



## COUNCIL POLICY

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### Lease / Licence of Community Assets

- Policy Number:** 2.10
- Policy Subject:** Lease / Licence of Community Assets
- Policy Statement:** The Shire of Katanning seeks to support community groups in increasing capacity and improving facilities within the Shire that result in the strengthening of community groups and provide equity for all community members and support people through all stages of life.
- Objectives:** To provide a format whereby applications for the lease or licence to occupy a Council asset can be consistently assessed and applied in conjunction with the requirements of the *Local Government Act 1995 sec 3.58*.
- To ensure assets leased to community organisations are well maintained to maximise sustainability, promote safety and maximise community benefit.
  - To minimise risk to the Shire, financial or litigious, resulting from community leases or licences.
- Guidelines:**
- 1) All lease and licence proposals including renewals will be forwarded to Council for consideration and endorsement.
  - 2) Leases and licences will consider an organisation's historical use of land and buildings recognising capital contributions and community service provided.
  - 3) Tenure periods will be capped to a maximum of 10 years (including options).
  - 4) Lease or licence agreements are to be based on contemporary legal advice.
  - 5) The table at Appendix 1 will be used to determine lease or licence conditions and responsibilities of each party. The Council reserves the right to vary these conditions where it considers appropriate to do so.
  - 6) A lease between the organisation and the Council will be considered where the organisation has exclusive use of the facility.
  - 7) A licence to occupy arrangement will be considered where the organisation does not have exclusive use of the facility.

## **Nature and Types of Leases**

### 1. Community Lease

This classification will be used for

- incorporated, not for profit associations providing a locally based community service or sporting and recreational club which are primarily volunteer run
- Have limited financial capacity with annual turnover less than \$50,000
- Deliver direct and ongoing community benefit within the Shire.

It does not include

- Religious Organisations,
- Not for Profit organisations with annual turnover of more than \$50,000 per annum.

### 2. Government or Commercial Lease

This category of lease will include

- Government Departments and organisations that are a Statutory body. Commonwealth, State or Local Government or Agency.
- Not for Profit Organisations with turnover greater than \$50,000 per annum.
- Organisations that employ predominantly paid staff.
- Organisations that operate at regional state or national level.
- Organisations that compete with private sector providers.

### Other requirements

- any party offered a lease or licence must obtain public liability insurance for a minimum cover of \$20,000,000.
- Depending on land tenure, the lease or licence may require the approval of the Minister for Lands.
- Any cost associated with registration of the lease or licence, advertising or valuation will be borne by the lessee or licensee.

### *Tenure Periods*

The maximum lease or license obtainable from the Shire of Katanning is 10 years (inclusive of any option periods).

### *Inspection*

Leased & licenced premises will be subject to regular site inspections to confirm the maintenance program is being delivered in accordance with the lease or licence agreement.

**Lease Fees**

Community Leases - \$100 per annum or as determined by the Council Government or Commercial Leases – market rate as determined by valuer

**Exclusions**

This policy is not applicable to staff housing.

Council reserves the right to vary or refuse concessions where exceptional circumstances apply.

Sub-leasing or unauthorised commercial use of Shire property may result in the withdrawal of concessions

<b>Resolution No:</b>	Ordinary Council	OC294/03
<b>Resolution Date:</b>	25 June 2003	
<b>Amended:</b>	23 September 2009	OC43/10
	22 October 2014	OC/106/14
	27 March 2018	OC29/18
	22 December 2022	OC159/22
	18 December 2024	OC174/24
	24 February 2026	OC10/26
<b>Source:</b>	Manager of Finance	
<b>Date of Review:</b>	October annually	
<b>Responsibility:</b>	Executive Manager Corporate Services	

**Appendix 1 - Shire of Katanning Property Management Framework**

<b>Maintenance Item</b>	<b>Parties Obligations</b>	
	<b>Community Lease</b>	<b>Government or Commercial Lease</b>
Emergency and exit lighting systems and emergency doors	Lessor	Lessor
Fire protection equipment	Lessor	Lessor
RCD protections	Lessor	Lessor
Test and tagging of electrical equipment	Lessee	Lessee
Pests control - annual termite inspection and baiting	Lessor	Lessor
Pests control - other vermin	Lessee	Lessee
cleaning	Lessee	Lessee
malicious damage and break in	Lessor	Lessee responsible for excess
vandalism / graffiti	Lessor	Lessee
Security Monitoring	Lessee	Lessee
keys	Lessor to provide one set, copies at Lessees cost	Lessor to provide one set, copies at Lessees cost
painting - interior (make good at end of lease term)	Lessee	Lessee
painting - exterior	Lessor	Lessor
Electrical including lighting - maintain, replace, repair	Lessee	Lessee
cupboards, blinds, curtains, mirrors	Lessee	Lessee
carpet replacement	Lessor	Lessee
other flooring replacement	Lessor	Lessee
bathrooms including drains, sinks, taps	Lessee	Lessee
HW system service	Lessee	Lessee
HW system replacement	Lessor	Lessee
Plumbing - maintain, repair, clean, service	Lessee	Lessee
Plumbing - replace	Lessor	Lessor
Airconditioning - maintain, repair, clean, service	Lessee	Lessee
Airconditioning - replace	Lessor	Lessor
oven vents	Lessee	Lessee
Appliance Replacement - (if supplied by Shire)	Lessor	Lessor
roof	Lessor	Lessor
eaves, gutters, downpipes - cleaning	Lessee	Lessee

eaves, gutters, downpipes - replacement, painting	Lessor	Lessor
gardens and surrounds including tree maintenance	Lessee	Lessee
turf	Lessee	Lessee
carparks and walkways	Lessee	Lessee
roller doors - servicing and repair	Lessee	Lessee
roller doors - replacement	Lessor	Lessor
pollution	Lessee	Lessee
bore and pump	Lessee	Lessee
structural improvement	Lessor	Lessor

### **Outgoings**

Rates, charges, taxes and rubbish collection	Lessee	Lessee
water rates, drainage, sewer rates, and water consumed	Lessee	Lessee
Emergency Services Levy	Lessee	Lessee
phone, electricity, internet, power and light charges	Lessee	Lessee
Insurance Excess arising from insurance obtained by the Lessor	Lessee	Lessee
Registration and preparation of Lease Fee if applicable	Lessee	Lessee
Lease Fee	\$100 Per annum	market rates as determined by valuer