

# ACT Government Surplus Property Policy

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## 1 Definitions:

Unless otherwise stated, the terms referred to in the ACT Government Surplus Property Policy will have the following meaning:

ACT Government Owned Property	means any Property or part of a Property (which may be leased, unleased or the subject of an Executive Crown Lease) containing built assets.
ACT Property Forum	Is an endorsed sub-committee of the Management Council and discusses all matters relating to ACT Government accommodation and Property management.
Agency	means an agency or authority that is established by or forms part of the ACT Government; but excluding any Territory Owned Corporation, and the Canberra Institute of Technology.
Custodian	means the agency that is recorded on the ACT Property Register as the responsible custodian of a Property that is an ACT Government Owned Property.
Evaluation Guidelines	means the "Evaluation Guidelines for Properties Identified as Potentially Surplus" prepared from time to time by Property, which outlines the procedures to undertaken when a property is identified as potentially surplus to an agency's Service Delivery Purposes.
Government Asset Management Strategy	means the strategy that outlines principles relevant to effective asset management strategies at whole of Government, service delivery and asset type levels.
Property	means an ACT Government Owned Property to which this policy applies.
ACT Property Group	means the ACT Property Group of the Department of Territory and Municipal Services
Service Delivery Purposes	means the purpose for which the ACT Government has provided specific funding to an agency or authority for the conduct of its activities at the Property.
Strategic Asset Management Plan	means a whole of life management plan created by the Custodian agency or authority for all its Property assets.
Surplus Property	means a Property where an Agency has ceased to utilise the Property according to the Property's approved

Service Delivery Purpose.

Territory Owned Corporation means a company specified as a territory-owned corporation in the *Territory-owned Corporations Act 1990 (ACT)*.

## 2 Purpose

2.1 This policy is designed to:

- (1) both assist Agencies in identifying Property assets that are potentially surplus to their needs; and
- (2) outline the key factors that should be considered in order to identify and determine the best utilisation of potentially surplus assets by the ACT Government.

2.2 In situations where the ACT Government has made a decision on the best future Government use of a Property, then that decision will not be subject to the requirements of this policy.

## 3 Objectives

The objective of this policy is to ensure that where a Property is considered surplus, a Property evaluation is undertaken to examine all options for the Property and recommend the best future option for the Property for the ACT Government. In addition to this, the policy is aimed at:

- (1) ensuring that the ACT Government's entire property portfolio achieves sustainable building outcomes for the ACT Government;
- (2) minimising the cost to the ACT Government through achieving a cost effective property portfolio;
- (3) ensuring that decisions about surplus properties are consistent with other government policies;
- (4) assisting with the effective management of ACT Government Property assets;
- (5) ensuring that Whole of Government accommodation requirements are met;
- (6) optimising the future use of potentially surplus Properties; and
- (7) considering, and where possible, providing for community and/commercial needs.

## 4 Role of ACT Property Group in the Department of Territory and Municipal Services ('TaMS')

In accordance with the Government Asset Management Strategy, ACT Property Group is responsible for providing policy and procedural advice on the evaluation, management, re-use and/or disposal of properties identified as potentially or actually surplus to an Agency's or the ACT Government's needs. Where a decision about the best future option for the Property has been made as a result of the property

evaluation, ACT Property Group will implement the decision – whether it is to manage, re-use, sell or demolish the Property.

## **5 Policy scope**

### **5.1 Application**

This policy only applies to all ACT Government Owned Property.

### **5.2 Exclusions to this Policy**

This policy is not intended to not apply to situations where:

- (1) a Territory Owned Corporation is a custodian of a Property;
- (2) the ACT Housing (Commissioner for Housing for the Australian Capital Territory) is custodian of Property; and/or
- (3) a private Crown leases that have been relinquished by private lessees to ACT Planning and Land Authority (ACTPLA).

### **5.3 This Policy is not intended to apply to land that does not include built assets.**

## **6 Surplus Property Identification and Transfer**

### **6.1 Procedure**

6.1.1 It is recognised that any ACT Government Owned Property can potentially become surplus to an Agency's requirements as Service Delivery Purposes, mechanisms and ACT Government priorities change.

6.1.2 When an Agency identifies a Property as potentially surplus and no longer required for its Service Delivery Purposes, the Agency should immediately notify ACT Property Group that the Property is likely to become potentially surplus to their needs so that an evaluation of the Property can be undertaken. Only ACT Property Group or an Agency that is Custodian of the Property can undertake a property evaluation.

6.1.3 This property evaluation will determine what the best future use options are for that Property . Additionally, the evaluation will determine the best possible use of the Property having regard to the requirements and needs of the:

- (1) Agency;
- (2) ACT Government, and
- (3) community.

6.1.4 Where the Property evaluation identifies the Property as *actually surplus*, the Agency is required to transfer the ownership of the Property to ACT Property Group in TAMS.

## 6.2 When does a Property become potentially surplus?

6.2.1 A Property will be considered potentially surplus to an Agency's requirements when ***the Agency thinks that it will cease to require a Property for the Service Delivery Purpose of that Property.***

6.2.2 A Property will also be considered potentially surplus to an Agency's requirements when:

- (1) The Property is being considered to be sub-let for any purpose not directly related to the service provision of that Agency (even if part of the Property is to be sub-let to one tenant);
- (2) The Property is about to be vacated by an Agency;
- (3) A decision may be made to no longer insure the Property for its full replacement value;
- (4) A Property, or part of a Property, is tenanted by more than one Agency and/or;
- (5) A government decision has been made to cease functions for that facility.

## 6.3 When should ACT Property Group be notified that a Property is potentially surplus?

6.3.1 As part of efficient Property management, all Agencies are required to prepare a Strategic Asset Management Plan, with the aim of reviewing and evaluating their current and potential future Property needs. This includes a Whole-of-Life Management Plan for all Property owned by that Agency. Each Strategic Asset Management Plan should indicate the Agency's ongoing need for the Property and the projected date of when any Property will no longer be required by that Agency for its Service Delivery Purposes.

6.3.2 Through a Strategic Asset Management Plan, Agencies should notify ACT Property Group as soon as the Agency becomes aware that the Property is potentially surplus. Where possible, and only if the Agency is not completing the evaluation, ACT Property Group should be informed at least 12 months prior to the proposed transfer of the Property to ACT Property Group, to allow for sufficient time to undertake a comprehensive assessment of the Property before it then can be declared surplus. This procedure will reduce the length of time that a Property may be vacant and expedites the implementation of any identified re-use options once the Property is no longer required by an Agency.

## 6.4 Property Evaluation

6.4.1 A Property evaluation must be undertaken in accordance with the Evaluation Guidelines, and must consider all possible future options for

the Property, and require consultation with all ACT Government Agencies, including the:

- (1) retention of the Property for alternate ACT Government purposes;
- (2) retention of the Property for non-Government and/or community or commercial purposes;
- (3) demolition of the building/s on the Property where it can be used for alternate ACT Government purposes;
- (4) disposal / sale of the Property;
- (5) best economic value for the ACT Government; and
- (6) possible potential impact on ACT Government Agency funding essential services.

6.4.2 A Property evaluation must also consider the attributes of the Property, including:

- (1) the physical location of the Property;
- (2) the condition of the asset;
- (3) the building/s and block size;
- (4) the prevailing permissible land use for the Property;
- (5) the existing surrounding land uses;
- (6) current and future planning developments in the area;
- (7) ACT Government initiatives and priorities; and
- (8) community expectations.

6.4.3 The evaluation process can be undertaken either by ACT Property Group TAMS or by the Agency that is the Custodian of the Property.

## **6.5 When is a Property *actually* surplus?**

A Property will *only* be considered as *actually* surplus to an Agency's requirements when identified as such through a comprehensive Property evaluation. The purpose of the evaluation is to identify and consider all possible options for the retention or disposal of the surplus Property by the ACT Government.

## **6.6 What happens when a Property is identified as actually surplus?**

6.6.1 Where a Property has been identified as actually surplus, the Agency should transfer the Property to ACT Property Group. ACT Property Group will then make the necessary arrangements to use/dispose of the Property as determined by this evaluation.

### **6.6.2 Information needed to transfer properties between agencies**

When a Property is to be transferred to ACT Property Group, the transferring Agency must provide ACT Property Group with all relevant information that relates to the surplus Property. This includes all Property data, condition audits, any files and plans on the Property, and any relevant information that is contained in the 'ACT Government Property Transfer Procedure'.

### **6.6.3 Portions of properties can be transferred**

Where there are a number of separate buildings co-located on one Property, the possible use and options for each building may be considered separately when an evaluation of the Property is undertaken. Where the evaluation indicates that a single or multiple buildings are potentially surplus to the Agency's requirements, the Agency may transfer those building/s or portion of the Property to the ACT Property Group to evaluate and manage.

## **6.7 How is a decision on the future of the surplus Property made?**

6.7.1 On the completion of the Property evaluation, an options paper will be prepared detailing all options that were considered for the Property and identifying the option that is considered the best possible future use of the Property by the ACT Government. This paper will be presented to the Property Forum in the first instance for a decision, and then to the Management Council or to the Minister or Cabinet if a decision on the best possible future use of the Property cannot be made by the ACT Property Forum.

6.7.2 Where a decision has been reached in relation to the future use of the Property, ACT Property Group will undertake the decision.

6.7.3 Once a decision has been reached and implemented, the Property in question is no longer considered or identified as a Property that is surplus to the ACT Government's needs. Rather, the Property will become a Government asset for:

- (1) alternative ACT Government use;
- (2) community or commercial use;
- (3) sale; or
- (4) demolition.

## **7 Guidelines**

7.1 The Agency and ACT Property Group shall comply with the Evaluation Guidelines in addition to any provisions of this policy.

7.2 Where there is any inconsistency between this policy and the Evaluation Guidelines, the policy will prevail.

## **8 Miscellaneous**

Although not intended to be covered by this policy, this is the procedure for vacant unleased land that is identified as being surplus. In situations where vacant unleased land is identified as surplus, Agencies should follow existing transfer procedures and transfer the vacant unleased land to either the Land Development Agency ("LDA") or to Parks and Places, TAMS (where land is urban) or Environment ACT (where land is not urban).