

Proceed of Land Sales Policy

CEO



11 May 2022

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

Decisions that make the best use of Shire land assets to maximise the community benefit to both current and future generations and to guide the making of decisions under the Land Asset Management Plan.

Application

This Policy applies to all Councillors and relevant officers of the Shire of Augusta Margaret River (Shire) in the making of decisions under the Land Asset Management Plan and other decisions in relation to the sale of Shire land assets.

Definitions

Nil

Policy

Any Council decisions on the sale or long term use of its land assets should be based on the following principles:

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.
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.
3. Wherever possible community infrastructure and leases should be shared to ensure that land is used to its full potential and should seek to be cost neutral.
4. 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.
5. 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).
6. 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.

7. Sales should be used 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.

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:

8. 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.
9. 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.
10. The Council should avoid using asset sales to fund infrastructure which is the responsibility of other spheres of government and the private sector.
11. 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.
12. 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.
13. 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	Emma Rogers, Governance (Legal, Risk) Officer
Adopted / approved by:	Council
Date of adoption / approval:	11.05.2022 Decision Ref: OM2022/74
Date of next review	2026

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File No. GOV/38

Version	Date	Decision Ref.	Brief description
1.0	11.05.2022	OM2022/74	Full review <i>Policy split into two parts; guidance on the use of land and guidance on what should be done with the proceeds of any land sale or lease.</i>

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