



## 5.02 Community Leasing Policy

### Objective / Purpose

The Town of Port Hedland is committed to meeting the current and emerging needs of the Community seeking the long-term use of Council owned or controlled properties and land.

The objective of this policy is to:

- ensure fair and consistent leasing and licensing conditions are provided.
- ensure clear expectations are outlined in Town leases and license to enable the protection and preservation of community assets for the ongoing use and benefit of the community.

This policy does not apply to the occasional use or hiring of the Town of Port Hedland's facilities or sporting grounds.

### Policy Statement

#### 1. Legislative Authority

The Town of Port Hedland may enter lease and licence arrangements over Council owned or controlled land; in accordance with the Local Government Act 1995 (WA) and the Land Administration Act 1997 (WA), and subject to any applicable management orders, reserve purpose requirements, and Ministerial consent provisions.

#### 2. Town Assessment Criteria

In addition to legislative requirements, the Town will apply assessment criteria to ensure that community leasing and licensing arrangements are equitable, consistent and aligned with community need and Council priorities. This includes consideration of strategic alignment, community benefit, facility utilisation, asset sustainability, and the capacity of the applicant organisation to maintain and manage the leased premises.

#### 3. Types of Tenure

The Town may grant occupation of Town owned or controlled land under one of the following tenure categories:

##### 3.1 Lease – Exclusive Use

A lease grants the lessee exclusive possession and use of a defined area for a specified purpose and term.

Leases may be appropriate where:

- exclusive occupation supports the Town's adopted plans, master plans or strategic objectives;
- long-term security of tenure is required to support capital investment or asset development; or
- the nature of the activity requires exclusive control of the premises.

Lease areas will generally be defined by building footprints and may include associated access areas, surrounds, or dedicated activity spaces where exclusive use is required.

### 3.2 Licence – Non-Exclusive or Shared Use

A licence grants non-exclusive use of a defined area for a specified purpose and term.

Licences may be appropriate where:

- facilities are shared between multiple users;
- exclusive occupation is not required; or
- flexibility of tenure is preferred to maximise community access and utilisation.

Licence areas will generally be defined by building footprints or designated spaces within shared facilities.

The determination of whether a lease or licence is appropriate will be made by the Town having regard to community need, public accessibility, asset sustainability and the nature of the proposed use.

## 4. Terms of Lease

Lease terms will be in accordance with the Management Order held over the Reserve and no more than 21 years.

Incoming leases will not pay less than the current year rental (a full annual lease fee will be applied regardless of lease commencement date).

The fee for Community leases would be set each year by the Council as part of the annual budget process.

Commercial leases will be negotiated on a case by case basis in line with the nature of the activity being undertaken.

## 5. Approval Pathway and Decision-Making Responsibilities

All community lease and licence applications will be assessed by the Town in accordance with this policy and the Town's current Delegations Register, as amended from time to time.

Applications will be reviewed by the relevant responsible officer to confirm eligibility, compliance with any applicable management order or reserve requirements. This includes alignment with the Town's strategic objectives and community benefit considerations.

Where approval authority has been delegated, an authorised officer may approve lease and licence arrangements in accordance with the Delegations Register.

Where a lease or licence proposal falls outside delegated authority, involves a non-standard tenure arrangement, or requires Council consideration under legislation or Town governance requirements, the matter must be referred to Council for determination.

Where Ministerial consent is required under applicable legislation or reserve conditions, the lease or licence must not be executed until the required consent has been obtained.

## 6. Net Community Benefit Assessment

The Town may assess the net community benefit provided by an organisation when determining rental fees, subsidies or financial concessions associated with a lease or licence arrangement for Town-owned or managed property.

Net community benefit will be assessed having regard to factors including:

- alignment with the Town's strategic objectives and adopted plans
- demonstrated social, cultural, recreational or economic benefit to the local community
- accessibility and inclusiveness of the organisation's activities
- the extent to which the organisation services identified priority groups
- the organisation's financial capacity and long-term sustainability
- the degree to which the proposed use supports effective utilisation of Council assets

Assessment outcomes may be applied using the Town's adopted Net Community Benefit Assessment Matrix, which allocates a category rating and corresponding subsidy range based on the cumulative score achieved.

Where a rental subsidy, discounted lease fee or other concession is granted, the basis for the decision must be documented to ensure transparency, consistency and accountability.

The Net Community Benefit Assessment Matrix applies only to the determination of rental concessions associated with lease or licence arrangements.

Requests for the waiver of application fees, licence fees or other discretionary charges are assessed separately in accordance with the Town's adopted Schedule of Fees and Charges, the Fees and Charges Waiver Policy (where applicable), and the Town's Delegations Register.

Nothing in this policy guarantees entitlement to a subsidy or financial concession. All decisions remain subject to the Town's financial governance framework, budgetary considerations and delegated authority limits.

## **7. Process enquiries and application for Lease**

All enquiries for the lease of land under council's control for all uses including but not limited to; sporting, community, educational, and commercial organisations' shall be referred to Property Management Coordinator for consideration against the management order held over that Reserve.

Maximum utilisation of Council Property is promoted with consideration given to community demand and capacity of facilities to cater for use.

## **8. Area of Lease**

Lease boundaries will be based on the area granted exclusively to a Lessee, not limited to the footprint of the building on the parcel.

## **9. Keys**

The Town will be provided with a complete set of keys for the premises.

Town staff requiring access will provide 48 hours written notice for right of entry, except in the case of emergency works being required. The Town will provide the Lessee with information pertaining to the late nature of entry and of any works that are undertaken.

## **10. Rates and Charges**

Any lease granted under the conditions of this policy will incur an annual leasing fee as per the approved schedule of fees and charges, which are determined by Council.

Lessees will be responsible for the payment of rates and charges against the lease based on both general and specific terms as set out in the lease documentation.

## **11. Maintenance of Lease Premises**

The Town will be responsible for the structural integrity of the premises for the term of the lease.

The Lessee shall, at the Lessee's cost, maintain all premises to Town asset maintenance standards as set out in the schedule to the lease. Damage that is not assessed as being fair wear and tear will be rectified at the expense of the lessee.

## **12. Annual Inspections**

The Town will complete an annual inspection of the facility that will include:

- internal check
- plumbing
- electrical
- landscape
- external check

## **13. Insurances**

Lessees will be responsible for procuring the relevant insurances for the leased premises at their own cost.

The Town will be responsible for insuring the fabric of the premises. This cost will be invoiced to the lease holder.

## **14. Termination**

The Town may terminate a lease or licence in accordance with the terms of the agreement and applicable legislation.

In exercising any termination rights, the Town will have regard to the following principles:

- compliance with the specific termination provisions contained within the lease or licence agreement;
- whether the land or facility is required to meet Town's strategic infrastructure, redevelopment or service delivery priorities;
- the extent of any breach of agreement and whether the breach is capable of remedy;
- procedural fairness, including provision of written notice and reasonable opportunity to respond or rectify non-compliance where appropriate;
- the impact of termination on community service delivery; and
- the availability of reasonable alternative arrangements, where feasible.

Where termination is proposed due to infrastructure planning or redevelopment requirements, the Town will provide appropriate notice and, where practicable, will make reasonable attempts to identify alternative accommodation options.

All termination decisions will be documented in writing.

## Legislative Framework

This Policy is to be read and applied in accordance with:

- Local Government Act 1995 (WA), including section 6.16 relating to the imposition of fees and charges;
- Local Government (Financial Management) Regulations 1996 (WA); and
- Town's adopted Annual Budget and Schedule of Fees and Charges.

Where there is any inconsistency between this Policy and applicable legislation, the legislation prevails.

## Related Policies and Governance Instruments

This policy is to be read and applied in conjunction with the Town's broader governance framework, including:

- Town's Delegations Register (as amended from time to time)
- Town's adopted Annual Budget and Schedule of Fees and Charges
- Community Leasing Policy (where leasing or licence arrangements apply)
- Town's Risk Management Policy
- any relevant Event Management, Community Grants or Community Development policies adopted by the Town.

Rental subsidies or concessions associated with lease or licence arrangements over Town-owned or managed land are assessed in accordance with the Community Leasing Policy and the Net Community Benefit assessment framework adopted by the Town.

This policy applies to the waiver or reduction of discretionary fees and charges outside formal lease or licence arrangements unless otherwise determined by Council or specified in another Town policy.

Where any inconsistency arises between this policy and another governance instrument, the requirements of the relevant legislation, the Town's Delegations Register, or the adopted Schedule of Fees and Charges will prevail.

## Definitions

**Assets** are the future economic benefits controlled by the Town of Port Hedland as a result of a past transaction or event whereby;

- its value can be measured reliably;
- its value must exceed a stated materiality threshold being \$5,000 or form part of a network asset group; and
- it must be probable that future economic benefits of the asset will eventuate (i.e the asset acquired supports the delivery of Council services to the community in line with Councils

**Lease** is a written contract by which an owner (the lessor) of a specific asset grants a second party (the lessee) the right to its exclusive possession and use for a specific period and under specified conditions, in return for specified periodic rental or lease payments.

**Maintenance Costs** are the costs associated with regular ongoing day to day work necessary to keep an asset operating in order to achieve its optimum life expectancy as set out in the schedule

**Net Community Benefit** is a measure of the level of community benefit offered to the citizens, residents, ratepayers, groups or organisations of the town by a group, organisation or individual.

### Policy Administration

Administration	Detail
Business Unit	Property Management
Directorate	Infrastructure Services
Delegated Authority	21.3.6 – Grant Licence for Commercial Activity
Review Frequency	2 yearly

### Document Control

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01	CM201415/2008	23.07.2014
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