



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

14th August 2007

DCCS9	SMITHTOWN MEDICAL CENTRE
	FILE: LA12470 PJH {Folio No. *}

SUMMARY:

Renewal of Lease of the Smithtown Medical Centre building.

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DESCRIPTION:

At its meeting on the 17th April 2007 Council resolved the Tristar Medical group be advised that Council is prepared to renew the Lease of the Smithtown Medical Centre building for a five (5) year term at a rental of \$5,200 per annum plus GST with annual CPI Increases.

The above terms were presented to Tristar for their acceptance.

However Tristar responded to Council stating their case for a rental of \$50 per week or \$2,600 per annum plus GST with annual CPI increments, Tristar put forward the argument that they are presently repaying the loan taken out to establish the centre in Smithtown and that the centre is only operating on half days and therefore Tristar does not feel that a rental of \$5,200 per annum is acceptable, and suggests the rental of \$50 per week is more realistic.

Tristar have been approached with an offer of a renewal term of 2 years at \$50 per week plus GST with annual CPI increments, the lease to be reviewed at the end of this term, to which they have responded favourably.

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *Social*

The Smithtown medical centre provides a health and social benefit to the residents of the Lower Macleay who now have ready access to a Doctor.

- *Economic (Financial)*

Tristar have as agreed by Council been accommodated for the last two years rent free at the Centre, the amount of \$2,600 per annum rental will assist with maintenance cost for the building.

- *Policy or Statutory*

The land on which the Smithtown Medical Centre stands is part of crown land reserve 83632 known as the Smithtown Baby Health Clinic Reserve Trust with Kempsey Shire Council the Gazetted Manager of the Trust

- *Director's Review*

The recommendation is supported.

RECOMMENDATION:

That Council agree to a lease with the Tristar Medical Group for the rental of the Smithtown Medical Centre building for a term of two years at a weekly rental of \$50 plus GST and annual CPI increments, the terms of the Lease to be reviewed at the end of the two year term.

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G B Snape

DIRECTOR CORPORATE & COMMUNITY SERVICES