

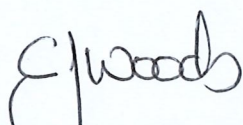


SPECIAL MINUTES

DATE: Tuesday, 24 January 2023

TIME: 3.00pm

VENUE: Council Chambers, Lowood
Road, Mount Barker WA 6324


Cameron Woods
CHIEF EXECUTIVE OFFICER

SPECIAL BUSINESS

**Council Endorsement of Offer to Purchase
on Property Surplus to Requirements
Lot 100 Woogenellup Road, Kendenup**

Resolution number: 001/23

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

3.00pm The Presiding Member declared the meeting open.

Members Present:

Cr C Pavlovich	Shire President (Presiding Member)
Cr J Oldfield	Deputy Shire President
Cr B Bell	Councillor
Cr K Clements	Councillor
Cr S Etherington	Councillor
Cr A Fraser	Councillor
Cr L Handasyde	Councillor
Cr M O'Dea	Councillor
Cr K Woltering	Councillor

In Attendance:

Mr Cameron Woods	Chief Executive Officer
Mr John Fathers	Executive Manager Corporate Services
Ms Delma Baesjou	Manager Development Services
Ms Nolene Wake	Executive Officer

Apologies:

Mr David Lynch	Executive Manager Works and Services
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Previously Approved Leave of Absence:

Nil

Members of the Public Present:

There were no members of the public present.

2 PUBLIC QUESTION TIME (RELATING TO SPECIAL BUSINESS ONLY)

Section 5.24 Local Government Act 1995

Nil

3 PETITIONS / DEPUTATIONS / PRESENTATIONS (RELATING TO SPECIAL BUSINESS ONLY)

Nil

4 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

Nil

5 SPECIAL BUSINESS

5.1.1 SALE OF PROPERTY SURPLUS TO REQUIREMENTS – LOT 100 WOOGENELLUP ROAD, KENDENUP

File Ref: N59982
Responsible Officer: Cameron Woods
Chief Executive Officer
Author: Vanessa Hillman
Acting Deputy Chief Executive Officer
Proposed Meeting Date: 24 January 2023

PURPOSE

The purpose of this report is to consider an offer for the sale of Lot 100 Woogenellup Road, Kendenup. This property has not been subject to legal tenure and other issues.

BACKGROUND

At its meeting held on 20 December 2022, the Council resolved that:

'That:

1. *Pursuant to Section 3.58 of the Local Government Act 1995, the following properties be sold to the highest bidders received in the 'Market Buy' auction platform, for the sale prices noted:*
 - a) *Lot 311 (89) Second Avenue, Kendenup \$16,000*
 - b) *Lot 100 Pearce Road, Kendenup \$71,000*
 - c) *Lot 50 Jutland Road, Kendenup \$65,000*
 - d) *Lot 2003 Chauvel Road Kendenup \$63,000*
2. *Authority be granted to the Shire President and the Chief Executive Officer to execute and, if necessary, affix the Common Seal of the Council to any documentation required to finalise the property sales in Clause 1 above.*
3. *The sale of:*
 - a) *Lot 324 (54) Hassell Street, Mount Barker, and*
 - b) *Lot 100 Woogenellup Road, Kendenup;**be passed in having not achieved an adequate price.*
4. *In accordance with Section 30(2a) of the Local Government (Functions and General) Regulations 1996, the Chief Executive Officer be authorised to return the properties in Clause 3 above to market with a view to achieving offers above a reserve price, with such offers being presented to the Council for endorsement.'*

The highest bid received for Lot 100 Woogenellup Road during the auction process was \$32,000.00. Subsequent to the Council meeting, Elders Real Estate were given instruction to follow up with interested parties to obtain an offer which was more in line with the sworn valuation.

STATUTORY ENVIRONMENT

Section 3.58 (Disposing of property) of the Local Government Act 1995 applies, as follows:

- '(2) Except as stated in this section, a local government can only dispose of property to —*
- (a) the highest bidder at public auction; or*
 - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.'*

Clause 30 (2a) of the Local Government (Functions and General) Regulations 1996 (as follows) is also relevant, as this determines that if a property is passed in, the council can negotiate with other persons for a sale at an acceptable price, without undertaking a further auction, or tender process or advertising the sale.

'A disposition of property is an exempt disposition if the property is disposed of within 6 months after it has been — (a) put out to the highest bidder at public auction, in accordance with section 3.58(2)(a) of the Act, but either no bid is made or any bid made does not reach a reserve price fixed by the local government;'

FINANCIAL IMPLICATIONS

Agreed costs for the sale are a success fee of \$3,500.00.

BUDGET IMPLICATIONS

The 2022/2023 budget includes the following:

- Expenditure of \$65,000.00 for land selling costs in budget item 2140252 (ADMIN – Consultants).
- Income of \$480,000.00 from the sale of properties in budget item 5140250 (ADMIN - Proceeds on Disposal of Assets).
- Transfer to reserve of \$430,000.00 in budget item 4140281 (ADMIN - Transfers to Reserve).

POLICY IMPLICATIONS

Policy implications do not apply for this report and it is the opinion of the author that policy development is not required.

LEGAL IMPLICATIONS

The Shire has followed up with Landgate on the legal title and sale requirements and everything is considered to be in order for the property to be sold.

ASSET MANAGEMENT IMPLICATIONS

The course of action recommended will remove this property from the Council's control.

STRATEGIC IMPLICATIONS

There are no specific strategic implications for this report.

RISK MITIGATION IMPLICATIONS

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Financial – By not selling the block, there will be a financial cost of raising equivalent capital for future capital works projects.</i>	<i>Likely</i>	<i>Major</i>	<i>Major</i>	<i>Attempt the sale of identified properties</i>
<i>Opportunity: Timing is favourable given the current demand for property. Further, there will be rates payable on the properties when sold</i>				

OFFICER COMMENT

Nine surplus land holdings were advertised and put up for auction under the 'Market Buy' auction platform in late October 2022. The auctions closed between 10 and 13 December 2022, and the results presented to Council at the meeting held on 20 December 2022.

Lot 100 Woogenellup Road was passed in, having not achieved an adequate price.

As a result of further negotiations offers of \$50,000.00, \$51,000.00, \$55,000.00 and \$70,000.00 were received.

The highest offer of \$70,000.00 is considered to be within an adequate range of the assessed value, and it is recommended that this offer be accepted.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

Moved Cr B Bell, seconded Cr L Handasyde:

That:

1. Pursuant to Section 3.58 of the Local Government Act 1995, Lot 100 Woogenellup Road, Kendenup, be sold for the highest offer received, being \$70,000.00.
2. Authority be granted to the Shire President and the Chief Executive Officer to execute and, if necessary, affix the Common Seal of the Council to any documentation required to effect the property sale in Clause 1 above.

CARRIED (9/0)

NO. 001/23

6 CLOSURE OF MEETING

3.03pm The Presiding Member declared the meeting closed.

CONFIRMED: CHAIRPERSON _____ DATE: ____/____/____