

Land Acquisition and Disposal Policy

Responsible Division	Office of the CEO
Responsible Business Unit	Property and Economic Development
Responsible Officer	Manager Property and Economic Development
Affected Business Units	Whole of Organisation
ECM Document Set ID	4867130

Purpose

To establish a framework that ensures the efficient, transparent and responsible retention, development, acquisition and disposal of City of Bayswater land and property assets for the benefit for community.

Objectives

The objectives of this policy are to:

- Ensure that required City services are provided from the most appropriate locations.
- Set out the principles and framework for the retention, development, acquisition and disposal of property.
- Enable action of strategic acquisition, development and disposal opportunities.
- Ensure effective use of the Strategic Property Reserve funds.

Introduction

The City of Bayswater oversees the management, acquisition, and disposal of land and property to enhance the service delivery to the community and strengthen the organisation's financial performance. Maximising the social and financial returns on the City's property assets supports a reduced reliance on rate revenue, meet community needs, and expand its income potential from alternative sources.

This policy recognises the vital role of land and property assets in achieving the City's vision and fulfilling the aspirations outlined in the Strategic Community Plan.

Policy Details

Principles for the Management of Land and Property Assets

1. Ensure the City has access to and control of land assets to be able to deliver, now and into the future, the necessary services and facilities for the community.
2. Increase the City's revenue from property investment acquisition to reduce the burden of rates and fees and charges on landowners and residents.

3. Evaluate the disposal of properties that can no longer deliver essential services, serve an alternate function or purpose, or a generate a financial return and seek Council support for this initiative.

These principles are detailed in the below sections.

1. Property Classification

Policy Statement 1: The City shall establish, maintain and integrate a comprehensive register detailing the attributes of its land assets. This register will include information on the nature of ownership, current land usage and the designated purpose of each property as specified in the Property Asset Classification Table.

These property classifications delineate ownership nature, land use, and the intended role of each property and asset. The 'function' represents the current use, whilst the 'purpose' signifies the City's underlying reason for holding the asset, which may differ from its present utilisation.

Properties may align with multiple 'function' classifications; for instance, The RISE in Maylands encompasses 'civic', 'community', 'commercial' and 'open space' functions.

Property Asset Classification Table

	Classification	Description
Tenure	T1. Freehold	<ul style="list-style-type: none"> Land owned by the City or another entity, either vacant or with built infrastructure. The use is subject to the zoning of the land identified in the appropriate Planning Scheme. The land is capable of being sold by the City for financial return if appropriate.
	T2. Reserve	<ul style="list-style-type: none"> State Government land that the City has care and control via a management order (vesting) for a particular purpose in the public interest. The land cannot be sold by the City for financial return – can be sold by the Crown where it is no longer required for a public purpose.
Function	F1. Civic	<ul style="list-style-type: none"> Properties from which services are provided directly by the City. Portions of the property may be hired to a third party.
	F2. Community	<ul style="list-style-type: none"> Properties from which community groups, sporting and recreational groups, and funded not-for-profit activities or services are provided on behalf of the City or for the broader benefit of the community. The property may include both freehold and Crown Land vested in the City.
	F3. Commercial	<ul style="list-style-type: none"> Properties from which independent commercial activities are or can be conducted. The property may be leased to a third party.
	F4. Residential	<ul style="list-style-type: none"> Properties which are primarily used to provide residential accommodation. The property may be leased to a third party.

	Classification	Description
	F5. Open Space	<ul style="list-style-type: none"> The property is held by the City for the purpose of providing parks and nature reserves or similar. The property may be freehold or Crown Land vested in the City. Portions of the property may be leased to a third party.
	F6. Utility	<ul style="list-style-type: none"> Properties used by the City for the provision of essential infrastructure for example; water management, road reserves, parking, telecommunications, public access, etc.
Purpose	P1. Service	<ul style="list-style-type: none"> The property is adequately delivering on its current use and held to continue to provide community benefit.
	P2. Strategic	<ul style="list-style-type: none"> The property may not be adequately delivering on current use but it has another future proposed use. The property may be part of, or have the capacity to influence, a future economic development, planning, or redevelopment projects.
	P3. Investment	<ul style="list-style-type: none"> The property is held for the primary purpose of generating income for the City or for its capital appreciation potential. The property may be leased to a third party, generally on a commercial basis. The property may be the subject of a partnership with government or private sector to maximise its financial return.
	P4. Potential Disposal	<ul style="list-style-type: none"> The property has been determined not to be suitable for an alternate purpose (service, strategic or investment). Further investigations, works and/or community engagement may be required prior to its disposal.

2. Acquisition Considerations

Policy Statement 2: The acquisition of freehold land for strategic or investment purposes shall be guided by the following considerations:

Strategic Objectives - *The acquisition of land aligns with the City's strategic objectives and plans, such as:*

- aligning with the City's Strategic Community Plan, Corporate Business Plan, and Long Term Financial Plan;*
- contributing to making the City more sustainable socially, environmentally and/or financially; and/or*
- responding to endorsed and published City strategies or policies.*

Community – *The property will offer the current or future opportunities to enhance service delivery or consolidate user groups within an updated or better shared facility.*

Strategic - *The acquisition provides an opportunity to contribute to economic activation of the City immediately or in the future or partner with government or private industry.*

Financial - *There is an immediate return through an income stream from tenants and/or there is potential for long term development. The whole of life costs have been considered.*

Land Swap - The acquisition provides an opportunity to undertake a land swap with another agency in order to:

- reduce red tape associated with statutory processes;
- reduce direct and indirect costs associated with purchase;
- facilitate project delivery.

Acquisition Impacts – The acquisition considers possible foreseeable impacts including, but not limited to:

- on the existing tenants or users;
- the positive or negative implications for surrounding properties; and/or
- the City's reputation.

Policy Statement 3: All property acquisitions must adhere to the applicable provisions of the Local Government Act 1995 and associated regulations.

3. Disposal Considerations

Policy Statement 4: The following considerations shall guide the decision-making when assessing the disposal or transfer of freehold land from the City, whether by sale or other methods:

Strategic Objectives - The disposal of the land aligns with the City's strategic objectives and plans, such as:

- aligning with the City's Strategic Community Plan, Corporate Business Plan, and Long Term Financial Plan;
- contributing to making the City more sustainable socially, environmentally and/or financially; and/or
- responding to endorsed and published City strategies or policies.

Alternate Community Use - The property is not suitable for a current or future civic, community or open space use because of its location, size, characteristics, or surrounding land use.

Financial Outcomes – The disposal will generate funds to establish the City's alternative revenue stream, and analysis has determined that this approach is more advantageous than pursuing to an alternative development or partnership opportunity.

Disposal Impacts – The disposal considers possible foreseeable impacts such as:

- the displacement of existing tenants or users;
- the positive or negative implications for surrounding properties; and/or
- the City's reputation.

Policy Statement 5: All property disposals are to be undertaken in accordance with the relevant provisions of the Local Government Act 1995 and associated regulation.

4. Financial

Policy Statement 6: The proceeds of disposal by sale of property assets are to be deposited in the City's Strategic Property Reserve.

Policy Statement 7: The funds in the Strategic Property Reserve should be used to acquire land for strategic or investment purposes.

Policy Statement 8: In the first instance, the debt will be repaid using income generated, with any additional required funds sourced from alternative avenues.

To support the principle of increasing the City's revenue and dependence on rates and fees and charges income, it essential to allocate funds for future developments, with Council support being instrumental achieving this. The utilisation of proceeds from property disposals provides advantages of profitable returns that, in turn, supports the City's service delivery and infrastructure projects.

Related Legislation

Adopted pursuant to Part 2, Division 2, s. 2.7(2) of the *Local Government Act 1995*.

This policy has been developed in compliance with the provisions outlined in the *Local Government Act 1995*.

Related Documentation

This policy will be supported by management practices and processes as required.

Document details

Relevant delegations	Nil.		
Risk evaluation	Low		
Strategic link	Leadership and Governance Plan and deliver projects and services in a sustainable way Work together to deliver the best outcomes for the community by managing our resources in a financially sustainable way.		
Council adoption	23 June 2020	Resolution	10.4.4
Reviewed/modified	28 January 2025	Resolution	10.5.1.5
Next review due	28 January 2029		