

CONFIRMED MINUTES

SPECIAL GOVERNANCE COMMITTEE MEETING

25 JULY 2023

I certify that the minutes of the meeting of the Special Governance Committee held on Tuesday, 25 July 2023 were confirmed on Monday, 21 August 2023.

Presiding Person



CONFIRMED MINUTES SPECIAL GOVERNANCE COMMITTEE MEETING 25 JULY 2023

ATTENTION/DISCLAIMER

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the Shire of Mundaring unless specific delegation of authority has been granted by Council. No person should rely on or act on the basis of any advice or information provided by a Member or Employee, or on the content of any discussion occurring, during the course of the Committee Meeting.

The Shire of Mundaring expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or Employee, or the content of any discussion occurring during the course of the Committee Meeting.

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SPECIAL GOVERNANCE COMMITTEE MEETING COMMITTEE ROOM, SHIRE OF MUNDARING ADMINISTRATION CENTRE

1.0 OPENING PROCEDURES

The Presiding Person declared the meeting open at 5.02pm.

Acknowledgement of Country

Shire of Mundaring respectfully acknowledges the Whadjuk people of the Noongar Nation, who are the traditional custodians of this land. We acknowledge Elders past, present and emerging and respect their continuing culture and the contribution they make to the region.

1.1 Announcement of Visitors

Nil

1.2 Attendance/Apologies

Members Cr James Martin (President) South Ward

Cr Paige McNeil (Deputy President) (Presiding Person)
Cr Neridah Zlatnik
Cr Luke Ellery
Cr Jo Cicchini (via electronic means)

Central Ward
East Ward
South Ward
West Ward

Staff Garry Bird Director Corporate Services

Elizabeth Nicholls Governance Coordinator
Pascaline Owers Governance Officer

Apologies Cr Karen Beale West Ward

Jonathan Throssell Chief Executive Officer

Guests Nil

2.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

3.0 DECLARATION OF INTEREST

3.1 Declaration of Financial Interest and Proximity Interests

Council Members must disclose the nature of their interest in matters to be discussed at the meeting (Part 5 Division 6 of the Local Government Act 1995).

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting (Sections 5.70 and 5.71 of the Local Government Act 1995).

Nil

3.2 Declaration of Interest Affecting Impartiality

A Council Member or an employee who has an interest in a matter to be discussed at the meeting must disclose that interest (Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C).

Nil

4.0 PRESENTATIONS

Nil

5.0 REPORTS OF EMPLOYEES

5.1 Policy Review - Community Leases - for the purpose of consultation

File Code	GV.OPP1		
Author	Pascaline Owers, Governance Officer		
Senior Employee	Garry Bird, Director Corporate Services		
Disclosure of Any Interest	Nil		
Attachments	1. Draft Reviewed Community Leases Policy J		
	2. Appendix 1 Classification of tenants J		
	3. Appendix 2 Community Leases Guidelines J.		
	4. Community Leases Policy - Communication Plan J		
	5. Community Leases Policy - OR-24 J		
	6. Draft Reviewed Community Leases Policy (with track changes)		
	7. Appendix 1 Classification of tenants (with track changes) J.		
	 Appendix 2 Community Leases Guidelines (with track changes) 		

SUMMARY

An updated draft "Community Leases Policy" (**Attachment 1**) is presented to the Governance Committee (the Committee) for its consideration and recommendation to Council. Appendix 1: Classification of Tenants (**Attachment 2**); and Appendix 2: Community Leases Guidelines (**Attachment 3**) have been drafted to provide further clarification on the provisions of the updated "Community Leases Policy".

There are currently 48 community leases encompassing a range of community groups and organisations across the Shire. As such, a communication plan (**Attachment 4**) is attached to inform current lessees of how the proposed draft "Community Leases Policy" will affect new leases, and the renewal of leases with the Shire.

The Committee is asked to review and endorse the updated draft "Community Leases Policy" for the purpose of consultation.

BACKGROUND

The current Community Leases Policy (OR-24) adopted in April 2019 has been provided as **Attachment 5**. A review of community leases as of March 2023 identified a lack of consistency across the Shire's 48 community leases and evidence of community organisations operating without a lease agreement for an extended period of time.

On 20 March 2023, the Governance Committee workshop meeting identified issues to be considered in the policy review including:

- lease categories;
- rent calculation to factor condition of building and the actual space used;
- inclusion of timelines for signing of lease; and
- inclusion of a table of responsibilities.

Members of the Committee advised that they had received anecdotal feedback that there is a level of ambiguity in the Shire's Standard Lease and the Terms and Conditions initially prepared by McLeods solicitors in 2012.

A letter from Playgroup WA advocating for Playgroups in the Shire was sent to council members appointed to the Committee on 4 April 2023 and was also forwarded to staff.

At the Governance Committee workshop held 15 May 2023, a discussion paper was presented with a revised draft policy, which was further amended after discussion by committee members.

The reviewed "Community Leases Policy" was presented to a Governance Committee meeting held 19 June 2023 where the following recommendation to Council was made by the Committee:

"That Council endorses the draft "Community Leases Policy" (Attachment 1) for the purpose of consultation."

At the Ordinary Council Meeting held 11 July 2023, Council subsequently resolved as follows:

- A. That the item be referred back to the Governance Committee for further consideration.
- B. Reason for the change to the officer recommendation:

The Community Leases Policy is a complex document that has significant implications for community organisations and the Shire of Mundaring. While the policy is largely complete, discussions and questions from council members since the Governance Committee meeting to recommend the policy for community consultation purposes, would indicate that the policy needs further clarity especially in regards to maintenance obligations of the Shire and lessees.

Further to this resolution of Council, the policy was referred to the Governance Committee workshop held 17 July 2023.

STATUTORY / LEGAL IMPLICATIONS

Section 2.7 of the *Local Government Act 1995* provides the role of council in relation to the determination of policies:

- (1) The council
 - (a) governs the local government's affairs; and
 - (b) is responsible for the performance of the local government's functions.
- (2) Without limiting subsection (1), the council is to
 - (a) oversee the allocation of the local government's finances and resources; and
 - (b) determine the local government's policies.

POLICY IMPLICATIONS

The "Policy Development and Review Policy" relates.

Feedback received from the Governance Committee members has been used to inform the review of the "Community Leases Policy" and the communication plan provides information on how the current lessees will be advised of the proposed draft "Community Leases Policy".

It is proposed that the existing policy will be replaced by the new draft policy.

FINANCIAL IMPLICATIONS

The most significant financial implication of the updated draft, is the reduction in the rental fee for community groups / organisations (24) currently in Category B and eligible to become Category One. This change is expected to occur within a relatively short period after adoption of the draft policy, on the request of current Category B Lessees. Estimated loss of revenue \$15,416.

It is expected that some existing Lessees will request an early renegotiation of their current lease if they are eligible for reduced rental costs. This would result in a significant increase of officer time following the initial implementation of the policy. After this, it is anticipated that officer time to manage the leases will remain comparable to the current requirement.

Officer time will also be impacted should the number of insurance claims increase due to the updated policy.

There will be a requirement for a new standard community lease document to be prepared by Shire's solicitors if the draft policy is adopted by Council.

As this loss of revenue has not been considered or provided for in the 2023/24 Integrated Planning and Reporting (IPR) process, how this is to be funded should be considered further when the results of the community consultation are presented to Council.

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

Governance

Deliver outcomes that are consistent with the strategic goals and objectives of the Shire.

RISK IMPLICATIONS

Risk: Financial, compliance: The current Community Leases Policy is not consistently applied or adhered to by all community groups resulting in differences in compliance with essential terms and rental fees and the frustration of some community groups.

Likelihood	Consequence	Rating
Likely	Moderate	High
Action / Otrotomy		

Action / Strategy

Making decisions based on principles set out in an updated Community Leases Policy, which addresses some of the concerns raised, will ensure that all community groups are treated in a consistent, fair and transparent way.

Risk: Reputation: Ratepayers may be aggrieved at why ratepayers pay for parts of maintenance and insurance costs for community groups whom have exclusive usage on buildings with peppercorn rent.

Likelihood	Consequence	Rating
Possible	Minor	Moderate

Action / Strategy

The lease conditions applicable to community groups with exclusive usage of Shire buildings to be consistent and fair to all community groups whom use the buildings and the ratepayers of the Shire whom must pay for the remaining balance of costs not paid by the community groups.

Risk: Financial: A number of leases have expired and renewal has been delayed pending adoption of an updated Community Leases policy.

Likelihood	Consequence	Rating
Possible	Moderate	Low
Action / Strategy		,

Making decisions based on principles set out in an updated Community Leases Policy will ensure that all community groups are treated in a consistent, fair and transparent way.

EXTERNAL CONSULTATION

A letter from Playgroup WA advocating for Playgroups in the Shire was sent to council members appointed to the Governance Committee on 4 April 2023. This letter was also forwarded to staff. The letter has been considered in the process of drafting the policy. Staff are aware that there has been further correspondence between council members and external parties (i.e. Playgroups WA).

All current Lessees will be contacted, through Engage Mundaring, inviting them to comment on the updated "Community Leases Policy" for their groups/organisations. Ratepayers will also have an opportunity to provide comment on the draft "Community Leases Policy" and associated documents. A question will be included to determine respondents who are current Lessees or Ratepayers. Further information is outlined in the attached communication plan.

COMMENT

The current Community Leases Policy (OR-24) has been reviewed to include suggestions from the Governance Committee where appropriate. Other local government policies dealing with Community Leases were utilised to inform changes including <u>City of Vincent</u>, <u>City of Nedlands</u>, <u>City of Bayswater</u> and <u>City of Kalamunda</u>.

The following is a summary of current issues noted with Community Leases Policy (OR-24) since its adoption in 2019:

- Rent amount varied from policy fee by Council (6)
- Insurance excess waived (1)
- Two playgroups have no current lease

Leases established prior to 2019 carry over a range of terms inconsistent with the existing "Community Leases Policy" (OR-24).

- Rent amount set to a dollar value (9 leases)
- Maintenance caps reduced or lessees responsible for all maintenance
- Insurance excess reduced or no excess charged
- Historical GRV value applied to Category C

To provide a consistent, transparent and equitable approach to Council entering into formal lease agreements a number of subheadings have been amended, these include:

- Item 4.1 Occupancy Agreements
- Item 4.2 Classification of Tenants

- Item 4.3 Fee Structure
- Item 4.4 Standard Community Lease
 - 4.4.2 Variation
 - 4.4.3 Timing.
 - 4.4.4 Maintenance Responsibilities
- Item 4.5 Lease Renewal For Existing Lessees

For clarity, further information on why each of these subheadings have been included are detailed below.

Type of occupancy agreements

Inclusion of 'management agreement' to cover community leases with no associated building (i.e. community gardens) and current Memorandum of Understanding (7) between the Shire and community groups for storage of equipment.

This clause provides greater options to classify occupancy agreements executed by the Shire.

Classification of tenants

The initial classification of tenants proposed in the draft "Community Leases Policy" (Category One, Category Two and Category Three) is outlined in the below table and was presented to the 19 June 2023 Governance Committee meeting.

There have been no further changes to the classification of tenants following the 11 July 2023 Ordinary Council Meeting.

Eligibility criteria for the three categories have been included in the updated "Community Leases Policy" and Appendix 1: Classification of Tenants and is summarised in the table below. Changes as presented to the 19 June Governance Committee meeting and subsequent changes following the 11 July 2023 Ordinary Council Meeting are also listed.

Category name	Specific eligibility criteria in relation to group / organisation structure and revenue
Category One: incorporates leases previously categorised as A and B in Community Leases Policy (OR-24)	Category One leases are locally based, not-for-profit groups/organisations with a voluntary management committee and comprised mainly of local representatives. The group/organisation has limited capacity to generate additional revenue from on-site activities consistent with the group's purpose and the income of the group is generally restricted to low membership fees.
	Following the 11 July 2023 Ordinary Council Meeting, the word "incorporated" has been added to the eligibility criteria for Category One in the updated policy and in Appendix 1: Classification of Tenants.
Category Two: incorporates leases previously categorised as Category C in Community Leases Policy (OR-24)	Category Two leases are incorporated associations, groups and not-for-profit organisations run by paid staff, or paid staff and volunteers; and, with significant administration resources. The Lessee has access to ongoing operating grants and/or substantial grants (federal, states or local) or generates additional revenue through membership fees, events, venue hire, or the sale of services or products consistent with the group's purpose.

Category Three (new lease category not previously catered for in the current Community Leases Policy (OR-24) Category Three is proposed to be added and covers existing leases with three (3) Child Health Community Centre which are a shared service arrangement with state or federal agencies.

Feedback previously received from some community groups / organisations has been considered when redefining the categories. It is expected that combining the current community groups / organisations who are in Category A and Category B under one category; Category One, will result in less requests for rental fees to be submitted to Council for variation.

Fee structure

The Fee models in the current Community Leases Policy (OR-24) are as follows:

- Peppercorn rent (Category A)
- Community Rent with a fee per square metre (Category B)
- percentage of Market value (Category C)

The initial fee structure as proposed in the reviewed "Community Leases Policy" presented to the 19 June 2023 Governance Committee meeting and the proposed amendments to the updated "Community Leases Policy" following the 11 July 2023 Ordinary Council Meeting are outlined in the below table:

Categories	Current fee model	Proposed fee model
Category One	Peppercorn rent (Cat A) or fee per metres (Cat B), outgoings, capped minor maintenance (except structural).	Initial amended fee structure as included in the reviewed "Community Leases Policy" and associated documents presented to the 19 June 2023 Governance Committee Meeting:
		Peppercorn rent, lessee is responsible for outgoings, "once-off' maximum maintenance amount and yearly maintenance expenditure cap. Initial term is 5 years with option of 2 x 5 years unless otherwise negotiated by both parties. Low fee, simple to administer, expanded eligibility criteria.
		Amendments as included in the updated "Community Leases Policy" and associated documents presented attached to this report following the – 11 July 2023 Ordinary Council Meeting:
		 Include yearly capped minor maintenance.
		Removal of "once-off' maximum amount for maintenance item.
		Lessee contribution to 50% of insurance excess has been removed.

Capped minor	value (Cat C), discounted if applicable. Capped minor maintenance (except	Initial amended fee structure as included in the reviewed "Community Leases Policy" and associated documents presented to the 19 June 2023 Governance Committee Meeting:
	structural).	 Market rent, discounted as per 4.3.1, lessee is responsible for outgoings, all minor maintenance and repairs costs, and capital upgrades. Initial term is 10 years with option of 1 x 10 years. Fee is objective and has direct relationship to the value of the community facility.
		There have been no further changes to the proposed fee structure for Category Two following the 11 July 2023 Ordinary Council Meeting.
Category Three	N/A	Initial fee structure as included in the reviewed "Community Leases Policy" and associated documents presented to the 19 June 2023 Governance Committee Meeting:
		 Peppercorn rent, lessee is responsible for outgoings, all minor maintenance and repairs costs, and capital upgrades. Initial. Term is 10 years with option of 1 x 10 years. Low fee, simple to administer.
		There have been no further changes to the proposed fee structure for Category Three following the 11 July 2023 Ordinary Council Meeting.

The following items were included in the reviewed "Community Leases Policy" presented to the 19 June 2023 Governance Committee Meeting with no further changes proposed the updated "Community Leases Policy" following the 11 July 2023 Ordinary Council Meeting.

- Period of tenure was not clearly stipulated and has been informed by a review of other local governments' community leases. It is generally thought that groups/ organisations on a longer lease tenure are more likely to invest in building development. Additionally, longer lease tenures are better suited for community group/organisations seeking grants.
- A note was provided to reflect (3) historical leases where lessees negotiated a
 peppercorn lease with full responsibility for the leased property building maintenance,
 including structural maintenance.
- The financial implications of recommended fee structure considered the group's /
 organisation's ability to pay and their benefit derived from sole use in relation to
 Shire's capacity to reinvest funds in new building/ refurbishment and the staffing
 requirements to ensure suitable asset management.

• Given the financial viability of groups generally allocated to Category Two and Category Three there is an expectation that the lessees will provide a 50% contribution to the insurance excess.

Standard community lease

Initial changes to the standard community lease as included in the reviewed "Community Leases Policy" presented to 19 June 2023 Governance Committee Meeting:

- Variation clause was inserted to capture request for variation of existing leases as a result of lessee change of circumstances.
- A timing incentive was inserted to ensure timeliness of community groups signing a lease agreement.
- Maintenance responsibilities from the standard community lease has been summarised in Appendix 2: Community Leases Guideline.
- Additionally, Appendix 2: Community Leases Guidelines (Attachment 3) provides
 potential and existing lessee(s) an explanation of terminology used in lease
 agreements, a schedule of maintenance obligations and responsibilities, and a range
 frequently asked questions. The guidelines will be available on the Shire website for
 greater access and transparency.

Further changes included in the updated "Community Leases Policy" following the 11 July 2023 Ordinary Council Meeting:

- Detailed requirement for Category One Lessees to record their maintenance expenditure towards maximum yearly cap.
- Further detail has been added to Appendix 2: Community Leases Guidelines
 pertaining to structural maintenance, casual hire, the process to request capital
 works, building insurance claims and requirements in terms of malicious damage,
 break-ins and vandalism.

Lease renewal for existing lessees

The following was included in the reviewed "Community Leases Policy" presented to the 19 June 2023 Governance Committee Meeting with no further changes proposed to the updated "Community Leases Policy" following the 11 July 2023 Ordinary Council Meeting.

• Feedback from Governance Committee workshop has been incorporated to include (d) "existing lessee will be given first right of renewal [..]" and (e) "application for Shire owned premises have been considered on their merit" to ensure a balance between providing existing lessees with an opportunity to continue with their lease and providing opportunity for new community groups/organisation to access leases on Shire properties.

Changes from the reviewed "Community Leases Policy" presented to the 19 June 2023 Governance Committee Meeting have been updated following the 11 July 2023 Ordinary Council Meeting. These changes are tracked in **Attachment 6** updated "Community Leases Policy", **Attachment 7** Appendix 1: Classification of Tenants and **Attachment 8** Appendix 2: Community Leases Guideline.

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION

That Council endorses the draft updated "Community Leases Policy" (**Attachment 1**) for the purpose of community consultation.

COMMITTEE RECOMMENDATION MOTION			SGC1.07.23	
Moved by	Cr Zlatnik	Seconded by	Cr Ellery	

That Council:

- 1. Endorses the draft updated "Community Leases Policy" (**Attachment 1**) for the purpose of community consultation.
- 2. Notes that Appendix 2: Community Leases Guidelines will be updated to correct typographical errors and to ensure the content is consistent with the endorsed "Community Leases Policy" prior to consultation commencing.

CARRIED 5/0

For: Cr Cicchini, Cr Ellery, Cr Zlatnik, Cr McNeil and Cr Martin

Against: Nil

Council Policy



2.X COMMUNITY LEASES

Responsible Directorate	Infrastructure Services	
Responsible Service Area	Building Assets	
Adopted	April 2019 C8.04.2019	
Reviewed	<month year=""> <approver></approver></month>	
Delegation Ref	CE-117 Community Leases	
Procedure Ref	N/A	

1. PURPOSE

The Shire has a number of properties which are used by a range of community groups and organisations, through a lease, licence or management agreement. This policy sets the overarching principles for the management of the Shire owned, managed or controlled property, including Crown land.

The purpose of this policy is to ensure:

- Shire leased assets are managed appropriately to optimise the benefit to and meet the expectations of the community in accordance with the Shire's Strategic Community Plan, Corporate Business Plan and Community Health and Wellbeing Strategy;
- a consistent, transparent and equitable approach for the process of Council
 entering into a formal lease agreement with community groups and
 government agencies to occupy Shire owned or managed land and buildings;
 and
- sound financial management, sustainable asset management and effective administration of the Shire's properties.

2. SCOPE

This policy applies to all community leases for community groups and organisations, including renewal of leases on expiration of current leases.

It does not cover commercial leases with business entities, as these are negotiated on a case by case basis.

Shire of Mundaring Bush Fire Brigades are excluded from this policy: as they are established under the *Bush Fires Act 1954* and the *Bush Fire Brigades Local Law 2013* and do not require a lease.

Facility hire (regular or occasional) to deliver community based programs, events and activities on an hourly or daily rate is not covered by this policy.



3. DEFINITIONS

capital upgrade refers to enhancement to the existing facility and

extends the asset to cater for growth or additional

service level.

capital renewal relates to expenses incurred to restore the original

function of the facility by replacing elements that have a life cycle shorter than planned for the entire

facility (for example carpets).

community group characteristics include but not limited to:

 incorporated not for profit group or association of persons with the primary aim of conducting activities and providing services for community benefit; and

 relies predominantly on volunteer labour, community fundraising, membership fees and donations; and

 may receive state or federal government operational grants and may rely on a fee for service business model.

community lease a legally binding agreement granted to community

group/organisation that provide services with direct

benefit to the community.

CPI consumer price index (CPI) is a quarterly measure

of inflation published by the Australian Bureau of

Statistics.

Incorporated a group of people who are recognised as a legal

entity, separate from individual members as defined under the *Associations Incorporation Act*

2015.

lease exclusive occupancy agreement. Throughout this

policy, the word "lease" includes "licence".

Lessee a person, group/association who holds the lease of

a property. Lessee can be referred to as tenant.

Lessor the owner of an asset that is leased to another

party. Lessor can be referred to as landlord.

lease or licence variation the addition, removal or change of one or more of

the Lease or Licence provisions.

licence non-exclusive occupancy agreement (shared use).

management agreement contractual arrangement outlining the terms and

conditions associated with usage.

market rent the annual rent amount the Shire might reasonably

expect to receive, and a lessee might reasonably expect to pay, for a tenancy. Market rent value is

determined by a licensed valuer.

4. POLICY

The Shire is committed to providing a fair, consistent and transparent approach to the leasing, licencing and management of Shire properties. The Shire acknowledges that there are a range of tenants and uses, many of which provide valued community benefits.

4.1. Occupancy Arrangements

The Shire will enter into one of the following agreements for the use of Shire owned and managed or controlled property including crown land.

The main types of occupancy agreements include:

Lease: proprietary right to exclusive occupation and use of part or all of a Shire-owned property, for an agreed period, in return for rent. The tenant has exclusive use and occupation of the property, although the Shire may require the tenant to encourage other use and subletting can occur if mutually agreeable.

Licence: Contractual right to non-exclusive occupation and /or use of part of a Shire-owned property. It does not confer a right to exclusive possession or occupation of the property. The Shire may see to grant a licence to enable access to the property by the broader community outside of the licensee's usage times.

Management agreement: Contractual arrangement outlining the terms and conditions associated with usage, as negotiated. The terms and conditions are not standard and are negotiated between the two parties.

4.2. Classification of Tenants

4.2.1. Eligibility

In order for community groups and organisations to be assessed for a community lease, the prospective tenants must provide the required documentation. When assessing applications, the following criteria is to be considered:

- a. organisational structure
 i.e. incorporated under the Associations Incorporation Act 2015; has an Australian Business Number (ABN) (if applicable):
- b. demonstrated financial viability and applicable regulatory compliance
 - i.e. evidence of revenue; annual financial statements; compliance with relevant legislation governing the activities

of the group; holds all relevant licences and approvals to operate; capacity to meet the cost outlined in the lease contractual agreement.

c. community benefit

i.e. lease will increase social engagement and/or promote the health and well-being of the community; meets a high level of need in the community or responds to a community demand for the service or activity; without this service provision the Shire may be required to provide an additional service or the service would not be available to the community at all;

d. membership

i.e. group's Rules of Association enable non-discriminatory membership, (open to all residents who wish to participate in that service or activity); group's fees are reasonable and accessible:

- e. suitability of the site for the specific purpose;
- f. alignment of the proposal with Council's objectives as articulated in the Shire's Strategic Community Plan; and

Meeting the eligibility criteria listed above does not confer a right to the lease. The Shire reserves the right to decide whether a facility is offered on the basis of a lease; and if so, to whom the lease is offered.

4.2.2. Categories

In the first instance applications for community leases will be considered against the eligibility criteria (refer to item 4.2.1). Where the criteria are met the application will be allocated to one of three categories based on the group/organisation structure and revenue (refer to Appendix 1: Classification of Tenants).

Category One: Incorporated, locally based, not-for-profit groups or organisations with a voluntary management committee and comprised mainly of local representatives. The group/organisation has limited capacity to generate revenue from on-site activities consistent with the group's purpose and the income of the group is generally restricted to low membership fees.

Category Two: Incorporated associations, groups and not-for-profit organisations run by paid staff; or, paid staff and volunteers, and with significant administration resources. The tenant has access to ongoing operation grants and/or substantial grants (federal, states or local) or generates additional revenue through membership fees, events, venue hire, or the sale of services or products consistent with the group's purpose.

Category Three: Government Community Child Health Clinic. The tenant receives significant funding from the State or Federal Government or organisations other than the Shire and offer free



community services that specialise in the health of mothers and their babies.

4.3. Fee Structure

The Shire is committed to providing access to Shire owned properties and facilities for the benefit of the local community and to strengthen communities through empowerment of incorporated associations.

The Shire does not seek to derive profit from community leases and it is acknowledged that the cost of providing affordable leases and licences to not-for-profit community and sporting groups is subsidised by the ratepayers of the Shire of Mundaring. To ensure fair and transparent treatment, community groups or organisations will be assessed (as per item 4.2) and according to their capacity to raise revenue and assign them a rent subsidy categories and term as included in the below table.

Category and Fee Structure	Terms
Category One: Peppercorn rent	Initial term is 5 years with option of
Fee \$1 per annum, yearly	2 x 5 years unless otherwise
maintenance expenditure cap	negotiated by both parties.
applies (refer to item 4.4.4 and	
Appendix 2).	
Category Two: Market rent,	Initial term is 10 years with option of
discounted (as per item 4.3.1),	1 x 10 years.
indexed annually for CPI, plus GST.	
Lessee responsible for all minor	
maintenance (refer to Appendix 2)	
expenditure.	
Category Three: Child health	Initial term is 10 years with option of
Clinics	1 x 10 years.
Fee: \$1 per annum. Lessee	
responsible for all minor	
maintenance (refer to Appendix 2)	
expenditure.	

Note:

Chidlow Progress Association (CPA), Mahogany Creek Progress Association (MCPA) and Katharine Susannah Prichard Foundation (KSPF) have been specified as Category One leases.

The CPA, MCPA and KSPF historical lease agreements provide for a Peppercorn rent with the Lessee having full responsibility for the premises including major structural repairs.

4.3.1. Market Rent (Category Two)

Full market rent will be applied where Category Two community group's annual rent is less than 5% of its ongoing operating revenue (or estimated operating revenue where the group is newly established). For the avoidance of any doubts, operating revenue excludes any capital grants.



Where full market rent would account for more than 5% of the group's annual operating revenue or estimated revenue, Council will provide a 50% discount subsidy.

Market rent review will occur prior to commencement of new term; or, unless otherwise agreed by both parties at a shared 50% cost of valuation.

The level of financial support provided will be recognised by charging Lessees full market rent and in the same transaction deducting the annual rent subsidy, where Council has approved such subsidy. This will result in full transparency as to the level of support each group receives from the Shire.

4.3.2. Review of Financial Support

For newly established community groups and organisations whose subsidy is based on estimated revenue, the Shire will review its financial support upon receipt of two consecutive annual financial statements from the group. Adjustments resulting from such a review will not be retrospective.

If, during the course of a lease, a community group or organisation experiences significant changes to its operation, they may request the Shire to review their assessment by providing substantiated proof of their changed conditions. Adjustments resulting from such a review will not be retrospective.

4.4. Standard Community Lease

The standard community lease, developed by the Shire's solicitors, provides clauses for standard terms and conditions, roles and responsibilities of the Lessor and Lessee, insurance requirements etc. The standard community lease may be amended from time to time upon negotiation and agreement prior to the lease being executed between the Shire (Lessor) and each community group (Lessee) wishing to occupy Shire premises.

The term of the lease is negotiable taking into account the particular circumstances of the property and of the proposed Lessee.

4.4.1. Insurance

All Lessees are required to obtain Public Liability Insurance for a minimum cover of \$20,000,000. A Certificate of Currency must be produced by the community group before the signing of the lease and thereafter every twelve months

4.4.2. Variation

If a Lessee requests a variation to the standard community lease, the Shire may grant a variation on the condition that the variation is achieved by surrender of the existing lease and the grant of a new lease with additional conditions the Shire considers appropriate, at the Lessee's cost.



4.4.3. Timing

A formal agreement or permit must be in place for all community leases within six (6) months of occupation. A community group or organisation without a formal signed lease contract will be required to hire or vacate premises if terms and conditions of lease are not accepted within 12 months of occupation.

4.4.4. Maintenance Responsibilities

Each Lessee is required to maintain the facility in accordance with the maintenance clauses attached to their lease and using the services of registered and qualified trades people if applicable. The maintenance clauses outline the responsibilities of the Shire and the Lessee.

Category One Lessees are to ensure that any maintenance expenditure is recorded (i.e. receipts kept) to determine if the maintenance cap has been expended. Where expenditure does not meet the defined maintenance responsibilities, the expenditure will not be included.

Refer to Appendix 2: Community Leases Guidelines for schedule of maintenance obligations and responsibilities and frequently asked questions.

4.5. Lease Renewal for Existing Lessees

The Lessee may request a renewal of their lease agreement within the lease tenure period. At the expiry of lease tenure period, a lease request will be considered as a new lease and may be submitted to Council for approval.

The following criteria will be considered before a new lease tenure is granted:

- There remains a strong demand in the community for the continuation of the Lessee's activities or services;
- b. The facility is not required by the Shire for other purposes:
- c. Renewal of the agreement will continue to maximise benefits to the community and the Shire;
- d. Application(s) to lease Shire owned community facilities have been considered on their merit.

The existing Lessee will be given first right of renewal providing the lessee has not been in substantial breach of their obligations under the existing agreement.

5. APPENDICES

Appendix 1 Classification of Tenants

Appendix 2 Community Leases Guidelines



6. RELATED LEGISLATION

Local Government Act 1995 – section 3.58 (Disposing of property)

Local Government (Functions and General) Regulations 1996 – Regulation 30 (Exempt dispositions)

Land Administration Act 1997 - Part 4 (Reserves)

Occupiers' Liability Act 1995

7. RELATED DOCUMENTS

Nil

Council Policy



CATEGORY ON	IE	
Eligibility criteri	ia (for full details refer to Policy item 4.2)	
Organisational structure	representatives. The organisation community group or club may be part of a larger not-tor-profit organisation (it not subsidised by parent	
Revenue	The tenant has limited capacity to generate revenue from on-site activities consistent with the group's purpose and the income of the group is generally restricted to low membership fees.	
Community Benefit		
Group demonstrates low or affordable membership regime and good governance, and facilitates programs and activities that are specifically targeted at local residents and add value to the social and community fabric of the Shire. The service is non-discriminatory.		

Examples include but not limited to; small sport clubs, community playgroups, toy libraries, men's' shed, youth and day centres and community groups/organisations targeting social isolation. Management agreements with community gardens or with sporting and/or community groups over storage facilities.

Tenant respons	Tenant responsibilities (for full details refer to community lease contract)										
Agreement type	Outgoings	Statutory Compliance	Pest inspection	Rubbish and recycling bins	ESL	Contents insurance		Capped maintenance and repairs	Capital upgrades	Building insurance (*)	Rent
Management agreement	х	х	х		х	х	$\overline{\checkmark}$	х	х	x	Peppercorn
Licence	☑	х	x		х	x	☑	\square	x	☑	Peppercorn
Lease	✓	x	\square				\checkmark		×	\square	Peppercorn

(*) Tenant is responsible for 50% of building insurance premium

CATEGORYTW	70					
Eligibility criteri	Eligibility criteria (for full details refer to Policy item 4.2)					
Organisational structure	Includes incorporated associations, not-for-profit organisations and community groups / clubs run by paid staff, or paid staff and volunteers with significant administration resources.					
Revenue	The tenant has access to ongoing operation grants (federal, state or local) and/or generates additional revenue through membership fees, events, venue hire, the sale of services or products consistent with the group's purpose.					
Community Benefit	The provision of the service is generally not within the remit of local government.					
Membership	The service is non-discriminatory.					

Examples include but not limited to; sporting groups, for-profit day care centres and Kindergartens. State wide or national not-for-profit organisations (unless a statement of financials is provided that demonstrates the group is not subsidised by parent body)

Tenant respons	Tenant responsibilities (for full details refer to community lease contract)										
Agreement type	Outgoings	Statutory Compliance	Pest inspection	Rubbish and recycling bins	ESL	Contents insurance		All minor maintenance and repairs	Capital upgrades	Building insurance (*)	Rent
Licence		x			х	Ø		V			Discounted Market rent (**)
Lease	Ø	х	Ø		V	Ø	Ø	Ø	Ø	Ø	Discounted Market Rent (**)

- (*) Tenant is responsible for 50% of building insurance premium and 50% of excess on insurance claims
- (**) Discounted market rent if applicable and as per policy item 4.3.1

CATEGORYTHREE											
Eligibility criteri	Eligibility criteria (for full details refer to Policy item 4.2)										
Organisational structure	Government Agency										
Revenue	Receives significant funding from the State or Federal Government or organisations other that the Shire.										
Community Benefit	The provision of the service is generally not within the remit of local government.										
Membership	N/A										
Category three a	Category three applies to Community Child Health clinics										
Tenant respons	sibilities (for f	full details refe	er to Commu	unity lease	contrac	t)					
Agreement type	Outgoings	Statutory Compliance	Pest inspection	Rubbish and recycling bins	ESL	Contents Insurance		All minor maintenance and repairs	Capital upgrades	Building insurance (*)	Rent
Licence	☑	x			х	☑	✓	☑			Peppercorn

(*) Tenant is responsible for 50% of building insurance premium and 50% of excess on insurance claims



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Peppercorn

Policy – Appendix



APPENDIX 2 COMMUNITY LEASES Guidelines

This guide aims to provide simple guidelines and act as a point of reference to community leases for Lessees and prospective Lessees within the Shire of Mundaring (the Shire).

These guidelines do not replace your lease or licence agreement which should be referred to for further details. These guidelines should be read in conjunction with the "Community Leases Policy".



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Terminology

Throughout this document the community group or organisation holding a community lease (you) may be referred to as the Lessee or Tenant. The Shire, as the owner of the premises/land or the entity responsible for land/property under 'management orders' on behalf of WA State government, may be referred to as the Lessor or Landlord.

Glossary of terms used in this guide:

Capital upgrade

Refers to enhancement to the existing facility and extends the asset to cater for growth or additional service level.

Capital upgrades are approved at the Shire's discretion and must demonstrate an alignment with the Shire's Strategic Objectives.

The Lessee may apply to Council for financial assistance to upgrade a leased facility with requests being considered as part of the budget process in the year in which the request is received. The Shire will also work to assist groups when applying for funding.

Capital renewal

Relates to expenses incurred to restore the original function of the facility by replacing elements that have a life cycle shorter than planned for the entire facility (for example carpets).

The Shire is responsible for capital renewal and repairs, which relate to major structural elements of the building such as the roof or load bearing walls. The Shire is also responsible for expenses incurred to restore the original function of the facility by replacing elements that have a life cycle shorter than planned for the entire facility due to fair wear and tear..

Contractual right

A right arising out of a contractual arrangement, for example the right to non-exclusive use of a property under a Licence or Management Agreement.

Emergency Service Levy (ESL)

The Emergency Services Levy (ESL) is a Department of Fire and Emergency Services compulsory levy for all buildings. ESL funds Western Australia's fire and emergency services, including career fire stations, volunteer fire brigades, State Emergency Service units, the Volunteer Marine Rescue Service and the multipurpose Volunteer Emergency Service units.

Fixtures and fittings

Fixtures are items that are permanently attached – or fixed – to the property, like a fitted kitchen, hot water system, baths, sinks and toilets. Such items would almost always be included in the sale of a house.

Fittings can also be attached to the property, but are generally more temporary in nature, and can include things like mirrors, curtains or blinds, and some shelving or cabinets hung on a wall.

Gross rental value (GRV)

The GRV is an annual rental value for a property determined by the Valuer General once every three years. This means properties are valued on their potential rental income rather than their capital value.

Maintenance responsibilities

Facility maintenance includes minor day-to-day maintenance that can be performed by a handy-person and more significant asset renewal/ maintenance requiring the services of a qualified tradesperson. Licenced trades persons must be used when undertaking significant electrical, plumbing, gas and air-conditioning works.

All maintenance obligations and maintenance standards are clearly articulated in specific schedules to lease and licence documents and are summarised in this guide. Each Lessee is required to maintain the facility in accordance with the maintenance schedule attached to their lease or licence agreement.

The maintenance schedule outlines the responsibilities of the Lessor (the Shire) and the Lessee (you).

Outgoings

Outgoings are fees or charges incurred for the use of a property. These may include utilities such as water, electricity and gas usage, rubbish and recycling charges, sewage rates (in applicable). Outgoings are charged in addition to rent, licence fees and rates and taxes.

Structural

Structural maintenance applies to any major load bearing or large building component, such as wall framing, roof framing, or roof cladding where the majority of the component is affected. This also applies to building fixtures or equipment installed by the lessor where major failure has occurred.

Understanding the Terms and Conditions in your Lease or Licence Agreement

Your association/organisation committee and/or anyone responsible for managing and maintaining your premises should:

- be aware your organisation has a lease or licence arrangement with the Shire
- have a good understanding of the terms and conditions of your lease or licence agreement.

The terms and conditions of your lease or licence agreement outline:

- permitted times and use/s of the premises
- · fees and charges
- required insurances
- a survey plan of your lease or licence boundary.

You should keep a copy of your current lease or licence agreement in an accessible location, where it can be readily referred to.

Your lease or licence agreement should be used to develop your organisation's policies and procedures and should be the basis of any hire/user group arrangements.

To request a copy of your current lease or licence agreement, contact the Shire's Property Management Officer.

Keeping the Shire Informed

You must contact the Shire when:

- there are changes to your management committee and/or contact information
- there are changes to your Rules of Association (Constitution)
- · you are planning improvements or works to your leased premises
- unexpected changes occur to the condition of your premises (e.g. significant storm damage, vandalism, illegal dumping etc.)
- your organisation is experiencing difficulty meeting the terms and conditions of the lease or licence agreement
- the financial position of your organisation is declining and/or a threat to your operations
- you need assistance managing your organisation (e.g. lack of committee members, issues with other user groups).

You will be asked to provide the following as required:

- · audited annual statement of accounts
- information regarding your membership (i.e. membership numbers, fees).

Prior to undertaking any improvements or development works to a community lease site, you need to apply for Shire permission (as the landlord). Further information is provided in the Frequently Asked Questions (FAQ) in this document.



Invoices

There are a range of invoices associated with a community lease:

Rent	Issued annually by the Shire.
Utilities (e.g. water, electricity)	If utility accounts are sent to the Shire, an invoice will be raised and forwarded to Lessee for payment. A copy of the account from the service provider will be provided with the invoice. Water and electricity accounts are issued bi-monthly.
Insurance and Emergency Services Levy (ESL)	Issued annually, around November or December.
Bins	If you have requested a bin service, it may be invoiced as a Rates Notice. This is for a waste service only; no land rates will apply. Tip Passes are available for a fee.

Insurances, Indemnity and Exclusion of Liability

All Lessees must have adequate public liability insurance and other coverage as appropriate for their operations such as building and professional indemnity insurance. The Lessee is required to:

- Provide a copy of Certificate of Currency for Public Liability Insurance to the value of \$20,000,000 upon signing or renewal of policy;
- Arrange relevant insurance for own equipment and possessions if desired;
- Pay excess on own insurance policies in the event of a claim:
- Reimburse the Lessor the portion of the premium for building insurance as per individual lease conditions.
- Pay excess of \$1500 in the event of a claim on the building insurance (50% of applicable excess). Category Two and Category Three leases ONLY.

Use

Your lease or licence agreement will detail the permitted uses for your leased area. You should note that there are certain provisions in regards to the following:

Casual Hire	You must obtain written consent prior to entering into any hire arrangements. All hire arrangement must be consistent with your permitted use (I.e. toddler birthday parties or mothers' group meeting in Playgroup premises) and where permission is granted, you will remains responsible for the Premises at all times.
Alcohol	Consumption and sale of alcohol is not permitted within the
	leased area without permission or relevant licencing
	requirements.
Sub-letting	Not permitted.
Option to renew	Prior to the expiry of lease term the Lessee will be contacted
(if applicable)	to confirm acceptance of an additional lease term.
Lease Expiry	Prior to the expiry of lease, Lessee's will be contacted to
	determine requirements for a new lease.



Frequently Asked Questions

What alterations, additions, improvements or changes can we make to our leased property?

Alterations, additions, improvements or changes to a leased property can include, but are not restricted to, requests to remove a tree, replace a fence, painting, building a patio, or installing air conditioning. Works undertaken within a leased area require permission from the Shire and you need to check with the Property Management Officer prior to commencing any work.

You are required to contact the Shire in writing and provide as much information as possible regarding any work. At a minimum, you need to provide:

- The scope of works
- How are the works to be funded
- Who will be completing the works
- Map/ plan showing location of works.

Depending on the extent of the works an outcome will usually be provided between 1-10 working days and you will be advised if delays are expected.

Permission is required is to ensure works are compliant with relevant local planning or building laws and appropriate building and/or planning permits have been obtained by the lessee. At this time advice or suggestions may be provided to ensure the best outcome of the works to benefit the Lessee (alternative options, better long term outcome, less maintenance costs).

Approved works will be the responsibility of the Lessee for all future repairs, maintenance and replacement.

What type of inspections are likely to take place?

A range of inspections may be conducted on the leased area:

Fire Safety Inspections	Conducted annually by Fire Hazard Inspection
	Officers to assess firebreaks, access and fuel
	loads.
Property Inspections	Scheduled annually by the Property Management
	Officer to assess state of repair of the building.
Public Building	Generally conducted bi-annually by Health Officers
Inspections	to assess for various health risks. The frequency of
	these inspections may be determined by the risk of
	the premises.
	The main items assessed include patron numbers
	and egress, fire safety and public amenities (e.g.
	exit signs, emergency lighting, portable fire
	extinguishers, toilet facilities etc.)

Do we need to be on site when the Shire appoints a contractor?

When maintenance or servicing works are to be carried out by Shire arranged contractors, an email will be sent advising of scheduled works. While we cannot always provide an exact time and date you will have the option to advise of times/dates that may not be suitable or your preferred time/day for the contractor to attend. The contractor will be provided keys (and if applicable, alarm codes) by the Shire. It is not necessary for you to be in attendance.

Should there be any special requests for the timing of appointment, your contact details will be forwarded to the contractor to make arrangements directly. If the contractor cannot gain access and has not been advised of any changes by you to the arranged time, a fee may apply to reschedule.

How do we check if our chosen contractor is licensed?

Licenced trades persons must be used when undertaking electrical, plumbing, gas and air-conditioning works. All other maintenance and repairs must be completed in a tradesperson like manner.

To check if your chosen contractor is licensed, refer to the Department of Mines, Industry Regulation and Safety - Occupational licence search.

What are our responsibilities for our roof, gutters, downpipes and eaves?

The Shire is responsible for the structural components of the roof.

You are responsible for preventative maintenance. In many cases, this will prevent the need for further general repairs.

It is recommended that you check your roof at the beginning of winter and the beginning of summer, with checks as necessary depending on likely leaf load, and pay particular attention to the following.

Internally:

- Check for signs of water damage (i.e. mould, mildew, drips, leaks, water strains and peeling paint).
- Check for signs of pests occupying roof space (i.e. rats, mice and possums).
 Long term infestation of pests may cause damage to wiring, insulation and ceilings.

Externally:

- Check for roof rust to avoid corrosion to sheeting or screws, and loose or damaged sheets.
- Check roof tiles to ensure there are no loose, cracked or missing pieces.
- Rot may affect wooden members and if there are signs of rot, they will need to be replaced. Any sign of rot to wooden roof structure needs to be reported to the Shire.
- Impact of additional installations which involve roof penetrations such as air conditioning, pipes, satellite dishes or other fixtures should be checked.
- Flashing should not be pulling away from roof or leaving gaps.
- Valleys must be kept clear of leaves and debris.



Rectify any issues identified during checks and advise the Shire immediately if you notice or suspect structural issues.

Problems caused by lack of maintenance or failure to clean gutters and downpipes can include:

- Damage caused by water overflowing, running over eaves, back into roof and onto the ceiling.
- Buckled, rusting or broken gutters due to debris build up.
- Gutters full of leaves in summer increase risk of ignition from ember attack should there be a nearby bushfire which can start fires and spread quickly to the rest of the premises.

Broken or bent fastenings should be repaired to ensure even flow. Drains should also be cleared to make sure the water can get away once it exits from the downpipes.

Gutters and downpipes not adequately cleaned or maintained will not be considered fair wear and tear should rust develop or be eligible for use of the maintenance cap (if applicable) towards to cost of repairs or replacement.

Our water consumption bill seems very high? What do we do?

Water leaks may not always be obvious, sometimes it not until a larger than usual water account arrives that the problem is noticed.

The Water Corporation provides a useful tool to detect leaks and expert advice on steps to follow. See <u>Leaks/Watercorporation.com.au</u>.

In first instance it is recommended you check the following:

Toilets	Check seals, float valve and tap for leaks				
Taps	May need new washer, reseating or replacing. Don't forget				
	to check all taps including washing machine taps (if				
	applicable) and outside taps				
Reticulation	Check for missing or damaged sprinklers, split/damaged				
	pipes and joins.				

Also consider checking evaporative air-conditioning units, hot water systems and water pipes in ceilings if this is applicable to your leased premises.

When engaging a plumber for minor repairs it is often worthwhile getting all taps and toilets checked and if needed, serviced at the same time.

What are our responsibilities regarding fire prevention?

In the Shire firebreaks are required to be in place before 1 November each year and maintained up to 31 March the following year. You are responsible for ensuring firebreaks are installed as per Firebreak and Fuel Load Notices. Firebreaks are to be no less than 3 metres wide and have no less than 4 metres height clearance.

Fire Appliance Access is required and you are required to maintain a safe and easy entry and exit from the property with adequate turnaround near buildings.



Other works required to maintain a low fuel load include:

- Raking and removing accumulated leaf litter, twigs and bark and removing of any piles of combustible material.
- Maintaining long grass no higher than 50mm.
- Ensuring a minimum of 2 metre distance between shrubs and structures by trimming vegetation back from buildings.
- Keeping gutters free from leaves and combustible material.
- · Cleaning roofs of sheds.
- Advising Shire of any branches overhanging buildings.

A guide to the Shire's <u>Bush Fires and Fire Management</u> is available on the website.

If you have question or require advice, contact the Fire Hazard Inspection Officers who can provide advice on keeping your leased area compliant with the Shire's Firebreak and Fuel Load Notice. To arrange a site visit at a time convenient to you please phone 9290 6696 or email firesafety@mundaring.wa.gov.au.



Additional information

Funding Options

There are a wide range of funding options available for community groups such as:

- Grants funding
- Sponsorship
- Donations
- Fund raising
- Cash and in-kind contributions from other community organisations/ individuals.

The Shire has developed a community grants program to provide funds to local community groups for activities that not only benefit the members of the group, but the broader community. Grants must meet identified community need, promote active participation of local residents and build community strength.

The grants program is organised on a financial year basis and is a competitive process. For more information about available grants refer to the <u>Community Grant Program</u> page on the website_or contact the Community Capacity Building Officer on 9290 6678 or via ccbo@mundaring.wa.gov.au

Request for Capital Works

The Shire's annual budget is determined by its long term Financial Plan and Corporate Business Plan in line with the Shire's Strategic Community Plan.

Requests for assistance with capital works need to be assessed and set according to priority before being considered for subsequent years' funding. Any request for capital work should be sent to shire@mundaring.wa.gov.au.

Disability Access and Inclusion

The Shire is committed to continually improving access and inclusion for both residents and visitors. The Access and Inclusion Informing Strategy 2022/2026 provides a framework for the Shire to create an accessible and inclusive community for all people regardless of their ability, age, culture, sex, gender, or sexual orientation. The Action Plan sets out what actions will be implemented over the next five years, and the responsible service areas within the Shire that will deliver on the Plan.

For more information refer to the <u>Access and Inclusion Informing Strategy</u> page on the website.

For more information about access and inclusion, please contact the Shire's Coordinator Community Engagement team on 9290 6715 or email cce@mundaring.wa.gov.au.



Lease and License Categories

The below information is provided as a guide only and does not replace your lease or licence agreement.

To determine the category relevant to you, refer to the "Community Leases Policy" item 4.2 and Appendix 1: Classification of Tenants.

Category One (excerpt of essential terms)							
Initial term	5 years						
Option	Up to two (2x) 5 year options (at the Shire's discretion)						
Your Responsibilities (as Lessee / Tenant)	Payments Peppercorn rent, licence or management fee All outgoings and consumption charges, including but not limited to utilities, rubbish and recycling bin charges, water rates and taxes (if applicable) Pest control (excluding termite) as required ESL (not applicable to a licence or management agreement)						
	50% of building insurance premium Full replacement value content insurance including lessee's fixtures, fittings, equipment and stock if desired \$20 million public liability insurance Repair / Maintenance						
	 Maintain property clean and in good repair No property modifications or installations to be undertaken without Shire approval (and statutory approvals if applicable) General minor maintenance of premises up to \$1500 per annum. All costs relating to replacement of fittings and fixtures including light globes and tap washers Internal and external cleaning (including annual carpet cleaning if applicable) Minor remedial painting to repair general wear and tear (patch painting) 						
	Acknowledgement of the Shire The Lessee will acknowledge the Shire's support through signage or other means as agreed by the Shire.						



The Shire's Responsibilities (as the Lessor)

Payments

- Termite inspections and treatment
- Cost of statutory compliance (RCD, smoke alarm, emergency exit and fire extinguisher servicing)
- 50% of building insurance premium
- · building insurance excess

Repair / Maintenance (unless damage caused by Lessee)

- Scheduled major painting of interior/exterior, or both, as a preventative maintenance process
- Structural maintenance, replacement and repair (roofing, main structure)
- Pumping out and cleaning of septic tanks (if applicable)
- Repairs or replacements necessary due to fair and reasonable wear and tear
- Major pruning of trees (if applicable)

Capital Upgrades

Capital renewal of existing assets to be undertaken at the Shire's discretion. Capital upgrades and capital expansion of all assets within the leased area at the Shire's discretion.

Inspections

The Shire will inspect the premises annually (or as required) and will give the Lessee appropriate notice in accordance with the lease terms.

Tenancy Fee

Peppercorn rent, capped maintenance

Initial term Option Up to one (1x) 10 years options (at the Shire's discretion) Your Responsibilities (as Lessee / Tenant) Rent or licence fee All outgoings and consumption charges, including but not limited to utilities, rubbish and recycling bin charges, water rates and taxes (if applicable) Pest control (excluding termite) as required ESL (not applicable to a licence) Insurance 50% of building insurance premium 50% of the excess of building insurance claims (not applicable to a licence) with a minimum claim value of \$3000 Full replacement value content insurance including fixtures, fittings, equipment and stock \$20 million public liability insurance Repair / Maintenance Maintain property clean and in good repair No property modifications or installations to be undertaken without Shire approval (and statutory approvals if applicable) General minor maintenance of premises (no annual maximum expenditure cap) All costs relating to replacement of fittings and fixtures including light globes and tap washers Internal and external cleaning (including annual carpet cleaning if applicable) Minor remedial painting to repair general wear and tear (patch painting)	Catagory Two (except of ecceptial terms)	
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Your Responsibilities (as Lessee / Tenant) - Rent or licence fee - All outgoings and consumption charges, including but not limited to utilities, rubbish and recycling bin charges, water rates and taxes (if applicable) - Pest control (excluding termite) as required - ESL (not applicable to a licence) Insurance	Initial term	10 years
Responsibilities (as Lessee / Tenant) - Rent or licence fee - All outgoings and consumption charges, including but not limited to utilities, rubbish and recycling bin charges, water rates and taxes (if applicable) - Pest control (excluding termite) as required - ESL (not applicable to a licence) Insurance	Option	Up to one (1x) 10 years options (at the Shire's discretion)
 50% of building insurance premium 50% of the excess of building insurance claims (not applicable to a licence) with a minimum claim value of \$3000 Full replacement value content insurance including fixtures, fittings, equipment and stock \$20 million public liability insurance Repair / Maintenance Maintain property clean and in good repair No property modifications or installations to be undertaken without Shire approval (and statutory approvals if applicable) General minor maintenance of premises (no annual maximum expenditure cap) All costs relating to replacement of fittings and fixtures including light globes and tap washers Internal and external cleaning (including annual carpet cleaning if applicable) Minor remedial painting to repair general wear and tear 	Responsibilities (as Lessee /	 Rent or licence fee All outgoings and consumption charges, including but not limited to utilities, rubbish and recycling bin charges, water rates and taxes (if applicable) Pest control (excluding termite) as required
 Maintain property clean and in good repair No property modifications or installations to be undertaken without Shire approval (and statutory approvals if applicable) General minor maintenance of premises (no annual maximum expenditure cap) All costs relating to replacement of fittings and fixtures including light globes and tap washers Internal and external cleaning (including annual carpet cleaning if applicable) Minor remedial painting to repair general wear and tear 		 50% of building insurance premium 50% of the excess of building insurance claims (not applicable to a licence) with a minimum claim value of \$3000 Full replacement value content insurance including fixtures, fittings, equipment and stock
Capital Upgrade Capital upgrades and capital expansion of all assets within		 Maintain property clean and in good repair No property modifications or installations to be undertaken without Shire approval (and statutory approvals if applicable) General minor maintenance of premises (no annual maximum expenditure cap) All costs relating to replacement of fittings and fixtures including light globes and tap washers Internal and external cleaning (including annual carpet cleaning if applicable) Minor remedial painting to repair general wear and tear (patch painting) Capital Upgrade

Obligations of Lessee and Default Provisions

The Lessee is responsible for paying any license fees and/or rent and any other monies owed under the agreements within 30 days of the due date.

Continued failure to pay monies due and owing under the agreement may result in the Shire terminating the agreement.

Acknowledgement of the Shire

If less than the market rent is being paid by the Lessee, the Lessee will acknowledge the Shire's support through signage or other means as agreed by the Shire.

The Shire's Responsibilities (as the Lessor)

Payments

- Termite inspections and treatment
- Cost of statutory compliance (RCD, smoke alarm, emergency exit and fire extinguisher servicing)
- 50% of building insurance premium
- 50% of building insurance excess

Repair / Maintenance (unless damage caused by Lessee)

- Scheduled major painting of interior/exterior, or both, as a preventative maintenance process
- Structural maintenance, replacement and repair (roofing, main structure)
- Pumping out and cleaning of septic tanks (if applicable)
- Repairs or replacements necessary due to fair and reasonable wear and tear
- Major pruning of trees (if applicable)

Capital Renewal

Capital renewal and capital expansion of all assets within the leased area to be undertaken at the Shire's discretion.

Inspections

The Shire will inspect the premises annually (or as required) and will give the Lessee appropriate notice in accordance with the lease terms.

Tenancy Fee

Market rent, discounted where applicable (Community Leases #insert policy number - Item 4.3.1)

Category Three (ex	ccerpt of essential terms)
Initial term	10 years
Option	Up to one (1x 10 years options (at the Shire's discretion)
Your Responsibilities (as Lessee / Tenant)	 Payments Rent or licence fee All outgoings and consumption charges, including but not limited to utilities, rubbish and recycling bin charges, water rates and taxes (if applicable) Pest control (excluding termite) as required ESL (not applicable to a licence)
	So% of building insurance premium 50% of the excess of building insurance claims with a minimum claim value of \$3000 Full replacement value content insurance including fixtures, fittings, equipment and stock \$20 million public liability insurance
	Repair / Maintenance Maintain property clean and in good repair No property modifications or installations to be undertaken without Shire approval (and statutory approvals if applicable)
	 General minor maintenance of premises (no annual maximum expenditure cap) All costs relating to the replacement of fittings and fixtures including light globes and taps Internal and external cleaning (including annual carpet cleaning if applicable) Minor remedial painting to repair general wear and tear (patch painting).
	Capital Upgrades
	Capital upgrades and capital expansion of all assets within the leased area and maintenance of fit-out.
	Obligations of Lessee and Default Provisions
	The Lessee is responsible for paying any license fees and /or rent and any other monies owed under the agreements within 30 days of the due date.
	Continued failure to pay monies due and owing under the agreement may result in the Shire terminating the agreement.

	Acknowledgement of the Shire
	If less than the market rent is being paid by the Lessee, the Lessee will acknowledge the Shire's support through signage or other means as agreed by the Shire.
The Shire's	Payments
Responsibilities (as the Lessor)	 Termite inspections and treatment Cost of statutory compliance (RCD, smoke alarm, emergency exit and fire extinguisher servicing) 50% of building insurance premium 50% of building insurance excess
	Repair/ Maintenance (unless damage caused by Lessee)
	 Scheduled major painting of interior/exterior, or both, as a preventative maintenance process Structural maintenance, replacement and repair (roofing main structure) Pumping out and cleaning of septic tanks (if applicable) Repairs or replacements necessary due to fair and reasonable wear and tear Maintenance of roofing, mechanical services and the main structure Major pruning of trees (if applicable)
	Capital Renewal
	Capital renewal and capital expansion of all assets within the leased area to be undertaken at the Shire's discretion.
	Inspections
	The Shire will inspect the premises annually (or as required) and will give the Lessee appropriate notice in accordance with the lease terms.
Tenancy Fee	Peppercorn rent

A to Z of Maintenance Obligations

The below table provides an A-Z list of obligations relevant to you as the Lessee and the Shire as the Lessor.

The below information is provided as a guide only and does not replace the obligations as listed in your lease or licence agreement.

General Terms

Alterations	Lessee must seek written consent from Lessor prior to make or allow, any alteration, addition, improvement, or demolishment of any part of the premises After obtaining written consent, Lessee must apply for and obtain all statutory approvals, authorities, permits or policies as are required by law before undertaking any alterations, additions, improvements or demolitions.
	Lessor will evaluate any request for alteration submitted by Lessee and communicate determination in relation to submission.
Building Insurance claims	Building insurance covers property in the event of, but not limited to, fire, storm damage, vandalism, break-ins. Insurance claim minimum value is \$3000.
	Category One: Lessor responsible for insurance excess
Maintenance expenditure cap (Category One leases)	Lessee must promptly repair or replace any damaged item.
expenditure cap (Category	Category One lease: Amounts expended by the Lessee on maintenance or repair are capped at an Annual Maximum amount of \$1500; per year. If the total amounts expended exceed the annual maximum amount, Lessee is required to provide the Lessor with detailed evidence of previous expenditure in the form of itemised tax invoices.

Maintenance (General)

Lessee is responsible for the cost of repair or replacement if it is necessary because of any action or omission of or on the part of the Lessee or the Lessor's insurances are invalidated by any act, neglect or default by the Lessee.

Lessee will be responsible for the cost of structural maintenance, replacement or repair when such maintenance, repair or replacement is necessary because of any action or omission of or on the part of the Lessee or by the Lessee's particular use or occupancy of the Premises

Lessor will carry out agreed repairs or replacement that are necessary as a result of fair and reasonable wear and tear and so long as the Lessee has completed regular and ongoing preventative maintenance and repairs as needed, and to maintain the property to a standard appropriate for the age of the premises.

Lessor is responsible for the cost of structural maintenance

General Statutory / Minimum Level of Service Obligations

Asbestos	Lessee will be provided with an excerpt of the Asbestos Containing Material (ACM) register in their meter box (if applicable) and any works involving asbestos containing materials must be carried out by a suitably licensed contractor.
Emergency exit lighting	Lessee is responsible for notifying the Lessor if any Fire Evacuation Exit Signs are not in good working order.
systems and emergency doors	Lessor will arrange for annually test and service by a qualified technician and replacement of non-compliant, faulty or damaged equipment as required at time of service call.
Firefighting equipment and exit signs	Lessee to ensure firefighting equipment is not tampered with or removed from designated area.
	Lessee is responsible for costs incurred for replacement if misuse, tampered or lost Fire Fighting Equipment.
	Lessor will arrange annual inspection of the premises to ensure compliance with statutory requirements.
	Serviced at least every 6 months by a qualified technician and replacement of non-compliant, faulty or damaged equipment as required at time of service call.

Pest control

Lessee will keep leased premises free of pests. Lessee is responsible for cost of extermination of pests with the exception of white ant treatment. This includes but not limited to:

- Ants
- Cockroaches
- Birds
- · Rats and Mice
- Spiders
- Wasps
- Possums

Lessee to keep building in such a manner as not to encourage white ants i.e. not stacking newspapers timber etc. against walls and to report any sign of white ants activity to the lessor and in a manner which discourages all pest intrusions.

Lessor will arrange annual white ant pest inspection, and treatment if required, by a licenced and insured Pest Control technician. Testing and bait stations installation will be conducted on advice from pest control technician.

RCD protections, tagging electrical equipment

Lessee to ensure that all portable plug-in electrical equipment is regularly inspected in accordance with relevant legislation.

Lessor to ensure that all RCDs are inspected, tested, repaired and maintained in accordance with the relevant legislation.

Interior of Premises

Bathrooms and change rooms (including: drains sewerage, showers, toilets etc.)

Lessee must keep clean at all times and ensure all are operable and free from any blockages.

Lessee shall not permit foreign objects or matter to be placed into drains, toilets or grease traps and is responsible for clearing blockages

Lessor will replace irreparable items and undertake capital renewal as and when determined by the lessor.

Lessor is responsible for clearing blockage caused by tree roots entering drain pipes if due to fair and reasonable wear and tear.

Where the lessor undertakes works or repairs to clear blockages which have occurred as a result of the neglect, misuse or default of the lessee, the lessee may be required

	to pay part or all of the lessor's costs of undertaking those works
Carpet	Lessee to keep carpets clean at all times. Carpets are to be vacuumed often and steam clean at least once annually with spot cleaned to occur as needed.
	Lessor will replace as and when determined and scheduled by Lessor.
Ceiling	Lessee to keep ceiling clean, free of cobwebs and cleaned of any temporary decoration.
	Air conditioning vents and the like shall be kept clean and in good working order.
	Note: Any water damage or sagging to be reported to the Lessor.
	Lessor to repair any structural damage to ceiling.
	If damage is caused or contributed to by the lessee or lessee's employees and visitors, the lessor may require the lessee to reimburse it for part or all of the cost of repairing the damage
Cleaning and cobweb removal	Lessee to ensure premises is kept tidy and free of litter, dirt, rubbish, cobwebs and broken glass at all times.
Cupboards, benches, cabinets (built in joinery)	Lessee to regularly clean all doors, latches, drawers and shelves and to keep free from any damage, marks or food residue.
	Lessor to replace built in joinery as and when determined by the lessor.
Doors	Lessee to keep doors clean, free from any marks, damage and cobwebs. Doors are to be lockable and operable. Any door closers or other devices fitted should be maintained in good working order.
	Note: Locks are not to be changed without the prior approval of the Lessor. Locks must be keyed to the Lessor's Key System.
Floors	Lessee to keep floors clean and regularly maintained in accordance with the requirements of the type of surface, i.e. hard floors to be swept and mopped.
	In kitchen areas, relevant Health requirements should be strictly complied with.

	Lessor will replace floor coverings as determined by the Lessor. This is generally when the coverings have reached the end of their life as a result of fair and reasonable wear and tear. Lessor is not responsible for replacement when it is due to lack of care and maintenance or due to abuse or damage by the Lessee.
Keys / locks / hardware	Unless otherwise approved by the Lessor in writing, the Lessee must not have additional sets of keys copied or cut and must immediately notify the Lessor of any loss of keys;
	Locks are not to be changed without the prior approval of the Lessor. If the locks are changed, the Lessee must provide the Lessor with keys to access all areas of the Premises.
	The Lessee is responsible for the maintenance and repairs of window and door hardware including the cylinder.
	Lessor is to provide the Lessee with one (1) set of keys for access to the Premises and all rooms therein.
	Bi-lock System: Works to repair or change locks will be undertaken by the Shire and costs forwarded to the Lessee.
Painting	Lessee is responsible for patch painting required for repair purposes.
	Lessor will schedule and carry out preventative maintenance
Sink, basin, pedestal pans and cisterns	Lessee to maintain in clean and operable condition and clear of all blockages caused by foreign objects or matter. Lessee to repair fittings such as taps.
Toilets	Lessee to keep in a clean and operable condition at all times and check seals, float valve and tap for water leaks as well as clear all blockages caused by foreign objects or matter placed in toilets.
	All consumables, i.e. Toilet paper, paper towels, are to be supplied by the Lessee.
	Replacement of fittings such as roll dispensers and coat hangers rest with the Lessee.
Walls (interior)	Lessee to keep all wall surfaces throughout the premises clean, free from any marks, damage and cobwebs
	Lessor to repair structural damage to load bearing walls.
	If damage is caused or contributed to by the lessee or lessee's employees and visitors, the lessor may require the lessee to reimburse it for part or all of the cost of repairing the

Windows Lessee to ensure that all dirt, sand and rubbish is kept clear from windows tracks. Clear any debris from weepholes in the windowsills. Lubricate moving parts such as rollers, locks and hinges. Check seals and replace as require. Internal/ External painting will be part of the Shire's maintenance schedule and will include doors and windows frames where previously painted.

Fixtures, Fittings, Appliances and Electrical

Air- conditioning	Before installing any new air conditioners, Lessee must seek permission from the Shire to undertake works. The Shire will give consideration to insulation, ventilation, and capacity of electrical supply.
	The Lessee is required to operate, clean and service any installed air-conditioning unit in accordance with the manufacturer's standards.
	If installed by Lessee, installation, repairs, maintenance, servicing and replacement of air conditioners is the responsibility of the lessee.
	If installed by Lessor , air-conditioning will be replaced at the end of its serviceable life.
Electrical fittings	Lessee to keep all electrical fittings such as power points, light switches and light fittings in clean and in good working order. Lessee to replace light globes and fluorescent light tubes which may fail.
Gas appliances	Lessee to operate and regularly clean appliances to maintain in good working order with all gas supplier requirements being complied with.
	Lessor does not support gas appliances and would replace with comparable electric appliance
Hot water system	Lessee is responsible for the maintenance and servicing of the hot water system.
	Lessor will replace hot water system at the end of its serviceable life.
White Goods including stove, fans,	Lessee to keep white goods clean, operable, regularly maintained and repaired as required and operated in accordance with the manufacturer's requirements.

refrigerators, heaters & Other	Lessor will replace white goods at the end of its serviceable life if it is an identified Shire asset.
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Exterior and Surrounds

Carpark	Lessee is responsible for ensuring car park is clean and clear of rubbish, trip hazards or obstructions.
	Lessor responsible for bitumen repairs, pot-hole maintenance and line marking.
Eaves, gutters and downpipes	Cleaning and maintaining gutters and downpipes should be a regular part of Lessee maintenance schedule. This may vary from twice to several times a year, dependant on your location and time of the year.
	Lessor will replace eaves, gutters and downpipes at the end of their serviceable life, subject to adequate care and maintenance by the Lessee.
Fencing	Lessee to keep fencing clean and free of any graffiti and repair any minor damage.
	Lessor will replace fencing at the end of its serviceable life – like for like.
Fire Prevention	Lessee to maintain fire prevention requirements as per Shire of Mundaring Firebreak Notice and conduct any other fire management matters as instructed by Shire of Mundaring Chief Fire Control Officer.
	Refer to FAQs provided in these guidelines.
Garden and surrounds	To be kept in tidy and free from litter and rubbish. Lessee must regularly inspect and maintain in good condition any part of the Premises which surrounds any buildings including but not limited to any flora, gardens lawns, shrubs, hedges and trees.
	Lessee is responsible for any minor pruning. If any flora, trees or lawn dies to be replaced at its own expenses.
	The Lessee must plant and care for such trees on the Premises as the Lessor may from time to time reasonably require.
	The Lessee may not remove any trees, shrubs or hedges without first consulting with and obtaining the approval of the Lessor, except where necessary for urgent safety reasons.

Pathways	Lessee to keep pathways clear of rubbish and swept regularly with care not to damage vegetation surrounding the building.
	Lessor is responsible for Shire verge footpaths.
Roof	Lessee is responsible for internal and exterior preventative maintenance and minor maintenance.
	Lessor is responsible for the structural components of the roof.
Rubbish Bins	Lessee to ensure all rubbish is placed in the outside rubbish bins in the designated bin areas/enclosures. Bin enclosure is to be kept clear of all rubbish.
Tree pruning	Lessor is responsible for any major tree pruning and tree removal (unless noted otherwise in lease) as determined by the Lessor.
Signs	Signs located on the building, are to be regularly maintained by Lessee and kept in a safe condition. Signs that may become damaged are to be replaced immediately.
	Any approvals or licences for signs are to be kept current.
	Installation of any sign requires approval from the Lessor.
Veranda	Lessee to keep clean and free from cobwebs.
Walls	Lessee to keep exterior walls free from any marks, damage and cobwebs.

Security

Graffiti	Graffiti removal is the responsibility of the Lessee and any graffiti should be removed as quickly as possible. Report Graffiti to Shire and via Report Graffiti Form. For further information on removing/preventing graffiti Goodbye Graffiti.
Malicious damage and break ins	Lessee is responsible for notifying the lessor of any incidents of malicious damage or break-ins and submitting a police report for insurance purpose.
	Lessor will submit building insurance claim if applicable.
Security system	Lessee to ensure the premise is maintained in a secure condition at all times.
	The Lessee may, with prior approval from the Lessor, install a security system to the premises and pay all costs associated with the installation and ongoing monitoring of a security system. Such system is to be maintained by the Lessee in accordance with the supplier's instructions.
	All security telecommunications and other fees are to be met by the Lessee.
	If security system is installed the Lessee is required to provide access keys and alarm codes to the Lessor.
Security screens	Lessee to keep security screens clean and firmly fixed. Any cobwebs to be regularly removed
Vandalism	Lessee to notify Lessor of any act of vandalism to the premises or any incident which occur on or near the premises.
	Lessor will submit a building insurance claim on presentation of a police report (if applicable).

Further Questions?

Should you require further information regarding community leases, please refer to the "Community Leasing Policy".

If assistance is required to determine the category relevant to your organisation, or any other enquiry, please contact:

Dee Roberts

Property Management Officer

Email: shire@mundaring.wa.gov.au



Part 3: Community Engagement Toolkit

Supporting Document 1: Stakeholder Analysis and Mapping Template

Project Title: Policy Review - Community Leases

Step 1: Identify stakeholders

Reflect on why the identified stakeholder is critical for meeting defined outcomes.

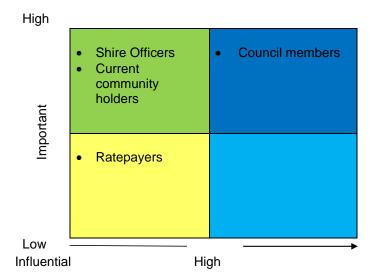
It is important to focus primarily on the person and their role, not just an organisational group or a position title. This is because individuals will most likely have different levels of power or importance within an organisation, and will likely have different relationships (or none at all) with various people. Importantly, people make up networks, not organisations.

Inventory of potential stakeholders:

Stakeholders within the team / work unit / group / department:	 Directors Infrastructure Services, Community Services, Corporate Services Manager building assets Property management officer Governance Officers
Stakeholders within the organisation:	 Shire Officers who provide administrative support to community groups/ associations (Community services) Council members
Stakeholders external to the organisation:	 Community groups / associations with community leases with Mundaring Shire Ratepayers

Step 2: Prioritise stakeholders

Prioritise the list of stakeholders in terms of how critical they are in helping deliver on outcomes of the team / work group / department. This will help prioritise communication and engagement activities with the people most likely to affect success. Use the Power / Interest Grid below to assist with prioritisation.



Influential refers to those who have power (either direct or indirect) over the success of the achievement of the objectives, including financial, positional authority or persuasive power over key decision makers.

Important refers to those who have power over the delivery of outcomes. These people may include opinion leaders, critical knowledge resources (e.g. scientific or technical experts), and provides of enabling resources (e.g. equipment and facilities) or those crucial in the delivery of outcomes.

Step 3: Understanding and managing your stakeholders

Involves considering such items as the likely attitudes of the various stakeholders, their attitude to the project / department / work group and any risks associated with their involvement. It then asks you to consider what changes may be required in how you engage with them to minimise any risks and/or to increase their appreciation of, and commitment to, the initiative.

Step 4: Setting goals and identifying costs of stakeholder analysis

Designate responsibilities for undertaking each communication task and to set appropriate timelines.

Step 5: Evaluation and revision

Evaluation and revision of stakeholders is to be undertaken regularly. It is most beneficial when a stakeholder analysis is regularly updated to identify whether there are potential new stakeholders, changes in current stakeholder importance or influence, or if perceptions have changed.

Throughout these steps, you are encouraged to complete a stakeholder analysis table:

Name	Role	Why they are important?	Position in matrix	Attitude	What would you like the stakeholder to do?	Key messages	How (tactics)	When	Who
Council members	Decision makers	Required to endorse/ adopt new policy	High important / high influential	Mixed	Support the adoption and implementation of the policy	Reports	Adherence to Policy Council resolutions	TBD	
Community groups	Lease holders		High important / low influential	mixed	Support the adoption of the policy	Advise how policy may impact new (or renewal of) leases	Engage Mundaring	TBD	
Shire officer	Property management	Manage community leases	High important / low influential		Support the adoption of the policy	Advise how policy may impact new (or renewal of) leases	Engage Mundaring	TBD	
Ratepayers	Ratepayer	Pay rates	Low important / low influential	mixed	Support the adoption of the policy	Advise how policy may impact new (or renewal of) leases	Engage Mundaring	TBD	

(Table Source: Adapted by AHRI from Kennon, Howden & Hartley 2009, pp. 12-1

Supporting Document 2: Risk assessment

Project Title: Policy Review – Community Leases

Complete the relevant parts of the table.

Economic Impact	What is the overall cost? What is the potential long-term income/cost to the community/Council?	Current Community leases economic impact: 18 leases: No anticipated rental fee variation expected. 20 leases: Rental fee decrease expected leases: Potential rental fee increase leases: Potential rental fee increase due to re-evaluation of category
Environmental Impact	What level of environmental impact will that project have? How can you mitigate these impacts?	Nil
Social Impact	How many people will be impacted? Is this impact short or long-term?	Members of the community benefiting from community leases in both short and long terms. Access to services that may otherwise not be available
Technical Risk	What are the technical risks of this project?	Nil
Outrage Risk	What outrage factors are present?	Ratepayers may be aggrieved of level of Shire subsidy to some category of Community leases. Some lessees may be aggrieved that their historical leases are reviewed.
Diversity of Views	How diverse are community opinions about this project? How will controversy be mitigated?	Aware of views from council members and external association feedback. Aware of a range of lessees view.
History	What is the history of this project? Has there been concern or support so far?	Community concerns were raised in 2019. At the time 'Mundaring Sharing' & 'Little Possums' Day-care centres lease dispute became public. Lease review was resolved by Council.

Level of Impact of project (use matrix in Appendix 1)

High: No Low: Yes

Appendix 1: Level of Impact Matrix

Assessment Criteria Degree of One cl Complexity addres					
		Your assessment of	Ranking –	Ranking – Tick relevant column	t column
		community engagement problems and issues	Low	Medium	High
More	One clear issue or problem that needs to be addressed. Low	Policy review required	×		
M M M	More than one issue and/or problem to be resolved.	N/A			
Multiple resolve	ole issues and/or problems. It is unclear how to re them. HIGH	N/A			
Degree of Little e potential notice community	Little effect on communities and they will hardly notice any changes. LOW	N/A			
impact or Fixes a loutrage they will	a problem that will benefit communities and will hardly notice any changes. MEDIUM	Policy review will benefit a range of lessees. Some lessees may not be satisfied by outcome		×	
Creates a c communitie vary. HIGH	Creates a change that will have an impact on communities and the degree of impact/outrage will vary. HIGH	N/A			
	Has acceptance throughout the community. LOW		×		
Sensitivity Some m project/p MEDIUN	Some may see a potential in raising the profile of a project/plan/service to gain attention to their cause.			×	
Comm decisic somec HIGH	Community expectations are different to those of the decision makers and there is a high potential for someone to use the uncertainty to gain attention.	N/A			

Level of Impact Interpretation Guide

All 'low' or some 'low' and some 'medium' ticked

→ If you ticked all 'low' or some 'low' and some 'medium' impacts in the Level of Impact Matrix, it is suggested that your project will fall under 'low impact' on the 'Level of Engagement Flow Chart'. This will lead to either 'inform' or 'consult' as you aim for engagement.

Mostly/all 'medium' or one or more 'high' ticked

→ If you ticked mostly 'medium' impacts or if you ticked 'high impact' for any of the measures in the Level of Impact Matrix, it is suggested that your project will fall under 'high impact' on the 'Level of Engagement Flow Chart'. This will lead to either 'involve' or 'collaborate' as your aim for engagement.

Supporting Document 3: Consultation Plan

Project Title	Community Leases Policy review		
Project Description	Review of Community Leases Policy		
Project Team Members	Governance team (Coordinator and Officer)		
	Infrastructure Services team (Property manager)		
	Community liaison officer		
Project	Commence Mid-August 2023		
Commencement and Completion Dates	Complete September 2023		

What are the reasons for consulting? (e.g. Development of infrastructure, legislative requirement)

To inform current community Lessees of proposed changes to Community Leases Policy.

Have you completed a stakeholder identification? (tick when completed): ☑

Objectives

What are you asking the stakeholders? Key objectives of this strategy are to:

Inform the community by providing balanced and objective information to assist the community's understanding.

Review draft community leases policy and its appendix and provide comments.

How will you consider specific population groups? This may include ATSI people, CaLD communities, people with disability, older adults and young people.

Information can be provided in alternative format (phone call, face to face meetings) on request. Website and Engage Mundaring style set to be accessible. Survey to be PDF editable.

Level of Engagement chosen and why (use flow chart in Appendix 2): Inform

Issue is:

- low impact
- direct impact on current members

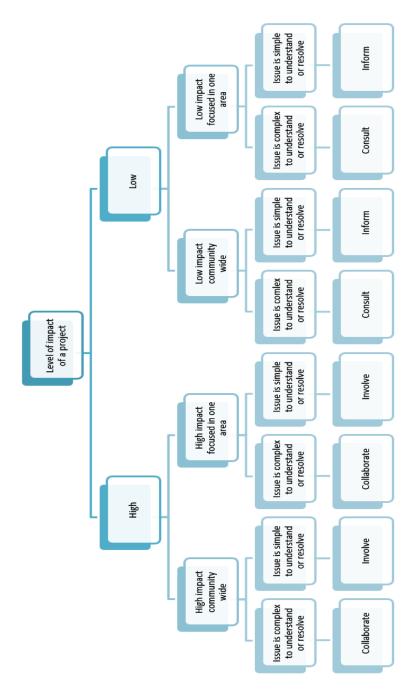
Note: As key stakeholders, Councillors must be informed of, and invited to attend, community engagement activities that fall within the 'consult' realm of the IAP2 public participation spectrum and above.

Chosen methods of engagement (see the IAP2 table on page 7): Engage Mundaring online engagement platform

Note: Due consideration must be given to timing of *public comment periods* with an exclusion period extending from 20 December to 5 January in any calendar year.

Appendix 2: Level of Engagement Flow Chart

This flow chart guides employees in determining the level of engagement for their activity or project.



* © International Association for Public Participation www.iap2.org

IAP2 Spectrum of Public Participation

The Shire's approach to community engagement is underpinned by the IAP2 Spectrum of Public Participation. IAP2 outlines the possible types of engagement and how community participation and impact increases with the levels of engagement, as well as examples of engagement methods for each level.

Table 1: The Five Levels of Community Engagement

	Inform	Consult	Involve	Collaborate	Empower
Objective	To provide	To obtain	To work	To partner with	To place
	<mark>the</mark>	community	directly with	the community in	the final
→	community	feedback on	the	each aspect of	decision
	with balanced	analysis,	community	the decision,	making in
	and objective	alternatives	throughout	including the	the hands
	<u>information</u>	or decisions.	the process	development of	of the
	and assist		to ensure	alternatives and	community.
	them in		that public	the identification	
	<u>understanding</u>		and private	of the preferred	
	the problem,		concerns	solution.	
	<u>alternatives</u>		are		
	and solutions.		consistently		
			understood		
			and		
			considered.		
Promise	We will keep	We will keep	We will work	We will look to	We will
to the	you informed.	you	with you to	you for direct	implement
Community		informed,	ensure your	advice and	what you
		listen to and	concerns	innovation in	decide.
→		acknowledge	and issues	formulating	
		your	are directly	solutions and	
		concerns	reflected in	incorporate your	
		and provide	the	advice and	
		feedback on	alternatives	recommendations	
		how	developed	into the decisions	
		community	and provide	to the maximum	
		input influenced	feedback on	extent possible.	
			how		
		the decision.	community		
			input influenced		
			the decision.		

Note: all preceding levels are usually required for the successful delivery of the next level. For example, community engagement that aims to 'involve' requires use of the preceding two categories of 'inform' and 'consult'.

Table 2: Examples of Engagement Methods for each Level of Engagement

	Inform	Consult	Involve	Collaborate	Empower
Examples	 Fact sheets 	o Focus	 Workshops 	o Open	 Citizen
	 Advertisement 	groups	 Conversation 	space	Juries
	 Mail drop 	 Surveys 	Cafes	 Advisory 	 Ballots
	 Media release 	Polls	 Site tour 	Group	 Delegated
	Social media	 Community 	 Web forums 	Committees	decisions
	<mark>post</mark>	meetings	e.g. Engage	 Consensus 	
	 Websites 	 Submissions 	Mundaring	building	
	 Newsletters 	 Interviews 	 Panel 	 Yarning 	
	 Presentations 	Engage		circles	
		Mundaring			
		o Public			
		comment			
		periods			

^{* ©} International Association for Public Participation www.iap2.org

Supporting Document 4: Communications Plan

Have you completed a Consultation Plan? (tick when complete) ☑

Consider the following questions regarding Communications (make notes if desired):

- What communication methods will you use? Online
- What tasks need to be completed? Invite comment on draft Community Leases Policy
- Who is your target audience? Lessees and ratepayers
- What physical, human, or technological resources will be required in order to communicate? Engage Mundaring, Social media post, emailing all current lessees.

Accessibility

Consider how your communication methods can overcome accessibility barriers for relevant specific population groups:

		Details
Written Materials	Yes	e.g. format, font, contrast Website and Engage Mundaring style set to be accessible.
Audio formats	Yes	Website and Engage Mundaring to be e-reader compatible.
Translation services	Yes	On request
Online methods	Yes	Website and Engage Mundaring Survey to be pdf editable

Traditional marketing methods	No	e.g. newspaper, radio advert
Social media	Yes	Facebook and Linked In
Face-to-face communication	Yes	As required/ on request

Communication	ons Schedule	Communications Schedule					
Action Which method will you use?	Message What are you going to say?	Who is your audience?	Date When?	Where Where will it be delivered (if relevant)?			
Information (Facebook post, Engage Mundaring, email to current Lessees)	Community Leases Policy is being reviewed and the community is invited to have their say on the draft policy and associated documents.	Community					
Consultation period (Engage Mundaring, FAQs,)	Seek feedback from community members and existing lessees on the draft Community Leases policy, Appendix 1: Classification of tenants and Appendix 2: Community Leases Guidelines.	community members		Refer to consultation plan			
Report to Council	The Shire has undertaken a review of the draft Community Leases policy	Project team to Governance Committee		Governance Committee / Council Meeting			
Shire of Mundaring website	Communicate Council's decision	Community					

Shire of Mundaring

POLICY

COMMUNITY LEASES

Policy Ref: OR-24

Adopted: C8.04.19 **Date:** 9 April 2019

Amended: Date: Reviewed: Date:

Procedure Ref: Delegation Ref: CE-117

Statute Ref: Local Government Act 1995 – section 3.58 (Disposing of property)

Local Government (Functions and General) Regulations 1996 -

regulation 30 (Exempt dispositions)

Land Administration Act 1997 – Part 4 (Reserves)

Occupiers' Liability Act 1995

Local Law Ref: N/A

PURPOSE

To ensure:

- a consistent, transparent and equitable approach for the process of Council entering into a formal lease agreement with community groups to occupy Shire owned or managed land and buildings; and
- Shire leased assets are managed appropriately to optimise the benefit to and meet the expectations of the community.

POLICY

1. **DEFINITIONS**

Lease	Exclusive occupancy agreement		
Licence	Non-exclusive occupancy agreement (shared use)		
Community group	 incorporated not for profit group or association of persons with the primary aim of conducting activities and providing services for community benefit; and relies predominantly on volunteer labour, community fundraising, membership fees and donations; and may receive state or federal government operational grants and may rely on a fee for service business model 		
Community lease	A lease between the Shire and a community group		
СРІ	Consumer Price Index. For the purpose of this policy CPI means the Perth All Groups CPI rise for the March quarter of		

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	the year, as determined by the Australian Bureau of Statistics
Market rent	The annual rent amount the Shire might reasonably expect to receive, and a lessee might reasonably expect to pay, for a tenancy. Market rent value is determined by a licensed valuer.

Throughout this policy, the word "lease" includes "licence".

2. SCOPE

This policy applies to all new community leases for community groups, including renewal of leases on expiration of current leases. It does not cover commercial leases with business entities, as these will be negotiated on a case by case basis.

Shire of Mundaring Bush Fire Brigades are excluded from this policy: while these are community groups, they are an integral part of the Shire under the *Bush Fires Act 1954* and the Bush Fire Brigades Local Law 2013 and do not require a lease.

3. ELIGIBILITY FOR A COMMUNITY LEASE

Groups meeting the definition of a community group and who request exclusive or nonexclusive use to operate community activities from a leased facility, are eligible to apply for a community lease in accordance with this policy.

When assessing applications, Council will consider factors including the following criteria:

- the organisational structure of the group:
 - ✓ group is incorporated under the Associations Incorporation Act 2015;
 - ✓ group has an Australian Business Number (ABN);
- financial viability of the group:
 - ✓ proven financial viability, backed up by annual financial statements;
 - ✓ compliance with relevant legislation governing the activities of the group;
 - √ holds all relevant licences and approvals to operate;
- the community benefit of the proposal:
 - ✓ lease will increase social engagement and/or promote the health and well-being of the community;
 - meets a high level of need in the community or responds to a community demand for the service or activity;
 - ✓ without this service provision the Shire may be required to provide an additional service or the service would not be available to the community at all;
 - ✓ group's Rules of Association enable non-discriminatory membership, i.e. open to all residents who wish to participate in that service or activity;
 - ✓ group's fees are reasonable and accessible;
- · the suitability of the site for the specific purpose;

- the alignment of the proposal with Council's objectives as articulated in the Shire's Strategic Community Plan; and
- for Shire-owned freehold premises: the alignment of the proposal with Council's Property Strategy, in which freehold property is distinguished in three categories:
 - 1. social, community and civic purposes;
 - 2. economic purposes; and
 - 3. investment purposes.

4. STANDARD COMMUNITY LEASE

- 4.1 The community lease, developed by the Shire's solicitors, with standard terms and conditions, roles and responsibilities, as amended from time to time, will be executed between the Shire (lessor) and each community group (lessee) wishing to occupy Shire premises.
- 4.2 The term of the lease is negotiable taking into account the particular circumstances of the property and of the proposed lessee.

4.3 Insurance

All community groups are required to obtain Public Liability Insurance for a minimum cover of \$20,000,000. A Certificate of Currency must be produced by the community group before the signing of the lease and thereafter every twelve months.

5. RENT SUBSIDIES

Subsidising rent is an indirect form of financial support from ratepayers to community groups and should only be considered by Council if the community group can demonstrate benefits to the entire community (inclusive benefit) or to a particular section of the Shire community (exclusive benefit).

To ensure fair and transparent treatment, Council will assess community groups according to their capacity to raise revenue and assign them to one of three rent subsidy categories:

	Category A	Category B	Category C
	Peppercorn rent	Community rent	Market rent, discounted where appropriate
Rent setting	annual rent is \$1 per annum plus GST, payable in advance for the duration of the term of the lease	Determined by the size of the leased area: B1: areas up to 999sqm - \$500 per annum plus GST B2: areas 1,000sqm up to 4,999sqm - \$1,100 per annum plus GST	full market rent with any discount based on Council's assessment of the group's community benefit

		B3 : areas 5,000sqm and over - \$1,700 per annum plus GST	
Indicators of eligibility for rent subsidy	no revenue raising capacity from activities consistent with the group's purpose	limited capacity to generate revenue from activities consistent with the group's purpose	ability to raise revenue and charge fees from activities consistent with the group's purpose
	no access to other funding sources	service or activity is non-discriminatory, i.e. open to all residents who wish to participate in that service or activity	access to substantial government grants (federal, state or local)
	without this service provision the Shire would be required to provide an additional service	service or activity is extensively used by specific sections of the community (youth, seniors, etc.)	commercial activities may include, but are not limited to regular bar and food activities, retail shop sales, fee for service at commercial rates
	meets a high level of need in the community	limited access to other sources of funding (no more than 10% of total revenue)	significant administration resources, such as paid staff, office equipment etc.
	run exclusively by volunteers	run exclusively by volunteers	run by paid staff or paid staff and volunteers

All community lease rents, other than peppercorn rents, will be indexed annually for CPI.

Full market rent discounts (Category C):

Full market rent will be applied where the community group's annual rent is less than 5% of its ongoing operating revenue (or estimated operating revenue where the group is newly established). Operating revenue excludes any capital grants.

Where full market rent would account for more than 5% of the group's annual operating revenue or estimated revenue, Council may provide a subsidy on the following basis:

- 50% discount if the group demonstrates an inclusive benefit;
- 25% discount if the group demonstrates an exclusive benefit.

The level of financial support provided will be recognised by charging lessees full market rent and in the same transaction deducting the annual rent subsidy, where Council has approved such subsidy. This will result in full transparency as to the level of support each group receives from the Shire.

Review of financial support:

For newly established groups, whose subsidy is based on estimated revenue, the Shire will review its financial support upon receipt of two consecutive annual financial statements from the group. Adjustments resulting from such a review will not be retrospective.

If during the course of a lease a community group experiences significant changes to its operation, the group may request the Shire to review their assessment by providing substantiated proof of their changed conditions. Adjustments resulting from such a review will not be retrospective.

6. LEASE RENEWAL FOR EXISTING LESSEES

The CEO has delegated authority (CE-117) to renew lease agreements with existing lessees or negotiate new lease agreements with existing lessees whose lease has expired. During this process, the following criteria will be considered:

- There remains a strong demand in the community for the continuation of the lessee's activities or services;
- The facility is not required by the Shire for other purposes;
- Renewal of the agreement will continue to maximise benefits to the community and the Shire; and
- The lessee has not been consistently in breach of their obligations under the existing agreement.

Council Policy



2.X COMMUNITY LEASES

Responsible Directorate	Infrastructure Services	
Responsible Service Area	Building Assets	
Adopted	April 2019 C8.04.2019	
Reviewed	<month year=""> <approver></approver></month>	
Delegation Ref	CE-117 Community Leases	
Procedure Ref	N/A	

1. PURPOSE

The Shire has a number of properties which are used by a range of community groups and organisations, through a lease, licence or management agreement. This policy sets the overarching principles for the management of the Shire owned, managed or controlled property, including Crown land.

The purpose of this policy is to ensure:

- Shire leased assets are managed appropriately to optimise the benefit to and meet the expectations of the community in accordance with the Shire's Strategic Community Plan, Corporate Business Plan and Community Health and Wellbeing Strategy;
- a consistent, transparent and equitable approach for the process of Council
 entering into a formal lease agreement with community groups and
 government agencies to occupy Shire owned or managed land and buildings;
 and
- sound financial management, sustainable asset management and effective administration of the Shire's properties.

2. SCOPE

This policy applies to all community leases for community groups and organisations, including renewal of leases on expiration of current leases.

It does not cover commercial leases with business entities, as these are negotiated on a case by case basis.

Shire of Mundaring Bush Fire Brigades are excluded from this policy: as they are established under the *Bush Fires Act 1954* and the *Bush Fire Brigades Local Law 2013* and do not require a lease.

Facility hire (regular or occasional) to deliver community based programs, events and activities on an hourly or daily rate is not covered by this policy.



3. DEFINITIONS

capital upgrade refers to enhancement to the existing facility and

extends the asset to cater for growth or additional

service level.

capital renewal relates to expenses incurred to restore the original

function of the facility by replacing elements that have a life cycle shorter than planned for the entire

facility (for example carpets).

community group characteristics include but not limited to:

 a. incorporated not for profit group or association of persons with the primary aim of conducting activities and providing services for community benefit; and

 relies predominantly on volunteer labour, community fundraising, membership fees and donations; and

 may receive state or federal government operational grants and may rely on a fee for service business model.

community lease a legally binding agreement granted to community

group/organisation that provide services with direct

benefit to the community.

CPI consumer price index (CPI) is a quarterly measure

of inflation published by the Australian Bureau of

Statistics.

Incorporated a group of people who are recognised as a legal

entity, separate from individual members as defined under the *Associations Incorporation Act*

2015.

lease exclusive occupancy agreement. Throughout this

policy, the word "lease" includes "licence".

lessee a person, group/association who holds the lease of

a property. Lessee can be referred to as tenant.

lessor the owner of an asset that is leased to another

party. Lessor can be referred to as landlord.

lease or licence variation the addition, removal or change of one or more of

the Lease or Licence provisions.

licence non-exclusive occupancy agreement (shared use).

management agreement contractual arrangement outlining the terms and

conditions associated with usage.

market rent the annual rent amount the Shire might reasonably

expect to receive, and a lessee might reasonably expect to pay, for a tenancy. Market rent value is

determined by a licensed valuer.

4. POLICY

The Shire is committed to providing a fair, consistent and transparent approach to the leasing, licencing and management of Shire properties. The Shire acknowledge that there are a range of tenants and uses, many of which provide valued community benefits.

4.1. Occupancy Arrangements

The Shire will enter into one of the following agreements for the use of Shire owned and managed or controlled property including crown land.

4.1.1. Type of occupancy agreements

The main types of occupancy agreements include:

- a. Lease proprietary right to exclusive occupation and use of part or all of a Shire-owned property, for an agreed period, in return for rent. The tenant has exclusive use and occupation of the property, although the Shire may require the tenant to encourage other use and subletting can occur if mutually agreeable.
- b. Licence Contractual right to non-exclusive occupation and /or use of part of a Shire-owned property. It does not confer a right to exclusive possession or occupation of the property. The Shire may see to grant a licence to enable access to the property by the broader community outside of the licensee's usage times.
- c. Management agreement Contractual arrangement outlining the terms and conditions associated with usage, as negotiated. The terms and conditions are not standard and are negotiated between the two parties.

4.2. Classification of Tenants

4.2.1. Eligibility

In order for community groups and organisations to be assessed for a community lease, the prospective tenants must provide the required documentation. When assessing applications, the following criteria is to be considered:

 a. organisational structure
 i.e. incorporated under the Associations Incorporation Act 2015; has an Australian Business Number (ABN) (if applicable);



- demonstrated financial viability and applicable regulatory compliance
 - i.e. evidence of revenue; annual financial statements; compliance with relevant legislation governing the activities of the group; holds all relevant licences and approvals to operate; capacity to meet the cost outlined in the lease contractual agreement.
- c. community benefit
 i.e. lease will increase social engagement and/or promote
 the health and well-being of the community; meets a high
 level of need in the community or responds to a community
 demand for the service or activity; without this service
 provision the Shire may be required to provide an additional
 service or the service would not be available to the
 community at all:
 - Membership

 i.e. group's Rules of Association enable non-discriminatory
 membership, i.e. open to all residents who wish to
 participate in that service or activity; group's fees are
 reasonable and accessible;
- e. suitability of the site for the specific purpose;
- f. alignment of the proposal with Council's objectives as articulated in the Shire's Strategic Community Plan; and

Meeting the eligibility criteria listed above does not confer a right to the lease. The Shire reserves the right to decide whether a facility is offered on the basis of a lease; and if so, to whom the lease is offered.

4.2.2. Categories

In the first instance applications for community leases will be considered against the eligibility criteria (Refer to item 4.2.1). Where the criteria are met the application will be allocated to one of three categories based on the group/organisation structure and revenue_(Refer to appendix 1):

Category One: Incorporated, Leocally based, not-for-profit groups or organisations with a voluntary management committee and comprised mainly of local representatives. The group/organisation has limited capacity to generate revenue from on-site activities consistent with the group's purpose and the income of the group is generally restricted to low membership fees.

Category Two: Incorporated associations, groups and not-for-profit organisations run by paid staff; or, paid staff and volunteers, and with significant administration resources. The tenant has access to ongoing operation grants and/or substantial grants (federal, states or local) or generates additional revenue through membership fees, events, venue hire, or the sale of services or products consistent with the group's purpose.



Category three: Government Community Child Health Clinic. The tenant receives significant funding from the State or Federal Government or organisations other than the Shire and offer free community services that specialise in the health of mothers and their babies.

4.3. Fee Structure

The Shire is committed to providing access to Shire owned properties and facilities for the benefit of the local community and to strengthen communities through empowerment of incorporated associations.

The Shire-and-does not seek to derive profit from community leases and itIt-is acknowledged that the cost of providing affordable leases and licences
to not-for-profit community and sporting groups is subsidised by the
ratepayers of the Shire of Mundaring. To ensure fair and transparent
treatment, community groups will be assessed (as per item 4.2) and
according to their capacity to raise revenue and assign them to one of three
rent subsidy categories and term as included in the below table.

rent subsidy categories and term as included in the below table.				
Category and Fee Structure	Terms			
Category One: Peppercorn rent	Initial term is 5 years with option of			
Fee <u>\$</u> 1\$ per annum, <u>yearly</u>	2 x 5 years unless otherwise			
maintenance expenditure cap	negotiated by both parties.			
applies (refer to item 4.4.4 and				
Appendix 2).				
Category Two: Market rent,	Initial term is 10 years with option of			
discounted (as per item 4.3.1),	1 x 10 years.			
indexed annually for CPI, plus GST.				
Lessee responsible for all minor				
maintenance (refer to Appendix 2)				
expenditure.				
Category Three: Child health	Initial term is 10 years with option of			
Clinics	1 x 10 years.			
Fee: \$1\$ per annum. Lesee	-			
responsible for all minor				
maintenance (refer to Appendix 2)				
expenditure. with no capped				
maintenance				

Note:

Chidlow Progress Association (CPA), Mahogany Creek Progress Association (MCPA) and Katharine Susannah Prichard Foundation (KSPF) have been specified as Category One leases.

The CPA, MCPA and KSPF historical lease agreements provide for a Pepercorn rent with Lessee having full responsibility for the premises including major structural repairs.

4.3.1. Market rent (Category Two)

Full market rent will be applied where Category Two community group's annual rent is less than 5% of its ongoing operating revenue (or estimated operating revenue where the group is



newly established). For the avoidance of any doubts, operating revenue excludes any capital grants.

Where full market rent would account for more than 5% of the group's annual operating revenue or estimated revenue, Council will provide a 50% discount subsidy.

Market rent review will occur prior to commencement of new term; or, unless otherwise agreed by both parties at a shared 50% cost of valuation.

The level of financial support provided will be recognised by charging lessees full market rent and in the same transaction deducting the annual rent subsidy, where Council has approved such subsidy. This will result in full transparency as to the level of support each group receives from the Shire.

4.3.2. Review of financial support:

For newly established groups and organisations, whose subsidy is based on estimated revenue, the Shire will review its financial support upon receipt of two consecutive annual financial statements from the group. Adjustments resulting from such a review will not be retrospective.

If, during the course of a lease, a community group experiences significant changes to its operation, the group may request the Shire to review their assessment by providing substantiated proof of their changed conditions. Adjustments resulting from such a review will not be retrospective.

4.4. Standard Community Lease

The standard community lease, developed by the Shire's solicitors, provides clauses for standard terms and conditions, roles and responsibilities of the lessor and lessee, insurance requirements etc. The standard community lease may be amended from time to time upon negotiation and agreement prior to the lease being executed between the Shire (lessor) and each community group (lessee) wishing to occupy Shire premises.

The term of the lease is negotiable taking into account the particular circumstances of the property and of the proposed lessee.

4.4.1. Insurance

All community groups are required to obtain Public Liability Insurance for a minimum cover of \$20,000,000. A Certificate of Currency must be produced by the community group before the signing of the lease and thereafter every twelve months

4.4.2. Variation

If a lessee requests a variation to a Lease, the Shire may grant a variation on the condition that the variation is achieved by surrender of the existing Lease and the grant of a new Lease



with additional conditions the Shire considers appropriate, at the Lessee's cost.

4.4.3. Timing

A formal agreement or permit must be in place for all community leases within six (6) months of occupation. A community group without a formal lease contract will be required to hire or vacate premises if terms and conditions of lease are not accepted within 12 months of occupation.

4.4.4. Maintenance responsibilities

Each lessee is required to maintain the facility in accordance with the maintenance clauses attached to their lease and using the services of registered and qualified trades people <u>if applicable</u>. The maintenance clauses outline the responsibilities of the Shire and the <u>lessee</u>.

Category 1 lessees are to ensure that any maintenance expenditure is recorded (i.e. receipts kept) to determine if the maintenance cap has been expended. Where expenditure does not meet the defined maintenance responsibilities, the expenditure will not be included.

Refer to <u>aAppendix 2</u> 'Community Leases Guidelines' for schedule of maintenance obligations and responsibilities and frequently asked questions.

4.5. Lease renewal for existing lessees

The lessee may request a renewal of lease agreement within the lease tenure period. At the expiry of lease tenure period, a lease request will be considered as a new lease and should may be submitted to Council for approval.

The following criteria will be considered before a new lease tenure is granted:

- a. There remains a strong demand in the community for the continuation of the lessee's activities or services;
- b. The facility is not required by the Shire for other purposes;
- c. Renewal of the agreement will continue to maximise benefits to the community and the Shire;
- d. Existing lessee will be given first right of renewal providing the lessee has not been consistently in substantial breach of their obligations under the existing agreement; and,
- e. Application(s) for Shire owned community facilities have been considered on their merit.

5. APPENDICES

Appendix 1 Classification of tenants

Appendix 2 Community leases Guidelines



6. RELATED LEGISLATION

Local Government Act 1995 – section 3.58 (Disposing of property)

Local Government (Functions and General) Regulations 1996 – Regulation 30 (Exempt dispositions)

Land Administration Act 1997 - Part 4 (Reserves)

Occupiers' Liability Act 1995

7. RELATED DOCUMENTS

Nil

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Council Policy



CATEGORYONE						
Eligibility criteri	ia (for full details refer to Policy item 4.2)					
Organisational structure	Incorporated organisation, locally based service and not-for-profit. It has a voluntary management committee comprised mainly of local representatives. The organisation, community group or club may be part of a larger not-for-profit organisation (if not subsidised by parent body) and is run solely by volunteers.					
Revenue	The tenant has limited capacity to generate revenue from on-site activities consistent with the group's purpose and the income of the group is generally restricted to low membership fees.					
Community Benefit	The service is unique, specific and meets a high level of need, or the service meets identified social/ community needs. This type of service would not be provided unless supported by the Shire's lease.					
Membership	Group demonstrates low or affordable membership regime and good governance, and facilitates programs and activities that are specifically targeted at local residents and add value to the social and community fabric of the Shire. The service is non-discriminatory.					
Examples include but not limited to; small sport clubs, community playgroups, toy libraries, men's' shed, youth and day centres and community groups/organisations targeting social isolation. Management agreements with community gardens or with sporting and/or community groups over storage facilities.						

Tenant respons	Tenant responsibilities (for full details refer to community lease contract)										
Agreement type	Outgoings	Statutory Compliance	Pest inspection	Rubbish and recycling bins	ESL	Contents insurance		Capped maintenance and repairs	Capital upgrades	Building insurance (*)	Rent
Management agreement	х	х	х		х	х		х	х	х	Peppercorn
Licence	Ø	х	x		х	х		\square	x		Peppercorn
Lease	\square	х				\square			x	V	Peppercorn

(*) Tenant is responsible for 50% of building insurance premium

The service is non-discriminatory.

Membership

Eligibility criteria (for full details refer to Policy item 4.2) Organisational structure with significant administration resources. Revenue The tenant has access to ongoing operation grants (federal, state or local) and/or generates additional revenue through membership fees, events, venue hire, the sale of services or products consistent with the group's purpose.

The provision of the service is generally not within the remit of local government.

Examples include but not limited to; sporting groups, for-profit day care centres and Kindergartens. State wide or national not-for-profit organisations (unless a statement of financials is provided that demonstrates the group is not subsidised by parent body)

Tenant respons	Tenant responsibilities (for full details refer to community lease contract)										
Agreement type	Outgoings	Statutory Compliance	Pest inspection	Rubbish and recycling bins	ESL	Contents insurance		All minor maintenance and repairs	Capital upgrades	Building insurance (*)	Rent
Licence	Ø	х		✓	x	Ø	V	Ø			Discounted Market rent (**)
Lease	☑	x			Ø	Ø	V	Ø			Discounted Market Rent (**)

- (*) Tenant is responsible for 50% of building insurance premium and 50% of excess on insurance claims
- (**) Discounted market rent if applicable and as per policy item 4.3.1

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Licence

CATEGORYTH	CATEGORYTHREE										
Eligibility criteri	Eligibility criteria (for full details refer to Policy item 4.2)										
Organisational structure	Government	Sovernment Agency									
Revenue	Receives sig	Receives significant funding from the State or Federal Government or organisations other that the Shire.									
Community Benefit	The provision	The provision of the service is generally not within the remit of local government.									
Membership	N/A	N/A									
Category three applies to Community Child Health clinics											
Tenant responsibilities (for full details refer to Community lease contract)											
Agreement type	Outgoings	Statutory Compliance	Pest inspection	Rubbish and recycling	ESL	Contents Insurance		All minor maintenance and repairs	Capital upgrades	Building insurance	Rent

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 $[\]checkmark$ (*) Tenant is responsible for 50% of building insurance premium and 50% of excess on insurance claims

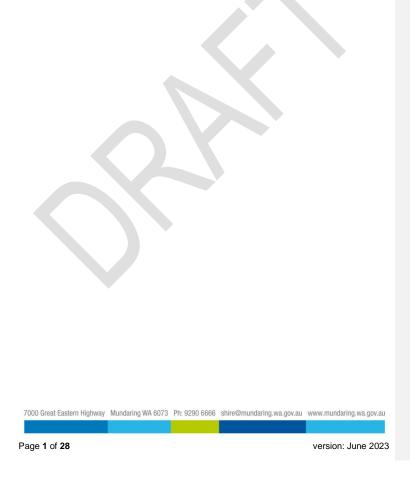
Policy - Appendix



APPENDIX 2 COMMUNITY LEASES Guidelines

This guide aims to provide simple guidelines and act as a point of reference to community leases for Lessees and prospective Lessees within the Shire of Mundaring (the Shire).

These guidelines do not replace your lease or licence agreement which should be referred to for further details. These guidelines should be read in conjunction with the "Community Leases Policy".



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Terminology

Throughout this document the community group or organisation holding a community lease (you) may be referred to as the Lessee or Tenant. The Shire, as the owner of the premises/land or the entity responsible for land/property under 'management orders' on behalf of WA State government, may be referred to as the Lessor or Landlord.

Glossary of terms used in this guide:

Capital upgrade

Refers to enhancement to the existing facility and extends the asset to cater for growth or additional service lavel

Capital upgrades are approved at the Shire's discretion and must demonstrate an alignment with the Shire's Strategic Objectives.

The Lessee may apply to Council for financial assistance to upgrade a leased facility with requests being considered as part of the budget process in the year in which the request is received. The Shire will also work to assist groups when applying for funding.

Capital renewal

Relates to expenses incurred to restore the original function of the facility by replacing elements that have a life cycle shorter than planned for the entire facility (for example carpets).

The Shire is responsible for capital renewal and repairs, which relate to major structural elements of the building such as the roof or load bearing walls. The Shire is also responsible for expenses incurred to restore the original function of the facility by replacing elements that have a life cycle shorter than planned for the entire facility due to fair wear and tear.

Contractual right

A right arising out of a contractual arrangement, for example the right to non-exclusive use of a property under a Licence or Management Agreement.

Emergency Service Levy (ESL)

The Emergency Services Levy (ESL) is a Department of Fire and Emergency Services compulsory levy for all buildings. ESL funds Western Australia's fire and emergency services, including career fire stations, volunteer fire brigades, State Emergency Service units, the Volunteer Marine Rescue Service and the multipurpose Volunteer Emergency Service units.

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Fixtures and fittings

Fixtures are items that are permanently attached – or fixed – to the property, like a fitted kitchen, hot water system, baths, sinks and toilets. Such items would almost always be included in the sale of a house.

Fittings can also be attached to the property, but are generally more temporary in nature, and can include things like mirrors, curtains or blinds, and some shelving or cabinets hung on a wall.

Gross rental value (GRV)

The GRV is an annual rental value for a property determined by the Valuer General once every three years. This means properties are valued on their potential rental income rather than their capital value.

Maintenance responsibilities

Facility maintenance includes minor day-to-day maintenance that can be performed by a handy-person and more significant asset renewal/ maintenance requiring the services of a qualified tradesperson. Licenced trades persons must be used when undertaking significant electrical, plumbing, gas and air-conditioning works.

All maintenance obligations and maintenance standards are clearly articulated in specific schedules to lease and licence documents and are summarised in this guide. Each Lessee is required to maintain the facility in accordance with the maintenance schedule attached to their lease or licence agreement.

The maintenance schedule outlines the responsibilities of the Lessor (the Shire) and the Lessee (you).

Outgoings

Outgoings are fees or charges incurred for the use of a property. These may include utilities such as water, electricity and gas usage, rubbish and recycling charges, sewage rates (in applicable). Outgoings are charged in addition to rent, licence fees and rates and taxes.

Structural

Structural maintenance applies to any major load bearing or large building component, such as wall framing, roof framing, or roof cladding where the majority of the component is affected. This also applies to building fixtures or equipment installed by the lessor where major failure has occurred.

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Understanding the Terms and Conditions in your Lease or Licence Agreement

Your association/organisation committee and/or anyone responsible for managing and maintaining your premises should:

- be aware your organisation has a lease or licence arrangement with the Shire
- have a good understanding of the terms and conditions of your lease or licence agreement.

The terms and conditions of your lease or licence agreement outline:

- permitted times and use/s of the premises
- fees and charges
- required insurances
- · a survey plan of your lease or licence boundary.

You should keep a copy of your current lease or licence agreement in an accessible location, where it can be readily referred to.

Your lease or licence agreement should be used to develop your organisation's policies and procedures and should be the basis of any sub lease hire/user group arrangements.

To request a copy of your current lease or licence agreement, contact the Shire's Property Management Officer.

Keeping the Shire Informed

You must contact the Shire when:

- there are changes to your management committee and/or contact information
- there are changes to your Rules of Association (Constitution)
- · you are planning improvements or works to your leased premises
- unexpected changes occur to the condition of your premises (e.g. significant storm damage, vandalism, illegal dumping etc.)
- your organisation is experiencing difficulty meeting the terms and conditions of the lease or licence agreement
- the financial position of your organisation is declining and/or a threat to your operations
- you need assistance managing your organisation (e.g. lack of committee members, issues with other user groups).

You will be asked to provide the following as required:

- audited annual statement of accounts
- information regarding your membership (i.e. membership numbers, fees).

Prior to undertaking any improvements or development works to a community lease site, you need to apply for Shire approval-permission (as the landlord). Further information is provided in the Frequently Asked Questions (FAQ) in this document.

Invoices

There are a range of invoices associated with a community lease:



Rent	Issued annually by the Shire.
Utilities (e.g. water, electricity)	If utility accounts are sent to the Shire, an invoice will be raised and forwarded to Lessee for payment. A copy of the account from the service provider will be provided with the invoice. Water and electricity accounts are issued bi-monthly.
Insurance and Emergency Services Levy (ESL)	Issued annually, around November or December.
Bins	If you have requested a bin service, it may be invoiced as a Rates Notice. This is for a waste service only, no land rates will apply. Tip Passes are available for a fee.

Insurances, Indemnity and Exclusion of Liability

All Lessees must have adequate public liability insurance and other coverage as appropriate for their operations such as building and professional indemnity insurance.

The Lessee is required to:

- Provide a copy of Certificate of Currency for Public Liability Insurance to the value of \$20,000,000 upon signing or renewal of policy;
- Arrange relevant insurance for own equipment and possessions <u>if desired</u>; Pay excess on own insurance <u>policies</u> in the event of a claim;
- Reimburse the Lessor the portion of the premium for building insurance as per
- pay excess of \$1500 in the event of a claim on the building insurance (50% of applicable excess). Category 2 and Category 3 lessees ONLY.

Your lease or licence agreement will detail the permitted uses for your leased area. Furthermore, you should note that there are certain provisions in regards to the following:

Casual Hire	The Lessee You must obtain prior written consent prior to for
	any hireentering into any hire arrangements
	All hire arrangement must be consistent with your permitted
	use (I.e. toddler birthday parties or mothers' group meeting
	in Playgroup premises) and where permission is granted,
	you will remains responsible for the Premises at all times.
Alcohol	Consumption and sale of alcohol is not permitted within the
	leased area without permission or relevant licencing
	requirements.
Sub-letting	Not permitted.
Option to renew	Prior to the expiry of lease term the Lessee will be contacted
(if applicable)	to confirm acceptance of an additional lease term.
Lease Expiry	Prior to the expiry of lease, Lessee's will be contacted to
	determine requirements for a new lease.

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Frequently Asked Questions

What alterations, additions, improvements or changes can we make to our leased property?

Alterations, additions, improvements or changes to a leased property can include, but are not restricted to, requests to remove a tree, replace a fence, painting, building a patio, or installing air conditioning. Works undertaken within a leased area require permission from the Shire and you need to check with the Property Management Officer prior to commencing any work.

You are required to contact the Shire in writing and provide as much information as possible regarding any work. At a minimum, you need to provide:

- The scope of works
- How are the works to be funded
- Who will be completing the works
- Map/ plan showing location of works.

Depending on the extent of the works an outcome will usually be provided between 1-10 working days and you will be advised if delays are expected.

Permission is required is to ensure works are compliant with relevant local planning or building laws and appropriate <u>building and/or planning</u> permits have been obtained <u>by the lessee</u>. At this time advice or suggestions may be provided to ensure the best outcome of the works to benefit the Lessee (alternative options, better long term outcome, less maintenance costs).

Approved works will be the responsibility of the Lessee for all future repairs, maintenance and replacement.

What type of inspections are likely to take place?

A range of inspections may be conducted on the leased area:

Fire Safety Inspections	Conducted annually by Fire Hazard Inspection Officers to assess firebreaks, access and fuel loads.
Property Inspections	Scheduled annually by the Property Management Officer to assess state of repair of the building.
Public Building Inspections	Generally conducted bi-annually by Health Officers to assess for various health risks. The frequency of these inspections may be determined by the risk of the premises. The main items assessed include patron numbers and egress, fire safety and public amenities (e.g. exit signs, emergency lighting, portable fire extinguishers, toilet facilities etc.)

Do we need to be on site when the Shire appoints a contractor?



When maintenance or servicing works are to be carried out by Shire arranged contractors, an email will be sent advising of scheduled works. While we cannot always provide an exact time and date will not be provided. You will have the option to advise of times/dates that may not be suitable or your preferred time/day for the contractor to attend. The contractor will be provided keys (and if applicable, alarm codes) by the Shire. It is not necessary for you to be in attendance

Should there be any special requests for the timing of appointment, your contact details will be forwarded to the contractor to make arrangements directly. If the contractor cannot gain access and has not been advised of any changes by you to the arranged time, a fee may apply to reschedule.

How do we check if our chosen contractor is licensed?

Licenced trades persons must be used when undertaking electrical, plumbing, gas and air-conditioning works. All other maintenance and repairs must be completed in a tradesperson like manner.

To check if your chosen contractor is licensed, refer to the Department of Mines, Industry Regulation and Safety - Occupational licence search.

What are our responsibilities for our roof, gutters, downpipes and eaves?

The Shire is responsible for the structural components of the roof.

You are responsible for preventative maintenance. In many cases, this will prevent the need for further general repairs.

It is recommended that you check your roof before and after severe weather seasons at the beginning of winter and the beginning of summer, with checks as necessary depending on likely leaf load, and pay particular attention to the following.

Internally:

- Check for signs of water damage (i.e. mould, mildew, drips, leaks, water strains and peeling paint).
- Check for signs of pests occupying roof space (i.e. rats, mice and possums).
 Long term infestation of pests may cause damage to wiring, insulation and ceilings.

Externally:

- Check for roof rust to avoid corrosion to sheeting or screws, and loose or damaged sheets.
- Check roof tiles to ensure there are no loose, cracked or missing pieces.
- Rot may affect wooden fixtures members and if there are signs of rot, they will need to be replaced. Any sign of rot to wooden roof structure needs to be reported to the Shire.
- Impact of additional installations which involve roof penetrations such as air conditioning, pipes, satellite dishes or other fixtures should be checked.
- Flashing should not be pulling away from roof or leaving gaps.
- Vallevs must be kept clear of leaves and debris.

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Rectify any issues identified during checks and advise the Shire immediately if you notice or suspect structural issues.

Problems caused by lack of maintenance or failure to clean gutters and downpipes can include:

- Damage caused by water overflowing, running over eaves, back into roof and onto the ceiling.
- Buckled, rusting or broken gutters due to excessive weight of debris build up.
- Gutters full of leaves in summer increase risk of <u>ignition from</u> ember attack should there be a nearby bushfire which can start fires and spread quickly to the rest of the premises.

Broken or bent fastenings should be repaired to ensure even flow. Drains should also be cleared to make sure the water can get away once it exits from the downpipes.

Gutters and downpipes not adequately cleaned or maintained will not be considered fair wear and tear should rust develop or be eligible for use of the maintenance cap (if applicable) towards to cost of repairs or replacement.

Our water consumption bill seems very high? What do we do?

Water leaks may not always be obvious, sometimes it not until a larger than usual water account arrives that the problem is noticed.

The Water Corporation provides a useful tool to detect leaks and expert advice on steps to follow. See Leaks/Watercorporation.com.au.

In first instance it is recommended you check the following:

Toilets	Check seals, float valve and tap for leaks
Taps	May need new washer, reseating or replacing. Don't forget to check all taps including washing machine taps (if applicable) and outside taps
Reticulation	Check for missing or damaged sprinklers, split/damaged pipes and joins.

Also consider checking evaporative air-conditioning units, hot water systems and water pipes in ceilings if this is applicable to your leased premises.

When engaging a plumber for minor repairs it is often worthwhile getting all taps and toilets checked and if needed, serviced at the same time.

What are our responsibilities regarding fire prevention?

In the Shire firebreaks are required to be in place before 1 November each year and maintained up to 31 March the following year. You are responsible for ensuring firebreaks are installed as per Firebreak and Fuel Load Notices. Firebreaks are to be no less than 3 metres wide and have no less than 4 metres height clearance.

Fire Appliance Access is required and you are required to maintain a safe and easy entry and exit from the property with adequate turnaround near buildings.



Other works required to maintain a low fuel load include: Raking and removing accumulated leaf litter, twigs and bark and removing of any piles of combustible material. Maintaining long grass no higher than 50mm. Ensuring a minimum of 2 metre distance between shrubs and structures by trimming vegetation back from buildings. Keeping gutters free from leaves and combustible material. Cleaning roofs of sheds. Advising Shire of any branches overhanging buildings. A guide to the Shire's **Bush Fires and Fire Management** is available on the Field Code Changed If you have question or require advice, contact the Fire Hazard Inspection Officers who can provide advice on keeping your leased area compliant with the Shire's Firebreak and Fuel Load Notice. To arrange a site visit at a time convenient to you please phone 9290 6696 or email Field Code Changed 7000 Great Eastern Highway Mundaring WA 6073 Ph: 9290 6666 shire@mundaring.wa.gov.au www.mundaring.wa.gov.au Page 10 of 28 version: June 2023

Additional information Funding Options There are a wide rar as:

There are a wide range of funding options available for community groups such as:

- · Grants funding
- Sponsorship
- Donations
- Fund raising
- Cash and in-kind contributions from other community organisations/ individuals

The Shire has developed a community grants program to provide funds to local community groups for activities that not only benefit the members of the group, but the broader community. Grants must meet identified community need, promote active participation of local residents and build community strength.

The grants program is organised on a financial year basis and is a competitive process. For more information about available grants refer to the Community Grant Program page on the website. or contact the Community Capacity Building Officer on 9290 6678 or via Cccbo@mundaring.wa.qov.au

Request for Capital Works

The Shire's annual budget is determined by its long term Financial Plan and Corporate Business Plan in line with the Shire's Strategic Community Plan.

Requests for assistance with capital works need to be assessed and set according to priority. <u>before being considered for subsequent years' funding.</u>

Any request for capital work should be sent to <u>shire@mundaring.wa.gov.au</u>.

Disability Access and Inclusion

The Shire is committed to continually improving access and inclusion for both residents and visitors. The Access and Inclusion Informing Strategy 2022/2026 provides a framework for the Shire to create an accessible and inclusive community for all people regardless of their ability, age, culture, sex, gender, or sexual orientation. The Action Plan sets out what actions will be implemented over the next five years, and the responsible service areas within the Shire that will deliver on the Plan.

For more information refer to the <u>Access and Inclusion Informing Strategy</u> page on the website.

For more information about access and inclusion, please contact the Shire's Coordinator Community Engagement team on 9290 6715 or email cce@mundaring.wa.gov.au.

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Lease and License Categories

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The below information is provided as a guide only and does not replace your lease or licence agreement.

To determine the category relevant to you, refer to the "Community Leases Policy" item 4.2 and Appendix 1 Classification of tenants.

Initial term	5 years					
Option	Up to two (2x) 5 year options (at the Shire's discretion)					
Your Responsibilities (as Lessee / Tenant)	Payments Peppercorn rent, licence or management fee All outgoings and consumption charges, including but limited to utilities, rubbish and recycling bin charges, water rates and taxes (if applicable) Pest control (excluding termite) as required ESL (not applicable to a licence or management agreement)					
	Insurance					
	50% of building insurance costpremium 50% of the excess of building insurance claims (not applicable to a licence or management agreement) with minimum claim value of \$3000 Full replacement value content insurance including lesse's fixtures, fittings, equipment and stock if desire \$20 million public liability insurance					
	Repair / Maintenance					
	Maintain property clean and in good repair No property modifications or installations to be undertaken without Shire approval (and statutory approvals if applicable) General minor maintenance of premises (capped amount) up to \$1500 per annum. All costs relating to replacement of fittings and fixture including light globes and taps washers Internal and external cleaning (including annual carpe cleaning if applicable) Minor remedial painting to repair general wear and te (patch painting)					
	Acknowledgement of the Shire					
	The Lessee will acknowledge the Shire's support through signage or other means as agreed by the Shire.					
	Acknowledgement of the Shire The Lessee will acknowledge the Shire's support throug					

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The Shire's Responsibilities (as the Lessor)

Payments

- Termite inspections and treatment
- Cost of statutory compliance (RCD, smoke alarm, emergency exit and fire extinguisher servicing)
- 50% of building insurance costpremium
- 50% of building insurance excess

Repair / Maintenance (unless damage caused by Lessee)

- Scheduled major painting of interior/exterior, or both, as a preventative maintenance process
- Structural maintenance, replacement and repair (roofing, main structure)
- Pumping out and cleaning of septic tanks (if applicable)
- Repairs or replacements necessary due to fair and reasonable wear and tear
- Major pruning of trees (if applicable)

Capital Upgrades

Capital renewal of existing assets to be undertaken at the Shire's discretion. Capital upgrades and capital expansion of all assets within the leased area at the Shire's discretion.

Inspections

The Shire will inspect the premises annually (or as required) and will give the Lessee appropriate notice in accordance with the lease terms.

Tenancy Fee

Peppercorn rent, capped maintenance

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Obligations of Lessee and Default Provisions

The Lessee is responsible for paying any license fees and/or rent and any other monies owed under the agreements within 30 days of the due date.

Continued failure to pay monies due and owing under the agreement may result in the Shire terminating the agreement.

Acknowledgement of the Shire

If less than the market rent is being paid by the Lessee, the Lessee will acknowledge the Shire's support through signage or other means as agreed by the Shire.

The Shire's Responsibilities (as the Lessor)

Payments

- Termite inspections and treatment
- Cost of statutory compliance (RCD, smoke alarm, emergency exit and fire extinguisher servicing)
- 50% of building insurance premiumcost
- 50% of building insurance excess

Repair / Maintenance (unless damage caused by Lessee)

- Scheduled major painting of interior/exterior, or both, as a preventative maintenance process
- Structural maintenance, replacement and repair (roofing, main structure)
- Pumping out and cleaning of septic tanks (if applicable)
- Repairs or replacements necessary due to fair and reasonable wear and tear
- Major pruning of trees (if applicable)

Capital Renewal

Capital renewal and capital expansion of all assets within the leased area to be undertaken at the Shire's discretion.

Inspections

The Shire will inspect the premises annually (or as required) and will give the Lessee appropriate notice in accordance with the lease terms.

Tenancy Fee

Market rent, discounted where applicable (Community Leases #insert policy number - Item 4.3.1)

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Category Three (ex	ccerpt of essential terms)						
Initial term	10 years						
Option	Up to one (1x 10 years options (at the Shire's discretion)						
Your Responsibilities (as Lessee / Tenant)	Payments Rent or licence fee All outgoings and consumption charges, including but not limited to utilities, rubbish and recycling bin charges, water rates and taxes (if applicable) Pest control (excluding termite) as required ESL (not applicable to a licence)						
	Insurance • 50% of building insurance premiumcost • 50% of the excess of building insurance claims with a minimum claim value of \$3000 • Full replacement value content insurance including fixtures, fittings, equipment and stock • \$20 million public liability insurance						
	Repair / Maintenance Maintain property clean and in good repair No property modifications or installations to be undertaken without Shire approval (and statutory approvals if applicable) General minor maintenance of premises (no annual maximum expenditure cap) (uncapped)						
	 All costs relating to the replacement of fittings and fixtures including light globes and taps Internal and external cleaning (including annual carpet cleaning if applicable) Minor remedial painting to repair general wear and tear (patch painting). 						
	Capital Upgrades Capital upgrades and capital expansion of all assets within the leased area and maintenance of fit-out.						
	Obligations of Lessee and Default Provisions						
	The Lessee is responsible for paying any license fees and /or rent and any other monies owed under the agreements within 30 days of the due date.						
	Continued failure to pay monies due and owing under the agreement may result in the Shire terminating the agreement.						
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Acknowledgement of the Shire If less than the market rent is being paid by the Lessee, the Lessee will acknowledge the Shire's support through signage or other means as agreed by the Shire. The Shire's **Payments** Responsibilities Termite inspections and treatment (as the Lessor) Cost of statutory compliance (RCD, smoke alarm, emergency exit and fire extinguisher servicing) 50% of building insurance premium cost 50% of building insurance excess Repair/ Maintenance (unless damage caused by Lessee) Scheduled major painting of interior/exterior, or both, as a preventative maintenance process Structural maintenance, replacement and repair (roofing main structure) Pumping out and cleaning of septic tanks (if applicable) Repairs or replacements necessary due to fair and reasonable wear and tear Maintenance of roofing, mechanical services and the main structure Major pruning of trees (if applicable) Capital Renewal Capital renewal and capital expansion of all assets within the leased area to be undertaken at the Shire's discretion. The Shire will inspect the premises annually (or as required) and will give the Lessee appropriate notice in accordance with the lease terms. **Tenancy Fee** Peppercorn rent, uncapped maintenance 7000 Great Eastern Highway Mundaring WA 6073 Ph: 9290 6666 shire@mundaring.wa.gov.au www.mundaring.wa.gov.au Page 17 of 28 version: June 2023

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A to Z of Maintenance Obligations

The below table provides an A-Z list of obligations relevant to you as the Lessee and the Shire as the Lessor.

The below information is provided as a guide only and does not replace the obligations as listed in your lease or licence agreement.

General Terms

Alterations	Lessee must seek written consent from Lessor prior to make or allow, any alteration, addition, improvement, or demolishment of any part of the premises After obtaining written consent, Lessee must apply for and obtain all such consentstatutory approvals, authorities, permits or policies as are required by law before undertaking any alterations, additions, improvements or demolitions.
	Lessor will evaluate any request for alteration submitted by Lessee and communicate determination in relation to submission.
Building Insurance claims	Lessee is responsible for 50% of any insurance excess with a claimBuilding insurance covers property in the event of, but not limited to, fire, storm damage, vandalism, break-ins. Insurance claim minimum value of s \$3000.
	If estimated cost to repair damaged property is below the value of insurance excess, the repair will be considered a minor maintenance item and applicable expenditure cap will apply.
	Category 1 lease: Lessor responsible for 50% of insurance excess (with a claim minimum value of \$3000).

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Maintenance expenditure cap

Lessee must promptly repair or replace any damaged item. when the repair or replacement cost is less than the Once-off Maximum amount (\$500) and, the a

(Category 1 leases)

Category 1 lease: Amounts expended by the Lessee on maintenance or repair is less than the are capped at an Annual Maximum amount of \$1500; per year-.(\$1500); once-off and annual maximum amounts are including any insurance excess for such repair or replacement:

If the <u>total</u> amounts <u>expended</u> exceed ence-off orthe_annual maximum amount, **Lessee** is <u>required</u> to provide <u>the</u> Lessor with two (2) written quotes (although one quote may be accepted dependant on the scope of work and the quality of quote received detailed evidence of previous expenditure in the form of itemised tax invoices). Where maintenance works are required beyond the maintenance cap the **Lessor** reserves the right to seek alternative quotations and will pay the additional amount in excess of the Annual Maximum

<u>Category 1 leases:</u> <u>Lessor pays any amounts over Once off maximum amount \$500.</u>

and/or over Annual Maximum Amount: \$1500,

Expenditure caps increased annually by the Local Government Cost Index (LGCI).

Where maintenance works are required beyond the maintenance cap the **Lessor** reserves the right to seek alternative quotations and will pay the additional amount in excess of Once-off Maximum Amount or the Annual Maximum amount.

Maintenance (General)

Lessee is responsible for the cost of repair or replacement if it is necessary because of any action or omission of or on the part of the Lessee or the Lessor's insurances are invalidated by any act, neglect or default by the Lessee.

Lessee will be responsible for the cost of structural maintenance, replacement or repair when such maintenance, repair or replacement is necessary because of any action or omission of or on the part of the Lessee or by the Lessee's particular use or occupancy of the Premises

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Lessor will carry out <u>agreed</u> repairs or replacement that are necessary as a result of fair and reasonable wear and tear and so long as the Lessee has completed regular and ongoing preventative maintenance and repairs as needed, and to maintain the property to a standard appropriate for the age of the premises.

Lessor is responsible for the cost of structural maintenance

General Statutory / Minimum Level of Service Obligations

Asbestos	Lessee will be provided with an excerpt of the Asbestos Containing Material (ACM) register in their meter box (if applicable) and any works involving asbestos containing materials must be carried out by a suitably licensed contractor.
Emergency exit lighting systems and emergency doors	Lessee is responsible for notifying the Lessor if any Fire Evacuation Exit Signs are not in good working order.
	Lessor will arrange for annually test and service by a qualified technician and replacement of non-compliant, faulty or damaged equipment as required at time of service call.
Firefighting equipment and exit signs	Lessee to ensure firefighting equipment is not tampered with or removed from designated area.
	Lessee is responsible for costs incurred for replacement if misuse, tampered or lost Fire Fighting Equipment.
	Lessor will arrange annual inspection of the premises to ensure compliance with DFES-statutory requirements.
	Serviced at least every 6 months by a qualified technician and replacement of non-compliant, faulty or damaged equipment as required at time of service call.

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Pest control

Lessee will keep leased premises free of pests. Lessee is responsible for cost of extermination of pests with the excemption of white ant treatment. This includes but not limited to:

- Ants
- Cockroaches
- Birds
- · Rats and Mice
- Spiders
- Wasps
- Possums

Lessee to keep building in such a matterner as not to encourage white ants i.e. not stacking newspapers timber etc. against walls and to report any sign of white ants activity to the lessor and in a manner which discourages all pest intrusions.

Lessor will arrange annual white ant pest inspection, and treatment if required, by a licenced and insured Pest Control technician. Testing and bait stations installation will be conducted on advice from pest control technician.

RCD protections, tagging electrical equipment

Lessee to ensure that all portable plug-in electrical equipment is regularly inspected in accordance with relevant legislation.

Lessor to ensure that all RCDs are inspected, tested, repaired and maintained in accordance with the relevant legislation.

Interior of Premises

Bathrooms and change rooms (including: drains sewerage, showers,

toilets etc.)

Lessee must keep clean at all times and ensure all are operable and free from any blockages.

Lessee shall not permit foreign objects or matter to be placed into drains, toilets or grease traps<u>and is responsible for clearing blockages</u>.

Lessor will replace irreparable items and undertake capital renewal as and when determined by the lessor.

Lessor is responsible for clearing blockage caused by tree roots entering drain pipes <u>if due to fair and reasonable wear and tear</u>.

Where the lessor undertakes works or repairs to clear blockages which have occurred as a result of the neglect, misuse or default of the lessee, the lessee may be required

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	to pay part or all of the lessor's costs of undertaking those works
Carpet	Lessee to keep carpets clean at all times. Carpets are to be vacuumed often and steam clean at least once annually we spot cleaned to occur as needed.
	Lessor will replace as and when determined and schedule by Lessor.
Ceiling	Lessee to keep ceiling clean, free of cobwebs and cleaned any temporary decoration.
	Penetrations for appliances such as a Air conditioning vent and the like shall be kept clean and in good working order.
	Note: Any water damage or sagging to be reported to the Lessor.
	Lessor to repair any structural damage to ceiling.
	If damage is caused or contributed to by the lessee or lessee's employees and visitors, the lessor may require the lessee to reimburse it for part or all of the cost of repairing damage
Cleaning and cobweb removal	Lessee to ensure premises is kept tidy and free of litter, di rubbish, cobwebs and broken glass at all times.
Cupboards, benches, cabinets	Lessee to regularly clean all doors, latches, drawers and shelves and to keep free from any damage, marks or food residue.
(built in joinery)	Lessor to replace built in joinery as and when determined the lessor.
Doors	Lessee to keep doors clean, free from any marks, damage and cobwebs. Doors are to be lockable and operable. An door closers or other devices fitted should be maintained in good working order.
	Note: Locks are not to be changed without the prior approvof the Lessor. Locks must be keyed to the Lessor's Key System.
Floors	Lessee to keep floors clean and regularly maintained in accordance with the requirements of the type of surface, i. hard floors to be swept and mopped.
	nara noors to be swept and mopped.

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	Lessor will replace floor coverings as determined by the Lessor. This is generally when the coverings have reached the end of their life as a result of fair and reasonable wear and tear. Lessor is not responsible for replacement when it due to lack of care and maintenance or due to abuse or damage by the Lessee.
Keys / locks / hardware	Unless otherwise approved by the Lessor in writing, the Lessee must not have additional sets of keys copied or cut and must immediately notify the Lessor of any loss of keys;
	Locks are not to be changed without the prior approval of the Lessor. If the locks are changed, the Lessee must provide the Lessor with keys to access all areas of the Premises.
	The Lessee is responsible for the maintenance and repairs of window and door hardware including the cylinder.
	Lessor is to provide the Lessee with one (1) set of keys for access to the Premises and all rooms therein.
	Bi-lock System: Works to repair or change locks will be undertaken by the Shire and costs forwarded to the Lessee
Painting	Lessee is responsible for patch painting required for repair purposes.
	Lessor will schedule and carry out preventative maintenan
Sink, basin, pedestal pans and cisterns	Lessee to maintain in clean and operable condition and cle of all blockages caused by foreign objects or matter. Lesse to repair fittings such as taps.
Toilets	Lessee to keep in a clean and operable condition at all time and check seals, float valve and tap for water leaks as well
	as clear all blockages caused by foreign objects or matter placed in toilets.
	placed in toilets. All consumables, i.e. Toilet paper, paper towels, are to be
Walls (interior)	placed in toilets. All consumables, i.e. Toilet paper, paper towels, are to be supplied by the Lessee. Replacement of fittings such as roll dispensers and coat
	placed in toilets. All consumables, i.e. Toilet paper, paper towels, are to be supplied by the Lessee. Replacement of fittings such as roll dispensers and coat hangers rest with the Lessee. Lessee to keep all wall surfaces throughout the premises
	placed in toilets. All consumables, i.e. Toilet paper, paper towels, are to be supplied by the Lessee. Replacement of fittings such as roll dispensers and coat hangers rest with the Lessee. Lessee to keep all wall surfaces throughout the premises clean, free from any marks, damage and cobwebs
(interior)	placed in toilets. All consumables, i.e. Toilet paper, paper towels, are to be supplied by the Lessee. Replacement of fittings such as roll dispensers and coat hangers rest with the Lessee. Lessee to keep all wall surfaces throughout the premises clean, free from any marks, damage and cobwebs Lessor to repair structural damage to load bearing walls. If damage is caused or contributed to by the lessee or lessee's employees and visitors, the lessor may require the lessee to reimburse it for part or all of the cost of repairing to

Windows

Lessee to ensure that all dirt, sand and rubbish is kept clear from windows tracks.

- Clear any debris from weepholes in the windowsills.
- Lubricate moving parts such as rollers, locks and hinges.

Check seals and replace as require.

Internal/ External painting will be part of the **Shire's** maintenance schedule and will include doors and windows frames where previously painted.

Fixtures, Fittings, Appliances and Electrical

Airconditioning

Before installing any new air conditioners, **Lessee** must seek permission from the Shire to undertake works. The Shire will give consideration to insulation, ventilation, and capacity of electrical supply.

The **Lessee** is required to <u>operate</u>, <u>clean</u> <u>and service any</u> installed air-conditioning unit in accordance with the manufacturer's standards.

If installed by Lessee, installation, repairs, maintenance, servicing and replacement of air conditioners is the responsibility of the lessee.

If installed by **Lessor**, air-conditioning will be replaced at the end of its serviceable life.

Electrical fittings

Lessee to keep all electrical fittings such as power points, light switches and light fittings in clean and in good working order. Lessee to replace light globes and fluorescent light tubes which may fail.

Gas appliances

Lessee to operate and regularly clean appliances to maintain in good working order with all gas supplier requirements being complied with.

Lessor does not support gas appliances and would replace with comparable electric appliance

Hot water system

Lessee is responsible for the maintenance and servicing of the hot water system.

Lessor will replace hot water system at the end of its serviceable life.

White Goods including stove, fans,

Lessee to keep white goods clean, operable, regularly maintained and repaired as required and operated in accordance with the manufacturer's requirements.

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Other	Lessor will replace white goods at the end of its serviceable life if it is an identified Shire asset.
Exterior and Su	rrounds
Carpark	Lessee is responsible for ensuring car park is clean and clear of rubbish, trip hazards or obstructions.
	Lessor responsible for bitumen repairs, pot-hole maintenance and line marking.
Eaves, gutters and downpipes	Cleaning and maintaining gutters and downpipes should be a regular part of Lessee maintenance schedule. This may vary from twice to several times a year, dependant on your location and time of the year.
	Lessor will replace eaves, gutters and downpipes at the end of <u>their</u> serviceable life, subject to adequate care and maintenance by the Lessee.
Fencing	Lessee to keep fencing clean and free of any graffiti and repair any minor damage.
	Lessor will replace fencing at the end of its serviceable life – like for like.
Fire Prevention	Lessee to maintain fire prevention requirements as per Shire of Mundaring Firebreak Notice and conduct any other fire management matters as instructed by Shire of Mundaring Chief Fire Control Officer.
	Refer to FAQs provided in these guidelines.
Garden and surrounds	To be kept in tidy and free from litter and rubbish. Lessee must regularly inspect and maintain in good condition any part of the Premises which surrounds any buildings including but not limited to any flora, gardens lawns, shrubs, hedges and trees.
	Lessee is responsible for any minor pruning. If any flora, trees or lawn dies to be replaced at its own expenses.
	The Lessee must plant and care for such trees on the Premises as the Lessor may from time to time reasonably require.
	The Lessee may not remove any trees, shrubs or hedges without first consulting with and obtaining the approval of the

Pathways	Lessee to keep pathways clear of rubbish and swept regularly with care not to damage vegetation surrounding the building.	
	Lessor is responsible for Shire verge footpaths.	
Roof	Lessee is responsible for internal and exterior preventative maintenance and minor maintenance.	
	Lessor is responsible for the structural components of the roof.	
Rubbish Bins	Lessee to ensure all rubbish is placed in the outside rubbish bins in the designated bin areas/enclosures. Bin enclosure is to be kept clear of all rubbish.	
Tree pruning	Lessor is responsible for any major tree pruning and tree removal (unless noted otherwise in lease) as determined by the Lessor.	
Signs	Signs located on the building, are to be regularly maintained by Lessee and kept in a safe condition. Signs that may become damaged are to be replaced immediately. Any approvals or licences for signs are to be kept current.	
	Installation of any sign requires approval from the Lessor.	
Veranda	Lessee to keep clean and free from cobwebs.	
Walls	Lessee to keep exterior walls free from any marks, damage and cobwebs.	



Graffiti	Graffiti removal is the responsibility of the Lessee and any graffiti should be removed as quickly as possible. Report Graffiti to Shire and via Report Graffiti Form. For	Field Code Changed
	further information on removing/preventing graffiti Goodbye Graffiti.	Field Code Changed
Malicious damage and break ins	Lessee is responsible for notifying the lessor of any incidents of malicious damage or break-ins and submitting a police report for insurance purpose, repairing and replacing any stolen goods or broken fixtures and fittings, minor repairs and cleaning of broken glass, windows and doors after an act/incident of malicious damage. Report any incidents of malicious damage or break-ins to the Lessor and pay insurance excess if applicable.	
	Where claim is estimated to be above excess threshold, Lessor will submit building insurance claim on behalf of Lessee if applicable.	
Security system	Lessee to ensure the premise is maintained in a secure condition at all times.	
	The Lessee may, with prior approval from the Lessor, install a security system to the premises and pay all costs associated with the installation and ongoing monitoring of a security system. Such system is to be maintained by the Lessee in accordance with the supplier's instructions.	
	All security telecommunications and other fees are to be met by the Lessee.	
	If security system is installed the Lessee is required to provide access keys and alarm codes to the Lessor.	
Security screens	Lessee to keep security screens clean and firmly fixed. Any cobwebs to be regularly removed	
Vandalism	Lessee to notify Lessor of any act of vandalism to the premises or any incident which occur on or near the premises and remove/repair internal and external signs of vandalism.	
	At request of Lessee, Lessor will submit a building insurance claim on presentation of a police report if applicable, behalf of lessee where claim is estimated to be above insurance excess threshold.	
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Further Questions? Should you require further information regarding community leases, please refer to the "Community Leasing Policy". If assistance is required to determine the category relevant to your organisation, or any other enquiry, please contact: Dee Roberts **Property Management Officer** Email: shire@mundaring.wa.gov.au Field Code Changed 7000 Great Eastern Highway Mundaring WA 6073 Ph: 9290 6666 shire@mundaring.wa.gov.au www.mundaring.wa.gov.au Page 28 of 28 version: June 2023

6.0 CLOSING PROCEDURES

6.1 Date, Time and Place of the Next Meeting

The next Ordinary Governance Committee meeting will be held on Monday, 21 August 2023 at 5.00pm in the Committee Room, Shire of Mundaring Administration Centre.

6.2 Closure of the Meeting

The Presiding Member closed the meeting at 5.11pm.