

15 July 2008

**LEASE ON CROWN LAND – VICTORIA HARBOUR –
SUPERYACHT MARINA AND RIVERS PONTOON**

Division Design and Urban Environment

Presenter Graham Porteous, Manager Recreation and Waterways

Purpose

1. To advise Council of business arrangements relating to the operation and management of waterways in Docklands, in particular the agreements between Council and VicUrban relating to the Rivers Pontoon and Superyacht Marina.
2. To seek Council approval to enter into a lease between Council and VicUrban consistent with the Services Agreement between Council and VicUrban for the management and operation of a Superyacht Marina and the Rivers Pontoon in Victoria Harbour Docklands.

Recommendation from Management

3. That the Finance and Governance Committee recommend that Council resolve:
 - 3.1. to note the business and financial arrangements relating to the Docklands Waterways, particularly the arrangements between Council and VicUrban in relation to the Rivers Pontoon and Superyacht Marina;
 - 3.2. that in accordance with Sections 190(3)(b) and 223 of the *Local Government Act 1989* (“the Act”), subject to the Council obtaining the consent of the relevant Minister, pursuant to Section 17D of the *Crown Land Reserves Act 1978* (“CLR Act”), propose to enter into a lease with VicUrban for the continued operation of a Superyacht Marina and Rivers Pontoon on the following terms and conditions:
 - 3.2.1. the commencement date of 1 July 2008 with a term of nine years;
 - 3.2.2. VicUrban will pay Council \$1 rental per annum for the lease;
 - 3.2.3. Council be permitted to operate and collect berthing fees for two Superyacht berths at the Superyacht Marina at no cost to Council;
 - 3.2.4. the cost of ongoing maintenance to the Superyacht Marina will be borne by VicUrban;
 - 3.2.5. VicUrban be permitted to make improvements to the Superyacht Marina at their own cost;
 - 3.2.6. VicUrban be permitted to enter into a sub-lease with a third party for four Superyacht berths at the Superyacht Marina with the principal use being for display and sales berths. The third party is permitted to generate berthing fees from these four berths;

- 3.2.7. Council be permitted to operate and collect berthing fees for all berths on the Rivers Pontoon at no cost to Council;
- 3.2.8. the cost of ongoing maintenance and improvements to the Rivers Pontoon will be borne by VicUrban;
- 3.2.9. Council be permitted to operate and collect berthing fees for all berths in Victoria Harbour and the Yarra River between the Charles Grimes and Bolte Bridges (other than those areas already set aside for private marinas) at no cost to Council;
- 3.2.10. Council will provide Waterways Management Services for berths on the Yarra River and in Victoria Harbour at no cost to VicUrban;
- 3.2.11. the cost of ongoing maintenance and improvements to the Yarra River and Victoria Harbour berths on undeveloped wharves be borne by VicUrban;
- 3.2.12. Council will exercise all due care and attention when having vessels berthed alongside undeveloped wharves in the Yarra River and Victoria Harbour however Council will not be responsible for, and will not bear the cost for any damage to the undeveloped wharves allegedly caused or contributed to by the berthing of vessels alongside the undeveloped wharves;
- 3.2.13. Council have the right to terminate the lease with VicUrban upon providing appropriate notice period;
- 3.2.14. Council have the right to terminate the lease should it incur a net operating deficit as a result of implementing the requirements under the lease;
- 3.2.15. such other terms and conditions as may be required by the Manager Legal Services; and
- 3.3. authorise the Administration to prepare and give public notice of the proposed lease in accordance with Sections 190(3) and Section 223 of the Act;
- 3.4. in accordance with Section 223 of the Act appoint the Submissions (Section 223) Committee, to:
 - 3.4.1. consider any written submissions received in relation to the proposed lease;
 - 3.4.2. hear any person wishing to be heard in support of a written submission, at a meeting of the Submissions (Section 223) Committee;
 - 3.4.3. if written submissions are received, report back with recommendations to the Council through the Finance and Governance Committee; and
- 3.5. note that if no submissions are received, the proposed lease will be entered into under delegation in accordance with the terms and conditions specified above; and
- 3.6. pursuant to Section 223(3) of the Act to authorise the Manager Legal Services to carry out administrative procedures necessary to enable the Council to carry out its functions under that section.

Background

Waterways Lease and Licences - Pre and Post Transition

4. Council was appointed the municipal authority for the Docklands area on 1 July 2007. As part of the transition, Council was also appointed the Committee of Management of important areas of Crown lands in the Docklands precinct including the sea bed of Victoria Harbour. Victoria Harbour is currently reserved for Public Purposes. Council can issue leases of up to 21 years duration on the sea bed.
5. The effect of the *City of Melbourne and Docklands Acts (Governance) Act 2006* (“Transition Act”) is that where Council is appointed Committee of Management of Crown land in the Docklands area, leases and licences entered into by VicUrban prior to 1 July 2007 are preserved. Council is deemed to be the lessor/licensor and assumes the powers, duties and responsibilities in the leases/licences from VicUrban and is bound to the terms of these agreements.
6. A number of waterway leases were transferred to Council at transition including:
 - 6.1. Victoria Harbour Marina Lease to Lend Lease Development (for d’Albora Marina);
 - 6.2. Business Park Precinct Marina Lease (New Quay Marina) to New Quay Nodal and Marina Pty Ltd (for New Quay Marina);
 - 6.3. Yarra’s Edge Marina Berth leases to individual berth owners (for Yarra’s Edge/Marina YE); and
 - 6.4. Berthing leases of up to 12 months duration for the berthing of vessels in the Docklands Waterways (Wharf Berthing Licences).
7. The Superyacht Marina and Rivers Pontoon are owned by VicUrban. They are currently located in Victoria Harbour without formal authority. VicUrban seeks a sea bed lease from Council to enable the Superyacht Marina and the Rivers Pontoon infrastructure remain Victoria Harbour. The current location of the Superyacht Marina and the Rivers Pontoon can be seen in Attachment 1.
8. VicUrban was responsible for the management of the Victoria Harbour sea bed prior to transition. Accordingly, Council did not ‘inherit’ a pre-transition lease similar to those described above for these two items of civil infrastructure.

Services Agreement

Structure

9. The Transition Act enables Council and VicUrban to enter into an agreement pertaining to matters in relation to the return of the Docklands area to the municipal district of the City of Melbourne. The Services Agreement outlines the responsibilities of the two parties particularly in relation to services provided to VicUrban by Council on VicUrban land.
10. Council has assumed responsibility for management of the Docklands Waterways and undertakes duties such as coordination of overall waterways operations, bookings, administration of berthing licences, daily site inspections (boats and marine infrastructure), management of fire safety and coordination of maintenance.

11. As part of transition negotiations during 2006/07 it was agreed in principle that Council would manage and take berthing revenue from VicUrban's Superyacht Marina and Rivers Pontoon as part of its overall responsibility for waterways. It was further agreed that VicUrban would receive an ongoing financial return from Council for these assets to offset the substantial capital investments made. An annual fee of \$70K, indexed to CPI annually would be paid to VicUrban by Council. Under the Services Agreement Council would issue a lease to VicUrban with an initial term of nine years, with an optional extension of five years. Both organisations have been operating in good faith under these arrangements.
12. Attachment 2 outlines the specific arrangements relating to the Superyacht Marina and Rivers Pontoon and Council's responsibilities for Waterways Management, as agreed and executed under the service agreement for the 2007/08 year. It is proposed that these conditions form key conditions of the proposed lease. In addition a clause is to be included which provides the option for Council to terminate the lease should it incur a net deficit as a result of operating these facilities.
13. The financial analysis table (below) summarises the net result to Council in relation to berthing revenue, Waterways Management services and the payment from Council to VicUrban as specified in the Services Agreement. Fees associated with the Waterfront City Marina are NOT incorporated in the Services Agreement and therefore are not included below. This table only considers revenue associated with the Rivers Pontoon, Superyacht Marina and undeveloped wharves.

Year (Yr of Service Agree)	Rivers Pontoon Revenue	Super yacht Marina Revenue	South Wharf Revenue	North Wharf Revenue	Victoria Harbour Revenue	TOTAL REVENUE	DEDUCT Amount payable to VicUrban	DEDUCT Waterways Mgt Fee	NET SURPLUS/ (DEFICIT) TO COUNCIL
2007/08 (Year 1)	\$53,750	\$89,700	\$120,000	\$29,300	\$205,000	\$497,750	\$70,000	\$226,350	\$201,400
2008/09 (Year 2)	\$59,040	\$28,000	\$87,000 *	\$33,500	\$185,000	\$392,540	\$73,000	\$221,600 *	\$97,940
2009/10 (Year 3)	\$60,810	\$28,850	\$0	\$34,500	\$190,550	\$314,700	\$75,190	\$205,835 #	\$33,685
2010/11 (Year 4)	\$62,635	\$29,700	\$0	\$35,525	\$196,270	\$324,130	\$77,450	\$212,010	\$34,670
2011/12 (Year 5)	\$64,515	\$30,590	\$0	\$36,590	\$202,160	\$333,855	\$79,775	\$218,370	\$35,710

Assumptions

Berthing fees and the costs associated with the delivery of Waterways Management services provided by Council will increase annually by the rate of the Consumer Price Index, estimated at 3 per cent (the rate at the time of preparing this report)

Notes

* Assumes some reduction in berthing revenue at South Wharf due to waterside development by MIRVAC expected during the 2008/09 and 2009/2010 period and associated reduction in Waterways Management Fees

New Developments and the impact on Berthing Revenue (Refer to Attachment No. 3)

14. Development on the MIRVAC site on the south side of the Yarra River is known and has been considered in the financial analysis table above.

15. The MAB New Quay West development will include a large number of private berths and some visitor berths and is unlikely to have any significant impact on berthing revenue for Council.
16. The Lend Lease development will have the largest impact on current berthing revenue sources in Victoria Harbour. Lend Lease’s Boating Strategy states that approximately 190 metres of current berthing will be removed for the development of private marinas. However, the strategy also provides for berthing on the north bank of the Yarra River which will compensate to some degree for this loss. Therefore the net effect on berthing revenue may be minimal. Lend Lease’s development is driven by market demand. The timing and full financial impact of this development is unable to be determined.
17. As part of the negotiations with the Services Agreement, it was anticipated that Council would generate a net surplus from operation of the Superyacht Marina and Rivers Pontoon. Given the uncertain financial outcomes and flexible development programs, particularly after the first five years, it proposed that the term of the lease be for nine years.

Options

18. It is possible that Council could consider alternative arrangements to those proposed by allowing VicUrban to hold responsibility for managing the facilities. The following table summarises the options in relation to operation and management of the Rivers Pontoon and Superyacht Marina. The table denotes the differences between Council and VicUrban managing the two facilities:

	BENEFITS TO COUNCIL	DISADVANTAGES TO COUNCIL
Council as Committee of Management and lessor	<ul style="list-style-type: none"> • Reflects arrangements outlined in the Services Agreement • Maintain full control over operations on Victoria Harbour • Ability to manage space more effectively • Enables Council to negotiate financial and lease arrangement with Rivers Pontoon berth holders on long term basis consolidating revenue base • More effectively manage and predict revenue streams 	<ul style="list-style-type: none"> • Insufficient revenue generation on Rivers Pontoon and Superyacht Marina may lead to net cost to council • Ongoing cost implications of managing infrastructure not owned by council • Accepts risks associated with generating revenue streams • As wharf revenue dries up due to development, dependence on Superyacht Marina and Rivers Pontoon will increase
VicUrban or other party as Manager	<ul style="list-style-type: none"> • Risks associated with revenue generation, management costs and maintenance responsibility would not vest with council • removes burden of annual contribution by council to VicUrban 	<ul style="list-style-type: none"> • Would establish two management authorities in Victoria Harbour increasing operational issues • Would be only area of Victoria Harbour managed by VicUrban • inconsistent with service agreements • removes potential long term fixed revenue stream to council

19. VicUrban also have the power to make requests to the Minister for Major Projects and the Minister administering the *Crown Land (Reserves) Act 1978* to partially revoke the temporary reservations over areas of Crown land which form part of the Docklands Coordination Area to facilitate the continuing development of the Melbourne Docklands precinct. Victoria Harbour is included in the coordination area and VicUrban may exercise this power to ensure that the Superyacht Marina and Rivers Pontoon remain in the harbour should Council not approve the lease.
20. At the time of drafting the Services Agreement, both parties were aware that a Council resolution was required in respect to the leasing arrangements. The Services Agreement outlined an interim arrangement between Council and VicUrban for management and revenue generation in respect to the Superyacht Marina and Rivers Pontoon which will be replicated in the conditions of the lease.

Issues

21. Prior to their expiry on 31 July 2007, the berths at the Rivers Pontoon were licensed to Rivers Restaurant Cruises Pty Ltd by VicUrban. These berths have been occupied in an over holding basis on short term agreements and are paying berthing fees to Council. A new vessel has recently begun to berth at this location but is not paying berthing fees as Council is unable to issue a berthing agreement as the pontoon occupies the harbour without a formal agreement between VicUrban and Council. Following approval of this report and the execution of the lease, formal licensing arrangements for these berths will be required.
22. Due to the construction of the next stage of the MAB Corporation's development at New Quay, the Superyacht Marina will be relocated. Council and VicUrban have agreed on the new location for the marina in consideration of all existing and developing strategic plans that will be impacted by this decision. A site adjacent to Central Pier has been identified.
23. Attachment 2 of the report outlines the arrangements in relation to operations, revenue collection and dispersal with regards to the Superyacht Marina. In summary, VicUrban will lease four of the superyacht berths to a third party; Council will have control over the remaining two berths. The proposed lease would include conditions that define this arrangement clearly to ensure that Council's earning capacity on the public berths is protected.

Approval to enter into a Crown Land (Reserves) Act Lease

24. The proposed lease by Council as Committee of Management in accordance with the *Crown Land (Reserves) Act 1978* would place contractual obligations on VicUrban as tenant in areas such as legal compliance, insurance and maintenance. At the end of lease, any property permanently affixed in the leased area during this lease would remain as property of the Committee of Management.

Relation to Council Policy

25. Council's Delivering for Docklands strategy outlines the Council's vision for the Docklands area. By 2010:

'Docklands' waterways will attract large numbers of recreational and commercial boat users. Visitors will flock to the precinct to watch or participate in the activity on the water.'

Government Relations

26. VicUrban's vision for Docklands is to create a vibrant and engaged community within Docklands that enhances the standing of Docklands as an international example of waterfront urban renewal and ensures the future of Docklands as a key destination within central Melbourne for people to live, work and visit.

Finance

27. The Services Agreement requires Council to pay VicUrban \$70,000 for berthing revenue from the Rivers Pontoon. The Recreation and Waterways branch budgets for 2007/08 provides for the amount against the revenue earned from Berthing Fees. The 2008/09 Budget has provided for the expenditure separately to more readily identify the item.

Legal

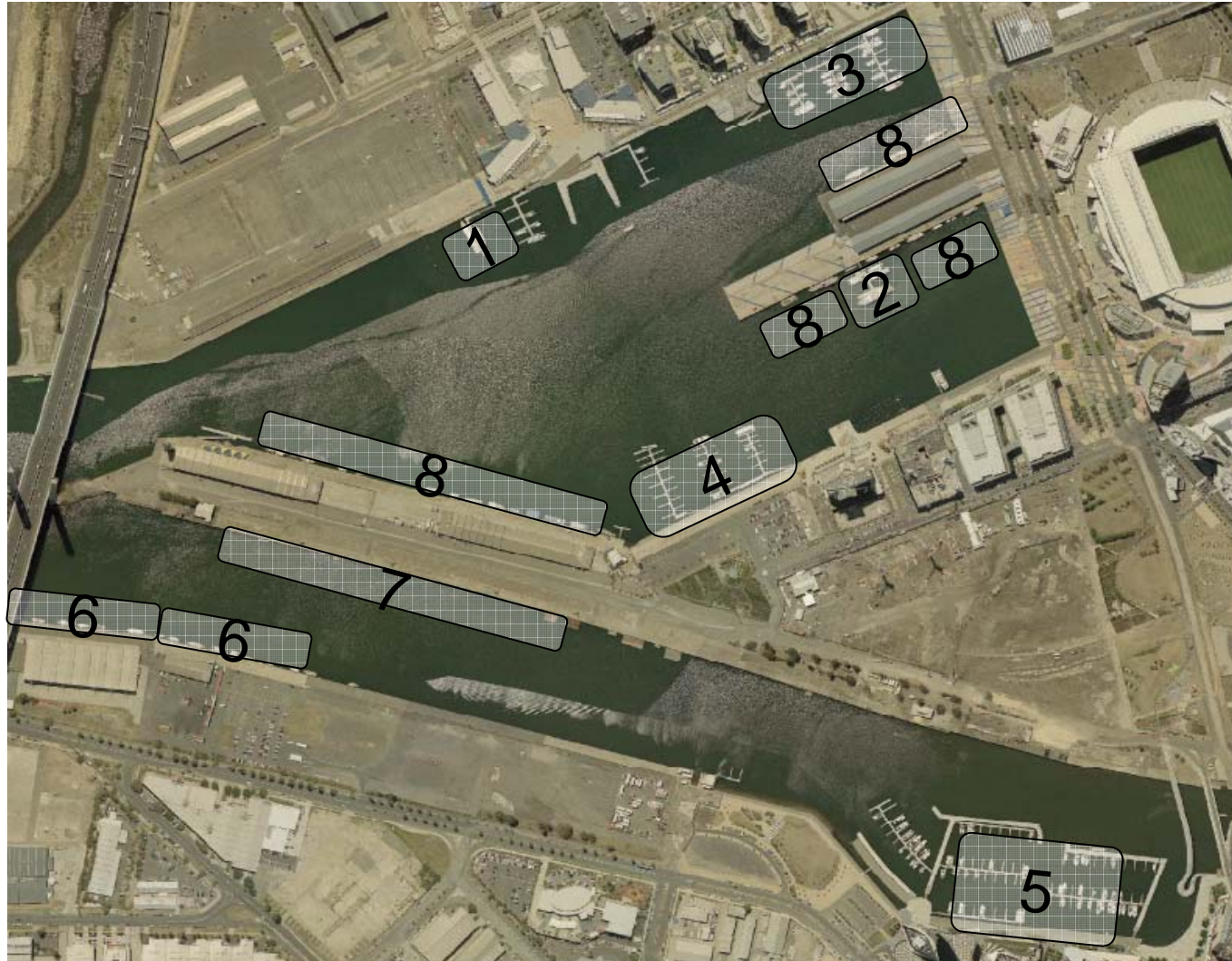
28. The report accurately reflects the relevant legal issues.
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Attachments:

1. Location of marine infrastructure in Victoria Harbour
2. Extract of the Services Agreement (Waterways Management)
3. Developer Master Plans for Docklands Waterways

Location of Marina Infrastructure in Docklands Waterways

Attachment 1
Agenda Item 5.4
Finance and Governance Committee
15 July 2008



Legend

1. Superyacht Marina
2. Rivers Pontoon
3. New Quay Marina
4. D'Albora Marina
5. Yarra's Edge Marina
6. Yarra River berth (South Wharf)
7. Yarra River berth (North Wharf)
8. Undeveloped wharf berthing

LEASE ON CROWN LAND – VICTORIA HARBOUR - SUPERYACHT MARINA AND RIVERS PONTOON LEASE**EXTRACT OF SERVICES AGREEMENT BETWEEN COUNCIL AND VICURBAN****Schedule 2 – Schedule of Rates, Item 6 - Waterways Management Services of the Service Agreement states that:**

“Subject to Council resolution, VicUrban and Council have agreed in principle to a lease arrangement for the Superyacht Marina and Rivers Pontoon on the following basis (interim arrangements are detailed in 6.1):

- (a) Council will provide VicUrban with a 10 year lease on the sea bed for the Rivers Pontoon and Super Yacht Marina with an option for a further 5 years.*
- (b) VicUrban will pay Council \$1 for the lease.*
- (c) This will allow VicUrban to enter into a contract with a selected tenderer for the extension and activation of the Super Yacht Marina, subject to location resolution.*
- (d) After VicUrban have finalised details of the tender with the selected tenderer, VicUrban will complete additional works at the Super Yacht Marina. Those works will create up to four berths for the preferred tenderer to display and sell boats and one additional public berth, making a total of two public berths that Council can make available for public berthing and receive revenue from.*
- (e) The selected tenderer will be allowed to make berths available for public berthing that they will manage. All revenue from this berthing will go to the selected tenderer. However it is understood that the principal proposed activity of the selected tenderer of their four berths will be associated with uses consistent with the sales and promotion of Super Yachts and the visitation of clients associated with that activity.*
- (f) Council’s Revenue: VicUrban will allow Council to take the following revenue from 1 July 2007 : two public berths of the Super Yacht Marina Public Berthing and revenue from all the Yarra River berths.*
- (g) VicUrban’s Revenue: VicUrban will receive a monthly amount of \$5,834 excl. GST (totalling \$70,000 excl. GST for the financial year) from City of Melbourne as revenue for berthing revenue for the pontoon now known as the “Rivers Pontoon” situated on the southern side of Central Pier.*
- (h) Council will not charge VicUrban any management (or service) fee or marketing costs for the Super Yacht Marina or Rivers Pontoon.*
- (i) VicUrban will manage the relationship with the selected Super Yacht tenderer of the Super Yacht Marina.*
- (j) Council will manage the daily operations associated with its two berths at the Super Yacht Marina.*
- (k) Council will monitor the ongoing condition of the wharves connected with the undeveloped land at no charge to VicUrban. However any identified repair/ maintenance works required will be the responsibility of VicUrban.*
- (l) The preferred tenderer will not have use of the on-shore facilities provided at Waterfront City Marina Office, unless otherwise negotiated under a separate agreement with Council.*

The Waterways Management Services specified under Schedule 7 will be provided at no charge to VicUrban subject to the agreement regarding revenue outlined above.

- 6.1 *Pending the determination of Council on the matters stated above in this Schedule 2, item 6, Council and VicUrban are operating on the following basis in respect to the Super Yacht Marina and Rivers Pontoon:*
- (a) *Council's Revenue: VicUrban will allow Council to take the following revenue from 1 July 2007 : all Super Yacht Marina Public Berthing and revenue from all the Yarra River berths.*
 - (b) *VicUrban's Revenue: VicUrban will receive a monthly amount of \$5,834 (totalling \$70,000 for the financial year) from City of Melbourne as revenue for berthing revenue for the pontoon now known as the "Rivers Pontoon" situated on the southern side of Central Pier.*
 - (c) *Council will not charge VicUrban any management (or service) fee or marketing costs for the Super Yacht Marina or Rivers Pontoon.*
 - (d) *Council will manage the daily operations associated with the two berths at the Super Yacht Marina.*
 - (e) *Council will monitor the ongoing condition of the wharves connected with the undeveloped land at no charge to VicUrban. However any identified repair/ maintenance works required will be the responsibility of VicUrban.'*

Schedule 7 of the Services Agreement titled 'Waterways Management Services' states that:

'The Council will undertake waterways management services on behalf of VicUrban as follows:

Super Yacht Marina

1. *Daily site checks to ensure operations are running smoothly*
2. *Cleaning of the pontoon*
3. *Secure the pontoon and ensure gates are in good repair*
4. *Fire protection and electrical services for the pontoon*
5. *Customer Service for Super Yacht Marina customers, which includes:*
 - 5.1. *Taking bookings and scheduling berthing arrangements*
 - 5.2. *Meet and Greet for new berthing*
 - 5.3. *Collection of berthing fees*
 - 5.4. *General customer service enquiries while boat is berthed at the Super Yacht Marina.*
 - 5.5. *Access for customers utilising the two Council operated Super Yacht berths to all facilities at the Waterfront Marina Office*
6. *Undertake urgent repairs to the value of \$2,000 for any wharf maintenance, eg water or power failure etc. Notify the VicUrban's Place Management Director of urgent repairs in a timely manner via email and receive written confirmation to proceed with the works.*
7. *Notify, seek approval and a purchase order reference from the VicUrban's Place Management Director in relation to maintenance works over \$2,000.*
8. *The cost of the repair works under points 6 and 7 above will be the responsibility of VicUrban. As far as practicable, the invoices for the works will be forwarded directly to VicUrban by the suppliers/ contractors.*

9. *Power and water fees recouped from the customers berthed at the Super Yacht Marina will be retained by the Council to offset cost for these services.*

Rivers Pontoon

1. *Management of the berthing licences and operational elements relating to the berthing on the Rivers Pontoon.*
2. *Daily site checks to ensure operations are running smoothly*
3. *Cleaning of the pontoon*
4. *Secure the pontoon and ensure gates are in good repair*
5. *Fire protection and electrical services for the pontoon*
6. *Liaise with charter boat operators utilising the pontoon for operational and daily issues.*
7. *Undertake urgent repairs to the value of \$2,000 for any wharf maintenance, eg water or power failure etc. Notify VicUrban's Place Management Director of urgent repairs in a timely manner via email and receive written confirmation to proceed with the works.*
8. *Notify, seek approval and a purchase order reference from VicUrban's Place Management Director in relation to maintenance works over \$2,000.*
9. *The cost of the repair works under points 7 and 8 above will be the responsibility of VicUrban. As far as practicable, the invoices for the works will be forwarded directly to VicUrban by the suppliers/contractors.*
10. *Council will pay a monthly amount of \$5834 (totally \$70,000 for the financial year) to VicUrban.*

Yarra River Public Berthing

1. *Management of the berthing licences and operational elements relating to the berthing on the Yarra River within the 20 metres Docklands area.*
2. *Fire protection services*
3. *Taking bookings and scheduling berthing arrangements*
4. *Collection of berthing fees*
5. *Undertake urgent repairs to the value of \$2,000 for any wharf maintenance, eg water or power failure etc. Notify VicUrban's Place Management Director of urgent repairs in a timely manner via email and receive written confirmation to proceed with the works.*
6. *Notify, seek approval and a purchase order reference from VicUrban's Place Management Director in relation to maintenance works over \$2,000.*
7. *The cost of the repair works under points 5 and 6 above will be the responsibility of VicUrban. As far as practicable, the invoices for the works will be forwarded directly to VicUrban by the suppliers/contractors.*
8. *Power and water fees to be covered by berthing fees collected by Council.*

Undeveloped Wharves

1. *Monitor and advise VicUrban's Place Management Director of any maintenance requirements.*
2. *Undertake urgent repairs to the value of \$2,000 for any wharf maintenance, eg water or power failure etc. Notify VicUrban's Place Management Director of urgent repairs in a timely manner via email and receive written confirmation to proceed with the works.*
3. *Notify and seek approval from VicUrban's Place Management Director in relation to maintenance works over \$2,000.*
4. *The cost of the repair works under points 2 and 3 above will be the responsibility of VicUrban. As far as practicable, the invoices for the works will be forwarded directly to VicUrban by the suppliers/contractors.*
5. *The Council will exercise all due care and attention when having vessels berth alongside undeveloped wharves, however Council will not be responsible for, and will not bear the cost for any damage to the undeveloped wharves allegedly caused or contributed to by the berthing of vessels along side the undeveloped wharves.*
6. *The Council will invoice VicUrban for maintenance works as approved by VicUrban's Place Management Director.'*



Developer Master Plans for Docklands Waterways

concept plans not to scale

FINANCE ATTACHMENT

LEASE ON CROWN LAND – VICTORIA HARBOUR - SUPERYACHT MARINA AND RIVERS PONTOON

The Services Agreement requires Council to pay VicUrban \$70,000 for berthing revenue from the Rivers Pontoon. The Recreation and Waterways branch budgets for 2007/08 provides for the amount against the revenue earned from Berthing Fees. The 2008/09 Budget has provided for the expenditure separately to more readily identify the item.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

LEASE ON CROWN LAND – VICTORIA HARBOUR - SUPERYACHT MARINA AND RIVERS PONTOON

Pursuant to section 190(3) of the *Local Government Act 1989* (“the Act”), where a Council proposes to enter into a lease:

1. for one year and more and rental of \$50,000 or more per annum;
2. for one year and more where the current rental value of the land is \$50,000 or more per annum;
3. for 10 years or more (including options); or
4. which is a building or improving lease,

The Council must, at least four weeks prior to the lease, give public notice of the proposal to lease and the public have the right to lodge submissions in respect to the proposed lease in accordance with section 223 of the Act.

Section 223 of the Act provides the Council or where the Council so determines, a committee of the Council must consider any written submission which is received by the Council within 14 days after the public notice.

If submissions are received, the Council must take into consideration the submissions prior to making a final decision and must notify submitters in writing of the Council decision and the reason for the decision.

In addition, as the proposed lease would be entered into by Council as Committee of Management under the *Crown Land (Reserves) Act 1978* the consent of the responsible Minister would be a precondition to its granting.

Kim Wood
Manager Legal Services