
Purpose

To provide a structured framework and basic principles to ensure a consistent and equitable approach to the management of lease agreements, and to ensure Shire of Boddington (Shire) premises are preserved and managed responsibly and in a manner that provides a range of quality services and benefits to the community.

Scope

This Policy is applicable to community and commercial organisations seeking lease agreements, and associated licence agreements, for the exclusive use of Shire premises. The Policy defines clear tenant categories and associated roles and responsibilities of the lessor and lessee, to ensure consistent, equitable, and effective management of the Shire's community leases.

Definitions

Term	Meaning
Policy	This the Shire of Boddington policy titled "Leasing".
Shire Premises	Land and/or buildings owned or managed by the Shire.
Lease	An agreement in which the Landlord (or Lessor) agrees to give the Tenant (or Lessee) the exclusive right to occupy land, building, or part thereof, for a specific term.

Policy Statement

A decision to lease Shire premises should be based on the achievement of promotion of positive social, economic, and environmental outcomes.

In considering whether to enter into a Lease for Shire Premises, the following factors should be considered where relevant:

- the ability of the prospective tenant to fund, resource and manage the Lease over the proposed term;
- potential opportunities for future utilisation of the asset;
- the extent and current use of the site and the impact on adjoining premises;
- the need for wider stakeholder consultation;
- impacts on social, economic, and environmental outcomes;
- the potential impact of any related capital works program;
- any statutory restrictions or obligations relating to heritage or conservation of the site

Relevant additional factors when considering a Lease or Licence to a not-for-profit organisation or entity include:

- the benefit to the community;
- the promotion of public health and wellbeing;
- protection of public land values;
- impacts on social, economic, and environmental outcomes; and

- the history, purposes, and governance of the organisation.

Relevant additional factors when considering a Lease or Licence to a commercial entity include:

- the potential to attract investment and enhance amenities in the district;
- the creation of employment;
- the promotion of tourism;
- economic return; and
- impacts on social, environmental, and economic outcomes.

To achieve a balance between the need for security of tenure and utilisation of community resources in an appropriate and effective manner:

- the standard term of a Lease to a not-for-profit organisation is a period of 5 years with an option to extend the term by a further 5 years;
- the term of commercial or government leases are negotiated on a case by case basis.

Rent

Not-for-profit lessees, with minimal earning capacity, are to be charged a peppercorn rent as a contribution towards the administration costs to the Shire of managing the Lease.

Where the use of the Shire premises enables the lessee to generate periodic or regular income from their activities, the standard rent is to be \$500. The Shire may negotiate a higher rent where the use of the Shire premises enables the lessee to generate significant income from their activities, or if the Shire is responsible for maintenance of all or part of the premises.

Rent and other payments associated with commercial or government leases are negotiated on a case by case basis.

Form of Lease

The Shires standard Community Group Lease is to be used for all leases where the lessee is a not-for-profit organisation, unless circumstances require otherwise.

The need for any specific terms and conditions relative to the unique nature or requirements of the Shire premises is to be considered where appropriate.

Responsible Officer	Executive Manager Corporate Services
History	Adopted 23 February 2023 (Resolution 12/23) Amended 23 March 2023 (Resolution 25/23)
Delegation	
Relevant Legislation	Local Government Act 1995 Land Administration Act 1997
Related Documentation	Forms & Templates : Shire of Boddington standard Lease agreement