



21 MAY 2025

Shire of Esperance

27 MAY 2025

SUPPLEMENTARY ITEMS



16. URGENT BUSINESS APPROVED BY DECISION

Item: 16.1

New Lease - Lot 9500 Shark Lake Industrial Park

Author/s	Sarah Walsh Shane Liddelow	Coordinator Governance & Corporate Support Manager Economic Development
Authorisor/s	Shane Burge	Chief Executive Officer

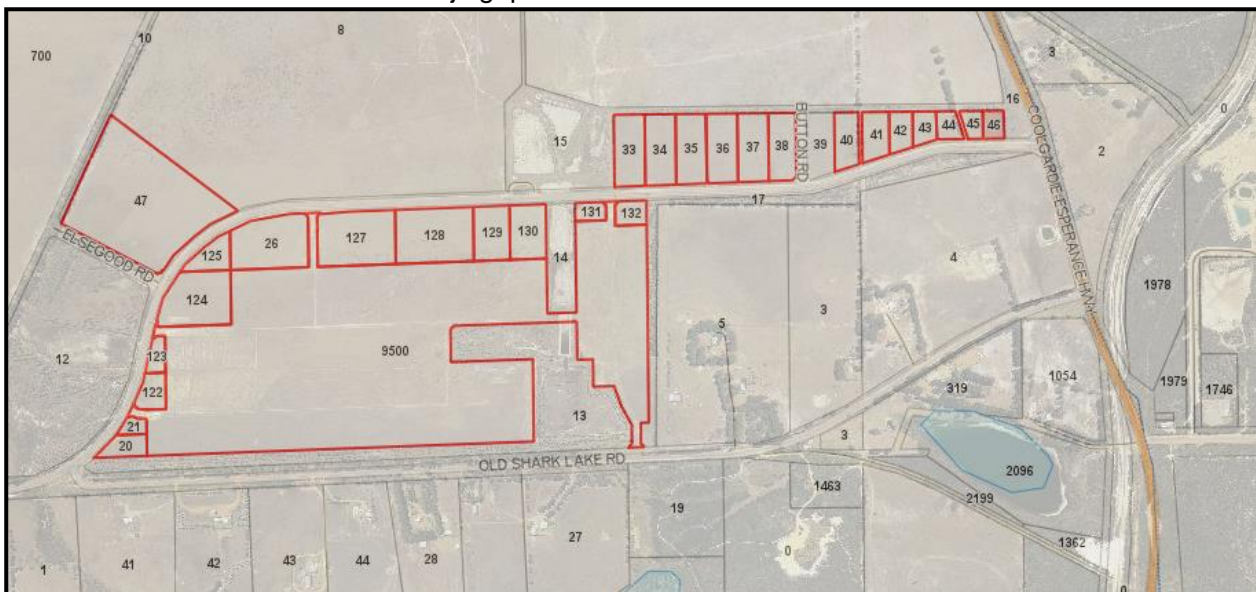
File Ref: D25/13229

Applicant

Brad Scott

Location/Address

Lot 9500 Old Shark Lake Road Monjingup



Executive Summary

For Council to consider entering into a lease for Lot 9500 Old Shark Lake Road, within the Shark Lake Industrial Park for the purpose of agriculture.

Recommendation in Brief

For Council to enter into a lease for Lot 9500 Old Shark Lake Road, within the Shark Lake Industrial Park for the purpose of agriculture

Background

Shark Lake Industrial Park was established in 2009. The land was advertised for sale, however interest was scarce and no sales of land occurred within the Shark Lake Industrial Park at that time.

Submissions were called for Tender 1113 Shark Lake Agricultural Land Lease in late 2013 to lease the land for grazing purposes. A lease was awarded and remained in place until December 2023 when the lease was surrendered.

The request to surrender the lease was based on the land area diminishing due to Stage 1 industrial blocks selling. Council accepted the surrender of the lease.

A new request to lease the remaining 57 hectares of Shark Lake within Lot 9500, for the purpose of growing hay has been received (no livestock). Attachment A.

Officers have proposed a lease fee of \$6,555 inclusive of GST subject for 1 year, with the option of 2 x 1 year lease extensions subject to CPI, and the applicant is happy to accept these terms.

This fee is based on the previous lease which expired December 2023 and was charged at \$115 per hectare. The option for 1-year extensions rather than fixed term is to allow maximum flexibility for the Shire should development of Stage 2 be decided.

Officer's Comment

Based on previous experience with leasing the Shark Lake area and the benefits to council in assisting with maintaining the land, weed and fire mitigation, including a lease fee which would off-set the costs to Council if required to maintain the land internally, officers would recommend that a lease is entered into with the applicant.

The lease fee \$6,555 (57 hectares x \$115 per hectare) for one year based on the last lease agreement of the area (December 2023) is considered to be fair value given the benefits to the Shire with not having to pay for maintaining the land including weed and fire mitigation. The market conditions for this area of land are considered to be similar to when the previous lease was in place. CPI will be applied if the lease is extended past the initial one-year term.

The option for 1-year extensions rather than fixed term is to allow maximum flexibility for the Shire should development of Stage 2 industrial lots within lot 9500 be decided.

Given the benefits to the Shire for this arrangement, noting the lease fee that will be paid, it is recommended that the lease preparation fee of \$635 inclusive of GST be waived.

Consultation

Chief Executive Officer
Director Assets Management
Coordinator Governance and Corporate Support

Financial Implications

Annual Lease fee of \$6,555 - 57 hectares x \$115 per hectare.
Lease fee of \$635 inclusive of GST being waived.

Asset Management Implications

Nil – land only lease.

Statutory Implications

Local Government Act 1995 - Section 3.58 Disposing of Property

Policy Implications

Building and Property Agreements Policy

Strategic Implications

Council Plan 2022 – 2032

Prosperity - Outcome 12. A prosperous and diverse economy

Objective 12.1. Attract and retain diverse industries and enterprises to grow the economy and local jobs.

Environmental Considerations

Lease of the land will help in weed control and fire mitigation.

Attachments

A₁. Brad Scott EOI to lease Shark Lake Lot 9500

Officer's Recommendation

That Council enters into a lease with Brad Scott for Lot 9500 Old Shark Lake Road, within the Shark Lake Industrial Park, subject to;

- 1. Lease term being 1 year with 2x1 year extensions.**
- 2. Annual lease fee of \$6,555 inclusive GST being payable, subject to annual rent reviews based on CPI if further lease extensions are granted, and that Council consider this to be a true indication of the current market rental rate;**
- 3. Lease preparation fee of \$635.00 inclusive of GST being waived given the mutual benefits of this agreement for both parties, particularly the Shire.**
- 4. The disposition being advertised in accordance with s.3.58 of the *Local Government Act 1995*.**

Voting Requirement

Absolute Majority

Property Agreement Application



Applicant Details

Applicant Name

Bradley W Scott

Business Name

BW Scott

Residential Address

[REDACTED]

Postal Address

PO Box 120 Gibson

Phone Number

[REDACTED]

Email Address

[REDACTED]

Property Details

I wish to enter into an agreement with the Shire of Esperance for use of the following property:

Shark Lake Industrial Park

General Information

Please provide information on yourself and/or your business.

Contractor Trucks Hay and Earthmoving
and Primary producer

Use of Premises

Please describe how you intend to use the property, including information on products/services you provide.

Growing Hay

Reviewed: July 2024

Property Agreement Application

FORM 0010

Reviewed: July 2024

Property Agreement Application

FORM 0010

Museum Village Usage *(only required for Museum Village property applications)*

Please explain how your business will fit with the Museum Village Usage of 'promote arts, crafts and goods inspired and produced both locally and regionally, and tourism retail outlets'

Operating Hours

Please advise your proposed operating hours.

Note: for Vending Machine agreements, please advise how you intend to maintain satisfactory service levels (e.g. stock within the machine, minimal mechanical outages)

Term of Agreement

Please advise how long you would like the agreement to be for.

As long as possible

Any Other Relevant Information

Please include any other information relevant to your application.

Notes

1. Applications may take up to 3 months to finalise due to reporting and advertising requirements.
2. Museum Village / Jetty Headland applicants should not offer products which are identical to that offered by existing vendors at the precinct.

Signature Applicant



Date

19/5/25