

PURPOSE

This policy sets out how Council will administer and use the proceeds of the sales of Council property.

SCOPE

This policy applies to all funds received from the sale of property owned by Council. It does not include cash received in lieu of public open space through the subdivision process, which is dealt with in the *Securing Public Open Space Provision Through Subdivision Policy (legislated process)*.

RELATED DOCUMENTS

- **Securing Public Open Space Provision Through Subdivision Policy.** This policy deals with provision of public open space in new subdivisions and cash in lieu of open space, and the receipt and expenditure of funds contributed to Council in lieu of public open space.
- **Disposal of Council Land Policy.** Provides guidance for the equitable, consistent and transparent disposal of Council Land.
- **Disposal of Council Assets Policy.** Deals with the disposal of Council assets but excludes real property assets.

STATUTORY REQUIREMENTS

Acts	<i>Local Government Act 1993</i>
Regulations	<i>N/A</i>
Australian/International Standards	<i>N/A</i>

DEFINITIONS

Council property means Council-owned land or buildings.

Financial reserve means an accounting treatment that reserves (sets aside) part of Council's equity for a specific purpose.

Net proceeds means the sale price less the full cost of disposal including cost of sale, and any applicable fees or GST.

Open space means land owned by Council for public recreation, public gardens or for similar purposes. Open space in Glenorchy includes:

- social/ family recreation areas
- water based recreation areas
- open space for sport
- community horticulture gardens
- memorial/remembrance gardens
- cultural heritage conservation areas
- flora and fauna conservation areas
- accessways and trails
- lookouts and ridgelines.

Proceeds of sale means *net* proceeds—the amount of cash received from the sale after paying for expenses, fees and taxes.

Property Disposal Reserve Fund means funds received from the sale of public land and Council property which are set aside for purposes relating to open space.

Public Land means as defined in the *Local Government Act 1993*.

Special Projects Reserve Fund means funds from the sale of public land and Council property which are set aside for special purposes approved by Council outside of routine, planned works.

POLICY STATEMENT

Overview

1. With ongoing development of land in the municipality, Council recognises the increasing value of quality open space land and amenities to the community and its visitors.
2. In disposing of surplus public land and Council properties, Council aims to ensure that there is no net loss of open space amenity. In particular, proceeds from the sale of land zoned or used for open space will only be used to further the objectives of Council and related Council strategies.
3. Council will comply with all relevant legislative and policy requirements in administering and reinvesting the proceeds of its property disposals.

Proceeds of sales to be held in reserve

4. This policy establishes a Property Disposals Reserve Fund and a Special Projects Reserve Fund.
5. Net proceeds from the sale of public land and Council properties will be apportioned in accordance with 5(a) and (b), below:
 - (a) **For land which is sold for less than \$1m**, net proceeds are to be distributed between the Property Disposals Reserve Fund and the Special Projects Reserve Fund as follows:
 - i) where the land is either zoned or designated for use as open space, 100% of the net proceeds will be apportioned to the Property Disposals Reserve Fund;

- ii) where no part of the land is zoned or designated for use as open space, 25% of the net proceeds will be apportioned to the Property Disposals Reserve Fund and 75% will be apportioned to the Special Projects Reserve Fund
- iii) where part of the land is either zoned or designated as open space and rest is zoned or designated for other uses, a percentage of the net proceeds which is equivalent to the percentage of the land that is zoned or designated as open space is to be apportioned to the Property Disposals Reserve Fund and the balance apportioned to the Special Projects Reserve Fund.

(b) **For land which is sold for \$1m or more**, Council is to allocate the proceeds by:

- i) apportioning the proceeds between the Property Disposals Reserve Fund and/or the Special Projects Reserve Fund in percentages it deems appropriate, or
- ii) directly allocating the proceeds to specific Council projects, programs or uses (including capital works and maintenance) which provide a benefit to the community, or
- iii) a combination of (b)(i) and (ii).

6. Net proceeds of sales must be allocated to the relevant reserve fund/s as soon as practicable but no later than either one month after receipt or a decision by Council, as applicable.

Expenditure from the Property Disposals Reserve Fund

- 7. Costs related to obtaining community feedback as part of the disposal process will be considered as part of the expenditure of funds.
- 8. Funds in the Property Disposals Reserve Fund are to be used solely for the acquisition, development and/or improvement of sites for public open space in the municipality, or purposes designed to increase the use of and access to open space by the community.
- 9. Prior to reserve funds being used to purchase land for public open space, sport or recreation purposes, proposed sites must be evaluated as meeting the Council's strategic open space objectives.
- 10. Expenditure from the Property Disposals Reserve Fund will be prioritised in accordance with the the objectives of Council and related Council strategies.
- 11. Requests for use of funds shall include a business case outlining how the proposal meets the objectives of the Council and related Council strategies. The business case will include the open space type, setting and location, and cost estimates of any proposed development.
- 12. Approval of projects will need to be undertaken as part of Council's budgeting requirements and processes.

Expenditure from Special Projects Reserve Fund

13. Funds in the Special Projects Reserve Fund are to be used for non-routine, special projects as determined by the Council from time to time. All expenditure from the Special Projects Reserve Fund must be submitted to the Executive Leadership Team before consideration for approval by Council.

Reporting

14. The Manager Property, Environment and Waste will provide an annual report to Council advising the status of the funds including any disposal of land and expenditure of funds.

DOCUMENT CONTROL

Version:	2.0	Adopted	28 October 2024	Commencement Date	28 October 2024
Minutes Reference	Item 12 – 28 October Council Meeting			Review Period	4 Years from adoption
Previous Versions:	1.0 31 August 2020				
Responsible Directorate	Infrastructure and Development	Controller:	Manager Property, Environment & Waste		
ECM Document No.:	Policies by Directorate				