

8.20 Rental charges for agreements to occupy Shire of Merredin non-residential property

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) 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 lead 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 building maintenance responsibilities to be in accordance with “Appendix 1 – Lessee’s Responsibilities - Building Maintenance Schedule”
- 4.16** The basis of lessor/occupier building maintenance responsibilities to be in accordance with “Appendix 2 – Lessee/Occupier 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 \$ benefit of any reduction in rental as a result of this Policy.

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