward variations, renewals, or other adjustments without affecting other locations. Conversely, under a consolidated lease, an issue arising at one site could have broader implications for the entire agreement. By keeping the leases separate, each site can be managed independently	The proposal for individual leases for each site was agreed, however Scouts have since indicated they may prefer a single-lease across all sites. Officers have responded to the concerns raised by Scouts and provided the reasoning for individual leases.
Use	The 2012 lease provided that Scouts could use the facilities for Scout-related activities. The 2021 Lease noted Scouts can use the facilities for Scout-related activities,	Sleepover activities are permitted if the building classification allows for sleepovers. If not, then Scouts would need to obtain a temporary Occupancy Permit (TOP) for sleepover activities.	Scouts agree the current building classifications do not allow for sleepovers and therefore would require the classification to be changed or a TOP to be issued for these activities to occur.

Item	Previous Lease/s	Officer Recommendations	Status of discussions with Scouts Victoria
	community meetings and other activities as approved by Council. The use of the building must be in accordance with the relevant class of the building. The building is designed for people who are awake and alert at all times, as such the building must not be used for overnight stays, however outdoor camping is permitted.		Scouts are working with their Building Surveyor on the length of time that a TOP would cover.
Terms	Maximum 9 Year Term	5 + 4-year lease terms, with extensions linked to essential terms, not exceeding 9 years.	Scouts agree to 5 + 4 term.
Rent	Annual Lease fee of \$10 per annum inclusive of all sites (GST Inclusive).	Annual Lease fee of \$450 per site, increasing by 4% per annum. Fee in line with Council's Fees and Charges Schedule.	Scouts have concerns with the increase to \$450 per site and have raised the pressure this will put on each Scout group, particularly as Scouts will be required to now also apply and pay for a TOP to allow for sleepovers. Refer section 6 of this report for further information regarding the proposed fees.
Outgoings	Utilities	No proposed change. Council will pay the Fire Services Levy (now the Emergency Services and Volunteer Fund) on the sites containing Scout halls.	Scouts agree
Maintenance Responsibilities	As per the Maintenance Schedule, Scouts Victoria must maintain, repair, and replace the buildings at their cost.	As per the Maintenance Schedule, Scouts Victoria must maintain, repair, and replace the buildings at their cost. Council undertakes building audits every 4 years and will provide Scouts with a Report following these audits being undertaken.	Scouts are agreeable to repair and maintain the buildings as per the draft Lease.

Item	Previous Lease/s	Officer Recommendations	Status of discussions with Scouts Victoria
Essential Safety Measures (ESM) Responsibilities	Scouts Victoria must audit and maintain ESM responsibilities at their cost.	Council to undertake all ESM maintenance responsibilities and related repairs to meet the Building Act requirements (at no additional cost to Scouts). Council to be provided with regular access to undertake ESM inspections, in consultation with individual Scout Leaders. The ESM inspection cost per site is \$229 plus GST	Scouts initially requested to undertake all ESM maintenance and annual reporting on buildings owned by Scouts Victoria. Scouts have agreed that Council will undertake these inspections.

Council officers received legal advice regarding the drafting of the Lease agreement and appropriate terms and conditions, including matters relating to the use of the buildings (including Building Act requirements regarding sleepovers). This advice is included in Confidential Attachment 3. Scouts Victoria have also identified some administrative changes to the draft lease, which will be discussed and updated by Council Officers in consultation with our legal team.

Different lease templates will be used for the sites located on DEECA (2nd Wantirna Scouts) and Melbourne Water (Knoxfield District Centre) land, as these landowners maintain their own standard Lease Agreements. The terms and conditions will mirror those in the Lease Agreement between Knox and Scouts, including the rental amount. The draft Lease/s will also need to be reviewed and approved by the respective landowners prior to finalisation.

2. ENGAGEMENT

Section 115 of the Local Government Act 2020 sets out the statutory requirements that must be met before entering into a lease. Council officers have reviewed these requirements and are satisfied that all have been met. It is also considered that the circumstances of this lease do not require community engagement prior to its execution.

Council officers have engaged with Scouts Victoria, the Knox District, local Scout Group Leaders, and relevant internal officers regarding the building audit reports, Essential Safety Measures (ESM) responsibilities, lease fee, lease term, permitted use, and maintenance obligations that underpin the lease agreements. Feedback from this engagement has informed the draft Lease (Confidential Attachment 1), which includes several updated clauses from the previous Agreement, particularly those relating to Essential Safety Measures, reporting requirements, and sleepover activities.

It is important to note that the Lease Agreements are directly with Scouts Victoria, not the individual group leaders or Knox District.

3. SOCIAL IMPLICATIONS

The Knox District Scouts is one of Victoria's largest Scout Districts, operating in the Knox municipality with approximately 720 members.

Council recognises and supports the Scouting movement and the education that this voluntary organisation provides in the growth and development of its members, helping individuals achieve their full potential and the positive impact that members have on the community.

4. CLIMATE CHANGE CONSIDERATIONS

Implementation of the recommendation is considered to have no direct implications or has no direct impacts upon Council's Net Zero 2030 target, the Community Net Zero 2040, exposure to climate risks or climate change adaptation.

5. ENVIRONMENTAL IMPLICATIONS

There are no environmental or amenity issues associated with this report.

6. FINANCIAL AND RESOURCE IMPLICATIONS

Council officers recommend that each individual Lease Agreement (per site) be charged an annual Lease fee of \$450, subject to a 4% annual increase. This fee aligns with Council's Lease and Licensing Policy and the Fees and Charges Schedule applicable at the time of negotiation.

The proposed annual fee represents an adjustment from the previously applied rate of \$10 per annum in total for all Scout-leased sites. The \$450 fee reflected in Council's Fees and Charges Schedule is a nominal amount which does not fully recover the administrative costs associated with the preparation, negotiation, and ongoing management of tenancy agreements.

It is recognised that the proposed fee, applied across each site, represents a total fee of \$5,850. It is noted that under the proposed lease, in addition to administrative and tenancy management costs, Council will incur the Emergency Services and Volunteer Fund charges, as well as the ESM inspections and associated maintenance that may be required to meet the Building Act requirements. It is important that the fee is seen in this context, with the proposed amount seeking to provide a fair and reasonable contribution that balances cost recovery with Council's commitment to supporting community-based organisations such as Scouts.

7. RISKS

The proposed Leases are a Ground Lease that incorporates the Scouts Victoria constructed and owned halls on Council land. Other Ground Leases in Knox include the Knox Obedience Dog Club or the CFA site in Bayswater.

To mitigate any potential ambiguity regarding the division of responsibilities between Scouts and Council, clearly defined maintenance and statutory compliance responsibilities will be included in the leases.

8. COUNCIL AND HEALTH AND WELLBEING PLAN 2025-2029

Enhancing community connection to vital services and resources

Strategy 1.5 - Our community's health and wellbeing is improved through proactive planning, delivery, partnerships and advocacy that enable access to services, education and programs.

Embracing connection, inclusion and diversity

Strategy 2.1 - Our community's diverse needs are addressed by ensuring equity and inclusion are considered in decision making and strategic planning.

Strategy 2.3 - Our community is supported to thrive during all stages of life through the promotion and provision of services, advocacy and partnerships with local service providers.

Caring for and enhancing our environment

Strategy 3.1 - Our environment is healthy and sustainable by considering environmental factors when planning for and making decisions.

Leading, listening and governing responsibly

Strategy 4.1 - Council demonstrates its accountability through transparent and responsible decision-making and working together productively.

Strategy 4.2 - Our diverse community is informed and has opportunities to participate and provide feedback through clear and meaningful communication and engagement.

Being a strong voice for safety

Strategy 5.1 - Our community feels safer in public spaces and facilities through planning, maintenance, education, design and proactive program delivery for Council owned and managed spaces and via advocacy for others.

Strategy 5.2 - Safety and liveability are prioritised through the planning, delivery and enforcement of local laws and regulatory services.

9. CONFLICT OF INTEREST

The officers contributing to and responsible for this report have no conflicts of interest requiring disclosure under Chapter 5 of the Governance Rules of Knox City Council.

10. STATEMENT OF COMPATIBILITY

This report is compatible with the Charter of Human Rights and Responsibilities, as it does not raise any human rights issues.

11. CONFIDENTIALITY

Confidential Attachments 1 to 4 contain confidential information pursuant to Council's Governance Rules and Section 66 of the Local Government Act 2020, as they relate to:

- Council business information, that will prejudice Council's position when negotiating the Lease Agreement if prematurely released.
- Legal privileged information, being confidential communication between Council and its lawyer created for the dominant purpose of the lawyer providing legal advice to Council.
- Personal information, including information that reveals a person's identity, person that would be unreasonable to disclose in a public report.

ATTACHMENTS

Nil