

Property Divestment and Acquisition Policy

Purpose

To establish the objectives, principles, and processes by which Council will identify, assess, approve, manage the acquisition and divestment of land and built assets for the benefit of the Wodonga community, in accordance with the Local Government Act 2020 (the Act), related regulations, and best practice guidelines.

Scope

This policy applies to all Council-owned land, buildings, discontinued roads and associated property interests. It governs:

- Acquisition of new land or interests by purchase, private treaty or compulsory powers;
- Divestment (sale, exchange or transfer) of surplus property;
- Consultation, statutory processes; and management of proceeds.

Definitions

Council	Wodonga Council
Land	refers to parcels of land and/or their buildings.
Best Practice Guidelines	Local Government Best Practice Guideline for the Sale, exchange & transfer of land June 2009 published by the Department of Planning and Community Development. This guides Council on the sale, exchange and transfer of land.
Council-owned land	Land owned by Council, including vacant land, discontinued roads, and any building and development thereon.
Discontinued road	A public road that has been discontinued with the fee simple vesting in Council, or as defined in the Road Management Act 2004.
Market valuation	A valuation not more than six months old obtained from a person who holds the qualifications or experience specified under section 13DA(2) of the Valuation of Land Act 1960.

Policy

The acquisition and divestment of land by Council must follow a structured and transparent process, guided by principles of probity, thorough due diligence, risk assessment, and consideration of other critical factors. These transactions play a vital role in supporting the strategic delivery of open space, enhancing operational and community outcomes, and advancing planning objectives related to the development, growth, and revitalisation of local centres.

Acquisition Process

Council may acquire land via a public process, by private treaty, or by compulsory acquisition.

Considerations

To determine if the land meets justification for council ownership, an assessment review will be undertaken to ensure the following is considered:

- Planning and zoning requirements, planning overlays - Environmental, historical, cultural, heritage and Native Title.
- Strategic need (service delivery, planning objectives).
- Financial analysis (capital cost, funding source, lifecycle costs).
- Risks and mitigation strategies.
- Alignment with council policies and strategies.

Method of Acquisition

- Public Tender/Auction
- Private Treaty (with recorded justification)
- Compulsory Acquisition under the Land Acquisition and Compensation Act 1986

Statutory Requirements (Acquisition)

Victorian Government Landholding Policy and Guidelines – First right of refusal

When Victorian government land is declared surplus, the Department of Energy, Environment and Climate Action (DEECA) must notify other Victorian government agencies, local councils, and the Commonwealth Government. These entities are given a First Right of Refusal, allowing them to express interest in acquiring the land for public or community use.

- Agencies have 60 days to submit an expression of interest.
- If interest is shown, parties must negotiate in good faith.
- The landholding Minister may approve a sale for community purposes at below market value, based on a valuation by the Valuer-General Victoria.

Planning and Environment Act 1987

Council may be liable for compensation if a landowner incurs a financial loss due to a Public Acquisition Overlay or a refused planning application on the grounds that the land is needed for public use. The landowner must submit a claim, which Council is required to assess and respond to.

Divestment Process

In determining whether a council property is appropriately contributing to our community before considering divestment or otherwise, each property will be reviewed against the following considerations, in order to ensure a balanced assessment and final determination. These considerations are inclusive of the identification of current and potential future usage in line with projected growth patterns and provision for a community with evolving / unanticipated needs.

Identification of Surplus Property

Council shall conduct an annual review periodically to identify assets that are:

- No longer required for current or foreseeable functions
- Underutilised or financially unsustainable

Properties recommended for divestment will be evaluated on:

- Environmental constraints and remediation requirements
- Community and social impact
- Economic development opportunities
- Financial returns and alignment with budget/Long-Term Financial Plan

- Risks, including Native Title and cultural heritage obligations

Sale process

Council resolution is required to initiate the sale process and to commence the statutory process of selling the land.

In accordance with sections 114 of the Act, the council will as a minimum give public notice of its intention to sell or exchange land at least four weeks prior to selling or exchanging the land. The council will engage with the community in accordance with the Community Engagement Policy.

Method of Sale

Sale of Council land should be through a public process, including auction/tender or expression of interest, unless circumstances arise where a private treaty is deemed suitable. If a private treaty is undertaken, the Council must provide reasoning behind this and in some circumstances, appoint a probity officer to oversee the transaction.

Subdivisions

All subdivisions need to adhere to the Subdivision Act 1988 and the Planning and Environment Act 1987; all relevant planning permits and approvals need to be met.

Sale of Land Proceeds

Proceeds from Council land sales must be allocated in line with Council's adopted annual budget and long-term financial plan.

Advice

Council shall seek advice from suitable internal and external advisors to ensure that any such divestment or acquisition decisions are made on an informed basis. Known external advisors to be included in any divestment process will be an appropriately registered valuer, legal counsel and real estate agents. Other consultants and advisors will be engaged on a required basis and the cost of such advice factored into any decision to proceed to assess a property for divestment.

Valuations

When acquiring or divesting land, Council must obtain a valuation from a qualified Valuer to determine its market value. If the land is valued at \$500,000 or more, two independent valuations are required, no more than six (6) months prior to the sale.

For acquisitions, Council should generally not pay more than the assessed market value unless there are documented reasons or circumstances justifying the higher price. This may include strategic importance or unique conditions where compulsory acquisition is not applicable. Any such decision must be supported by the Valuer and approved by Council's Delegate.

Valuers must:

- Be appointed by Council and meet the qualifications under section 13DA(2) of the Valuation of Land Act 1960.
- Be certified or accredited by the Australian Property Institute.
- Have at least 5 years' experience in valuing real property for acquisition or sale purposes.

Logic Industrial Estate Divestment

Land Parcels within the Logic Industrial Estate, which have specific development outcomes associated with their future use, will be sold via private treaty agreements. A Heads of

Agreement (HoA) will be negotiated with the prospective purchaser prior to the matter being presented to an Ordinary Council Meeting for consideration.
A pricing schedule for the land parcels will be reviewed annually (every 12 months) and submitted to Council for determination.

Attachments

- Attachment A: Property Divestment & Acquisition Process
- Attachment B: Compulsory Acquisition

Related policies

- Property Leasing & Licensing Policy

Related legislation

Local Government Act 2020

Valuation of Land Act 1960

Transfer of Land Act 1958

Subdivision Act 1988

Planning and Environment Act 1987

Land Acquisition and Compensation Act 1986

Human Rights and Responsibilities Act 2006

The council is authorised under the Act to divest council property in accordance with Sections 114. In addition to these requirements, the council is also required to comply with Section 20 of the *Subdivisions Act 1988* (SD Act), when selling public open space.

References

Local government Best Practice Guideline for the sale, exchange and Transfer of land, June 2009, Department of Planning and Community Development.

Review

Council may review this policy at any time but unless otherwise requested at least every four years from date of adoption. Minor amendments to the policy may be authorised by the CEO at any time where such changes do not alter the substance of the policy eg: typographical errors, a change to the name of a related policy, or a change to the name of legislation.

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Business Unit:	Assets
Category:	Quality Manager - Strategic and Governance Policy
Approved By:	Council at the xxx council meeting.
Next Review:	30 June 2030

Annexure A

LAND DIVESTMENT AND ACQUISITION FLOW CHART

Annexure A



Annexure B

COMPULSORY ACQUISITION FLOW CHART

Annexure B

