



# **KATHERINE TOWN COUNCIL**

## **COUNCIL POLICY**

### **SALE AND DISPOSAL OF LAND**

**Approved by Council:**

## **1. INTRODUCTION**

**1.1** Section 129(3) of the Local Government Act 1993 provides for a Council to sell or exchange real or personal property acquired by it except in certain circumstances. These circumstances include where the sale or exchange is inconsistent with the purpose for which the property was acquired by a grant or gift from the Territory Government.

## **2. POLICY**

**2.1** The objectives of this Policy are to ensure Katherine Town Council's processes for the sale and disposal of land are fair and transparent and define those circumstances with reasons for sale and disposal methods other than by tender.

## **3. POLICY STATEMENTS**

**3.1** As defined in the Local Government Act 1993, this Policy includes land registered under the Land Title Act and includes a unit or building lot within the meaning of the Unit Titles Act and an authorised holding.

**3.2** Land also includes a legal estate or interest such as a leasehold estate. This Policy does not cover easements or rights of way.

**3.3** Sale and disposal of land will be consistent with Council's Strategic Plans in terms of economic, social and environmental objectives.

**3.4** When considering options for the sale and disposal of land, Council will look for opportunities to advance the objectives of Council's Strategic Plan.

**3.5** The process for the sale and disposal of land will be fair and transparent to ensure Council obtains the best outcome and price.

**3.6** Commercial confidentiality will apply to negotiations for sale and disposal of land unless Council decides otherwise.

# **OPERATING GUIDELINES/PROCEDURES**

**For**

## **SALE AND DISPOSAL OF LAND POLICY**

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### **4. PURPOSE**

The purpose of the Sale and Disposal of Land Policy and accompanying Operating Guidelines/Procedures is to:

- Comply with the statutory requirements on Council to ensure processes for sale, lease and disposal of land are fair and transparent.
- Provide a clear understanding of Council objectives to the public, key stakeholders and for staff to follow when undertaking sale, lease and disposal activities.
- Streamline processes for the sale and lease of land and/or associated premises to enhance effectiveness and efficiency.
- Give consistent guidelines and access to a range of selling, leasing and disposal methods in accordance with the desired outcomes for the land.
- Enable timely sale, lease and/or disposal subject to community consultation, purchasing, investment attraction and other relevant policies, strategies and procedures as endorsed by Council and
- Improve contractual relationships and/or other long-term arrangements with prospective purchases, developers, key stakeholders, adjoining owners, leases and/or tenants.

### **5. CONSULTATION**

- 5.1** Prior to sale or disposal of some sites, Council may consult regarding devised forms of development or appropriate design guidelines on the site.

## **6. FREEHOLD LAND**

- 6.1** In the first instance, open market methods of sale will be considered and determined by Council on merit and may include:
- Public Tender – sales best suited to public tender are those where special conditions are required on land and/or where there is a special interest demand.
  - Selected Tender – where public registrations or expressions of interest may be sought prior to tender.
  - Public Auction – for unconditional sale and/or where there is a general high demand.
- 6.2** Should the tender not be awarded, or the reserve price not be reached at auction, negotiations may be entered into with the Council's preferred party.
- 6.3** In some circumstances Council may consider a sale or disposal other than through the open market based on individual case merits. These circumstances may include but are not necessarily limited to the following:
- Land that because of its small size, dimensions or irregular shape would not readily support a self-contained development outcome;
  - Land that has no legal access;
  - Land to be developed by another level of government;
  - Preferred future use of the land as identified by the Council;
  - Land of nominal value;
  - Land for inclusion with an adjacent holding;
  - Land that will complement a proposed development on an adjoining site, the sale of which is consistent with Council's objectives.
- 6.4** Where the sale is not to be on the open market, the sale should be at current market valuation with due regard to all associated costs to achieve the transaction or such other amount as Council resolves. Methods of sale in such circumstances may include:
- Selected tender
  - Expressions of interest may be sought prior to selected tender; or
  - By negotiation with the relevant party.

## **7. LEASEHOLD INTERESTS**

**7.1** In considering the disposal of a leasehold interest, the options include:

- Public tender
- Selected tender where public registrations or expressions of interest may be sought prior to a selected tender. (Should a tender not be awarded, negotiations may be entered into with the Council's preferred party).
- By negotiation with a relevant party who may be but is not limited to a lessee or residential tenant or an adjoining owner.

**7.2** Where the disposal of the leasehold interest is not to be on the open market the rent should be at current market valuation with due regard to all associated costs to achieve the transaction or such other amount as Council resolves.

**7.3** Where Council has an interest in land and/or premises which are leased or licensed, the lease or licence may be renewed to the existing lessee or licensee subject to the provisions of the Commercial Tenancies Act and the Residential Tenancies Act where relevant.

**7.4** Where land and/or premises are vacant and Council proposes to lease or licence the land and/or premises then the following applies:

- Publicly advertise the premises for lease;
- The lease must comply with all relevant legislation and Council policies;
- The terms of a lease should in principle be consistent with rentals and conditions prevailing in the market at the time;
- Where Council resolves to lease land or premises at less than the current market value or in terms more favourable than generally prevailing in the open market, then the concessional benefit should be identified and made known to the general public.

**8. DELEGATIONS**

**8.1** The Council or a Council committee with delegated authority will make the decisions regarding sale and disposal of its freehold land. The Chief Executive Officer is delegated the authority to grant leases up to five years for Council land holdings. Any lease greater than five years requires a resolution of Council or a Council committee with delegated authority.

**9. INTERNAL CONTROLS**

**91.** Appropriate practices and procedures of internal control shall be in place for sale and disposal activities. A clear audit trail will be maintained for monitoring and reporting purposes.