

2025

Community and Sporting Groups
Tenant Guidelines

City of Busselton
Geographe Bay

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Table of Contents

Purpose 1
Leasing Policy 1
Commonly Used Terms 1
Standard Provisions of a Community Group Lease 2
- Payment of Rent 2
- Rent Review 2
- Responsibility for Outgoings 2
- Maintenance 2
- Insurance Obligations 2
- (i) Building Insurance 2
- (ii) Public Liability and other Insurances 3
- Pest Control 3
- Maintenance of Surrounding Area 3
- Alterations and Additions 4
- Permitted or Authorised Use of Leased Premises 4
- Hiring of Premises 4
- Signage 4
- City's Right of Entry 5
- Report to City 5
- No Assigning or Subletting 5
- Provision of Information 5
- Non Compliance or Breach of a Condition 5
- Lease Expiry 5

Approvals Governed by Statutory or Other Requirements 6
- Public Building 6
- Liquor Licences 6
- Food Preparation 6
- Other Approvals 6

Purpose

This Guide has been prepared to help you understand key provisions and obligations contained in a lease of land or premises from the City of Busselton. This guide is not legal advice and does not replace or in any way override the terms and conditions of a lease entered into.

A lease places duties and obligations on the Tenant to do or not do certain things. Leases are complex documents designed to cover a number of scenarios. Whilst they can appear wordy and detailed, this detail is necessary to achieve the objective of providing a comprehensive document that makes it clear who is required to do what and when and how to deal with matters as they arise.

The City uses a standard form Community Group lease which is prepared for Tenants (or Lessees) that are non-profit making organisation. The intent of the lease is to preserve and maintain assets on City owned or managed land for the benefit of users of those facilities now and in the future.

Leasing Policy

The City have an adopted policy – "Leasing of City Premises"- which applies to the grant of a right of exclusive use of land or buildings within the City of Busselton district, being either land owned outright by the City of Busselton (referred to as Freehold land) or land owned by the State and managed by the City (referred to as Crown land or Reserve).

Note: land owned by the State can only be leased by the City if the City have the 'vesting' or a 'management order' over the land together with power granted to the City to enter into a lease. The management order will designate the approved purpose of the Reserve which means that the City can only grant a lease to a user whose objectives and proposals fit within that approved purpose – see more below.

The policy can be located on the City's website at Policies » City of Busselton

Commonly Used Terms

Lease: is an agreement in which the Landlord (or Lessor) agrees to give the Tenant (or Lessee) the exclusive right to occupy land for a specific term.

Licence: is a contractual right for the Licensee to carry out a permitted activity on land or within a building without the right of exclusive occupation.

Improvements: means all any/all buildings, structures, fixtures and fittings on the Premises.

Landlord (Lessor): Is the City of Busselton.

Management Order: If the Premises are located on Crown Land this is the document that grants authority for the City to enter into a lease. The Order will generally contain conditions dictating the authorised purpose of the land and the maximum period of time that a lease can be entered into.

Document Set ID: 2960875
Version: 17, Version Date: 07/11/2025

Premises: this defines the area of land or building (or part of a building) that the lease is granted over. If the lease is granted over land or a portion of the land it will include any Improvements on that land.

Schedule: this is usually found at the back of a lease and includes things such as the rent payable, when rent is reviewed, the duration of a lease, options for further terms, land descriptions etc.

Tenant (Lessee): Is the Associated body or entity the City enters into a lease with.

Standard Provisions of a Community Group Lease

Payment of Rent

Rent is payable annually in advance and is usually a nominal amount to cover some of the costs associated with administering the lease. The City invoices the Tenant annually.

Rent Review

Rent is reviewed annually in the manner specified in the Lease which has previously been increased by Consumer Price Index – CPI (broadly the rate of inflation in WA) – usually on each anniversary of the lease commencement date. For all leases and renewals entered into after 1 July 2018, the rent will be increased by $5.00 Inc. of GST per annum on each anniversary.

Responsibility for Outgoings

All outgoings applicable to the Premises are the responsibility of the Tenant. These include but are not limited to: local government charges (rates), sewerage, water and drainage rates and usage, electricity, telephone and land tax. If the Premises are on a portion of land which does not have its own meters for services, the charges will usually be calculated based on the extent of the leased area in comparison to the whole land / building.

Maintenance

Generally a Tenant is solely responsible for maintenance and repair of the Premises. This includes structural and non-structural repairs and maintenance on buildings and other built structures. It will therefore include all structural aspects and things like plate glass, electrical installations, air conditioning units and fire equipment.

The Tenant should undertake regular maintenance checks on the Premises and all equipment and fittings and fixtures in the Premises. The purpose of regular maintenance checks is to ensure that items which require repairs are attended to at an early stage and before they have deteriorated irreparably.

Insurance Obligations

(i) Building Insurance

Document Set ID: 2960875
Version: 17, Version Date: 07/11/2025

Policy 029 – “Building Insurance Policy” applies to the level of insurance to be applied to Buildings on City owned and managed land. The policy can be located on the City’s website at Policies » City of Busselton

Buildings constructed and owned by the City are insured through Local Government Insurance Scheme (LGIS) and the City recovers the cost of the premium from the Tenant. Whether insured by the Tenant or the City the buildings and improvements are to be insured for reinstatement value.

The City adheres to industry recommended asset management principles and will periodically obtain a professional revaluation of buildings to ensure they are adequately covered. This avoids the risk of a building being underinsured and not be able to reinstate or rebuild in the event of damage or destruction.

It is important that if you are considering any renovations or additions to the Premises, that you first seek the City’s approval and ensure that you budget to provide the City with a reinstatement/replacement valuation of that improvement. This will enable the City to insure for the correct value if this occurs during the gap between scheduled revaluations.

(ii) Public Liability and other Insurances

You must effect and maintain with insurers approved by the City adequate public liability insurance to the sum of not less than $10millon. This sum may need to be increased depending on the risk associated with your activities i.e.: motorsports.

You must ensure you are covered for all activities undertaken on the Premises. This can include workers compensation, voluntary workers insurance and any other insurance required that are not covered under your policy.

A Tenant must provide the City with copies of all insurance policies required under the lease.

Pest Control

The Tenant must keep the Premises free of any vermin and arrange an annual inspection by a licensed pest controller for termite infestation.

Document Set ID: 2960875
Version: 17, Version Date: 07/11/2025

Maintenance of Surrounding Area

A Tenant must regularly inspect and maintain in good condition any flora, gardens, lawns, shrubs, hedges and trees within their leased area.

Trees, shrubs or hedges must not be removed without first consulting the City.

The Tenant must not prune any trees without the prior consent of the City, unless it is required for urgent safety reasons. Any pruning should be carried out by a qualified contractor.

Alterations and Additions

A Tenant must not carry out any alterations, improvements or other structural works in or to the Premises, without the prior consent of the City. This includes any fencing or signage.

The lease will invariably contain an obligation for a Tenant to seek the prior written approval of the City as Landlord for any alteration or addition. This is distinct from the requirement to obtain a Development Approval or Building Permit from the City. Regardless of whether a Development Approval or Building Permit is necessary, it will be necessary to seek consent for the proposal from the Property Services team.

Permitted or Authorised Use of Leased Premises

A Tenant must only use the Premises for the purpose specified in the Lease. This is usually found in the Schedule at the end of the Lease.

Otherwise, the Tenant must not permit any person to sleep on or use the Premises as accommodation without the written consent of the City.

The Tenant must not do or permit on or around the leased premises anything which is a nuisance, causes a grievance, disturbance or annoyance to the City or occupiers and users of land or premises in the vicinity. There are restrictions on what may be kept on the premises such as items of a dangerous hazardous or flammable nature.

Hiring of Premises

It is recognised that some community groups may wish to hire out their leased Premises to another community organisation, group or individual for the purpose of fund raising or simply sharing their facilities. Prior consent for such use must always be sought and will generally be given where the hire purpose is consistent with the use authorised in the lease of the Premises.

If it is permissible under your lease and you hire the Premises to a third party, you must first ensure your insurance covers such use and the secondly that the hirer has their own personal public liability cover.

Document Set ID: 2960875
Version: 17, Version Date: 07/11/2025

Signage

Generally no signs, notices or advertisements can be displayed on the Premises without the prior written consent of the City, unless the sign or notice is a legal requirement.

City's Right of Entry

A Tenant must allow the City and any person authorised by it to enter the Premises to view the state of repair and condition of the Premises and generally monitor compliance with lease obligations. The City will provide reasonable notice of its intention to inspect unless there is an emergency.

Report to City

Tenants must report any act of vandalism or damage to the Premises.

No Assigning or Subletting

A Tenant must not without the consent of the City and, in the case of Reserve or Crown land, the Minister for Lands, do anything that would involve a change of ownership or occupation of the leased premises. This will be the case even in the event of a proposal that relates to only a part of the land or building as opposed to the whole. A lease will usually stipulate that use of the land or premises as security for borrowing of any kind will not be permitted.

Provision of Information

It is important that the City keep and maintain an up to date record of the officers within a Tenant organisation with responsibility for managing and maintaining the leased premises. Following an annual general meeting, we ask that the City be notified of the name and contact details of any new office bearers.

If the Tenant changes its Rules (constitution) or objectives, it must notify the City in writing of such changes within 30 days.

Non Compliance or Breach of a Condition

Failure to comply with the Lease constitutes a default of lease terms. A Tenant would, for example be in breach of a lease if they fail to comply with maintenance obligations or pay their rent on time. The City, as Landlord will serve a notice on a Tenant of this default if necessary. Failure to comply with a validly served notice can ultimately result in the lease being brought to an end. If you have any concerns about your obligations or your ability to comply with them it is advisable to discuss this with a member of the property services team at the earliest possible opportunity to avoid this occurring.

Document Set ID: 2960875
Version: 17, Version Date: 07/11/2025

Lease Expiry

The lease specifies your obligations should you wish to vacate your Premises at the end of the term.

If you wish to remain in occupation of the Premises once your lease has expired, it will generally be necessary to obtain the formal approval from the CEO or Council. This resolution provides City officers with the necessary authority to enter into a lease. There is however a long lead in time to obtaining Council approval. It is therefore recommended that you consider what you want to do within at least 9 months of the end of your lease term and make us aware of your intentions.

Approvals Governed by Statutory or Other Requirements

Public Building

The term “public building” is defined in *Health Act 1911* as meaning a building or place where people assemble for different reasons including civic, theatrical, social, political, religious, entertainment, recreational sporting or business purposes.

The general intent of the legislation is to assist in the protection of the health, safety and amenity of persons in and about buildings and places where generally, large numbers of the public gather.

If the leased Premises is a “public building” it must be approved for the purpose for which it is being used and it must have a Form 4 (Certificate of Approval) issued by the City of Busselton prominently displayed in the building. This Certificate states the maximum number of persons that can be accommodated in the building or place.

Liquor Licences

Tenants must not supply or sell alcohol or apply for a liquor licence unless the prior written consent of the City has been obtained. The consent required under a lease or licence is *in addition* to the approval and or consent that may also be required from other sectors of the organisation such as the planning and health department or other State Government agency approval.

Food Preparation

A registration certificate may be required if you are preparing and/or selling from the Premises. There are certain requirements under the *Food Act 2008* that you may be required to comply with. You should contact an Environmental Health Officer on 9781 0444 to discuss your proposal or use if you are unsure what approval may be required.

Document Set ID: 2960875
Version: 17, Version Date: 07/11/2025

Other Approvals

There may be other approvals you need to obtain from time to time throughout your lease term, for example should you wish to use the Premises for something that constitutes an event. If at any time you are unsure if an approval is required for a particular matter, please feel free to contact the Property Services Team.

This is a guideline only. For more information please contact Property Services at the City of Busselton on 9781 0444.

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