

## **PUBLIC NOTICE**

### **Draft Shellharbour City Council Property Strategy 2020-2030**

At its Ordinary Council Meeting of 15 December 2020, Council resolved to endorse the Draft Shellharbour City Council Property Strategy 2020-2030 to be placed on public exhibition for a period of 42 days calling for submissions.

#### **On Exhibition**

The draft strategy will be on exhibition at Council's Administration Centre, Shellharbour Civic Centre, all City Branch Libraries and also available below.

#### **Public Submissions**

Submissions are invited and will be received from 21 January 2021 until 4.00pm 5 March 2021.

Submissions must be received in writing and addressed to

Chief Executive Officer  
Locked Bag 155  
Shellharbour City Centre, 2529

or sent by email to [council@shellharbour.nsw.gov.au](mailto:council@shellharbour.nsw.gov.au)

**Carey McIntyre**  
**Chief Executive Officer**



# PROPERTY

# STRATEGY

2020-2030

# CONTENTS

PURPOSE	3
SCOPE	3
PRINCIPLES	3
SHELLHARBOUR CITY	4
COMMUNITY STRATEGIC PLAN 2018-2028	6
OBJECTIVES	7
LEGISLATIVE AND POLICY FRAMEWORK	8
COUNCIL'S OPERATING CONTEXT	9
WHAT IS PROPERTY?	10
WHAT ARE THE VARIOUS TYPES OF PROPERTY?	11
USE OF COUNCIL PROPERTY	12
STRATEGIC PRIORITIES AND ACTIONS	14
KEY OUTCOMES	16

# PURPOSE

The purpose of this strategy is to ensure that Council's property portfolio is strategically aligned with its service delivery objectives and community expectations, in the context of delivering optimum commercial value from the management and development of property.

Property must be managed and refreshed to ensure it effectively supports changing services and community needs and priorities.

This strategy establishes a consistent approach and guiding principles for the management of property assets to assist with the realisation of Council's service delivery objectives identified in the Community Strategic Plan 2018-2028.

# SCOPE

The scope of this strategy includes Council-owned freehold land and physical assets, Council managed Crown land, leases, licences, tenancies and easements.

It also includes some specific infrastructure assets and public realm (open space) assets such as reserves, parkland, sports fields and other forms of recreational infrastructure.

# PRINCIPLES

A context of this strategy is best practice property management, including the following principles:

- Optimise community benefit, public value and financial sustainability from the property portfolio by actively pursuing strategic property acquisitions and disposals
- Ensure the property portfolio is fit for purpose, financially and environmentally sustainable
- Undertake strategic evaluation of the property portfolio on an ongoing basis
- Proactively manage the financial, legal and insurance risks associated with the property portfolio
- Proceeds from property sales will be used to fund other community facilities and infrastructure

# SHELLHARBOUR CITY

The City of Shellharbour Local Government Area (LGA) is located in the Illawarra Region of NSW and is about 100 kilometres south of Sydney. The LGA shares a border with the City of Wollongong to the north (boundary defined by Lake Illawarra and Macquarie Rivulet) and with the Municipality of Kiama to the south (boundary defined by Killalea State Park). It stretches from the South Pacific Ocean in the east to the Illawarra Escarpment which forms a natural boundary to the west.

The LGA has a total land area of approximately 147 square kilometres including beaches, rivers, National and State parks and other significant parklands.

Shellharbour is an expanding urban area with a population of more than 70,000 (2016 Census). Significant residential growth will continue in the coming years.

It has significant rural areas and some industrial and commercial land uses. The main urban centres are Shellharbour City Centre, Shellharbour, Shell Cove, Albion Park, Warilla and Oak Flats. Most of the rural areas are found in the south and west with rural land used mainly for crop farming, dairy farming and grazing.

Shellharbour was officially proclaimed a City in 1996.



# COMMUNITY STRATEGIC PLAN 2018-2028

This strategy is linked directly to the Community Strategic Plan 2018 – 2028 through objectives that deliver sustainable economic and environmental outcomes that benefit the communities that Council serves.

This strategy is underpinned by Council's strategic and policy framework, including Integrated Planning and Reporting (IP&R), and linked to the various plans, strategies and documents that comprise that framework.

In addition, the objectives of the strategy address the four key stakeholder groups that underpin the focus of Shellharbour City Council – Community, Councillors, Customers and Council.

## **This strategy will contribute to the realisation of the vision contained within the Community Strategic Plan:**

*In 2030, Shellharbour is a dynamic city that values and celebrates the unique diversity of our people, places and environment. We are a connected community working together to create a safe, sustainable future that provides opportunities for all to achieve their potential.*

# OBJECTIVES

This strategy has been developed to define a framework for the responsible management of Council's property portfolio to achieve the following objectives:

- Meet current and future community needs to assist with the effective and efficient delivery of Council services
- Ensure the preservation of property in a satisfactory condition and fit for purpose
- Ensure that Council's property holdings are commercially sustainable
- Regularly review commercial performance using best practice criteria
- Facilitate economic and physical regeneration, without capital being engaged in assets which are being held without certainty of use into the future
- Optimise the potential for Council to positively influence economic activity through strategic acquisitions, development and/or other land use decisions
- Capitalise on co-location opportunities with the private sector and take advantage of synergies of partnerships, especially where operational efficiency or improved service delivery is secured
- Provide the best value for money to the community
- Rationalise property holdings, where appropriate, and release capital for reinvestment through Council's budget processes
- Enable Council to invest in renewable energy opportunities where appropriate
- Consider investment in future property opportunities, in accordance with a robust commercial framework
- Respond to the changing needs of key stakeholders, including the broader community, customers, councillors and Council itself



# LEGISLATIVE AND POLICY FRAMEWORK

The management of Council's property portfolio is undertaken in accordance with the legislative provisions of, but not limited to:

- Local Government Act 1993
- Crown Lands Act 1989
- Crown Lands Management Act 2016
- Retail Leases Act 1994
- Residential Tenancies Act 2010
- Roads Act 1993
- Conveyancing Act 1919
- Real Property Act 1990
- Environmental Planning and Assessment Act 1979
- Land Acquisition (Just Terms Compensation) Act 1991

This includes land classification and Council's responsibilities as a Crown Land Manager.

Section 186 of the Local Government Act 1993 provides that Council may acquire land, including an interest in land, for the exercise of any of its functions.

In accordance with the Act, land owned by a Council must be classified (Section 25) either "community" or "operational" (Section 26), but interests in land are not classified. In addition, the Crown Land Management Act 2016 now requires Council to seek approval for the classification of Crown reserves.

# COUNCIL'S

# OPERATING CONTEXT

This strategy is part of, and informed by, Council's policy and planning framework, which includes the following policies, plans and strategy documents:

- Shellharbour LEP 2013
- Shellharbour Development Control Plan
- Long Term Financial Plan 2019 - 2029
- Asset Management Plan 2020 - 2030
- Sustainable Financial Strategy
- Strategic Acquisition of Land Policy
- Disposal of Surplus Land and Buildings Policy
- Valuation Policy
- Economic Development Strategy
- Shellharbour City Local Housing Strategy
- Shellharbour Open Space and Recreation Needs Study and Strategy
- Town Centre Plans for Albion Park, Oak Flats, Shellharbour Village and Warilla
- Shellharbour Local Strategic Planning Statement
- Open Space Masterplans for McDonald Park, Albion park Showground, Flinders Reserve and Reddall Reserve
- Community Land Plans of Management
- Retail and Commercial Centres Study
- Shellharbour Employment Lands Study
- Shellharbour City Council Heritage Study and Strategy
- Cemetery Operations Policy
- Dog Friendly Spaces Strategy

# WHAT IS PROPERTY?

“Property” is defined as a parcel of land or real estate and can include buildings and/or structures erected on land.

Property is a class of asset which has value in financial terms and also in the manner in which it can contribute to and may be the vehicle for, service delivery. It is important to understand that the value of a property asset is not always measured simply in financial terms.

Property, in the context of this strategy, is used to describe any kind of interest in land which Council either holds or has been granted. Property includes all buildings and/or rooms within buildings, rights of way, easements, leases, licences and other tenancies, including agreements to occupy.



# WHAT ARE THE VARIOUS TYPES OF PROPERTY?

Shellharbour City Council's property portfolio is held or managed to support the delivery of a wide range of services to the Shellharbour community. Property is mainly comprised of Council owned land, Crown reserves and public roads for which Council is the roads authority under the *Roads Act 1993*.

Council is either reserve trust manager for Crown reserves or has responsibility for Crown reserves under the provisions of the *Local Government Act 1993*. It is acknowledged that the Crown reserve landscape is evolving as a result of the *Crown Lands Management Act 2016* and it is possible that, over time, Council will assume responsibility for management of all Crown reserves except for those either retained by the NSW State Government or acquired by local Aboriginal Land Councils.

Council is the roads authority for all Council public roads and their use and management is governed by the *Roads Act 1993*. Whilst public roads are vested in Council, they do not have a title unless and until such time as closure is effected under the provisions of Part 4, Division 3 of the Act.

Land which is owned by Council is classified as either community land or operational land under the provisions of the *Local Government Act 1993*.

## Community land

Community land is typically comprised of public reserves, parks, sporting fields, natural areas and beaches. Community land:

- Cannot be sold, exchanged or otherwise disposed of
- Cannot have any other estate granted over it for more than thirty (30) years
- Must have a Plan of Management.

## Operational land

Land classified as operational land is typically comprised of civic buildings, depots, commercial buildings, car parks or that land which is held for commercial or strategic reasons.

Operational land can be used for any operational purposes, including commercial enterprises and strategic investment. Council is generally not restricted in its use or treatment of operational land, within the context of legislative and other land use controls and appropriate community consultation.

# USE OF COUNCIL PROPERTY

There are various ways that Council uses its property holdings. These include:

- Provision of direct services to the community. For example, libraries, community centres and halls, sporting groups, parks and leisure facilities
- Provision of indirect services by making property available for lease or licence at subsidised rentals to organisations which deliver those services
- Administration centres, works depots and all ancillary operational activities which support the delivery of Council services
- Commercial activities – relevant for properties which are appropriately zoned and located.

From time to time, Council will also seek to capitalise on holdings which are available for development and sale. This can include the development of englobo lands as residential and/or industrial estates, such as the Shell Cove development.

Property portfolio reviews are conducted to determine whether property holdings are sustainable or being put to the best use. These reviews may identify surplus land which can be disposed of, either by sale or other means. Council may also determine to rezone or reclassify land. Importantly, legislation requires that community land be reclassified to operational before it can be sold.



# STRATEGIC PRIORITIES AND ACTIONS

This strategy sets the strategic intent and principles to guide decision making.

It provides direction, principles and strategic priority areas to enhance the ongoing property portfolio of Council. This will aid decision making to ensure that the property portfolio supports the ongoing financial viability of Council, delivers services and provides maximum benefit to the community.

The following priorities and actions are designed to ensure that property portfolio assets are fit for purpose, able to meet changing community requirements and are well utilised.

## 1 Continue to make property available for service delivery

- adopt best practice property management
- ensure assets are appropriately used and maintained
- ensure implementation of this strategy is consistent with and supports Council's Long Term Financial Plan

## 3 Maximising value for money

- consider life cycle costs of acquiring, holding, using and disposing of assets
- optimise financial sustainability and long-term community benefit by actively pursuing strategic property acquisitions and disposals
- seek to establish partnerships with private sector and other government agencies to optimise outcomes for the community – such as the Shell Cove project

## 2 Maximise the service potential of assets

- improve management of existing property assets
- improve the flexibility of the asset base
- pursue economies of scale to ensure more cost effective service delivery
- maintain ongoing reviews of property holding to assess their sustainability and whether they are being put to the best use

## 4 Contribute to economic growth and community well-being

- meet service delivery demands by providing fit for purpose assets in optimal locations
- encourage asset improvements that will enhance the well-being of our residents
- optimise the potential for community activation

## 5 Assign responsibility and accountability

- clearly define ownership and control of assets
- determine and communicate accountability and report responsibilities throughout each step of the integrated approach to asset management and planning

## 6 Promote balance between development and sustainability

- minimise demand for new assets by using non-asset service delivery alternatives, as appropriate
- make asset decisions which consider and protect the needs of future generations

## 7 Use Council property to influence and enable appropriate private development

- ensure that new and renewed assets reflect environmentally sustainable architecture
- use the property asset base to leverage land use and optimum built form by private development agencies
- use Council property to enhance private development and optimise community outcomes

## 8 Use Council property to influence cultural vitality

- purchase strategically to deliver desired social, cultural or environmental outcomes
- use existing owned and/or controlled land to deliver specific social, cultural or environmental outcomes



# KEY OUTCOMES

- Council's property portfolio is used as a means of delivering services
- Effective stewardship of Council's property assets
- Implementation best practice property management
- Delivery of innovative services and assets which meet current and future community needs
- Reviews of property holdings that challenge the need to retain property
- Development of a sustainable built environment which accommodates a growing population
- The provision of places, spaces and support for the well-being of the community
- Community enjoyment of well used civic facilities
- Investment in property that delivers economic, social and environmental benefit to the community
- Contribution to maintain a financially robust organisation
- Councillors and staff are well informed and consulted regarding property related matters
- Raise the profile of property management as a contributor to community development



Enquiries and feedback should be made to:  
The Chief Executive Officer  
Shellharbour City Council  
Locked Bag 155  
Shellharbour City Centre NSW 2529

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