

<b>POLICY NUMBER</b>	-	<b>8.20</b>
<b>POLICY SUBJECT</b>	-	<b>8.20 Rental charges for agreements to occupy Shire of Merredin non-residential property</b>

### 1. POLICY PURPOSE

This policy aims to determine rental charges and ensure standardisation of the application of such charges to various organisations and groups which occupy Shire of Merredin (SoM) property, to ensure derived income matches Council's expenditure and on-going infrastructure maintenance objectives.

### 2. POLICY SCOPE

This policy applies to all non-residential SoM property.

### 3. LEGISLATIVE REQUIREMENTS

Local Government Act 1995

### 4. POLICY STATEMENT

- 4.1 The occupation of all SoM owned non-residential property to be the subject of a formal agreement.
- 4.2 All organisations occupying SoM property will be classed as either:
  - a) Private commercial
  - b) Government department/agency
  - c) Community organisations
  - d) Sporting clubs/associations
- 4.3 Community organisation shall be defined as:- an institution, association, club, society or body, whether incorporated or not, the objects of which are of a charitable, benevolent, religious, cultural, educational or other like nature and from which any member does not receive any pecuniary profit.
- 4.4 Sporting clubs/associations shall be defined as - an incorporated body, the objects of which are of a sporting, leisure, recreational or other like nature and from which any member does not receive any pecuniary profit.
- 4.5 Rental charges will be determined via the classification(s) of the occupying organisations.
- 4.6 The CEO will determine the classification(s) of the occupying organisations, in accordance with the below listed guidelines –
  - a) Private commercial – (i.e. Telstra, Optus, Broadcast Australia)
    - Salaried employees
    - Operate as business with ABN
    - Ability to levy fee for service charges
    - Existing commercial rental agreement with Council

- b) Government department/agency – (i.e. Wheatbelt Development Commission, WAPOL, Minister for Works, Department of Defence)
    - State or Federal departments, instrumentalities or agencies
  
  - c) Community organisations – (i.e. Senior Centre, Merredin Playgroup, Muntadgin Progress Association, Merredin Men’s Shed )
    - Not for profit
    - Volunteer staffed
    - Incorporated bodies
  
  - d) Sporting clubs – (i.e. Nukarni Football Club, Merredin Districts Tennis Club, Merredin Netball Association, Merredin Hockey Club)
    - Incorporated bodies
- 4.7 The rent charges will be set at a full commercial market value with the charge including areas to which the lessee/ occupier has legal access (e.g. ablutions, kitchens, lunchrooms etc), whether such is exclusive or otherwise, for “private commercial” and “government department/ agency” agreements.
- 4.8 Notwithstanding 4.7 above, the minimum rental to be paid by a “private commercial and government department/agency” lessee/ occupier be set at \$100 per week.
- 4.9 The rental levied on “community organisations” and “sporting clubs” to be for an amount which at least provides full cost recovery of the additional costs that the Council incurs in maintaining and operating the building and its immediate surrounds to the standard required by the organisation.
- 4.10 Rental amounts under all leases will be subject to annual CPI increases and will be reviewed for commercial value at the end of each lease period.
- 4.11 The Council may upon receipt of written application, by way of resolution, grant a donation in subsidy of the rental amount for “community organisations” and “sporting clubs” where the tenancy grants a demonstrable benefit to the community.
- 4.12 All utility costs and other outgoings (telephone line connection and rental) to be paid by the lessee/ occupier, in addition to the agreed rental, with the exception of water rates, which shall be met by Council.
- 4.13 Council to be responsible, where applicable, for the cost of the below listed annual items:
- a) Building insurance
  - b) Water rates
  - c) Termite inspection
  - d) Pesticide application

Council reserves the right to recover additional costs where the conduct of the lessee/occupier has led to incurrence of additional costs relating to the above.

- 4.14 Building maintenance responsibilities to be determined within all lease agreements.
- 4.15 The basis of lessee/ occupier building maintenance responsibilities to be in accordance with “Appendix 1 – Lessee/ Occupier Responsibilities - Building Maintenance Schedule”
- 4.16 The basis of Lessor building maintenance responsibilities to be in accordance with “Appendix 2 – Lessor’s Responsibilities - Building Maintenance Schedule”
- 4.17 Council may, as an incentive to attracting new business operations within Merredin, grant by way of resolution, a discount of 50% to the rental charges levied in accordance with this policy for the first twelve months of operation of such business.
- 4.18 An annual inspection of the property be undertaken, in the company of the lessee/ occupier and CEO (or delegate).
- 4.19 Council may, by way of resolution, approve a varied cost that is inconsistent with this policy for any particular use.

## 5. KEY POLICY DEFINITIONS

N/A

## 6. ROLES AND RESPONSIBILITIES

Chief Executive Officer and Executive Management Team are responsible for the implementation of this policy.

## 7. MONITOR AND REVIEW

This policy will be reviewed by the Shire’s Executive Team every two years.

**NOTE: The agenda report to Council is to include the dollar benefit of any reduction in rental as a result of this Policy.**

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2.	Reviewed	11 May 2023	CMRef ?????		

## APPENDIX 1

### LESSEE/OCCUPIER RESPONSIBILITIES

#### BUILDING MAINTENANCE SCHEDULE

##### **INTERNAL**

The interior of the leased/occupied area is to be maintained in a clean and tidy condition at all times and, within the terms of the lease/occupancy agreement, is to be kept free of dirty marks, cobwebs and vermin. The repair of any damage or other repairs not entirely attributable to fair wear and tear upon the leased/occupied area rests solely with the Lessee/Occupier.

##### *Windows*

To be clean and operable.

##### *Doors*

To be clean, lockable and operable. Any door closers or other devices fitted should be maintained in a sound working condition.

##### *Ceilings*

To be clean, free of cobwebs and cleaned of any temporary decoration. Penetrations for appliances such as air conditioning vents shall be kept clean and in sound operating condition.

##### *Floors*

To be clean and regularly maintained in accordance with the requirements of the type and surface.

##### *Cupboards*

To be regularly cleaned with all doors, latches, drawers and shelves being in a sound, clean and operable condition.

##### *Sinks, Basins and Cisterns*

To be maintained in a clean, sanitary and operable condition, free of all blockages. Repairs to fittings are the Lessee/Occupiers responsibility.

##### *Electrical Fittings*

All electrical fittings such as power points, light switches, light fittings and 'EXIT' signs shall be maintained in a safe, clean and operable condition. The responsibility for the replacement of globes, fluorescent tubes and light fittings rests with the Lessee/Occupier.

The installation of additional power points and/or other electrical works is the responsibility of the Lessee/Occupier but only on approval of the Shire which shall not be unreasonably withheld.

##### *Appliances*

Reverse Cycle Air Conditioning - to be maintained and serviced in accordance with manufacturer's standards.

Stoves, Refrigerators, Freezers and Cool rooms - all to be maintained and serviced in a sound operable condition in accordance with manufacturer's requirements.

#### *Toilets and Showers*

To be kept in a clean and operable condition at all times. All blockages to be cleared by the Lessee/Occupier. All toilet paper, paper towel, urinal blocks and other consumables to be supplied by the Lessee/Occupier.

Replacement and repair of fittings (roll dispensers, taps, shower heads) is the responsibility of the Lessee/Occupier. All walls and floor surfaces to be kept clean and undamaged.

#### *Fire Appliances*

To be maintained at Lessee/Occupier cost and checked for sound operation twice annually and/or in accordance with manufacturer's instructions.

#### *Liquor Licensing*

Any conditions imposed by the Liquor Licensing Court (through the Office of Racing, Gaming and Liquor) relating to the sale or storage of liquor shall be complied with and any request for a Certificate of Compliance required by the Shire shall be provided forthwith.

### **EXTERNAL**

The externalities of the building are to be kept in a clean and tidy condition free from cobwebs and litter.

#### *Windows*

To be clean and operable at all times.

#### *Security Screens*

To be clean and firmly fixed. Any cobwebs to be regularly removed.

#### *Verandah Areas*

To be clean and free from cobwebs.

#### *Doors*

To be sound, clean, operable and lockable.

\*Note: locks are not to be changed without written approval.

#### *Eaves*

To be clean and free from cobwebs.

#### *Wastewater Disposal*

Maintain in good working order wastewater pipes and fittings, toilets, sanitary appliances, drains, septic tanks and leach drains. Blockages are to be cleared where possible.

### *Light Fittings*

To be kept clean and free from cobwebs. The responsibility for the replacement of globes, fluorescent tubes and light fittings rests with the Lessee/Occupier.

### *Signs*

Any approved signs are to be kept in a safe condition and regularly maintained. Any required sign license or approval is to be kept current.

### *Surrounds*

To be kept clean, tidy and free from litter and rubbish, Leased/Occupied Area to be kept free of animals, birds, insects and the Lessee/Occupier pay for the cost of any pest extermination which becomes necessary.

### *Damage*

DAMAGE IS TO BE REPORTED AS SOON AS POSSIBLE TO THE SHIRE'S EXECUTIVE MANAGER DEVELOPMENT SERVICES AND POLICE TO BE NOTIFIED WHERE APPLICABLE.

## APPENDIX 2

### LESSORS RESPONSIBILITIES

#### BUILDING MAINTENANCE SCHEDULE

##### **GENERAL**

##### *Major Structural Repairs*

This relates to major maintenance and repairs to the structure of the building, such as painting, roof/gutter/downpipe repairs and replacement, and any major structural damage to the general building structure that is not caused by the Lessee/Occupier.

##### *Exterior of Building*

Maintain the exterior of the building thereon in good condition.

##### *Gutters and Downpipes*

To be cleaned at regular intervals to remain free from debris. Gutters and downpipes are to be cleared periodically.

##### *Appliances*

Renewal of reverse cycle air conditioning is the responsibility of the property owner.

##### *Security Lights*

Repairs to fittings, replacement of globes and repairs to time clocks or photoelectric cells.

##### *Fencing*

Maintain in good repair, all fencing surrounding the Leased/Occupied Area.

##### *Vandalism Damage*

Removal of graffiti, repair of vandalism damage generally.

##### *Fixtures*

All fixtures will be replaced/renewed as per the Shire of Merredin's Asset Management Plan and subject to budgeting.

##### *Insurance*

The Shire will maintain a building insurance policy for the initial term of the Lease/Occupancy Agreement; however the Lessee/Occupier is responsible for insuring all fixtures, fittings and items within the Leased/Occupied Area belonging to the Lessee/Occupier.