

In recent weeks there has been online interest and commentary on Council-owned housing.

This article provides facts and context around how Council manages these homes.

Warrnambool City Council owns several houses. Most of these houses – 13 of them – are rented out to disadvantaged families.

As a responsible landlord, Council has no intention of broadcasting information on where these homes are, who resides in them and how much rent the tenants pay.

Council does make available information on other Council-owned properties in which Council staff reside.

As a responsible landlord and to ensure the privacy and security of the tenants, Council will not broadcast the identities of the tenants in these homes.

There has been particular interest in two Council homes: a flat at the Archie Graham Community Centre and a former caretaker's house at Shipwreck Bay Holiday Park.

Inquiries focused on the length of time people had lived in these homes; how much rent they paid; who determined the rent; how the tenants were chosen; the cost of repairs on these homes; and, whether Council had adhered to the Local Government Act in making arrangements for these homes.

In response to implied claims of inappropriate management of these homes, Council wishes to make very clear the following facts:

- **Because of the unusual locations and nature of these properties if Council staff were not renting these properties they would not be made available for rent to the general public and Council would lose income.**
- **Council staff lease these homes and pay an independently assessed rental amount.**
- **The rent paid by staff over time has exceeded the amount Council has spent maintaining the homes.**
- **Council – and therefore ratepayers – receive a financial benefit from these homes being occupied.**
- **Council is entitled, under the Local Government Act, to rent out these homes to Council staff.**
- **Council aims to meet its obligations as a landlord under the Residential Tenancies Act.**

Contrary to some claims being made on social media, essential information on the arrangements for these Council properties is not secret and is available to the public on Council's Lease Register.

This is a document that Council is required to make available on request and this is noted in our Annual Report.

And contrary to claims that inquiries in relation to these properties have been met with a “wall of silence”, Council has shared what information it feels is appropriate without compromising the safety and security of tenants.

The questions raised in recent commentary are addressed in more detail below

Duration of tenancy

One of the tenants has been in the flat at the Archie Graham Community Centre for more than 30 years.

Over that time the tenant has paid market-based rent and met Council expectations around taking care of the flat.

Council will not evict a tenant simply to “give someone else a go”.

A responsible landlord will provide security of tenure and renew a lease provided the tenant is meeting the conditions of the lease.

A number of different Council staff have lived in the Archie Graham Community Centre over the years.

Determination of rent

The rent is based on market estimates provided by independent valuers.

In recent years Council has used the services of Preston, Rowe Paterson, Roger Cussen and Opteon to assist with market valuations on a range of properties in Warrnambool.

Amenity is considered when rental amounts are set.

It is worth noting that:

- the flat at the Archie Graham Community Centre does not have an independent access point. It can only be accessed from inside the centre.
- for up to two months of the year the house at Shipwreck Bay Holiday Park is surrounded by boisterous holiday makers.

There are other features of these properties that mean that it is difficult to compare them directly with other homes on the general rental market.

As we disclosed to the online writer, the rent on the flat at Archie Graham is \$190 a week. The rent at the Shipwreck Bay Holiday Park is \$221 a week.

Who chooses the tenants?

Firstly, these homes are available only to Council staff because they present security challenges. The flat at Archie Graham can only be accessed through entering the community centre and Council must, for insurance and security purposes, carefully regulate who is able to access its buildings after-hours.

In the past the house at Shipwreck Coast Holiday Park has been made available to the public to rent but Council experienced difficulties in the rent being reliably paid and tenants finding the level of amenity acceptable with regard to being in close proximity to excited holiday makers.

When making these homes available an email is sent out to all staff inviting an expression of interest, or if the arrangement was made prior to the advent of email, a notice was placed on a staff noticeboard.

Aside from generating income for Council, an advantage of having Council staff in these unusual residences is that they in effect become after-hours caretakers. Outside business hours the community centre tenant regularly switches off lights and appliances left on by community members and staff. Over a recent weekend the staff member was able to set in train urgent repairs when an intoxicated individual smashed a glass entrance door.

What about the cost of repairs on these homes?

Under most rental agreements, the landlord pays for repairs to properties and must maintain the level of amenity provided at the time the lease was agreed to.

Council was asked about “renovations” to the flat at the Archie Graham Community Centre.

The work done was not a renovation, it was maintenance. The work at the flat included replacement of a faulty heater and repairs to three windows which were either broken or had rotten timber surrounds.

Council was also asked about a new garage provided for the tenant at the Archie Graham Community Centre.

The new garage was a consequence of a larger project involving the improvement of access to a car park for residents of the Heatherlie retirement village.

Here is a quick summary of the project:

Ownership of the car park at the rear of the Archie Graham Community Centre is shared by Council and the Heatherlie retirement village. Heatherlie wished to exercise a right of access to its own car park via the car park at the rear of Archie Graham. This was to create access to an expanded undercover parking area at Heatherlie. Providing that access required the demolition and removal of a three-bay garage, one bay of which was used by the residential tenant at Archie Graham.

The project also included the reconstruction of a collapsed retaining wall, restoration of a garden bed and the sealing of a previously gravel laneway to the west of Archie Graham that

is used by neighbouring tenants, Heatherlie tenants who are getting about on foot and the residential tenant at Archie Graham.

The above range of works was delivered at a cost of about \$43,000 of which the garage component was \$11,638.

Has Council adhered to the Local Government Act with these rental arrangements?

Yes.

Here is the relevant section of the Act in its entirety:

190 Restriction on power to lease land

(1) A Council's power to lease any land to any person is limited to leases for a term of 50 years or less.

(2) Subject to any other Act, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.

(3) If the lease is to be—

(a) for 1 year or more and—

(i) the rent for any period of the lease is \$50 000 or more a year; or

(ii) the current market rental value of the land is \$50 000 or more a year; or

(b) for 10 years or more; or

(c) a building or improving lease—

the Council must at least 4 weeks before the lease is made publish a public notice of the proposed lease.

(4) A person has a right to make a submission under section 223 on the proposed lease.

The rental value of all Council residential leases is less than \$50,000 and the terms of each lease are for a duration of less than 10 years.

Other relevant legislation

It is appropriate that Council, as with all employers, looks after its staff as well as its assets. This is explicitly supported by the Local Government Act in Section 195 which is reproduced below.

LOCAL GOVERNMENT ACT 1989 - SECT 195

Assistance to a member of Council staff

A Council's powers include the power to—

*(a) enter into a contract for the sale, purchase or **lease** of a dwelling-house to a member of Council staff; or*

(b) provide a loan or other assistance to enable a member of Council staff to purchase a dwelling-house—

for use as the residence of the member of Council staff.

General comment from Council Chief Executive Officer, Bruce Anson

Council accepts that as the level of government established to serve residents and ratepayers of Warrnambool that we should be subject to close scrutiny and should share all relevant information about Council operations.

In relation to recent inquiries about Council-owned housing I believe we have disclosed an appropriate and reasonable amount of information.

I have a duty of care to all my staff and to the tenants of all Council-owned housing, regardless of their socio-economic status.

I have serious concerns about individual staff members being at the centre of online commentary and gossip which has nothing at all to do with their professional competence.

These staff members are lawfully occupying Council-owned residences.