

CF018	LEASE AND LICENSING CLASSIFICATIONS		
POLICY OWNER:	Council		
DEPARTMENT:	Office of the CEO	RESPONSIBLE OFFICER:	Manager People, Culture & Systems
CREATION DATE:	23/08/2024	REVIEW SCHEDULE:	Annually
RELATED PROCEDURES:			
RELATED FORMS:			
RELATED DELEGATIONS:			
RELATED POLICIES:			
LEGISLATION:	s46 Land Administration Act 1997 s3.58 Local Government Act 1995 reg 30 Local Government (Functions & General) Regulations 1996		
DOCUMENT CONTROL			
DATE REVIEWED:	REVIEWED BY:	CHANGES (IF ANY):	ENDORSED BY COUNCIL:
23/08/2022	Council	Nil	FC7/8/22
28/11/2023	Council	Nil	OCM 11/11/23
24/09/2024	Council	Major: Refer minutes of meeting.	OCM03/09/24

CF018 Leasing and Licensing of Shire Owned/Controlled Property

OBJECTIVES

The Shire of Carnarvon is committed to managing its property assets in a manner that maximises community benefit while ensuring transparency, fairness, and financial sustainability. This policy outlines the conditions and processes for leasing and licensing Shire-owned/operated properties to not-for-profit organisations, community groups, other government agencies and commercial entities within Western Australia.

The purpose of this policy is to:

- To support not-for-profit and community groups in delivering social, cultural, and economic benefits to the community.
- To provide clear guidelines for leasing or licensing property to commercial entities and government agencies to support economic development and public service delivery.
- To ensure equitable, transparent, and consistent decision-making in property management.
- To ensure that leases and licenses align with the Shire's strategic objectives and meet legal and financial requirements.

SCOPE

This policy applies to all properties owned or managed by the Shire of Carnarvon that are available for lease or license to:

- Not-for-profit Organisations
- Community Groups
- Other Government Agencies
- Commercial Entities

POLICY STATEMENT/S

1.1 Eligibility

- **Not-for-Profit & Community Groups:** Eligible organizations must be incorporated, demonstrate a community benefit, and align with the Shire's strategic objectives.
- **Commercial Entities:** Businesses and commercial ventures may apply for leases or licenses, provided their activities contribute to local economic growth and align with the Shire's strategic development goals.
- **Government Agencies:** Government agencies are treated as commercial entities for the purpose of leasing/licensing Shire property, unless the Council approves concessional treatment based on community benefit or other special circumstances.

1.2 Application Process

- **Expression of Interest (EOI):** Properties available for lease or license will be advertised via public EOI. Interested parties must submit a detailed proposal including the purpose, benefit to the community (if applicable), financial details, and any special requirements.
- **Application from Interested Party:** Interested Parties may submit a detailed proposal including the purpose, benefit to the community (if applicable), financial details, and any special requirements.
- **Assessment Criteria:**
 - Community benefit or economic contribution.
 - Financial capability and proposed use of the property.
 - Alignment with Shire strategic plans, including sustainability and economic growth.
 - Experience and capacity to manage the leased or licensed property.

1.3 Lease/License Terms

- **Term Duration:**
 - Not-for-Profit and Community Groups: Typically, lease/license agreements will be for a period of 3-5 years, with options for renewal based on performance and community impact.
 - Commercial Entities and Government Agencies: Lease terms will vary depending on the type of business or service, with a standard duration of 5-10 years. Options for renewal may be considered based on performance and alignment with Shire priorities.
- **Rental Fees:**
 - **Not-for-Profit & Community Groups:** Rent may be set at a concessional rate, subject to the group's capacity to pay and community benefit provided.
 - **Commercial Entities & Government Agencies:** Rent will be set at market value, considering the economic benefits to the Shire and the sustainability of the business. Any concessions for government agencies must be approved by the Council.

- **Utility & Maintenance Costs:** Lessees or licensees will be responsible for all utility costs, repairs, and maintenance unless otherwise specified in the agreement.
- **Compliance:** All lessees or licensees must comply with relevant legislation, Shire policies, and health and safety standards.

1.4 Reviews and Performance Monitoring

- Leases and licenses will be subject to annual reviews to ensure compliance with the terms and continued alignment with the Shire's objectives.
- Performance reviews for not-for-profit and community groups will focus on community impact and financial viability.
- Commercial leases and government agency agreements will be reviewed in line with performance, sustainability, and compliance with lease terms.

2. Roles and Responsibilities

- **Council:** Responsible for approving all lease and license agreements for Shire properties, including any concessional terms for government agencies.
- **Chief Executive Officer (CEO):** Authorised to negotiate and sign leases/licenses on behalf of the Shire, subject to Council approval.
- **Property and Leasing Department:** Responsible for managing the application process, monitoring compliance, and conducting reviews.

	Category 1 Not for Profit	Category 2 Not for Profit	Category 3 Government Agencies	Category 4 Commercial Entities
Definition	Incorporated not-for-profit community group. Limited ability to raise revenue. Significant community benefit.	Incorporated not-for-profit community group. Has ability to raise revenue through memberships, liquor sales or sale of merchandise.	Government Agency or Public Not for Profit.	Commercial entity.

Payments/Responsibilities Required Under Lease/Licence Agreement

Lease/Rent	Yes - \$50	Yes - \$300	Yes – Market Value	Yes – Market Value
Market Valuation	No	No	Yes	Yes
CPI	No	Yes	Yes	Yes
Preparation of Lease	No	Yes	Yes	Yes
Utilities (Water, Gas, Electricity, etc)	Full responsibility for all utility costs.	Full responsibility for all utility costs.	Full responsibility for all utility costs.	Full responsibility for all utility costs.
Rates	No	Yes	Yes	Yes
ESL Charges	Yes	Yes	Yes	Yes
Bins	Yes	Yes	Yes	Yes
Insurance	Public Liability	Public Liability	Public Liability and Building Insurance	Public Liability and Building Insurance
Building maintenance	Yes – non-structural	Yes – non-structural	Yes – non-structural	Yes – non-structural
Garden Maintenance	Yes	Yes	Yes	Yes

Any other items as stipulated in the lease agreement.

Any deviation from this table to be approved by Council.

3. Dispute Resolution

Any disputes arising under this policy or the lease/license agreements will be managed by the Shire in accordance with its dispute resolution processes, and where necessary, referred to mediation or legal processes.