



City of Salisbury Values: Respectful, Accountable, Collaborative, Helpful

Disposal and Acquisition of Land and Assets Policy

Adopted by:	Council
Responsible Division:	Strategic Development Projects
First Issued/Adopted:	23 July 2018
Last Reviewed:	27 May 2024 (Resolution No. 0694/2024)
Next Review Date:	November 2027

1. Purpose

The purpose of this policy is to ensure that the City of Salisbury (Council) has accountable and transparent processes to consider the Disposal and Acquisition of Land and Assets.

This Policy provides direction and defines the methods for the acquisition and disposal of land and assets held within Council's ownership, including, community land, Council owned land, road and road reserves, any legal interest in land, and any other land-related assets including all buildings (community and operational) on land.

Section 49 (a1) of the *Local Government Act 1999* requires Council to develop and maintain policies, practices and procedures directed towards:

- Obtaining value in the expenditure of public money; and
- Providing for ethical and fair treatment of participants;
- Ensuring probity, accountability and transparency in all disposal processes.

This policy outlines how net proceeds will be treated.

2. Scope

2.1. This policy seeks to:

- Define the methods by which land is acquired and disposed of;
- Demonstrate accountability and responsibility of Council to ratepayers;
- Be fair and equitable to all parties involved;
- Enable all processes to be monitored and recorded; and
- Ensure that the best possible outcome is achieved for the community

2.2. This policy does not cover Land sold by Council for the non-payment of rates as this is dealt with in the *Local Government Act 1999*.

3. Legislative Requirements and Corporate Policy Context

Local Government Act 1999 (SA)

Real Property Act 1886 (SA)

Land and Business (Sale and Conveyancing) Act 1994 (SA)

Development Act 1993 (SA)

Retail and Commercial Leases Act 1995 (SA)

Residential Tenancies Act 1995 (SA)

Crown Land Management Act 2009 (SA)

Strata Titles Act 1988 (SA)

Community Titles Act 1996 (SA)

Roads (Opening and Closing) Act 1991 (SA)

Land Acquisition Act 1969 (SA)

4. Interpretation/Definitions

Acquisition includes purchase, lease or assuming care and control or ownership of an asset from a third party.

Asset includes an individual or group of physical objects, which has value and enables services to be provided. It includes buildings, structures, improvements and leasehold interests on land that the Council owns.

Certified Practising Valuer means a person who, by education, training and experience is qualified to perform a valuation of real property, as certified by the Australian Property Institute.

Community land means all land classified as community land under Section 193 of the Local Government Act 1999.

Disposal includes sale by public auction or public tender, negotiation, or as otherwise set out within this policy.

Land includes community land, Council owned land, roads and road reserves, any legal interest in land, and any other land-related assets including all buildings (community and operational) on land.

Market value means the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

5. Policy Statements

- 5.1. Council land is to be regularly reviewed to ensure optimum, efficient and effective use of Council's interests. In doing so, particular considerations of the land are to be determined.
- 5.2. Council must have regard to the following principles in regard to acquisition and disposal of Land and Assets;
 - Encouragement of open and effective competition;
 - Obtaining value for money;
 - Assessment of value is not restricted to price alone;
 - The offer aligns with Council's strategic direction;
 - An assessment of value for money must include consideration of (where applicable):
 - The contribution to Council's long-term financial plan and strategic management plans;
 - Any relevant direct and indirect benefits to Council, both tangible and intangible;
 - The costs of various disposal and acquisition methods;
 - Internal administration costs;

- Risk exposure;
 - The value of any associated environmental benefits; and
 - The direct and indirect economic benefits for the City of Salisbury.
- 5.3. Ethical Behaviour and fair dealing, behave with impartiality, fairness, independence and integrity in all discussions and negotiations.
- 5.4. Ensure accountability, transparency and compliance with all relevant legislation.
- 5.5. Commercial confidentiality will apply to negotiations for the disposal and acquisition of Land and Assets unless Council decides otherwise.
- 5.6. A report will be presented to Council for consideration of any acquisition or disposal of land and asset. This will include recommendations to implement public consultation in accordance with Council's Public Consultation Policy.
- 5.7. Council will be advised of any unsolicited bid that is received.

Considerations Prior to Disposal of the Land and Asset

- 5.8. Any decision to dispose of land will be made after considering (where applicable):
- The value / benefit of the land to the community for community uses;
 - The current market value of the land (to be determined by a Certified Practising Valuer);
 - The annual costs of maintenance;
 - Any alternative future use of the land;
 - Any duplication of the land or the service provided by the land;
 - Any impact the disposal of the land may have on the community;
 - Any cultural or historical significance of the land;
 - The positive and negative impacts the disposal of the land may have on the operations of the Council;
 - Any environmental or sustainability impacts;

- Alignment with Council's strategic directions – City Plan 2035, strategies and master plans;
- The remaining useful life, particularly of any building infrastructure on the land;
- A benefit and risk analysis of the proposed disposal;
- The results of any community consultation process;
- Any restrictions on the proposed disposal;
- The content of any community land management plan;
- Reserve classification hierarchy.

Disposal

5.9. Any decision to dispose of land must be a decision of Council.

5.10. Open market methods of sale will be considered and determined on merit by Council and may include:

- Public tender or open expressions of interest for sales best suited where special conditions are required including covenants and /or where there is special interest demand.
- Select tender – where public registrations of interest may be sought prior to a select tender.
- Public auction for unconditional sale and/or where there is a general high demand.
- By negotiation – with owners of adjoining land adjoining the land for sale or others with a pre-existing interest in the land, or where the land is to be used by a purchaser whose purpose for the land is consistent with the Council's strategic objectives for the land.
- Through a structured marketing process, particularly in relation to Councils Strategic Property Development projects where Council is acting as the developer.
- Direct negotiations where the purchase has been assessed under the Unsolicited Proposals Procedure and deemed to meet the approval criteria.

- 5.11. Where the land forms or formed a road or part of a road, the Council must ensure that the land is closed under the Roads (Opening and Closing) Act 1991 (SA) prior to its disposal.
- 5.12. Where land is classified as community land, the Council must;
- Undertake public consultation in accordance with the Local Government Act 1999 and the Council's Public Consultation Policy
 - Ensure the processes for revocation of the community land classification have been concluded prior to disposal
 - Comply with all other requirements under the Local Government Act 1999 in regard to the disposal of community land.
- 5.13. Where Council proposes to dispose of land through the grant of a leasehold interest greater than five years, the Council must have complied with its obligations under the Local Government Act 1999, including the public consultation obligations under Section 292 of the Local Government Act 1999.
- 5.14. The Council will not dispose of land to any Council Member or employee of the Council who has been involved in any process related to a decision to dispose of the land and / or the establishment of a reserve price.
- 5.15. The process for Disposal of Land and Assets will be fair and transparent and ensure that Council obtains not less than Market Value from the disposal, unless there are reasons for Council accepting a lesser value.
- 5.16. The Market Value of the Land or Assets is to be determined by an independent valuation obtained from a suitably qualified Certified Practising Valuer.
- 5.17. Whilst Council will seek current or in excess of market value for the land, the assessment criteria for the disposal individual parcels will be established before the closing date of any disposal process, and factors such as level of alignment with strategic directions may influence the value that Council accepts in the disposal of land.
- 5.18. Council may consider a Disposal other than through the open market, including by direct negotiation, based on individual case merits. These circumstances may include but not necessarily be limited to the following:

- Limited likely purchasers for the Land or Asset.
- Alignment with respect to the original intention of the Land or Asset.
- An overall improved value proposition considering the Market Value and marketing/ selling costs.
- Enabling inclusion of adjacent Land.
- Land or Assets to be developed by another level of government.
- Land that is restricted because of its small size, dimensions, irregular shape or other constraints.
- Assets which are the subject of a leasehold interest including disposal to a relevant party who may be, but is not limited to, a lessee or residential tenant.
- Land of nominal value.

Proceeds of Sale

- 5.19. The sale of any Council properties under the provisions of this policy shall deliver project outcomes approved by Council, with net proceeds transferred to the property disposal reserve, and used to repay debt or reduce future borrowings.
- 5.20. Net proceeds are the resulting cash surplus from the Land Disposal. This is calculated as the Accounting Profit as determined in accordance with the Australian Accounting Standards, and adding back the land value which is a non-cash impact, and if relevant deducting the cost of any retained infrastructure constructed as part the disposal. Typically, sales proceeds net of GST will be reduced by disposal costs, development costs, and if relevant costs of infrastructure assets created as part of the land disposal.

Acquisition

- 5.21. Any decision to acquire Land and Assets must be a decision of Council.
- 5.22. Council may acquire Land and Assets to achieve strategic, commercial or community outcomes that align with Council's Strategic Plan. The following criteria will be used to assess the acquisition of Land and Assets:
- Alignment with Council's strategic drivers.
 - Potential to add value and support Council's strategic objectives.
 - The ability to unlock supply.

- Creation of new commercial and financial value.
- Provision of community benefits and public value.
- Potential to consolidate Land or Assets with Council's existing holdings.

5.23. The land can be released to the market for sale, subject to clearly defined Council requirements as to development outcomes.

6. Related Information / Documents

City Plan 2035

Affordable and Community Housing Policy – Development of Surplus Council Owned Land

Asset Management Policy

Strategic Asset Management Plans

Prudential Management Policy

Public Consultation Policy

Community Land Management Plan

Walkway Closures Policy

Unsolicited Proposals Procedure

Growth Action Plan

7. Approval and Change History

Version	Approval Date	Approval By	Change
4	March 2024	Council (0694/2024)	New Policy Template Format Definitions Related Policies & Procedures General formatting Addition of land acquisition

8. Availability

- 8.1 The Policy is available to be downloaded, free of charge, from Council's website www.salisbury.sa.gov.au
- 8.2 The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased at a fee as set annually by Council.

City of Salisbury Community Hub
34 Church Street, Salisbury SA 5108
Telephone: 84068222
Email: city@salisbury.sa.gov.au

9. Review

This Policy will be reviewed:

- If a new Policy - within 12 months of a Council election and thereafter as necessary; or
- The frequency dictated in legislation; or
- Earlier in the event of changes to legislation or related Policies and Procedures; or
- If deemed necessary by Council.

Further Information

For further information on this Policy please contact:

Responsible Officer: Team Leader Property
Address: 34 Church Street, Salisbury SA 5108
Telephone: 8406 8222
Email: city@salisbury.sa.gov.au