

2. Strategic Planning, Asset Management and Finance

2.5 Proceeds of Land Sales

23 January 2013

Objectives

The purpose of this policy is to provide a policy framework to assist Council in determining the best use of its land assets to maximise the community benefit to both current and future generations.

Sound management of its land assets will enable Council to:

- 1) Responsibly manage the community's infrastructure and assets in a sustainable way in order to effectively and efficiently deliver sustainable outcomes to the community
- 2) Foster economic development by the provision of appropriate tourist infrastructure which attracts visitors to the Shire, enhances their experience whilst in the Shire and minimises any negative impacts on local residents and the environment;
- 3) Conserve and protect fragile high conservation areas under the Shire's control from the impacts of human activity;
- 4) Provide necessary community facilities and infrastructure to enhance the quality of community life in the Shire;
- 5) Address the Shire's infrastructure backlog in relation to the maintenance and upgrading of the Shire's road, drainage and path networks
- 6) Strengthen the Shire's financial position and performance by increasing the ratio of funds used for capital expenditure as opposed to operating expenditure and to improve the Shire's financial sustainability indicators.

Strategy

In carrying out its functions the Shire of Augusta Margaret River is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity. (Section 1.3 of the Local Government Act). Decisions on the management of the Shire's land assets should therefore have regard to their effect on future generations and the ongoing financial viability of the Shire.

For the purpose of this policy the term infrastructure is used in a broad context and includes roads, drainage systems, lighting, water supply systems, pathways, trails, community buildings

and facilities, playground equipment, fencing, signage and other similar physical assets under the Shire's control.

Any Council decisions to sell land to raise revenue should be based on the following principles:

- 1) 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.
- 2) The proceeds of land sales should be used wherever possible to leverage further funds from Federal and State Government and other sources to fund infrastructure renewal and expansion.
- 3) The proceeds of land assets should be used in conjunction with prudent borrowing at modest sustainable levels to ensure an intergenerational approach to funding infrastructure.
- 4) The Council should avoid using asset sales to fund infrastructure which is the responsibility of other spheres of government and the private sector.
- 5) The proceeds of land sales should be used to seek 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 and infrastructure provided by the private sector and other non-profit bodies.
- 6) 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.
- 7) Decisions to fund new infrastructure is to take into consideration the whole of life costs of the infrastructure and the ability of future generations of rate payers to meet operating expenses, maintenance costs and future capital refurbishment and upgrading costs.
- 8) 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.
- 9) 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.
- 10) Wherever possible land assets should be used to generate an ongoing income stream for Council by way of income from rates or commercial rates for leasing property or on a full recovery cost basis for non profit groups who should meet all outgoing expenses.

Application

The application of this policy is the responsibility of Council, CEO and staff and applies to land transactions, budget deliberations, requests for new infrastructure, grant applications, strategic planning exercises and community information sessions. To be reviewed every three years.

Adopted by Council	Date: 23 January 2013
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Last reviewed	Date: 11 March 2011
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