



VGSO Blog - Lease vs Licence - What difference does it make? (Part 2) Thursday, 26 November 2015

Based on the public and personal feedback, our blog topic from September 2015 on the differences between leases and licences certainly seems to have been quite topical.

One reader requested that we provide some more examples for Government practitioners of circumstances where a lease or a licence might be appropriate. Of course, the particular circumstances of the transaction will determine the form of tenure that is appropriate for the intended use of premises. With that in mind, we provide some further examples of where a lease or licence might be appropriate for the intended use of the premises.

Lease examples

In short, a lease will be appropriate where the tenant requires exclusive use of land and/or premises for the permitted use. Where government is the tenant, such uses include delivery of long term projects and services, for example prisons, hospitals and police and court house facilities.

Where government is the landlord, such uses would include:

- commercial or trading purposes where the operator will undertake a fitout and install furniture, computers, etc;
- sensitive and important community services such as the provision of child care facilities; and
- provision of education services, such as by a TAFE institute.

Licence examples

The granting of exclusive possession and other leasehold rights is not necessary for all land uses. Common examples of where a licence of land may be appropriate include:

installation of power line infrastructure by an electricity generation company; special event licences for community, cultural or sporting events; site investigations for development proposals; construction licences or licences for the installation of services and utility infrastructure; and cutting or taking away fallen or felled trees for domestic use as firewood.

If you would like further advice regarding land use arrangements and other property issues, the VGSO Property Team is well placed to assist you. Please contact:

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