

Land Optimisation Policy

CCS



23 July 2025

This policy was adopted by Council to set governing principles in place that align with the Strategic Community Plan 2040: Focus Area Performance: Outcome PF.1: Responsible planning and ownership of outcomes.

Objectives

This policy sets the overarching principles that directs decisions about the leasing, licensing, transfer and development of land owned or managed by the Shire, in order to obtain the best use of those land assets to maximise the community benefit to both current and future residents.

Application

This policy applies to Council and relevant officers of the Shire of Augusta Margaret River (Shire) that make decisions relating to the leasing, licensing, transfer and development of land owned or managed by the Shire.

Definitions

Nil

Policy

1. General Principles relating to use of Shire land

- 1.1 Well vegetated land and land of high conservation value owned or managed by the Shire should not be sold and should only be used by the Shire in a way that enhances its natural value.
- 1.2 Wherever possible community infrastructure and leases to not for profit associations should be located on Crown land managed by the Shire, reserved for a purpose consistent with the proposed use or lease.
- 1.3 Wherever possible freehold land assets should be used to generate an ongoing income stream for the Shire by way of rates and/or commercial rents.
- 1.4 Commercial uses of reserve land should only be permitted where it is consistent with the purpose of the reserve or generates income that sustains the purpose of the reserve (for example a café on a recreation reserve or a shop lease of a heritage building).
- 1.5 Where freehold land assets serve limited conservation value and cannot generate a commercial income without significant capital expenditure the Shire should consider selling the land in accordance with the principles set out below.
- 1.6 Sales should be used to provide fewer and better quality facilities by rationalising the

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Shire's assets and infrastructure by closing ageing infrastructure and facilities where appropriate and not duplicating facilities.

2. Principles relating to leasing and licensing of Shire Land

The Shire will develop and implement a Land Management (Leasing) Framework that will establish an equitable methodology for calculating rent and licence fees and detail the standard lease and licence terms and conditions for different types of tenants based on the following principles.

- 2.1 Priority will be given to proposals where occupancy arrangements include co-location, shared-use and highest community utilisation, in order to meet growing community needs and maximise community benefit.
- 2.2 The promotion of effective asset management and demonstrated sound financial management will be prioritised.
- 2.3 Arrangements should ensure that tenants have the capacity to meet the financial and operational obligations of the tenancy agreement and have an understanding of both parties' roles and responsibilities under the tenancy agreement.
- 2.4 The recognition of financial and in-kind subsidisation by the Shire in rental arrangements.

3. Principles relating to the transfer and development of Shire land

The Shire will develop, implement and review a Land Asset Optimisation Plan that should provide:

- 3.1 An inventory of all land held by the Shire, both freehold and reserve, listing key attributes of each;
- 3.2 A methodology to identify land in the inventory that is under utilised or not realising any monetary or community benefit;
- 3.3 Detailed actions for identified land based on the following principles;
 - (a) Where freehold land assets serve limited conservation value and cannot generate a commercial income without significant capital expenditure the Shire should consider selling or developing the land.
 - (b) The Shire should identify reserves that are not being utilised for their reserve purpose or that could serve a higher community purpose to consider purchase, exchange or relocation of infrastructure, having special regard to land that is cleared or has low conservation value.
 - (c) The Shire should aim to provide fewer and better quality facilities by rationalising the Shire's assets and infrastructure by closing ageing infrastructure and facilities where appropriate and not duplicating facilities.
 - (d) The Shire should not accept any new land or facility in excess of local community need or accepted WA development standards unless it can be shown that the land or facility will have a net positive financial return.

4. The use of revenue generated from land sales

When determining the use of funds raised by the sale of land assets the following considerations should be given due regard:

- 4.1 The proceeds of land assets should be used for funding the renewal of long lasting infrastructure that has depreciated, or the creation of new infrastructure required to meet future needs, rather than using such moneys for recurrent operating expenditure, ephemeral projects or covering operating deficits.
- 4.2 The Shire is not obliged to fund the relocation of a former lessee or licensee of a land asset that has been sold, but may choose to do so where the person or group provides a valuable service and a viable location can be found.
- 4.3 The Council should avoid using asset sales to fund infrastructure which is the responsibility of other spheres of government and the private sector.
- 4.4 The proceeds of land sales should be used wherever possible and practical in the location and from the community in which the land is situated.
- 4.5 The proceeds of land sales should be used to fund community infrastructure which is identified in agreed long term strategic plans which are grounded in effective community consultations and which meet community expectations.
- 4.6 The timing of land asset sales should take into consideration the best available forecasts on the projected movements in land values and interest rates to determine the optimum return for the Shire.

Relevant legislation

Nil

Related documents

Land Asset Management Plan

Document and version control table

Responsible Directorate		Office of the CEO	
Contact officer		Manager Legal Governance	
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