

# Sale of Fixed Assets with Realisable Value Policy



Town of Cottesloe

## 1. Objective

- a. To provide a format for the consideration of the retention of land holdings, infrastructure and assets in regards to their relevance to the strategic direction of the Town of Cottesloe.
- b. To create a process that provides to Council the capacity to create and maintain all public use land and infrastructure to fulfil community objectives of life style, public facilities and effective administration.
- c. To keep a list of Council's land holdings, infrastructure and assets relevant and targeted to community needs, whilst retaining options for future needs, opportunities and the changing direction of Local Government provisions.

## 2. Principles

Council shall, from time to time, reconsider its holdings of 'fee simple' lands, infrastructure and other assets to ensure that all such items have a current useful community purpose or provide an opportunity in the future for such a purpose. All such items will go through a retention assessment.

Council restricted financial capacity, the growing concerns with public safety/liability and the public requirement for clarity of purpose, relevance of expenditure and priority allocation towards the maximum public good, will be considerations of this retention assessment.

The proposed sale by Council of any land holding shall be subject to the full public notification and consultation requirements of Council Public Consultation Policy and Section 3.58 and 3.59 of the *Local Government Act 1995*.

## 3. Issues

'Fee Simple' land holdings held by Council for many years can become 'entrenched assets' which are normally not considered for disposal, regardless of their practical value to the community.

Council 'fee simple' properties occupy valuable land which could be made available for sale if such infrastructure and service provisions are relocated to reserve or crown land sites.

With the changing role and responsibilities of local government, it makes sense to provide and plan for the future needs in respect of 'spare' land. Such land should be crown or reserve land at no cost to Council, rather than fee-simple land.

Council needs to apply a retention assessment test on land holdings, infrastructure and assets.

Land purchased in the past to meet the needs of the past may be capable of being converted to income in order to find the needs of the present and the future.

Land holdings and buildings can cost Council considerable maintenance cost over many years when their needs may no longer exist or private facilities in the area may have replaced their role.

**4. Policy**

Council shall at regular intervals, consider its holdings of ‘fee simple’ lands, infrastructure assets, machinery and buildings to ensure all such items either have a current useful purpose or provide an opportunity in the future for a useful community function. All such items should go through a retention assessment.

Factors applying to a retention assessment shall include:

- Statutory influences (restrictions or limitations, for example, zoning)
- Existing use
- Potential future use
- Size and location
- Conservation value
- Site constraints and opportunities
- Current maintenance issues

When considering potential land sales, any decisions shall reflect on the current and projected financial or economic position of the Town of Cottesloe at the time. Factors for consideration will include the accumulation of reserves for Capital Works, Forward Works programs and Projected Financial Plans, all of which will collectively aid in the determination as to whether short term gain or long term revenue is a preferred outcome. The provisions of the item 1.b. shall not be overlooked.

If the decision is made to sell a property and current use of that property is made by a government department that department will be first contacted regarding the possible sale to the department to allow the ongoing use for the existing purpose.

Adopted	23 February 2009
Reviewed	25 February 2013
Expected date of review	