

Title	LAND STRATEGY IMPLEMENTATION
Agenda Number	15.010/21
Strategic Plan Reference	5
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Author	Projects Officer
Responsible Officer	Projects Officer
Reporting Brief	The Director Legal and Governance Services presenting a report from the Projects Officer on the implementation of the Council's Strategy for Council owned land
Attachments	Nil

Background

1. The Council owns approximately 931 hectares of land (excluding Roads) with a total land value of \$14,666,100 (excluding capital value) at commencement of the 2020/2021 financial year.
2. The Council's land asset consists of ordinary land, public land (within the meaning of the *Local Government Act 1993* (the Act)), Trust land and road/road-widening land (including footways).
3. Council at its ordinary meeting of 18 January 2012 adopted the Land Strategy, July 2011 (the original Strategy).
4. In adopting the original Strategy for implementation, the Council established a Land Strategy fund such that all monies from land sales were to be separately accounted for the purposes of covering costs associated with implementation of the Strategy and for purchase of land identified for strategic purposes.
5. A review of the Strategy was undertaken in 2017 and a new Strategy adopted by Council at its ordinary meeting of 27 September 2017. A public version of the Strategy (excluding commercial in confidence matters only) was adopted in May 2018.
6. Community concern led to implementation of the Land Strategy being put on hold. Subsequently a Projects Officer was recruited to work on progressing the Land Strategy and other strategic projects, including developing a land disposal policy.

7. The year 2020 saw the enormous impact of the Covid-19 pandemic which not only impacted operational activities but also was a time of great uncertainty regarding the future and Council's strategic response. It is within this context there is a renewed focus on the financial implications of what is done with land. It is also important within this to consider what Council can do to support and invest in community networks and infrastructure that embodies and promotes community resilience in these unprecedented times.
8. A full assessment has been undertaken of Council owned land previously identified for sale or development with a view to maximising returns and opportunities to the Council and providing benefits to the community at the same time while considering financial, community and environmental outcomes.
9. The assessment was considered in Closed Council at its ordinary meeting of 24 February 2021.
10. The purpose of this Report is to provide information associated with that assessment and decision for public consideration excluding only any commercial related matters and land acquisitions.

Council Policy

11. Land management is covered by the following council policies:
 - *Huon Valley Council Asset Management Strategy*,
 - *Land Strategy 2017*, and
 - *Sale and Disposal of Council Land Policy GOV-CORP 18* (the Policy)
12. The Policy addresses community raised concerns through:
 - Systematic active asset management of Council's property portfolio in-line with Council strategic decisions to ensure Council and community receives some form of economic, community or environmental return;
 - Process and criteria for the consistent evaluation of Council owned Land to recommend future plans for land whether for disposal, lease, development or strategic purpose;
 - Framework for deciding disposal method and valuation;
 - Guideline for when Community Engagement is appropriate and integration into the Land disposal process;
 - Sales process that embeds competitive arms-length transactions, community notification, and documentation of decision-making;
 - Policy structure for internal management procedures to fulfil this;
 - Compliance with all statutory and legal requirements.
13. Where land is proposed to be disposed of in a manner by direct negotiation, exchange, donation or other transfer of land, the reason for the decision will be stated in a Report presented to open Council as provided within the Policy. This Report satisfies this requirement.
14. Six monthly implementation Reports are provided to the Council in accordance with the Annual Plan.

Legislative Requirements

15. Council's legal obligations regarding ownership, lease, acquisition and disposal of Land are covered in more detail in Section 3.2 of the Land Strategy and are governed by the following Sections under the Act:
 - 175 provides that a Council may purchase land for any purpose which it considers to be of benefit to the council or the community,
 - 176 provides that a Council may acquire land for prescribed purposes in accordance with the *Land Acquisition Act 1993*,
 - 177 provides that a Council may sell, lease, exchange or otherwise dispose of land owned by it, other than public land, in accordance with this section,
 - 178 provides that a Council may sell, exchange or otherwise dispose of public land owned by it in accordance with this section,
 - 179 provides that a Council may lease public land and
 - 181 provides that a Council may hold land on trust subject to any conditions on which it is to be so held.

Risk Implications

16. Risk associated with land is understood to be both in terms of asset management and the process for the disposal of land identified as surplus to Council strategies.
17. Failure to adequately address asset management issues results in a deterioration of Council's asset base to a level which is unacceptable to the community.
18. Failure by the Council to adequately manage its asset base could leave Council open to legal redress due to risk management issues that may arise.
19. With respect to the land asset it differs from other asset classes in that it exists in perpetuity. The mere fact of ownership does provide risk to the Council by way of occupiers liability, risk of nuisance caused as a result of the condition of the land as well as other costs and liabilities such as land tax, general maintenance and boundary fence contributions.
20. There is also an opportunity cost risk associated with Council retaining ownership of land that it does not require for any strategic purpose. In addition to incurring cost, continued ownership may result in a lack of funds to be otherwise available to purchase or develop strategically important land.
21. Risk is considered in the Strategy to a limited extent. The key factors impacting upon risk are considered to be that Council does not retain surplus land but also ensures that land that it does continue to own is managed appropriately in accordance with the relevant Council program.

The adoption of the Policy is to mitigate risks associated with the process of disposing of surplus land by providing a mechanism that ensures:

- The sale of Land has a clear and consistent approach;
- Council reviews proposals through the lens of acting in the wider community's best interest by evaluating strategic value; social, economic and environmental outcomes; level of community engagement; and impact of ownership, disposal or development;

- Effective public communication explaining how and when sales will take place so the community and businesses (during expression of interest for development) to provide for a fair process within a competitive free-market transaction;
- A regular review process so Council can act on current appropriate information and recommendations.

22. If the implementation of the Land Strategy remains on hold then:

- Land currently deemed surplus sits vacant (sometimes for many years) with associated risks regarding bushfire, illegal use (such as 'wood hooking'), vandalism, etc.
- Costs associated with land tax, weed management, public liability insurance and maintenance continue on Land no longer required by Council; for example:
 - Total Council land tax liability for 2020/21 was \$113,799.50. Land discussed in this report accounted for \$30,406.68 of that amount (or over 26%);
- Clearly defined management responsibility for some Land remains unresolved;
- No funds are generated through Sales for future strategic purchases of Land for the benefit of the wider community;
- Opportunities for strategic development of Land portfolio owned by Council remain on hold.

23. Specific risk is considered in relation to each individual property.

Engagement

24. Engagement associated with this decision will be undertaken at Inform Level by inclusion of the elected Councillors within the Council meeting Minutes that will be available to the public on the Council's website and at the Customer Service Centre. Engagement will also be undertaken at the Inform level on the Council's Have Your Say webpage.

Human Resource and Financial Implications

25. The Strategy relies upon use of funds from the Land Strategy fund established by Council in 2012 which is set aside as a general reserve for the purposes of:

- Receiving income from the sale of land;
- Implementation of the Strategy; and
- Future strategic purchases of land.

26. This fund relies upon disposal of land to progress any future land purchases and acquisitions. The fund does allow for some deficit funding predicated upon a future return from sale of land.

27. Other funding avenues within the Council's budget which may be associated with purchase or acquisition of land include:

- Public open space funds received under the *Local Government (Building and Miscellaneous Provision) Act 1993* which can be applied for the purpose of acquiring further public open space as public land.
- Specific budget allocations that relate directly to a program area.

28. The Strategy also identifies further costs which occur in relation to land in general including:
- Land Tax. The Council's land tax cost for 2020-2021 year is \$113,799.50;
 - Boundary fences - *Boundary Fences Act 1908* the Council is obliged to contribute towards boundary fencing land that it owns that is not otherwise open to the public;
 - Maintenance, weed management, fire hazard reduction; and
 - Management and oversight for illegal or unapproved uses.
29. In addition the proposed Bushfire Hazard Mitigation Measures Bill will impose significant responsibility on Council to manage bushfire hazard on Council owned land.
30. Other than land leased in accordance with the Council's *Lease Policy GOV-CORP 007*, land owned by Council does not generate rate income.
31. Fees relating to professional consultants (e.g. surveyors, real estate agents, etc.) to implement the Land Strategy regarding subdivisions, sales, master-planning, etc. are intended to be recouped in the future through the associated recommendation. However, the legal process is largely undertaken within the Legal and Governance Services Department.
32. Cost will be incurred associated with community engagement, advertising and officer time.

Discussion

33. A number of properties previously identified for sale or development has been assessed against the Policy. Council is moving forward with the following recommendations.
34. A number of properties have been identified for disposal. The following list of properties are notified at inform level.

Property	Current use	Decision
Cygnet Coast Road, Lymington (PID: 7254265 & 7254257)	Two blocks of vacant land for which Council has no future plans.	To sell on the open market
Liddells Road, Crabtree (PID: 9710591)	Large block of vacant land, originally purchased to protect water catchment. This has since been resolved through subdivision with TasWater ownership and management of the appropriate land.	To sell remaining land on the open market
Huon Highway, Geeveston (PID: 7175970)	This land contains the newly constructed Port Huon to Geeveston Walking Track. However, most of the land is vacant.	Subdivide track area and then sell balance of land on the open market.

Fourfoot Road, Geeveston (PID: 5250527)	Unused land that is covered with high natural values and acts as a scenic backdrop to Geeveston.	Council's NRM unit is developing a proposal for its management. If, however, this does not progress then dispose of land in conjunction with adjoining land at 7175970.
27 Rocky Creek Road, Crabtree (PID: 5696166)	A disused fluoridation plant on a very small block of 133m ² with nominal value that has been enclosed in adjoining land (prior to that blocks sale to current owners).	Direct negotiation with adjoining landowner to dispose of land as there is no other realistic use.
187a Wilmot Road, Ranelagh (PID: 3396119)	Vacant land next to sewerage lagoons. Council has subdivided an area of public open space adjoining the foreshore.	Sell land on open market. Council may consider use of funds from the sale of the land to be made available for development of public land within Ranelagh including for walking track linkages.
61 Station Road, Dover (PID: 5267599)	Vacant land, after acquisition for widening the junction at Station Road and Kent Beach Road.	Explore offer of land swap for land in Huonville with greater strategic significance. If this does not progress, sell on open market.
11 Church Street, Geeveston (PID: 5254368)	This contains Geeveston Library.	Continue discussions with Education Department (the Crown) regarding future ownership. Otherwise, this could be placed on the market for sale with the lease in place.
Scenic Hill Road, Huonville (Title C/T: 83928/1 small part of the larger PID: 3147876)	A small block of land that was overlooked with land transfers to TasWater. Primary use is access. This is not the main former quarry or supporting site.	Dispose through offers to adjoining landowners.

35. In the following properties, these would better serve the community if they were owned by a community organisation, rather than Council maintaining ownership. This would support and invest in social networks and infrastructure that will build resilience in the Huon Valley community.

Huon FM, 10 School Road, Geeveston (PID: 5257390)	This building has been home to Huon FM since 1992. It needs investment to fulfill Huon FM's future plans. The building during this time has been leased under a community lease for a nominal amount. By transferring the building Council is helping secure the community broadcaster's future.	Transfer freehold to Huon FM on a reversionary covenant (this means if Huon FM stops using the building then ownership can revert to Council).
Harwoods Common, Castle Forbes Bay Road, Castle Forbes Bay (PID: 1853531)	Crack willow, blackberry and weed infested area of former weir that Castle Forbes Bay Landcare Group have been tackling in recent years and opening up as a community space.	Transfer freehold to Castle Forbes Bay Landcare Group under a reversionary covenant.

36. The following will have further community engagement expected later in 2021, prior to progressing, to help decide the future outcomes for the land.

"Memorial Drive" 58 Kent Street, Geeveston (PID: 2208956)	Some of this land is used by Scrubby Hill Farm (GeCo) and Tasmanian Trails, the remainder being vacant. Possibility of securing tenure for Scrubby Hill Farm, a better site for Tasmanian Trails, while also developing private lots, housing affordability initiative, and public open space.	Undertake community engagement at involve level to evaluate in principal support, or otherwise, to identify development proposals for the land. This will happen later in 2021.
"Old School Farm" 14 George Street, Cygnet 8 George Street, Cygnet 20 Golden Valley Road, Cygnet (PID: 7830242, 7672344 & 2036840)	Currently vacant land. Possibility, similar to above, of a flexible approach to developing the land to reflect community's interest in the outcomes as shown in the Cygnet Association's 2018 engagement on the land's future.	Undertake community engagement at involve level to evaluate in principal support, or otherwise, to identify development proposals for the land. This will happen later in 2021.

16 Frankcomb Street, Huonville (PID: 5701076)	Vacant open space lot as part of original subdivision. However, land is currently unused and unsuitable for public park. Ask residents opinions as subdivision could protect stormwater asset and create a house-site-sized block of unused vacant land that could be sold on the open market.	Classed as 'public land' and dedicated as public open space. A statutory process of public community engagement will be undertaken to understand if the land is used or should be sold.
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37. Following completion of engagement at inform the Council will consider a marketing plan and properties identified for disposal will be listed for sale following that time. Notification of the intended sale will be placed on the property as provided within the Policy.

Conclusion and Recommendation

38. The Report has been provided for the purposes of information only and is recommended to be received and noted after having been previously approved in Closed Council.

15.010/21 RECOMMENDATION

That the report on the implementation of the Council's Strategy for Council owned land be received and noted.

Councillor	For	Against	Councillor	For	Against
Enders			Newell		
Doyle			Campbell		
Gibson			Prince		
Wilson			O'May		
Lovell					