

FRANKSTON CITY COUNCIL ANNUAL PROPERTY RENT AND FEES MODEL 2026/2027



TERMS

TERM	MEANING
Ability to generate some form of income	Where occupiers are able to hire out a portion/all of the facility to a third party for financial gain. Grant income is not considered.
Commercial component	This includes but is not limited to cafes/function & conference spaces/broadcasting revenue etc.
Commercial income generation	Areas of the facilities that are capable of being sub-leased for financial gain such as a café/conference area.
Council land	Council land means Council freehold land and Crown land managed by Council on behalf of State Government.
ESM Contribution	A financial contribution to the provision of Essential Safety Maintenance (ESM) where Council undertakes ESM. The charging of an ESM contribution is subject to applicable legislative requirements.
Enhanced ability for income generation	Means consideration of: • Modern facilities • Quality of facilities • Size of space • Additional spaces • Dedicated parking • Availability of commercial kitchen • Membership fee structure and/or secondary sport/use
Land only	Also known as Ground rent. Essentially where Council has leased the underlying Land only, and allowed a Tenant to use the Land and/or construct a building or facilities on it.
Maintenance Contribution	A financial contribution to the provision of preventative and reactive maintenance needs of the premises where Council undertakes some maintenance responsibilities. The charging of a Maintenance contribution is subject to applicable legislative requirements.
Multi-purpose/ multi-use facilities	Facilities and corresponding amenities designed for more than one type of use.
Regional facilities	Facilities that are designed to cater for participation from a wide geographical area.
Service Delivery	A direct service provided by or on behalf of Council that reflect Council's required core functions.
Single Use Facilities	Facilities and corresponding amenities designed for a sole type of use.
Utility/Service Contribution	Financial contribution to the use of utilities where separate metering is not available.

RENT AND FEES MODEL

Land/Facility Classification	Use/Premises	Annual Fee (excluding GST)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 1	Land only (Ground rent) No Council structures at commencement	\$160	All outgoings paid by occupier	None (until improvements constructed) then \$80	None (until improvements constructed) then \$50	\$160 until improvements constructed then \$290

Land/Facility Classification	Use/Premises	Annual Fee (excluding GST)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 1A	Single Use Facilities with no ability to generate income	\$200	All outgoings paid by occupier	\$80	\$50* *extra \$30 if commercial kitchen	\$330

Land/Facility Classification	Use/Premises	Annual Fee (excluding GST)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 1B	Private Use (Gardens)	Market rate per square meter set by valuation, thereafter increment set in budget	All outgoings paid by occupier	N/A	N/A	TBD

Land/Facility Classification	Use/Premises	Annual Fee (excluding GST)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 2	Single Use Facilities with limited ability to generate some form of income e.g. through room hire.	\$400	All outgoings paid by occupier SLA required (where appropriate)	\$130	\$150 *extra \$30 if commercial kitchen	\$680

Land/Facility Classification	Use/Premises	Annual Fee (excluding GST)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 2A	Single Use Facilities with enhanced ability to generate some form of income e.g. through function room hire/coaching arrangements and/or a nominated secondary sport/use.	\$1000	All outgoings paid by occupier SLA required (where appropriate)	\$130	\$350 *extra \$30 if commercial kitchen	\$1480

Land/Facility Classification	Use/Premises	Annual Fee (excluding GST)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 3	Multi-use Facilities with limited ability to generate some form of income e.g. through room hire.	\$1500	All outgoings paid by occupier SLA required (where appropriate)	\$200	\$500 *extra \$30 if commercial kitchen	\$2,200

Land/Facility Classification	Use/Premises	Annual Fee (excluding GST)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 3A	Multi-purpose Facilities with enhanced ability to generate some form of income e.g. through function room hire/broadcasting	Guided by independent valuation	All outgoings paid by occupier SLA required (where appropriate)	N/A (included in maintenance contribution)	TBA	TBD

Land/Facility Classification	Use/Premises	Bespoke Annual Rent/Fee (excluding GST) (valuation & associated facility modelling)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 3B	Multi-purpose Regional Facilities with a Commercial income generating component.	Base rent guided by independent valuation ‡ where a Commercial component a % rent from that component also applies	All outgoings paid by occupier SLA required	N/A (charged in maintenance fee)	Assessed on building basis	\$% of income from commercial spaces

Land/Facility Classification	Use/Premises	Bespoke Annual Rent/Fee (excluding GST) (valuation & associated facility modelling)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 4	Office administration or other commercial like use in a Council run shared facility or commercial use of Council land, where there is service delivery on behalf of Council.	Rate per square meter set by valuation for a three year period, plus a utility/service contribution. Discounted at (20%)	All outgoings paid by occupier	N/A (charged in maintenance fee)	TBD based on floor area.	TBD

Land/Facility Classification	Use/Premises	Bespoke Annual Rent/Fee (excluding GST) (valuation & associated facility modelling)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 4A	Office administration or other commercial like use in a Council run shared facility or commercial use of Council land, where there is no service delivery on behalf of Council.	Rate per square meter set by valuation for a three year period, plus a utility/service contribution	All outgoings paid by occupier	N/A (charged in maintenance fee)	TBD based on floor area.	TBD

Land/Facility Classification	Use/Premises	Bespoke Annual Rent/Fee (excluding GST) (valuation & associated facility modelling)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 4B	Commercial operations undertaken for financial gain	Guided by Market Rent	All outgoings paid by occupier.	N/A	Depend on individual operations	TBD

Land/Facility Classification	Use/Premises	Bespoke Annual Rent/Fee (excluding GST) (valuation & associated facility modelling)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 5	Accommodation – rent restricted	Market Rent with a 20% discount (applies if there is some form of restriction in respect of the on charging of rent by the provider)	All outgoings paid by occupier. Wind down/vacation of premises provisions	Depends on individual building	Depends on individual building	TBD

Land/Facility Classification	Use/Premises	Bespoke Annual Rent/Fee (excluding GST) (valuation & associated facility modelling)	Particular Requirements	ESM Annual Contribution (excluding GST)	Maintenance Annual Contribution (excluding GST)	Total (excluding GST)
Tier 5A	Accommodation – rent unrestricted	Market Rent	All outgoings paid by occupier. Wind down/vacation of premises provisions	Depends on individual building	Depends on individual building	TBD

Notes: 1. Where a permitted use does not fall into one of the above categories a market rental shall apply.
2. Amounts shown will be reviewed and subject to change as part of the Annual Budget Process.
3. Rent and Fees Model does not apply to the State Emergency Service (SES).

GUIDE TO USING THE PROPERTY RENT AND FEES MODEL

Step-by-Step Instructions:

Step 1 – Identify your type of property or facility

Determine whether your organisation/club occupies:

- Land only (no buildings or Council structures),
- A single-use facility (used for one main purpose), or
- A multi-use/multi-purpose facility (used for several activities).

Step 2 – Check whether your organisation/club generates income

Consider how your organisation/club uses the space:

- No income – you do not hire out rooms, sell goods, or charge participation fees.
- Limited income – you occasionally hire rooms or collect small fees.
- Enhanced income – you regularly hire rooms, run functions or coaching.
- Commercial income – you operate for profit or sub-lease spaces (e.g. café or event area).

Step 3 – Match your classification to the Tier descriptions

Tier	Description
Tier 1	Land only (no Council structures).
Tier 1A	Single-use facility with no income-generating activity.
Tier 1B	Private-use gardens (market rate per m ²).
Tier 2	Single-use facility with limited income (e.g. small room hire).
Tier 2A	Single-use facility with enhanced income (e.g. functions, coaching).
Tier 3	Multi-use facility with limited income (e.g. small room hire).
Tier 3A / 3B	Multi-purpose or regional facilities with significant or commercial income.
Tier 4 – 4B	Office or commercial type uses, with or without Council service delivery.
Tier 5 – 5A	Accommodation uses (rent restricted or unrestricted).

Step 4: Determine fees as per Model for applicable Tier. Amounts shown on the Model will be reviewed and subject to change as part of the Annual Budget Process

In accordance with the Policy, the Property Panel — comprising relevant internal stakeholders — will assess each application to determine the appropriate tier classification. This assessment will take into account the nature of the use, as well as any benefits provided, including the ability to generate income through room hire or similar activities. Further detail on this process is outlined in the Policy.

Examples:

Example 1 – Sporting Club Hiring Out Rooms

Scenario:

A local sporting club occupies a single-use facility (clubrooms and change rooms). The club occasionally hires out its social room for small private functions.

Applying the steps:

1. Type of facility → Single-use building.
2. Income → Limited (occasional room hire).
3. Tier → Tier 2 – Single Use Facilities with limited ability to generate income.
4. Result: The sporting club falls under Tier 2 to be confirmed by Property Panel. Fee → \$400 + ESM \$130 + Maintenance \$150 = \$680 total (excl. GST)

Example 2 – Community Garden

Scenario:

A community garden group occupies Council land. There are no permanent buildings, and the group does not generate any income.

Applying the steps:

1. Type of facility → Land only.
2. Income → None.
3. Tier → Tier 1 – Land only (Ground rent).
4. Result: The community garden falls under Tier 1 to be confirmed by Property Panel. Fee → \$160 total (excl. GST) (until improvements are constructed).