

MINUTES

Property Committee Meeting

11 May 2021

Committee Members

Here within are the Minutes of the Property Committee Meeting held Tuesday 11 May 2021 in the City of South Perth Council Chamber, corner Sandgate Street and South Terrace, South Perth.

As this Committee does not hold Delegated Powers or Duties in accordance with Section 5.23 of the Local Government Act 1995 the meeting was not open to the public.



MIKE BRADFORD
CHIEF EXECUTIVE OFFICER

12 May 2021

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Property Committee Meeting - Minutes

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 6:00pm and welcomed everyone in attendance.

2. ATTENDANCE

Elected Members

Mayor

Como Ward

Manning Ward

Mill Point Ward

Greg Milner

Carl Celedin (Presiding Member)

Councillor André Brender-A-Brandis

Councillor Ken Manolas

External Members

Mr Lewis Brock

Mr Nigel McCombe

Guests

Nil

Officers

Chief Executive Officer

Director Corporate Services

Director Development and Community Services

Director Infrastructure Services

Manager Governance

Manager Community Culture and Recreation

Governance Coordinator

Governance Officer

Mr Mike Bradford

Mr Colin Cameron

Ms Vicki Lummer

Mr Mark Taylor

Ms Bernadine Tucker

Mr Patrick Quigley

Ms Toni Fry

Mr Morgan Hindle

2.1 APOLOGIES

- Councillor Glenn Cridland

2.2 APPROVED LEAVE OF ABSENCE

Nil

3. DECLARATIONS OF INTEREST

- Councillor Carl Celedin – Impartiality Interest in Item 7.2 as ‘I attended the Sportsmen’s lunch as the representative of the Mayor in December 2019.’
- Councillor Carl Celedin – Impartiality Interest in Item 7.3 as ‘My daughter is a member of the WASPS hockey Club.’
- Mayor Greg Milner – Impartiality Interest in Item 7.3 as ‘I am the co-patron of the Wesley South Perth Hockey Club.’
- Mayor Greg Milner – Impartiality Interest in Item 7.5 as ‘I have previously been employed by a law firm engaged by Devwest. Devwest is related to Bradshaw 9 Pty Ltd.’

7.1 **Proposed Lease Agreement for the Conon Road Kindergarten located at 17 Craigie Crescent, Manning**

- Councillor André Brender-A-Brandis – Financial Interest in item 7.6 as ‘Family superannuation fund holds shares in Telstra Corporation Ltd (indirect financial interest).’
- Councillor Ken Manolas – Financial Interest in item 7.6 as ‘I own more than \$10,000 of shares in Telstra.’

4. **CONFIRMATION OF MINUTES**

4.1 **PROPERTY COMMITTEE MEETING HELD: 9 February 2021**

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Greg Milner

Seconded: Councillor André Brender-A-Brandis

That the Minutes of the Property Committee Meeting held 9 February 2021 be taken as read and confirmed as a true and correct record.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

5. **PRESENTATIONS**

6. **BUSINESS ARISING FROM PREVIOUS MEETING**

7. REPORTS

7.1 PROPOSED LEASE AGREEMENT FOR THE CONON ROAD KINDERGARTEN LOCATED AT 17 CRAIGIE CRESCENT, MANNING

Location:	Manning
Ward:	Manning Ward
Applicant:	Napier Family Trust
File Ref:	D-21-21447
Meeting Date:	11 May 2021
Author(s):	Patrick Quigley, Manager Community, Culture and Recreation
Reporting Officer(s):	Vicki Lummer, Director Development and Community Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.2 Community Infrastructure

Summary

This report seeks Council's approval to enter into a lease agreement with Play2Learn Kindy Pty Ltd (Trustee for the Napier Family Trust) for use of part of Crown Reserve 24333 trading as Conon Road Kindergarten, for a five year term with an option of renewal for a further five year term.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Greg Milner
Seconded: Councillor André Brender-A-Brandis

The Property Committee recommends to Council that it:

1. Approves a lease agreement between the City of South Perth and Play2Learn Kindy Pty Ltd (Trustee for the Napier Family Trust) for use of part of Crown Reserve 24333 trading as Conon Road Kindergarten located at 17 Craigie Crescent Manning, subject to the following main terms and conditions:
 - a. A term of five years;
 - b. A further term of five years (renewal option);
 - c. An annual rental of \$45,000 per annum (plus GST) reviewed each year and adjusted using the Consumer Price Index (CPI);
 - d. payment of all rates, taxes, outgoings, utilities and building maintenance costs;
 - e. Ministerial consent being provided.
2. Authorises the Mayor and Chief Executive Officer to sign and affix the Common Seal to the lease documentation between the City of South Perth and Play2Learn Kindy Pty Ltd (Trustee for the Napier Family Trust) for its use of part of Crown Reserve 24333 as a kindergarten, located at 17 Craigie Crescent Manning.
3. Note approval of the lease agreement is subject to Ministerial consent.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Background

The Kindergarten first started in Conon Road in Applecross before moving to Craigie Crescent in Manning, where it has been in operation for approximately ten years.

The Kindergarten is situated within Crown Reserve 24333, being land granted to the City under a Management Order to be used for parks/recreation/kindergarten purposes. The City has the power to lease the land for any term not exceeding five years subject to the consent of the Minister for Lands.

A former lease agreement was in place for the Kindergarten that expired recently (13 March 2021). The tenant has expressed its desire to continue occupation of the premises under a new lease arrangement. In the interim, the tenant continues to operate the kindergarten under a 'holding over' arrangement with the City.

Comment

Play2Learn Kindy Pty Ltd is an acceptable tenant as it facilitates a diverse service for families with children in the local community, including a kindergarten for children aged 2-5 years; before and after school care and vacation care for children aged 5-12 years.

The proposed terms for the new lease agreement have been negotiated based on the following considerations that Play2Learn Kindy Pty Ltd:

- Has a long history of providing a kindy service for the local community, and is willing and able to continue this role;
- Operates on a moderate annual operating budget and is responsible for the following operational costs at the Kindergarten: staffing, utilities, internal building maintenance, repairs, rates/taxes, rubbish collection service, advertising/marketing, cleaning, consumables, depreciation, insurance, security, and telephone/computer;
- Has moderate income generation ability achieved through charging enrolment fees for the kindergarten, before/after school care and vacation care; and
- Is a family run business.

The site plan for the proposed lease of the Kindergarten is highlighted in **Figure 1** below.



Figure 1: Aerial photograph of the subject site (2021).

The Kindergarten has approval to accept up to 46 children at any one time (note: their current enrolments comprise 26 children each morning and 46 children each afternoon on average).

The lessee has undertaken a number of building improvements at the site to improve their service to the community, including: playground upgrade (with 'nature play' elements; garden and landscaping refurbishments; installation of framing and café blinds to outdoor patio area; installation of a reverse cycle air-conditioning; removal of old carpet flooring and replacement with new timber plank vinyl flooring; painting of all main areas; installation of industrial security gate to main gate entry; and replacement of all sink taps in children's bathroom.

Additionally, if their tenancy request is approved, the lessee plans to undertake further building enhancements, including: upgrading the kitchen; improving the security to the back door; painting of exterior; installation of security cameras; removal of old pergola and replacing with new pergola with café blinds and a thatched roof; additional playground facilities; new rear fencing; shelter over main gate entry; replace tilt-up door with a roll-a-door; and installation of gutter-guards to main roof areas to help with reduction of leaf litter in the gutters and to reduce mosquitos breeding.

Consultation

The City has been in consultation with Play2Learn Kindy Pty Ltd over a new lease agreement and they have agreed to the majority of the proposed terms and conditions, albeit the rent amount. The feedback provided by Play2Learn Kindy Pty Ltd is summarised below:

"Conon Road Kindergarten is a small family-owned service run by myself and my husband."

7.1 Proposed Lease Agreement for the Conon Road Kindergarten located at 17 Craigie Crescent, Manning

We support the community by offering work experience and community service hours for high school children in the area and helping young adults with special needs to gain confidence by taking on work in a supportive environment at our centre.

We run our program out of a one room building. Although we are licensed for 46 children per day, we are only able to have up to 28 children at the most during the hours of 7am to 3pm. This is due to the ages of the children (2yrs-4yrs) and being together in a one-room service. 2 to 3-year olds are overwhelmed when in large groups and their emotional development can be hindered in these situations, so we need to cap the numbers or going forward separate the rooms. During the afternoon, we do have up to 45 children, however, the majority are aged over 4yrs and are engaging in an afterschool program as opposed to a kindergarten readiness program.

We are paying \$13,000 a year at the moment and we were under the impression that the increase would not be so significant. This proposed increase works out to be a 380% increase.

Since we have been in the building (5 years), we have made huge improvements to the facility, which had not been done in recent years. The kitchen is in need of repair and updating in future months and we will continue to improve the area.

Therefore, we would like to propose a fair rent of between \$25,000 and \$30,000 per annum with annual reviews”.

We are committed to strengthening and supporting community and family relationships and look forward to working with the City of South Perth in the future.

Policy and Legislative Implications

Under Section 3.58 of the *Local Government Act 1995* (the Act), a disposition of land includes leasing of local government property. If a local government does not dispose of property via a public auction or the public tender method, the proposal must be advertised for public comment – unless the proposal is an ‘exempt’ disposition.

A disposition of property is exempt from Section 3.58 under Regulation 30, Part 6 Miscellaneous Provisions of the Local Government (Functions and General) Regulations 1996 if the land is to be used for charitable, benevolent, religious, cultural, educational, recreational, sporting or other like purposes. As kindergartens are educational institutions and Play2Learn Kindy Pty Ltd is seeking use of local government property for educational/child care purposes, the intended use of the land is exempt from section 3.58 of the Act.

Under Policy P609 Management of City Property, leases with commercial organisations are to be negotiated consistently with the following principles:

- A maximum period of 21 years; and
- Rental amount reflective of an independent market valuation of the premises, taking into account the nature of the business enterprise.

Financial Implications

The majority of the operating costs associated with the Conon Road Kindergarten will be the responsibility of the lessee (Play2Learn Kindy Pty Ltd).

Play2Learn Kindy Pty Ltd is financially viable/sustainable, which is evidenced by its current financial position. Play2Learn Kindy Pty Ltd's profit and loss statement and balance sheet is attached in **Confidential Attachment (a)**.

An independent market valuation of the premises (and the associated recommended rental fee) was undertaken by a licenced valuer/property consultant, who provided a valuation report that is summarised below.

"In arriving at the current market rent for the property, we are of the opinion that the most appropriate method is by direct comparison of childcare type rentals. We have analysed the available rental evidence across Perth metropolitan area for Long Day Care and Out of School Hours childcare premises. The rental evidence we have analysed ranges between \$564 and \$2,000 per licenced child.

The wide range is attributable to a number of factors including age, standard and capacity of the premises, along with ancillary improvements and in some cases arrangements for shared occupation/use premises.

Childcare rents have generally increased over the last five years due to strong demand and continued growth, albeit appear to be plateauing somewhat now. The following broad rental parameters for Long Day Care are noted:

- *Small, basic converted older style childcare centres: \$1,000-\$1,850/licenced child.*
- *Modern, purpose-built centres on urban periphery: \$2,000-\$2,250/licenced child.*
- *New purpose-built centres in good/growing catchment areas: \$2,800-\$3,850/licenced child.*

Comparatively, these are larger capacity and higher trading full time centres and lower rental rates would apply to the subject property which represent basic entry level accommodation.

We are of the opinion that the property's market rent would range between \$750 and \$1,250 per licenced child, which reflects a rental range between \$34,500 and \$57,000 per annum. We have adopted a rounded mid-range market value of \$45,000 per annum plus GST plus outgoings, which reflects a rate of \$978 per licenced child. We are of the opinion that this adopted rent sits within market expectations for premises of this size and standard."

In summary, in considering the feedback received from the licenced property consultant against the feedback from Play2Learn Kindy Pty Ltd regarding the proposed rent, the City recommends the rent be set at \$45,000 per annum (plus GST) that is reviewed each year and adjusted using the Consumer Price Index (CPI).

The justification for this rental amount is it reflects the current market rate for a premise of this size and standard as per the independent, professional advice provided; and it is consistent with the rent calculation method prescribed in Council Policy P609.

7.1 Proposed Lease Agreement for the Conon Road Kindergarten located at 17 Craigie Crescent, Manning

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Community
Aspiration: A diverse, connected, safe and engaged community
Outcome: 1.2 Community infrastructure
Strategy: 1.2.2 Manage the provision, use and development of the City's properties, assets and facilities

Attachments

7.1 (a): Conon Road Kindergarten - Profit and Loss Statement
(Confidential)

7.2 PROPOSED LEASE AGREEMENT FOR THE SOUTH PERTH CRICKET CLUB LOCATED AT RICHARDSON PARK, SOUTH PERTH

Location:	Richardson Park
Ward:	Mill Point
Applicant:	South Perth Cricket Club
File Ref:	D-21-25057
Meeting Date:	11 May 2021
Author(s):	Patrick Quigley, Manager Community, Culture and Recreation
Reporting Officer(s):	Vicki Lummer, Director Development and Community Services
Strategic Direction:	Community: A diverse, connected, safe and engaged community
Council Strategy:	1.2 Community Infrastructure

Summary

This report seeks Council's approval to enter into a new lease agreement with the South Perth Cricket Club for its continued use of part of Crown Reserve R35297 known as WCG Thomas Pavilion on Richardson Park, located at Lot 900, 1 Amherst Street, South Perth, for a 21 year term.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mr Nigel McCombe
Seconded: Councillor André Brender-A-Brandis

That the Property Committee recommends to Council that it:

1. Approves a lease agreement between the City of South Perth and South Perth Cricket Club for its use of part of Crown Reserve R35297 known as WCG Thomas Pavilion on Richardson Park located at Lot 900, 1 Amherst Street, South Perth, subject to the following main terms and conditions:
 - a. A term of 21 years;
 - b. An annual rental of \$4,130 per annum (plus GST), which is reviewed each year that is calculated using the following formula: 0.1% of the insured value of the facility;
 - c. Payment of outgoings, utilities and building maintenance costs; and
 - d. Ministerial consent being provided.
2. Authorises the Mayor and Chief Executive Officer to sign and affix the Common Seal to the lease documentation between the City of South Perth and South Perth Cricket Club for its use of part of Crown Reserve R35297 known as WCG Thomas Pavilion on Richardson Park located at Lot 900, 1 Amherst Street, South Perth.
3. Note approval of the lease agreement is subject to Ministerial consent.

CARRIED (6/0)

For:	Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.
Against:	Nil.

Background

The South Perth Cricket Club was established in 1930, so it has a long history operating within the local community. The Cricket Club is located on Lot 900, 1 Amherst Street, South Perth, which is a portion of Crown Reserve R35297 under a Management Order to the City.

The reserve is vested for recreation purposes and the City has the power to lease the land for any term not exceeding 21 years subject to the approval of the Minister for Lands.

A former lease agreement was in place with the Cricket Club that comprised a five year initial term and a five year renewal period, which expired on 30 March 2020.

In the interim until a new lease agreement can be developed, the tenant continues to provide cricket activities at the site under a 'holding over' arrangement with the City.

The City has undertaken recent consultation with the Club regarding a new lease agreement, with the Club expressing its desire to continue occupation of the premises under a new lease arrangement albeit with an extended tenure of 21 years.

The proposal to change the new lease agreement term to 21 years is in line with recent agreements granted to other local sporting clubs (Manning Bowling Club and Hensman Park Tennis Club). Granting a new lease of the premises for 21 years will ensure continued provision of cricket activities at this location. As a safeguard, the new lease agreement will include a redevelopment clause in case the land is required for other purposes into the future.

Comment

South Perth Cricket Club is an acceptable tenant as it caters for the cricket playing requirements of men, women and children (11yrs upwards) in the local area.

The proposed terms for the new lease agreement have been negotiated based on the following considerations that South Perth Cricket Club:

- Has a long history of facilitating a cricket club within the local community, and is willing and able to continue this role;
- Operates on a low annual operating budget and has agreed to be responsible for paying an annual rental fee, outgoings, utilities and building maintenance costs; and
- Has low income generation ability that is mainly achieved through fund raising, membership fees and sourcing grants and corporate sponsorships.

The site plan for the proposed lease of the Cricket Club is highlighted in **Figure 1** below.



Figure 1: Aerial photograph of the subject site (2021).

The Cricket Club has 188 active playing members.

There are two main tenants located at Richardson Park, being the South Perth Cricket Club and the WASPS Hockey Club, who share use of the facilities according to their respective sporting seasons. For this reason, the proposed lease agreements will include clauses relating to this 'shared use' arrangement between the Clubs (i.e. the Cricket Club will have approval to occupy the facilities during the 'Summer Season' only from 1 October to 31 March each year; and the Hockey Club will have approval to occupy the facilities during the 'Winter Season' only from 1 April to 30 September each year).

Consultation

The City has been in consultation with South Perth Cricket Club over a new lease agreement and they have agreed to the proposed terms and conditions. South Perth Cricket Club has been a good tenant and the agreed terms represent an appropriate outcome for both parties. The Agreement will require consent from the Minister for Lands.

Policy and Legislative Implications

Under Section 3.58 of the *Local Government Act 1995* (the Act), a disposition of land includes leasing of local government property. If a local government does not dispose of property via a public auction or the public tender method, the proposal must be advertised for public comment – unless the proposal is an 'exempt' disposition.

A disposition of property is exempt from Section 3.58 under Regulation 30, Part 6 Miscellaneous Provisions of the Local Government (Functions and General) Regulations 1996 if the land is to be used for charitable, benevolent, religious, cultural, educational, recreational, sporting or other like purposes. As the South Perth Cricket Club is a not-for-profit sporting club and is seeking use of local government property for recreation purposes, the intended use of the land is exempt from section 3.58 of the Act.

Under Policy P609 Management of City Property, leases for with not-for-profit sporting clubs are to be negotiated consistently with the following principles:

- Leases will be granted for a period of five years with a five year option to provide sporting clubs with security of tenure and the ability to attract funding;
- Leases to be for an annual rental amount which is calculated using the following formula: 0.1% of the insured value of the facility or a minimum of \$1,000 per annum; and
- All groups will be required to adhere to the 'Property Maintenance Schedule' for the respective facility; a document which sets out the responsibilities of both parties.

Financial Implications

The new lease agreement will attract rental fee income for the City of \$4,130 per annum (plus GST) reviewed each year; and recovery of costs from the Club through its payment of outgoings, utilities and building maintenance costs. The City will be responsible for the cost of preparation and lodgement of the lease document.

The South Perth Cricket Club is financially viable/sustainable, which is evidenced by its current financial position. The South Perth Cricket Club's profit and loss statement and balance sheet is attached in **Confidential Attachment (a)**.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction:	Community
Aspiration:	A diverse, connected, safe and engaged community.
Outcome:	Community infrastructure
Strategy:	Manage the use and development of the City's properties, assets and facilities

Attachments

7.2 (a): South Perth Cricket Club - Profit & Loss Statement and Balance Sheet 2019-20 (*Confidential*)

Mayor Greg Milner declared an Impartial Interest in Item 7.3 and left the meeting accordingly at 6.24pm prior to consideration of Item 7.3.

7.3 PROPOSED LEASE AGREEMENT FOR THE WASPS HOCKEY CLUB LOCATED AT RICHARDSON PARK, SOUTH PERTH

Location: Richardson Park
Ward: Mill Point Ward
Applicant: WASPS Hockey Club
File Ref: D-21-25061
Meeting Date: 11 May 2021
Author(s): Patrick Quigley, Manager Community, Culture and Recreation
Reporting Officer(s): Vicki Lummer, Director Development and Community Services
Strategic Direction: Community: A diverse, connected, safe and engaged community
Council Strategy: 1.2 Community Infrastructure

Summary

This report seeks Council's approval to enter into a new lease agreement with the WASPS Hockey Club for its continued use of part of Crown Reserve R35297 known as WCG Thomas Pavilion on Richardson Park, located at Lot 900, 1 Amherst Street, South Perth, for a 21 year term.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor André Brender-A-Brandis
Seconded: Mr Lewis Brock

That the Property Committee recommends to Council that it:

1. Approves a lease agreement between the City of South Perth and WASPS Hockey Club for its use of part of Crown Reserve R35297 known as WCG Thomas Pavilion on Richardson Park located at Lot 900, 1 Amherst Street, South Perth, subject to the following main terms and conditions:
 - a. A term of 21 years;
 - b. An annual rental of \$4,130 per annum (plus GST), which is reviewed each year that is calculated using the following formula: 0.1% of the insured value of the facility;
 - c. Payment of outgoings, utilities and building maintenance costs; and
 - d. Ministerial consent being provided.
2. Authorises the Mayor and Chief Executive Officer to sign and affix the Common Seal to the lease documentation between the City of South Perth and WASPS Hockey Club for its use of part of Crown Reserve R35297 known as WCG Thomas Pavilion on Richardson Park located at Lot 900, 1 Amherst Street, South Perth.
3. Note approval of the lease agreement is subject to Ministerial consent.

CARRIED (5/0)

For: Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas;
and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Background

The formation of the WASPS Hockey Club dates back to 1933, so it has a long history operating within the local community. The Hockey Club is located on Lot 900, 1 Amherst Street, South Perth, which is a portion of Crown Reserve R35297 under a Management Order to the City.

The reserve is vested for recreation purposes and the City has the power to lease the land for any term not exceeding 21 years subject to the approval of the Minister for Lands.

A former lease agreement was in place with the Hockey Club that comprised a five year initial term and a five year renewal period, which expired on 30 September 2020.

In the interim until a new lease agreement can be developed, the tenant continues to provide hockey activities at the site under a 'holding over' arrangement with the City.

The City has undertaken recent consultation with the Club regarding a new lease agreement, with the Club expressing its desire to continue occupation of the premises under a new lease arrangement albeit with an extended tenure of 21 years.

The proposal to change the new lease agreement term to 21 years is in line with recent agreements granted to other local sporting clubs (Manning Bowling Club and Hensman Park Tennis Club). Granting a new lease of the premises for 21 years will ensure continued provision of hockey activities at this location. As a safeguard, the new lease agreement will include a redevelopment clause in case the land is required for other purposes into the future and a termination clause if required (e.g. if approval is granted for the Club to relocate to Collier Reserve).

Comment

WASPS Hockey Club is an acceptable tenant as it caters to hockey players of all ages and abilities. WASPS have teams in all divisions including juniors, adults and seniors.

The proposed terms for the new lease agreement have been negotiated based on the following considerations that the WASPS Hockey Club:

- Has a long history of facilitating a Hockey Club within the local community, and is willing and able to continue this role;
- Operates on a low annual operating budget and has agreed to be responsible for paying an annual rental fee, outgoings, utilities and building maintenance costs; and
- Has low income generation ability that is mainly achieved through fund raising, membership fees and sourcing grants and corporate sponsorships.

The site plan for the proposed lease of the Hockey Club is highlighted in **Figure 1** below.



Figure 1: Aerial photograph of the subject site (2021).

The Hockey Club has 680 active playing members.

There are two main tenants located at Richardson Park, being the WASPS Hockey Club and the South Perth Cricket Club, who share use of the facilities according to their respective sporting seasons. For this reason, the proposed lease agreements will include clauses relating to this 'shared use' arrangement between the Clubs (i.e. the Hockey Club will have approval to occupy the facilities during the 'Winter Season' only from 1 April to 30 September each year; and the Cricket Club will have approval to occupy the facilities during the 'Summer Season' only from 1 October to 31 March each year).

Consultation

The City has been in consultation with WASPS Hockey Club over a new lease agreement and they have agreed to the proposed terms and conditions. WASPS Hockey Club has been a good tenant and the agreed terms represent an appropriate outcome for both parties. The agreement will require consent from the Minister for Lands.

Policy and Legislative Implications

Under Section 3.58 of the *Local Government Act 1995* (the Act), a disposition of land includes leasing of local government property. If a local government does not dispose of property via a public auction or the public tender method, the proposal must be advertised for public comment – unless the proposal is an 'exempt' disposition.

A disposition of property is exempt from Section 3.58 under Regulation 30, Part 6 Miscellaneous Provisions of the Local Government (Functions and General) Regulations 1996 if the land is to be used for charitable, benevolent, religious, cultural, educational, recreational, sporting or other like purposes. As the WASPS Hockey Club is a not-for-profit sporting club and is seeking use of local government property for recreation purposes, the intended use of the land is exempt from section 3.58 of the Act.

Under Policy P609 Management of City Property, leases for not-for-profit sporting clubs are to be negotiated consistently with the following principles:

- Leases will be granted for a period of five years with a five year option to provide sporting clubs with security of tenure and the ability to attract funding;
- Leases to be for an annual rental amount which is calculated using the following formula: 0.1% of the insured value of the facility or a minimum of \$1,000 per annum.
- All groups will be required to adhere to the 'Property Maintenance Schedule' for the respective facility; a document which sets out the responsibilities of both parties.

Financial Implications

The new lease agreement will attract lease fee income for the City of \$4,130 per annum (plus GST) reviewed each year; and recovery of costs from the Club through its payment of outgoings, utilities and building maintenance costs. The City will be responsible for the cost of preparation and lodgement of the lease document.

The WASPS Hockey Club is financially viable/sustainable, which is evidenced by its current financial position. The WASPS Hockey Club's profit and loss statement and balance sheet is attached in **Confidential Attachment (a)**.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Community
Aspiration: A diverse, connected, safe and engaged community.
Outcome: 1.2 Community infrastructure
Strategy: 1.2.2 Manage the use and development of the City's properties, assets and facilities

Attachments

7.3 (a): WASPS Hockey Club - Profit and Loss and Balance Sheet 2020
(Confidential)

Mayor Greg Milner returned to the meeting at 6:28pm prior to the consideration of Item 7.4.

7.4 REQUEST TO AMEND THE METROPOLITAN REGION SCHEME - FORMER MANNING LIBRARY SITE, MANNING ROAD

Location: Reserve 33639, No. 140 Manning Road, Karawara
Ward: Manning
Applicant: Not Applicable
File Ref: D-21-31052
Meeting Date: 11 May 2021
Author(s): Aaron Augustson, Principal Strategic Urban Planner
Reporting Officer(s): Vicki Lummer, Director Development and Community Services
Strategic Direction: Environment (built and natural): Sustainable urban neighbourhoods
Council Strategy: 3.2 Sustainable Built Form

Summary

The site of the former Manning Library is currently reserved 'Parks and Recreation' under the Metropolitan Region Scheme (MRS).

This report recommends Council request an amendment to the MRS to zone the site 'Urban'. An Urban zoning enables the City to apply a zoning under Town Planning Scheme 6 (TPS6) or a future town planning scheme.

Applying a zoning under TPS6 would enable a diverse range of uses to occur on the site, which is positioned along the Manning Road urban corridor.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mayor Greg Milner
Seconded: Councillor André Brender-A-Brandis

The Property Committee recommends to Council that it:

- a. Requests the Western Australian Planning Commission to proceed with an Amendment to the Metropolitan Region Scheme, pursuant to s.37 of the *Planning and Development Act 2005* to remove the 'Parks and Recreation' reserve and apply the 'Urban' zone to Reserve 33639 as illustrated in **Attachment (a)**.
- b. Forwards this report to the Western Australian Planning Commission as justification for the request.

CARRIED (5/1)

For: Mayor Greg Milner; Councillors Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Councillor André Brender-A-Brandis .

Background

Former Manning Library

The former Manning Library was purpose-built in 1964. Officially named the Walter Murdoch Library - Manning Branch, it was in operation until February 2017 when the new Manning Library opened as part of the Manning Community facility, Conochie Crescent, Manning.

The former library building is contained on Reserve 33639 (140 Manning Road), along with a surface carpark, gardens and vegetation. Reserve 33639 sits within the George Burnett Recreation Precinct (GBR Precinct) and is also classified under the MRS as 'Parks and Recreation'.

Reserve 33639 is held by the Crown but vested to the City (for management) for the purpose of 'Community Centre'.

The former library building is not contained in the City's Heritage List or noted in the City's Local Heritage Inventory.

Metropolitan Region Scheme

The MRS is a town planning scheme which defines how land can be used in the Perth metropolitan area, dividing it into broad zones and reservations. This plan has been in operation since 1963 and provides the legal basis for planning in the Perth metropolitan area.

The authority to determine development applications on 'zoned' land under the MRS is in most instances delegated to local governments. The City's TPS6 applies where land is zoned under the MRS. Where land is 'reserved' under the MRS, local planning schemes like the City's TPS6 do not apply.

Leasing of the former library building

At its meeting held 27 March 2018, Council considered a report from the City's Property Committee relating to an Expression of Interest (EOI) process to lease the former library building.

The Committee and the Council resolved, amongst other matters, to request an amendment to the Metropolitan Region Scheme. The purpose of the amendment would be to enable the potential use of the site for a wider range of uses.

'Community Centre' management order

Despite the reservation under the MRS, the City maintains a management order with the state government that limits the use of the site for 'Community Centre' uses.

Any use of the site must be consistent with this management order. The City, pending the outcome of this amendment request, could apply to modify the management order in the future.

Comment

The reasons for requesting the amendment to the MRS are summarised as follows:

- An Urban zoning under the MRS would allow the City to apply a zoning or reservation under TPS6 /LPS7. A future local zoning/reserve could permit a greater diversity of uses to occur on the site, making better use of the existing land;

- The site forms part of the GBR Precinct but does not provide any useable passive or active recreation space. The site/reserve is considered surplus to any usable/needed public open space within the GBR Precinct. This would be amplified if the Recreation and Aquatic Facility (RAF) is constructed at Collier Park Golf Course; reducing demand for recreation facilities/space at GBR.
- The site is adjacent to the high-frequency public transport corridor (Manning Road), meaning a more diverse range of uses on the site would have enhanced levels of accessibility for users. The site is strategically positioned between the Canning Bridge Activity Centre and Curtin University.
- The City's Local Planning Strategy notes an intention, albeit not specifically on this site, to accommodate a growing population along important urban corridors such as Manning Road. An Urban zoning would allow the City to contemplate residential uses on the site under TPS6/LPS7.

Zoning Reserve 33639 'Urban' would allow the City to apply a zoning/coding under its local planning framework that enables the 'highest and best use' of the site to occur.

Given the strategic position of the site, amending the MRS to enable a greater diversity of uses may provide incentive for the City (or another third party) to acquire the site from the Crown.

Consultation

There is no City-led consultation associated with the City's request. Should the WAPC agree to advertise the MRS amendment, consultation will be undertaken by the Department of Planning, Lands and Heritage.

Given the amendment request relates to a single site, it is probable that the amendment would be advertised as an 'omnibus' amendment with other minor amendments throughout the inner Perth area.

Policy and Legislative Implications

There are no policy or legislative implications associated with this report.

Financial Implications

There are no financial implications associated with the request to amend the MRS. Should the MRS amendment occur and the City seek to purchase the site in the future, it is likely the value of the site would be altered.

Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2020-2030](#):

Strategic Direction: Environment (Built and natural)
Aspiration: Sustainable urban neighbourhoods
Outcome: 3.2 Sustainable built form
Strategy: 3.2.1 Develop and implement a sustainable local planning framework to meet current and future community needs.

Attachments

7.4 (a): Draft MRS Amendment Plan

7.5 CONTRACT FOR SALE OF LAND IN MANNING

*This item is considered **confidential** in accordance with section 5.23(2)(c) and (d) of the Local Government Act 1995 as it contains information relating to "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting and legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting"*

Location:	Manning
Ward:	Manning Ward
Applicant:	Not Applicable
File Ref:	D-21-30460
Meeting Date:	11 May 2021
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Economy: A thriving City activated by innovation, attractions and opportunities
Council Strategy:	2.2 Activated Places

Summary

This report provides details on the sale of land in Manning and a proposed course of action for the Committee to consider.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Mr Nigel McCombe

Seconded: Mr Lewis Brock

That the Property Committee recommends to Council that it endorses the Officer's Recommendation contained within the body of this report.

CARRIED (6/0)

For: Mayor Greg Milner; Councillors André Brender-A-Brandis, Carl Celedin, Ken Manolas; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Councillor André Brender-A-Brandis and Councillor Ken Manolas disclosed a Financial Interest in item 7.6 and left the meeting accordingly at 6:42pm prior to consideration of item 7.6.

7.6 TELECOMMUNICATION LEASES

*This item is considered **confidential** in accordance with section 5.23(2)(c) and (e)(iii) of the Local Government Act 1995 as it contains information relating to "a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting and a matter that if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person, where the information is held by, or is about, a person other than the local government"*

Location:	South Perth
Ward:	Not Applicable
Applicant:	Not Applicable
File Ref:	D-21-30729
Meeting Date:	11 May 2021
Author(s):	Bernadine Tucker, Manager Governance
Reporting Officer(s):	Mike Bradford, Chief Executive Officer
Strategic Direction:	Leadership: A visionary and influential local government
Council Strategy:	4.3 Good Governance

Summary

This report provides an update on the status of negotiations regarding the telecommunication leases at the Civic Centre.

Officer Recommendation AND COMMITTEE RECOMMENDATION

Moved: Councillor Carl Celedin

Seconded: Mayor Greg Milner

That the Property Committee notes the status of the telecommunication leases at the City of South Perth Civic Centre.

CARRIED (4/0)

For: Mayor Greg Milner; Councillor Carl Celedin; and External Members Lewis Brock and Nigel McCombe.

Against: Nil.

Councillor André Brender-A-Brandis and Councillor Ken Manolas returned to the meeting at 6.47pm prior to item 8.

8. OTHER RELATED BUSINESS

Nil.

9. CLOSURE

The Presiding Member closed the meeting at 6.48pm.

These Minutes were confirmed at the next Audit, Risk and Governance Committee Meeting yet to be determined.

Signed: _____

Presiding Member at the meeting at which the Minutes were confirmed.