

Strategic Land Policy

Responsible Directorate:	<i>Corporate Strategy & Performance</i>
Responsible Service Unit:	<i>Property Services</i>
Contact Person:	<i>Manager Property Services</i>
Date of Approval:	<i>21 May 2024</i>
Council Resolution No:	<i>CS07-05/24</i>

1. POLICY STATEMENT

The purpose of this policy is to provide a framework and basic principles for the strategic management of City of Wanneroo (**City**) owned and controlled land assets, to secure the 'highest and best' use of those assets and achieve positive economic, planning, community or environmental outcomes. This policy also deals with the strategic investment into income generating property assets.

2. OBJECTIVE AND PURPOSE

The policy provides a structured approach to the strategic property management of City Land, including to:

- Create property based income streams other than from local government rates;
- Encourage the 'highest and best' use of City Land;
- Divest or develop suitable City Land;
- Achieve desirable planning, community, commercial and environmental outcomes; and
- Facilitate creation of economic and social outcomes (for example, local jobs and social housing) within a commercial context.

3. KEY DEFINITIONS

Any definitions listed in below apply to this document only.

City Land: *Freehold Land and Crown Land.*

Crown Land: *Land owned by the State of Western Australia, vested to the City under a management order, or otherwise under the care, control and management of the City.*

Freehold Land: *Land owned by the City in fee simple.*

4. SCOPE

This policy applies to all activities and transactions related to City Land, including investment, divestment and development. The policy aligns with the Civic Leadership theme of the City's Strategic Community Plan and Corporate Business Plan.

The policy does not apply to:

- Leasing of City owned or managed property to a third party, other than commercial ground leases for an investment or development purpose; or
- Operational decisions relating to the ongoing use and maintenance of City Land, for example the maintenance or upgrade of facilities on City Land or the occupancy of those facilities.

In the case of Crown Land, it is noted that the use or development of the land by the City must be consistent with the management order or other basis for the City's control of the land, or, alternatively, a change to the land tenure should be considered to facilitate the proposed use or development. As Crown Land is often vested in the City as a result of planning and subdivision approval processes (such as the requirement for an allocation of public open space), there are a range of land use considerations which must be addressed in assessing the availability of Crown Land for uses aligning with the purposes of this policy.

Accordingly, the objectives of the policy are intended to be achieved, primarily, through the acquisition, development (or redevelopment) and disposal of Freehold Land.

5. IMPLICATIONS

City processes and procedures under this policy will identify criteria for the assessment of the following categories of strategic land opportunity:

- Acquisition;
- Disposal; and
- Development.

Funding

Strategic land activities arising from this policy will be funded by the Strategic Land Reserve (SLR), external loans, municipal funds and where possible grant funding.

All net proceeds or income from strategic land disposals will be credited to the SLR with optional annual appropriations as decided by Council at end of each financial year.

6. IMPLEMENTATION

Implementation of this policy will be guided by appropriate City processes and procedures.

The City will assess and make determinations on strategic land opportunities on a case-by-case basis, having regard to the objectives specified in this Policy and to the following principles (to the extent relevant to the relevant opportunity, and with the list of principles below not being ranked in order of priority):

- Compliance with statutory requirements;
- Alignment with market conditions and expected rates of returns;
- Financial return or, conversely, the opportunity cost of the relevant opportunity;
- Due Diligence investigations undertaken;
- Alignment with the City's strategic objectives; and
- Benefit to the City of Wanneroo community.

The implementation of strategic land opportunities under this policy will address short and medium-term prospects that yield returns consistent with market trends, and, additionally, the City will explore the potential of securing longer-term strategic acquisitions. It is acknowledged

that longer term opportunities may involve a gradual maturation of these assets, acknowledging that development opportunities or a return on investment may not be immediate. Ultimately, the implementation will achieve a larger and more diverse property holding for the City.

7. AUTHORITIES AND ACCOUNTABILITIES

Not applicable.

8. ROLES AND RESPONSIBILITIES

The Property & Projects Officers, Property Specialist and Land Acquisition Officer will be responsible for the administration, enforcement, publication and compliance of the policy and any need for further clarification will be referred to the Manager Property Services.

Strategic Lands Working Group

An Administration working group (**Strategic Lands Working Group**) comprised of various service units will assist in the implementation of this policy and be under the guidance and sponsorship of the Chief Executive Officer.

All opportunities will be reviewed by the Strategic Lands Working Group against the principles and criteria detailed within this policy and supporting procedures.

Revenue Review Committee

Administration will report to the Revenue Review Committee of Council not less than annually on the implementation of actions arising from this policy.

Execution of Documents

To support the implementation of the policy in land acquisition or disposal opportunities, the Chief Executive Officer, or a sub delegate of the Chief Executive Officer is authorised to execute a contract of sale or purchase in advance of a decision of Council, subject to the following conditions:

- The contract documentation has been reviewed and approved by Legal Services; and
- The contract documentation is expressly conditional and not binding until approved by Council.

In most, if not all, acquisitions, the time period between signing the contract documentation and submitting the proposed transaction to Council will enable City staff to undertake appropriate due diligence on the acquisition. In the case of the acquisition of a built asset (such as a lettable building as a commercial investment or the City taking over ownership of a building at the conclusion of a ground lease), due diligence will include the condition of the building, such as for any retained fitout, structural matters and compliance requirements.

9. DISPUTE RESOLUTION (if applicable)

Disputes under this policy that cannot be resolved by Property Services at an operational level will be referred to the Director Corporate Strategy & Performance in the first instance.

In the event that an agreement cannot be reached, the matter will be submitted to the Chief Executive Officer for determination.

10. EVALUATION AND REVIEW

The policy will be reviewed every two (2) years.

Any evaluation of the effectiveness of the policy should have regard to strategic land management outcomes, including:

- Planned and actual returns achieved on identified projects; and
- Key performance indicators, including profit, cashflow, community resource enhancement and planning outcomes.

11. RELATED DOCUMENTS

- Strategic Land Management Procedure (HPE 20/55456)
- Terms of Reference for the Strategic Lands Working Group (HPE 20/251305); and
- Specific delegations for Strategic Land acquisitions and related actions.

12. REFERENCES

- Leasing Policy (HPE 17/397764*);
- Strategic Budget Policy (HPE 19/50028);
- Risk Management Policy (HPE 15/491180);
- City of Wanneroo Long Term Financial Plan;
- Local Government Act 1995 (WA);
- Land Administration Act 1997 (WA); and
- DPS2 and relevant planning policies.

13. RESPONSIBILITY FOR IMPLEMENTATION

Manager Property Services

REVISION HISTORY

Version	Next Review	Record No.
1.0 – 5 December 2017 (CS07-12/17)	1 December 2020	17/132940
2.0 – 11 May 2021 (CS04 - 05/21)	11 May 2023	21/110677*
3.0 – 21 March 2023 (CE03- 03/23)	31 May 2024	21/110677*
4.0 – 21 May 2024 (CS07- 05/24)	31 May 2026	21/110677*