



4. **ADMINISTRATION POLICIES**
4.2 **ADMINISTRATION**
4.2.8 **Property Leasing**

Background & Issues

Council leases land and buildings to various community groups, clubs, recreational bodies and commercial enterprises.

Objectives

This policy provides a consistent approach to setting lease terms, lease fees and maintenance responsibilities.

Area of Application

This policy applies to all Council land and building leases.

Policy Measures

1. Where buildings on reserves have been constructed by a community group, that group's equity in and therefore responsibility for the building is acknowledged and a lease for land only is prepared at the following rental:

1.1 Clubs, community groups and recreational bodies with minimal income earning capacity - \$10 per annum, payable on demand (equivalent to a peppercorn rental).

1.2 Clubs, community groups and recreational bodies who have licensed premises with potential to earn income - \$100 per annum, payable in advance. The lease is to provide for this figure to be reviewed annually in accordance with CPI adjustments.

Responsibility for maintenance of buildings owned by the Lessee rests with that owner.

2. Where buildings on reserves have been constructed by or donated to Council and are leased to:

2.1 Clubs, community groups and recreational bodies with minimal income earning capacity a lease fee of \$10 per annum, payable on demand, is applicable.

2.2 Clubs, community groups and recreational bodies who have licensed premises with potential to earn income - \$200 per annum, payable in advance, will be applicable. The lease is to provide for this figure to be reviewed annually in accordance with CPI adjustments.

2.3 Commercial enterprises such as the Timber Park Gallery Café, the annual lease fee is to be set by Council based on a market value established by the Valuer General's Office. This figure is to be reviewed annually in accordance with CPI adjustments.

Responsibility for maintenance of buildings owned by Council is to be according to the Maintenance Responsibilities Schedule (Schedule A), unless otherwise negotiated according to the existing condition of the property and the term of the lease.

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3. Lease Duration

3.1 All terms for clubs and community groups to be for 10 years, unless an alternative period is negotiated and approved by Council.

3.2 Leases for aged persons' accommodation are to be for 20 years to reflect the Lessee/tenant's contribution and the long-term residential use of the property.

3.3 Terms for commercial enterprises are to be negotiated in accordance with current market conditions with a minimum 5 year term in accordance with the Commercial Tenancy (Retail Shops) Agreements Act 1985.

4. The value and term of any leases for freehold and Council leased land and buildings are to be considered on a case by case basis, taking into consideration market conditions, the Commercial Tenancy (Retail Shops) Agreements Act 1985 and Council's lease fee.

Building maintenance responsibilities shall be according to Schedule A unless otherwise negotiated.

5. Any utility charges, rates and taxes levied against the land are to be paid by the Lessee.

6. Costs of the lease preparation, stamping and registration are to be met by the Lessee.

Schedule A

Maintenance Responsibilities Schedule

In accord with the lease agreement, at their own expense the Lessee shall at all times maintain the premises in good, clean and substantial repair condition to the satisfaction of the Shire. The Lessee shall not make any alterations, additions or modifications to the premises without first seeking the consent of the Shire. The repair of any damage or other repairs not attributable to fair wear and tear upon the premises rests solely with the Lessee, unless specified in the table below.

The Shire will carry out maintenance and repairs relating to the structure of the building, including walls, floor, roof and gutters, according to the Building Code of Australian Standards and conduct capital works at Council's discretion and in accordance with the annual budget. The Lessee must advise the Shire promptly of all damage sustained to the premises. The Lessee may be responsible for costs of repairing damage resultant from misuse or maintenance neglect by the Lessee.

Maintenance: Routine upkeep of the building/assets and regular ongoing work necessary to retain operational status. eg: repairs to fittings, periodic painting.

Renewal/Refurbishment: Restore, rehabilitate, replace existing asset to its original capacity. Includes repairs required due to normal wear and tear, age, structural faults etc and replacement of assets at the end of expected life span.

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Upgrade/Improvements: Enhance existing asset to provide higher levels of service.

Maintenance Item	Lessee Responsibility	Shire Responsibility
1 Appliances, fixtures & fittings (existing; eg: air conditioner and heating units)	<ul style="list-style-type: none"> • Maintenance in accordance with manufacturer's standards. • Clean and change filters as required. • Service and repair when required. 	<ul style="list-style-type: none"> • Renewal and upgrade as determined by Council.
2 Appliances, fixtures & fittings (Lessee installed)	<ul style="list-style-type: none"> • Full responsibility • Council approval required prior to installation. 	<ul style="list-style-type: none"> • No responsibility
3 Building External	<ul style="list-style-type: none"> • Keep in a clean and tidy state at all times. • Maintenance 	<ul style="list-style-type: none"> • Renewal and upgrade as determined by Council.
4 Cleaning	<ul style="list-style-type: none"> • Keep all areas in a clean and hygienic state at all times - including walls, ceilings, windows, floors, fixtures and fittings. • Compliance with the Health Act and Health Local Law. 	<ul style="list-style-type: none"> • No responsibility
5 Doors & security screens	<ul style="list-style-type: none"> • Maintenance • Renewal due to foreseeable misuse. 	<ul style="list-style-type: none"> • Renewal and upgrade as determined by Council.
6 Doors (automatic)	<ul style="list-style-type: none"> • Servicing – twice per year • Maintenance 	<ul style="list-style-type: none"> • Renewal and upgrade as determined by Council.
7 Electrical wiring, fittings & globes	<ul style="list-style-type: none"> • Maintenance and renewal of all electrical fittings, such as power points, light switches, light fittings and globes. 	<ul style="list-style-type: none"> • Maintenance, renewal and upgrade of all building wiring from main supply to switchboard and to fittings.
8 Fire extinguishers and all fire equipment	<ul style="list-style-type: none"> • Annual costs associated with inspection, servicing and refilling. 	<ul style="list-style-type: none"> • Arrange annual servicing to all fire equipment - recoup cost from Lessee. • Maintenance, renewal, upgrade as determined by Council.
9 Floor surfaces and coverings	<ul style="list-style-type: none"> • Regular cleaning and maintenance in accordance with the requirements of the type of the surface/covering. • Carpets to be professionally cleaned every 12 months. • In food handling areas, Food Act is to be strictly complied with. 	<ul style="list-style-type: none"> • Renewal and upgrade as determined by Council.
10 Food handling areas and equipment	<ul style="list-style-type: none"> • Maintenance • Renewal due to misuse or neglect. • Benches, cupboards and other fittings must be cleaned and maintained in a sound working condition at all times. • Ovens, refrigerators, fans, hot water systems etc are to be cleaned and maintained according to manufacturer's standards. • Compliance with the Health Act and Health Local Law and maintenance of such equipment required under the legislation. • The Lessee is solely responsible for appliances owned by the Lessee. These also must comply with the Health Act and Health Local Law. • Additional fittings and alterations require Council approval prior to installation. 	<ul style="list-style-type: none"> • Renewal and upgrade as determined by Council.

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Maintenance Item	Lessee Responsibility	Shire Responsibility
11 Gardens & Surrounds*	<ul style="list-style-type: none"> • Mow grass, prune, weed, water and maintain gardens to the satisfaction of the Shire. • Maintenance of improvements, such as fences and footpaths. • Maintenance of reticulation where installed. • Shire approval required prior to removal of any trees, planting of new trees or new species. 	<ul style="list-style-type: none"> • Maintain trees to a safe standard. • Renewal and upgrade of improvements as determined by Council.
12 Gutters and downpipes	<ul style="list-style-type: none"> • Clean once per year • Costs associated with premature failure attributable to neglect by the Lessee charged on a pro rata basis. 	<ul style="list-style-type: none"> • Maintenance, renewal and upgrade as determined by Council.
13 Keys, Locks & Door Hardware	<ul style="list-style-type: none"> • Responsible for keys issued by Council. • Maintenance of locks and hardware. • Cost of replacement locks, keys & hardware due to loss or misuse. 	<ul style="list-style-type: none"> • Purchase and install all locks. • Renewal and upgrade as determined by Council.
14 Painting	<ul style="list-style-type: none"> • Internal & External painting – minimum once during each ten years of the term or at end of term. • Paint & colour to be approved by Shire. 	<ul style="list-style-type: none"> • No responsibility
15 Pest Control	<ul style="list-style-type: none"> • All areas are to be kept in a clean and hygienic state and free from pests and vermin. • Termite inspections - minimum annually. To be conducted by a licensed Pest Control Operator and certification to be provided to Shire. • Treatment for termites when required. • Maintenance and renewal of assets attributable to neglect of pest control. 	<ul style="list-style-type: none"> • No responsibility
16 Plumbing and fixtures	<ul style="list-style-type: none"> • Maintenance - ensure all taps and water outlets are in good working order. • Renewal of minor fixtures and fittings, such as taps. • Renewal due to misuse or neglect. • Shire approval required prior to installation of new plumbing and fixtures. 	<ul style="list-style-type: none"> • Renewal and upgrade as determined by Council.
17 Plumbing waste pipes & drains	<ul style="list-style-type: none"> • Clear if blocked. • Maintenance and renewal due to misuse. 	<ul style="list-style-type: none"> • Maintenance, renewal and upgrade as determined by Council.
18 Roof	<ul style="list-style-type: none"> • No responsibility 	<ul style="list-style-type: none"> • Maintenance, renewal and upgrade as determined by Council.
19 Septic Systems	<ul style="list-style-type: none"> • Septic system pump outs. 	<ul style="list-style-type: none"> • Maintenance, renewal and upgrade as determined by Council.
20 Skylights	<ul style="list-style-type: none"> • No responsibility 	<ul style="list-style-type: none"> • Maintenance, renewal and upgrade as determined by Council.
21 Utilities*	<ul style="list-style-type: none"> • Connection, disconnection, maintenance, rental, service and costs associated with water, electricity and telephone services. 	<ul style="list-style-type: none"> • No responsibility • Invoice Lessee for utility costs when applicable.

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22 Vandalism	<ul style="list-style-type: none">• Removal and repair of minor vandalism; up to the value of \$300 per incident.	<ul style="list-style-type: none">• Repairs required due to major vandalism not attributed to the actions of the Lessee or any agent or visitor of the Lessee, as determined per incident and above \$300. Recoup \$300 per incident from Lessee.
23 Walls & Ceilings	<ul style="list-style-type: none">• Renewal if damaged due to misuse, negligence and unapproved modifications.	<ul style="list-style-type: none">• Maintenance, renewal and upgrade as determined by Council.
24 Windows/Glass	<ul style="list-style-type: none">• Replace broken glass, except when broken as a result of vandalism and cost is greater than \$300.	<ul style="list-style-type: none">• Replace glass broken as a result of an act of vandalism, when the cost of repairs is greater than \$300. Recoup \$300 per incident from Lessee.
25 Window treatments, where fitted*	<ul style="list-style-type: none">• Maintenance	<ul style="list-style-type: none">• Renewal and upgrade as determined by Council.

*Other arrangements may be negotiated for these items.

Administration

This policy is to be administered by Statutory Services.

Adoption and Date Due for Revision

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NEXT DUE FOR REVIEW JULY 2015

The Administration of this Policy is by the Statutory Services directorate.