

Community Use Policy

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Property
NSW

What is the Community Use Policy?

The NSW Government has a real property portfolio worth approximately \$160 billion as at 30 June 2018. Real property is used by the Government to deliver critical government services and infrastructure including transport, schools and medical facilities that drives economic growth throughout the State.

Certain real property not required by the NSW Government for current or future service delivery may be offered to Local Councils for purchase to help deliver better community outcomes. The NSW Government has approved the **Community Use Policy (CUP)** to ensure Local Councils are provided the opportunity to acquire real property that is declared surplus by the Government subject to satisfying specific criteria for community use.



QUICK FACTS

- > The NSW Government's real property portfolio was worth approximately \$160B as at 30 June 2018.
- > The NSW Government has approved the Community Use Policy (CUP).
- > The CUP applies to all General Government Sector agencies and Public Trading Enterprises.
- > The CUP does not apply to land acquired by statutory authorities, such as the Office of Strategic Lands.



Which assets does the CUP apply to?

The CUP applies to all General Government Sector agencies and Public Trading Enterprises, excluding State Owned Corporations, the Land and Housing Corporation, the Aboriginal Housing Office and real property held under the *National Parks and Wildlife Act 1974*.

Crown Land that is not deemed to be of State significance will continue to be made available for transfer to Local Councils under the *Crown Land Management Act 2016*.

The CUP does not apply to land acquired by statutory authorities for the purpose of transfer to Local Councils, including the Office of Strategic Lands.

What real property assets can be transferred to Local Councils under the CUP?

Real property assets declared surplus by both the land-owning agency and other agencies will be offered to the relevant Local Council to purchase where the unconstrained independent market value is less than \$1 million.

In addition to the value, the property must not form part of a NSW Government approved asset recycling program, and at least one of the following criteria must be met:

- the current zoning limits use of the property to community uses including Public and Private Recreation (RE1, RE2), Infrastructure (SP2), Special Activities (SP1), Environmental Conservation / Management (E2, E3), Village (RU5), or similar; or
- there is potential to create open space; or
- the use of the site is constrained to the existing use (e.g. public hall, place of worship, community facility, place of heritage significance, specialised use (group homes, respite care, boarding house)).

What are the conditions on transfer of real property assets to Local Councils under the CUP?

Real property assets will be offered for sale to Local Councils at market value allowing for the community use constraint. The pre-agreed community use will be registered on title to restrict its use for 15 years from the date of transfer. Uses can include income producing activities, but the community use must be the 'primary use' of the asset over the 15 year restricted period.

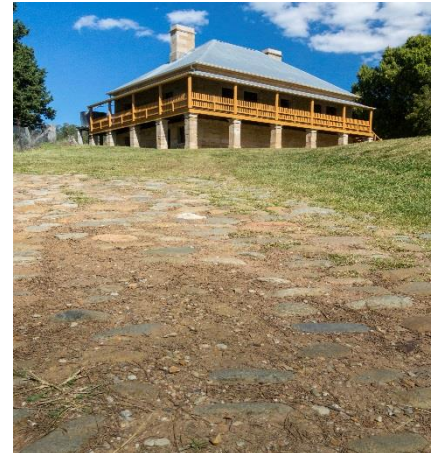
Should Local Council wish to purchase an asset without a restriction on title, they can offer to acquire the asset at the unconstrained market value (that is, the asset's value assuming 'highest and best use').

CUP applies to surplus real property assets with an unconstrained independently assessed value of less than

\$1,000,000

QUICK FACTS

- > Assets transferred to Local Councils will be subject to a 15-year restriction on title for the community use.
- > The value at which the asset is offered to the Local Council will be the market value adjusted for the community use constraint.
- > Other attributes of the asset will determine applicability of the CUP.



Local Councils can also request that transfer of the asset occur at below market value. These transfers require Government approvals including approval from the land-owning agency who will forfeit the sale proceeds that would otherwise be reinvested in service delivery and infrastructure.

Where the asset is sought under the CUP and the primary use is for a community group, the Local Council must acquire the asset and enter an occupation agreement with the community group.

MORE INFORMATION

Local Councils may contact Property NSW at ministerialservices@property.nsw.gov.au for further information.