



COUNCIL POLICY

Lease / Licence of Community Assets

- Policy Number:** 2.10
- Policy Subject:** Lease / Licence of Community Assets
- Policy Statement:** To provide a format whereby applications for the lease or licence to occupy a Council asset can be systematically assessed and performance managed in conjunction with the requirements of the *Local Government Act 1995 sec 3.58*.
- Objective:**
- 1) Create a framework to assess lease proposals.
 - 2) Provide consistency and equity in the leasing of community assets.
 - 3) Create a reasonable financial recovery from Council's assets with the use of rational and consistent fee calculations
 - 5) Provide clarity and direction on Council's positions to organisations seeking lease or licence agreements with Council.
 - 6) Improve Council's asset management practices.
- Guidelines:**
- 1) All lease proposals and renewals will be forwarded to Council for consideration and endorsement.
 - 2) Fee calculations will commence at the Shire's minimum rate value and for not-for-profit community organisations, at 75% of the Shire's minimum rates.
 - 3) The lease will consider an organisation's historical use of land and buildings recognising capital contributions and community service provided.
 - 4) Tenure periods will be recommended to a maximum of 10 years (including options).

Nature and Types of Leases

1. Community

This classification will be used for incorporated, not for profit associations providing a community service.

The lease or licence fee payable by these associations will be 75% of the Shire's minimum rates, or as negotiated by management and approved by Council.

Lease or licence terms are to be based on contemporary legal advice.

2. Commercial

All other organisations will be regarded as commercial entities.

Council may nominate a lease or licence fee but if agreement to a fee cannot be negotiated, at its discretion, Council may appoint an approved valuer to determine the annual lease or licence fee.

Properties included within the commercial category will be leased or licenced in accordance with the provisions of section 3.58 of the Local Government Act 1995.

When determining an application for a lease or licence Council will consider the following;

- The organisational structure of the applicant.
- Compliance with all relevant legislation and all required approvals are in place.
- The intended purpose and activities of the organisation at the premises.

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.

Exclusions

This policy is not applicable to staff housing.

Resolution No:	Ordinary Council	OC294/03
Resolution Date:	25 June 2003	
Amended:	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
Source:	Manager of Finance	
Date of Review:	October annually	
Responsibility:	Executive Manager Corporate Services	