

ORDINARY MEETING 5 MAY 2015	5.10
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GENERAL POLICY- STRATEGIC FREEHOLD LAND POLICY

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Darryl Crees – General Manager Corporate Services

RECOMMENDATION:

That Council adopts the Strategic Freehold Land Policy

EXECUTIVE SUMMARY:

It has been a continuing process since de-amalgamation to review policies transferred from Cairns Regional Council and where appropriate amend policies and have them adopted by Council. The policy that is subject to this report is administrative in nature and internal consultation only is required.

BACKGROUND:

In accordance with the Local Government (De-amalgamation Implementation) Regulation 2013, all existing policies of Cairns Regional Council were transferred to Douglas Shire Council until such times as these policies are reviewed or revoked. This is an ongoing process and upon completion of review, policies are presented to Council for adoption.

PROPOSAL:

The policy presented for adoption demonstrates Council's commitment to strong governance and clearly outlines the principles to be followed for any transaction involving the acquisition or disposal of Council's freehold land.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE:

This report has been prepared in accordance with the following Corporate Plan 2014-2019 actions:

- 5.2.2 *Implement adopted policies and guidelines to ensure consistency in administrative management which also encourage innovation in Council operations.*

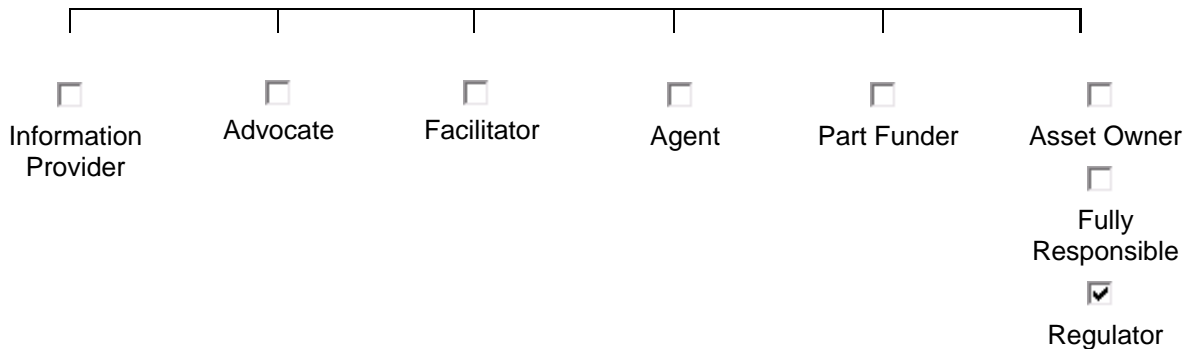
This report has been prepared in accordance with the following Operational Plan 2014-2015 action:

- G2 *Develop a land asset strategy to inform acquisition and disposal of council Freehold Land and promote best use of Council Controlled Land.*

COUNCIL’S ROLE:

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council’s involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:



Regulator: Meeting the responsibilities associated with regulating activities through legislation or local law.

FINANCIAL/RESOURCE IMPLICATIONS:

Nil

RISK MANAGEMENT IMPLICATIONS:

Council's reputational standing will be supported as adoption of this policy demonstrates Council’s commitment to establishing and maintaining sound governance principles throughout its operations.

INTERNAL/EXTERNAL CONSULTATION:

Internal – Matter was presented and discussed at Council Workshop 28/04/2015. Draft policy amended following feedback from this workshop.

ATTACHMENTS:

1. Strategic Freehold Land Policy

DOUGLAS SHIRE COUNCIL

General Policy**Strategic Freehold Land Policy**

- Intent** To establish general principles for the strategic acquisition of land and also the disposal of Council freehold land that is surplus to Council's requirements.
- Scope** This policy will allow for the efficient management of the process for acquiring or disposing of land for Council. This policy does not cover easements, rights of way or formalising encroachments and does not relate to compulsory acquisition in accordance with the *Acquisition of Land Act 1967*.

REFERENCE**Legislation:***Local Government Act 2009**Local Government Regulation 2012***PROVISIONS**

Any land transaction will be consistent with legislative provisions and with Council's strategic directions including the economic, social, cultural and/or environmental objectives as identified in Council's Strategic Planning documents.

When considering acquiring or disposal of land, Council will look for opportunities to:

- advance the strategic directions and objectives of Council's Corporate Plan; and
- enhance local amenity, the environment, economic development and sustainable growth.

The process for any land transaction will be open and transparent to ensure Council obtains the best outcome and price. When land is being disposed, all potential purchasers are given equal opportunity to purchase the land.

Commercial confidentiality will apply to negotiations for either the acquisition or the disposal of land unless Council decides otherwise and subject to the requirements of any legislation or law.

This Policy is aimed at the disposal of whole parcels of land. Council should not consider the partial disposal of land which may result in a reduction of the size of the original parcel which will impact on the

- future sale of the land; and
- benefit a sole individual unless sound justification is demonstrated as to how this partial sale will not impact on the future viability of the land.

Timing and Funding of Acquisitions

When acquiring land, Council will take into consideration the current property market to ensure that any acquisitions are acquired at a reasonable price. The most appropriate funding stream will be determined with each acquisition.

Surplus Land

Land that may be considered surplus to Council's requirements will be noted accordingly in Council's Freehold Land Register. The register in conjunction with Council's freehold land holdings will be reviewed on a regular basis to determine:

- if circumstances have changed since the last review;
- the current property market to obtain optimal financial return; and
- the appropriate marketing strategy for the disposal of such land.

Land capable of being sold on the open market will be disposed of by a competitive process involving auction, tender or expression of interest. For public auction, the Council will set the reserve price based on the recommendation of an independent valuer within the current property market. The disposal of Council Freehold Land assets will only proceed to fund future capital expenditure projects.

The competitive process will be in accordance with relevant legislation applicable to local government.

Circumstances where Ministerial exemption is sought

Council may apply to the Minister for exemption to use an alternative method to dispose of land, other than the methods prescribed by the *Local Government Regulation 2012*, where it will achieve a greater benefit to the ratepayers.

The circumstances which may give rise to an application for Ministerial exemption include, but are not limited to:

- where the total cost of the public sale process will exceed the expected community benefit. For example, where the land is worth less than the cost associated with marketing the land.
- where there is only one identifiable purchaser. For example, where a site is not large enough for development in its own right and is surrounded by public roads on all sides other than the adjoining owner
- where Council is bound by a contractual obligation. For example, a tenant with a first right of refusal, where that tenancy has been entered into as a result of public competition.
- disposal of land to a government or utility authority for the purpose of infrastructure provision.
- where a public marketing process which has been undertaken within the last 12 months in accordance with this policy has failed to achieve the desired outcome.
- in response to a proposal which achieves specific policy goals of Council

Should any of these circumstances arise, a report will be submitted to Council identifying the reasons for a proposed alternative disposal method, for determination by Council



This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review:

General Manager Corporate Services

ADOPTED: 5/05/2015

DUE FOR REVISION: [Click here to enter a date.](#)

REVOKED/SUPERSEDED: [Click here to enter a date.](#)