



Lifting the lid on 30-year-rent deal for WCC staff member

## Description



The Timor St building that is owned by Warrnambool City Council and includes a subsidised apartment that has been occupied by a senior council staff member for more than 30 years.

**By Carol Altmann**

Did you know that a senior member of Warrnambool City Council staff has lived in a subsidised, council-owned apartment in a prime location for more than 30 years?

I didn't believe it, but it is true.

The council lease register confirms that the same staff member has rented the top floor of a prime property at 130 Timor St since 1987.

The grand old bank building is part of the Archie Graham complex owned by the council and is a two-minute walk from the council offices.

According to the council's lease register, the current annual rent being charged on 130 Timor St is just \$9900, or \$190 a week, which is low for Warrnambool.

I had a quick look at realestate.com.au and the rent for a decent two-bedroom property in Warrnambool is usually at least \$250 and that is for a place in the suburbs.

According to the WCC enterprise agreement, the salary for this staff member is estimated to be

somewhere between \$76,000 and \$83,000 plus super.

Strangely, the lease between the council and the tenant is also classed as “on-going”, which means it has no renewal or end date.

What the....?

And for the past 31 years since the lease began, the council – meaning ratepayers – has paid for maintenance, repairs and other improvements to the property.

What the...?

The senior staff member is one of two council staff members on a long-term residential lease, although the 31-year-lease is by far the longest tenancy.



The former caretaker's residence at the Warrnambool foreshore that has also been under a long-term on-going lease.

The second property operating under a similar, on-going lease to a WCC staff member is the former caretaker's house within the Shipwreck Bay caravan park at Pertobe Rd.

This foreshore property has been leased by the staff member for the past 14 years.

The current annual rent on that property, however, is closer to market rates at \$11,532, or \$221 a week.

Having spent a lot of time looking at what other councils do around property rentals, I can tell you that these two residential leases are highly unusual.

**I have to stress at this point that I would not normally write about the affairs of a private tenant, but in this case the tenants are public servants, leasing publicly owned houses and the lease arrangements are therefore of public interest. This is why councils have to keep a lease register in the first place, even if very few people look at it. Despite this, I have chosen not to name the individuals involved. Both were contacted for comment, but declined.**

I also need to be clear that many councils, including Warrnambool, own a number of houses that are made available to people who can't afford the rental market or who are vulnerable, like the elderly.

It is also quite normal for a council to offer short-term housing to new staff who have relocated from elsewhere.

Council-owned houses in Koroit St and the Warrnambool Botanic Gardens are used for this purpose.

Some councils, like Moyne Shire, also offer a house as [part of the salary package](#) for specific jobs such as caretakers of caravan parks who need to, obviously, live onsite.

That is all absolutely normal and – usually – transparent. (I was able to get a copy of the salary package for the caretaker position at Gardens Caravan Park in Port Fairy via one call to Moyne Shire.)

But what is happening here with Timor St and Pertobe Rd is highly unusual.

### **So what is going on and who is making the decisions?**

I think ratepayers deserve to know who sets up such lease agreements, are they part of a salary package, who sets the rents and how often they are reviewed, does the rent include power and water, and are other people ever given the chance to apply for the same property?

Most councils have some form of [property leasing policy](#) that could help answer most of these questions.

The WCC doesn't have such a policy, or not one that they could produce.

So, I asked WCC media manager Nick Higgins for answers.

#### **Who sets the rents?**

"Rents for Council properties are set at market rates based on independent valuations," Mr Higgins wrote in an email.

These "rental values are reviewed annually as part of Budget preparations", he added.

Yes, but *who* makes the final decision? A panel? The CEO Bruce Anson? Another senior officer? The councillors?

And *where* does the "independent valuation" come from?

"...a private company," Mr Higgins wrote.

Which private company, I asked?

No answer.

#### **Okay, what about the leases? Who writes and renews the leases? And are these renewed leases advertised, as per the Local Government Act?**

"Leases are renewed where there is agreement between Council and tenants," Mr Higgins wrote.

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Really? The tenant and council can agree to just keep renewing a lease on a prime CBD property for 30-plus years?

Wow, that is some deal if you can get it.

I pressed on and asked Mr Higgins, in a nutshell, if this sort of “ongoing” lease ever actually expired.

“A fair landlord does not evict tenants or fail to renew leases if the tenants have acted in accordance with a lease agreement,” he replied.

**So if a residential tenant sticks to the initial lease agreement with the WCC, they can pretty much stay on forever, it seems.**

“Can you send me a copy of the lease agreement,” I asked Mr Higgins by return email.

“And, again, can I ask the name of the private company that reviews the rents in accordance with market values. I am not sure why the name of the company is being withheld.”

The response is below:

Hello Carol,

We have nothing further to add.

Regards,

Nick

Well, in my humble view, there is plenty further to add and that process starts with a Freedom of Information application for the lease agreements.

Thanks to those people who have donated to help keep these investigative stories coming, I lodged that FOI application yesterday.

I think this story is only beginning.

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