



City of Nedlands

LATE ITEMS

Ordinary Council Meeting

Wednesday, 01 October 2025



16.4 Adoption Leasing and Licencing Policy

Report Number	CPS.40.10.25
Applicant	City of Nedlands
Disclosure of Interest	Nil
Voting Requirements	Simple Majority
Authority/Discretion	Legislative
Contributing Officer	Anita Stirrat – A/Coordinator Strategic Land & Property
Responsible Officer	Anita Stirrat – A/Coordinator Strategic Land & Property
Director	Keri Shannon - Chief Executive Officer
Attachments	Attachment 1 – Draft Leasing and Licencing Policy

Purpose

The purpose of this report is for Council to consider the proposed Leasing and Licensing Policy, which would be applicable to the leasing and licencing of City facilities where they are used for commercial/profit purposes.

The new policy promotes the implementation of consistent and equitable terms and conditions, establishes minimum standards and seeks to ensure leasing and licencing arrangements contribute to a sustainable City.

Officer Recommendation

That Council ADOPTS the Leasing and Licencing Policy as per Attachment 1.

Background

The City has an existing policy relating to the leases and licenses for community facilities and not for profit purposes – the *Lease, Licence, Exclusive Licence and Hire of Community Facilities Policy*.

That policy does not deal with the City's approach to leasing and licensing where the lease or license is for a commercial/for profit use. The proposed Leasing and Licensing policy seeks to address that gap.

Discussion

The City manages a diverse portfolio of properties comprising of buildings and structures, as well as reserve land over an area of approximately 20km², either as freehold or managed property which is reserved or dedicated under the Land Administration Act 1997.



Properties used for recreation and community purposes are considered community facilities and are managed by the City for the benefit and in the best interest of the residents and ratepayers in accordance with the terms and conditions of the current *Lease, Licence, Exclusive Licence and Hire of Community Facilities Policy*, adopted in February 2023.

Where organisations are run on a commercial/for profit basis, it will not normally be appropriate or in the best interest of ratepayers for these leases or licenses to be granted at a below market rate.

It is also important (both for ratepayers and lessees/licensees) that where leases or licenses are entered into on a commercial basis, that there is consistency in relation to the terms of those leases/licenses – including for example, provisions relating to rent, rent increases, maintenance, management and insurance.

The proposed Leasing and Licensing Policy will form the basis for the assessment, negotiation and granting of all commercial/for profit agreements/licenses and will ensure that a consistent and transparent approach is applied across the City area.

The City's Property and Leasing team is in the process of producing an internal policy that will provide standard terms and conditions to be applied to all new leases and licenses across the City's commercial portfolio. This will guide the negotiation of leases and licenses proposals with prospective leaseholders and licensees.

Under the terms of the Policy, all final decisions and approvals for the granting of leases (including renewals), sub leases, and licenses will remain with Council.

Consultation

Nil

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision	Sustainable and responsible for a bright future
Pillar Outcome	Prosperity
	9. A vibrant local economy.
Pillar Outcome	Performance
	11. Effective leadership and governance.



Budget/Financial Implications

If Council proceeds with the adoption of the Leasing and Licencing Policy, there will be no immediate cost to the City.

Ensuring commercial/for profit lease and license holders pay a commercial rent will bring in additional revenue for the City and deliver value to ratepayers.

Legislative and Policy Implications

All disposals must comply with the provisions of section 3.58 of the Local Government Act 1995.

Decision Implications

Should Council resolve to endorse the recommendation, the Leasing and Licencing Policy will be implemented and utilised immediately.

If Council resolves to not endorse the recommendation, there will remain a gap in policy provision relating to leasing and licensing of City facilities for commercial/for profit uses.

Conclusion

The Leasing and Licencing Policy seeks to provide clear guidelines, balance appropriate management of the City's facilities and effective administration of these assets in an equitable and consistent manner.

Further Information

Nil

Leasing and Licencing Policy

Responsible Directorate Corporate Services

1. Context & Objectives

The City of Nedlands (City) is committed to providing a clear and consistent approach to the City's Leasing and Licensing arrangements of City Facilities.

The objective of the City is to:

1. Maximise commercial returns to the City, whilst balancing and recognising social, cultural and community benefits generated by a tenant or community group.
2. Ensure consistency and equity in Leasing and Licensing arrangements.
3. Ensure land and buildings are maintained safely and to an appropriate standard (subject to an acceptable allocation of responsibility) preserved and managed responsibly

2. Definitions

Commercial Activity is an activity generating income by the tenant (or its subtenant/licensee) from ongoing activities, or a specific event, that has financial profit as its primary aim or where such activity is conducted by a non-exempt body or organisation under the Local Government Act 1995. This is not intended to include clubs undertaking normal fundraising activities for club members (including bar operations).

Crown Land refers to public land owned by the State of Western Australia and managed by the City pursuant to a Management Order.

Facility land and/or buildings owned or managed by the City.

Lease means a contract outlining the terms under which one party agrees to rent property owned by another party. It guarantees the Lessees exclusive use of an asset and guarantees the Lessor regular payments from the Lessee for a specified term.

Licence means a contract outlining the terms under which one party is granted permission to use property owned by another party for a fee. It guarantees the Licensee non-exclusive use of an asset and guarantees the Licenser a fee from the Licensee for a specified term.

3. Scope

This policy applies to the Leasing and Licensing (both new and renewals) of all land and building assets owned or controlled by the City (including but not limited to uses for residential, industrial, sporting, recreational and other commercial purposes) - other than - those arrangements for community uses that fall within the City's Lease, Licence, Exclusive Licence and Hire of Community Facilities Policy.

4. Policy Requirements

To provide consistent and equitable terms and conditions of tenure, the utilisation of City Facilities will be based on the following principles:

- Maximising usage and commercial return
- Promoting diversity of use.
- Environmental sustainability through considered future upgrade works/alterations.
- Financial sustainability through considered fiscal management.
- Equity, transparency and consistency using standardised leasing and licensing terms.
- Prioritising the City's community.
- Strategic future of underlying land assets.

Meeting the principles set out above does not confer a right to a Lease or License. Council reserves the right to decide whether a facility is offered based on a lease, licence, or exclusive licence; and if so, to whom it is offered.

Commercial Activity

In general, organisations undertaking Commercial Activity will only be permitted to Lease or Licence City Facilities which are located on property held for capital appreciation or income generation. As such, income received from the lease or licence should be maximised and subsidised rental should not be considered.

Renewals and Subleases

Requests for renewals and subleasing will apply the same criteria as new Leases or Licenses.

No subleases will be granted for Commercial Activity on existing Leases that have been granted for community purposes (i.e. to all Leases or Licenses to which the City's Lease, Licence, Exclusive Licence and Hire of Community Facilities Policy will apply).

Terms

All Leases and Licenses will be subject to standard conditions of tenure, which shall be developed, maintained and periodically updated by the City's administration. These shall include (but not be limited to) provisions for suitable maintenance, insurance, indemnity and indexation of rent.

Capital Improvements

All proposed capital improvements to a City Facility will require consent from the Council, unless a delegation applies. This is separate to any owner consent provided as part of a Development application form to allow a development application to proceed.

Signage

All temporary or permanent signs advertised, displayed or erected on property owned or managed by the City of Nedlands is subject to City approval being obtained and/or a Permit also issued, where required.

Crown Land

Crown land reserves may be vested to a local government by way of a management order and are generally subject to conditions. Notwithstanding a local government may have the care, control and management of the land, consent is required from the Minister for Lands prior to the disposal of a property by way of lease or licence.

5. Roles and Responsibilities

All Leases and Licenses must be approved by Council. To consider an approval the Council must be satisfied that the use is consistent with the nature of the land and building asset and the applicant can ensure the safe and appropriate use of the facility.

The City's Property and Leasing team will:

- Develop and maintain standard conditions of tenure to be applied to all Leases and Licenses
- ensure an evaluation methodology will be applied in respect of new Lease and Licence proposals and renewals, to ensure completeness and compliance and are assessed against compliance and qualitative criteria.

6. Related documentation

Lease, Licence, Exclusive Licence and Hire of Community Facilities Policy.

7. Related local law and legislation

Land Administration Act 1997 (WA)

Local Government Act 1995 (WA)

Local Government (Functions and General) Regulations 1996 (WA)

Property Law Act 1969 (WA)

8. Related delegation

NIL

9. Document Control and Review History

Owner: Corporate and Strategy

Approval body: Council

Review frequency:

Triennial



Document Responsibilities			
Version	Approved date	Reference	Summary of changes
V0.1 Draft version for Council review	Click or tap to enter a date.	e.g. Council decision reference (Report CPS33.16) or EMT & date.	

Next Review Date: Click or tap to enter a date.