

Wollondilly
Shire Council

PROPERTY STRATEGY

2025



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Purpose OF THE STRATEGY

The purpose of this document is to establish a strategic approach to the development and management of Council's property portfolio, ensure assets are fit for purpose and to manage public land and assets to meet the current and future needs of the residents of Wollondilly, including commercial, operational and community needs.

INTRODUCTION TO THE PROPERTY STRATEGY

Wollondilly Shire Council has a substantial property portfolio consisting of both owned and managed land. In total, Wollondilly Shire Council is responsible for the management of over 370 properties including land and built assets across the 2,560 square kilometres of the local government area. Council's property portfolio includes local parks and reserves, sporting fields, recreation facilities, crown reserves, community buildings, civic and administrative buildings, investment property, as well as land held for specific operational purposes such as waste and recycling operations and child care services.

The Property Strategy applies to all Council property assets (land and buildings), that are either Council owned or managed (including crown land). In addition, the strategy extends to those assets not owned or managed by Council such as property leased by Council benefiting the broader public purpose.

Council holds property to deliver and support the needs of the community. A significant portion of Council's operational budget is for the operation, maintenance and renewal of the assets within the portfolio. Other land and property assets are directly used for the administration and operational functions of the Council to further support the community. Therefore, it is highly important that Council make effective use of its property portfolio and ensure a coordinated approach in order for assets to meet changing community need, are fit for purpose, realise maximum benefit and are economically viable/achieve maximum value and investment return.

The Property Strategy provides the direction we intend to pursue in the management of our property assets and what we will consider with individual property transactions and transformative portfolio management. The strategy will enable Council to optimise the value and benefits of its property assets and assist Council's service delivery objectives within the Community Strategic Plan.

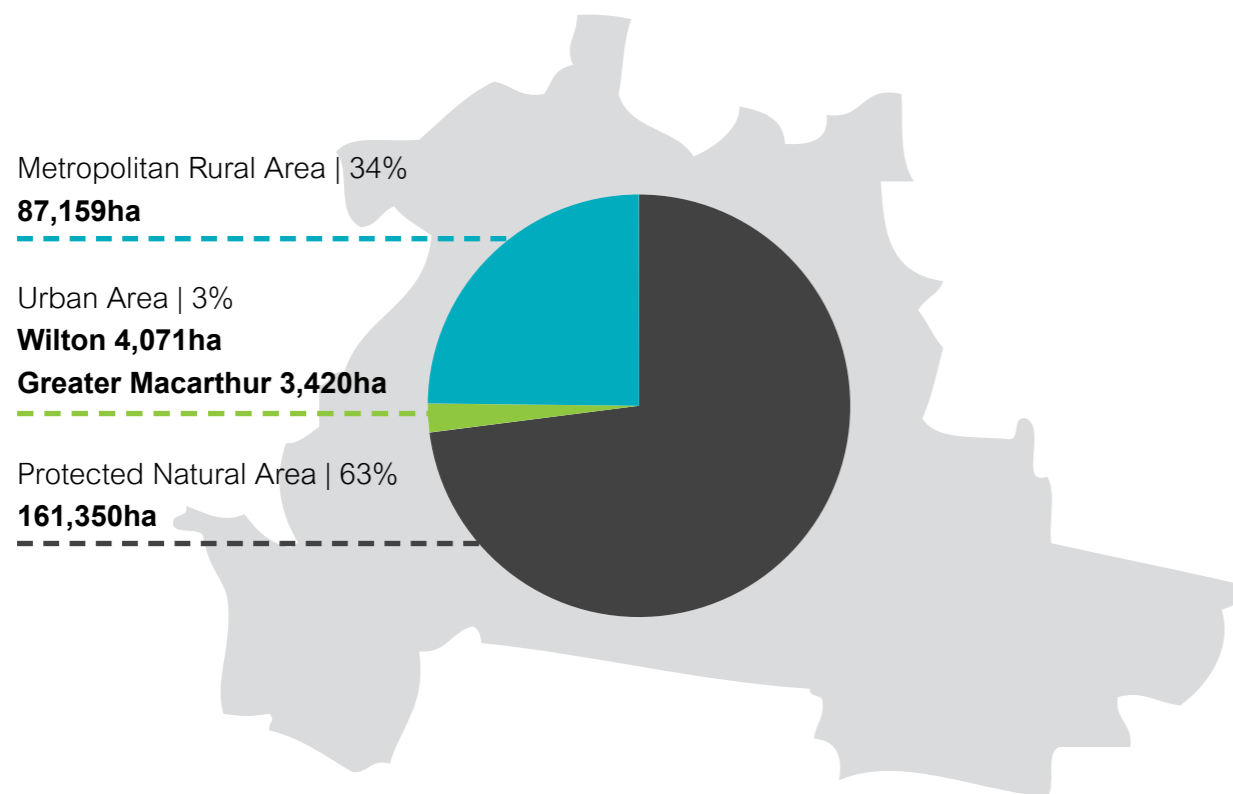


WOLLONDILLY SHIRE LOCAL GOVERNMENT AREA

Wollondilly Shire Local Government Area (LGA) is situated on the rapidly growing South Western fringe area of Sydney in Gundungurra, Dharawal and Darug country. The landscape comprises rural lands, scenic bushland and towns and villages. Wollondilly is geographically positioned as the transition between the outer edges of Greater Sydney and regional NSW.

The Shire covers a land area of 2,560km², of which two-thirds is national parks and water catchment areas including parts of the Greater Blue Mountains World Heritage Area. Our community has a strong connection with the natural environment with the Shire's bushland, rural land, gorges, rivers, environmentally sensitive areas including koala habitats, rivers, National and State parks contributing to visual and cultural connections in the landscape as well as providing important social, recreational and tourism opportunities. Drinking water supply to the Greater Metropolitan Sydney is sourced from five dams within the LGA, some of which are the largest in NSW; Warragamba Dam, Cataract Dam, Cordeaux Dam, Nepean Dam, Avon Dam.

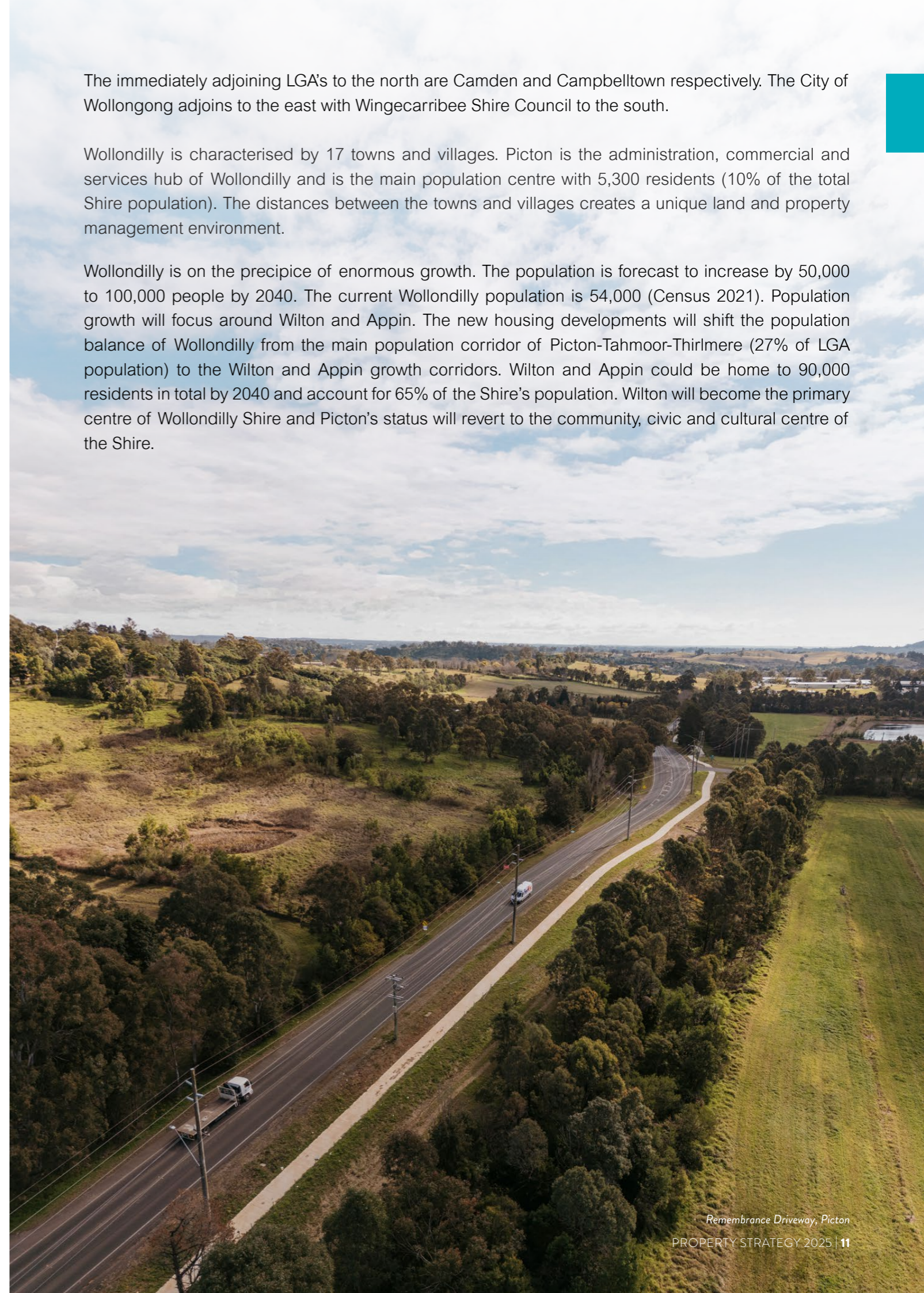
THE SHIRE LAND AREA



The immediately adjoining LGA's to the north are Camden and Campbelltown respectively. The City of Wollongong adjoins to the east with Wingecarribee Shire Council to the south.

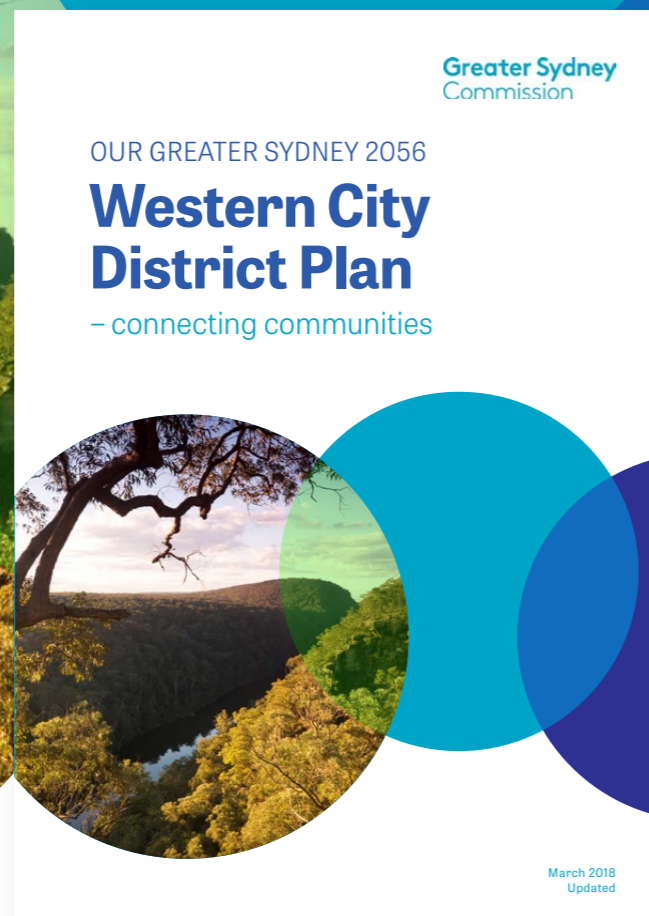
Wollondilly is characterised by 17 towns and villages. Picton is the administration, commercial and services hub of Wollondilly and is the main population centre with 5,300 residents (10% of the total Shire population). The distances between the towns and villages creates a unique land and property management environment.

Wollondilly is on the precipice of enormous growth. The population is forecast to increase by 50,000 to 100,000 people by 2040. The current Wollondilly population is 54,000 (Census 2021). Population growth will focus around Wilton and Appin. The new housing developments will shift the population balance of Wollondilly from the main population corridor of Picton-Tahmoor-Thirlmere (27% of LGA population) to the Wilton and Appin growth corridors. Wilton and Appin could be home to 90,000 residents in total by 2040 and account for 65% of the Shire's population. Wilton will become the primary centre of Wollondilly Shire and Picton's status will revert to the community, civic and cultural centre of the Shire.



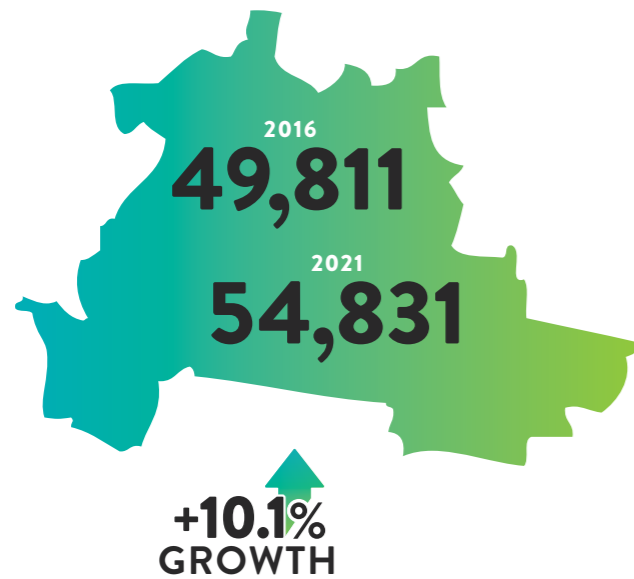
Wollondilly 2040 is the Local Strategic Planning Statement (LSPS). It outlines a vision for land use planning over the next 20 years and responds to the NSW Government's Western City District Plan 2018 and the articulated Western Parkland City which identifies areas of Wollondilly to accommodate the new housing that Greater Sydney needs as the broader population grows.

The LSPS supports the implementation of Council's Community Strategic Plan by identifying key planning priorities and actions that focus on protecting the intrinsic character of Wollondilly. It also embraces the future and creation of environments to sustain a growing local population acknowledging that the residential development expansion of the Sydney catchment into the Shire will substantially alter prevailing living environments. The growth will necessitate new services and facilities and place greater importance on the functionality of current assets to properly deliver services to the expanding community.



WOLLONDILLY SHIRE *at a glance*

POPULATION IN WOLLONDILLY LGA



2018 MEDIAN HOUSE PRICE



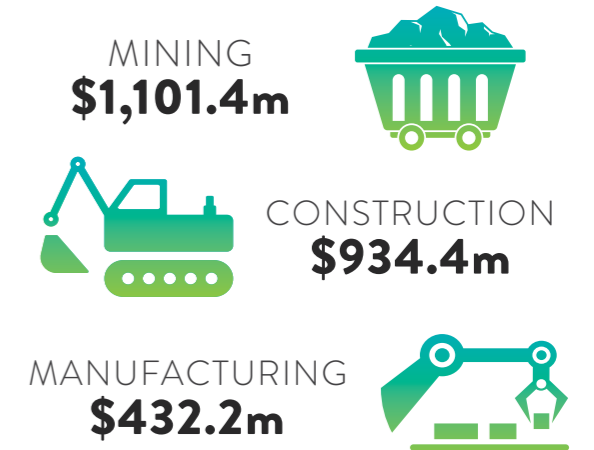
GROSS REGIONAL PRODUCT

June 2021



HIGHEST VALUE INDUSTRIES

2020/21



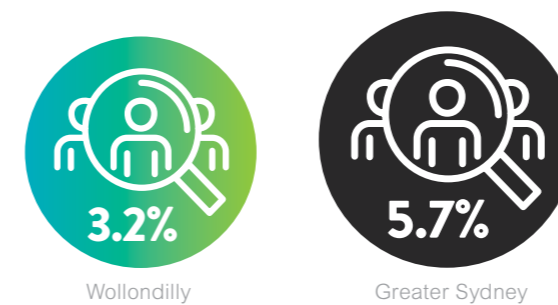
AGE PROFILE 2021



NUMBER OF BUSINESSES



UNEMPLOYMENT RATE



COUNCIL MANAGES

MORE THAN **870kms** OF ROADS **A**

161,350 HECTARES OF PROTECTED NATURAL AREAS

LIVEABILITY RATING

BY THE COMMUNITY

"a good place to live"

Source: 2021 MARKYT® Community Scorecard



4,602
2020/21

+3.6% GROWTH

261 properties rated as **FARMLAND**

107 PARKS & RESERVES

& 33 PLAYGROUNDS

STRATEGY OBJECTIVES

This strategy has been developed to define a framework for the responsible management of Wollondilly Shire Council's land and property assets to achieve five objectives. This strategy sets the actions to deliver upon the five objectives, a key principle of which is to create a diversification of revenue streams and over time reduce Council's reliance upon rates income.

1. PORTFOLIO MANAGEMENT

Apply contemporary asset/financial management practices to the property portfolio so it continues to deliver best financial and non-financial outcomes for Council and the community, optimum use of land and assets and minimises risk. This includes the custodianship of property registers and data to inform decision-making and make best use of the property portfolio of Council.

2. COMMERCIAL SUSTAINABILITY

Ensure that Council's property holdings and dealings deliver optimum investment return and are commercially sustainable aligned with Council's long-term financial strategy providing best value for money to the community.

3. PROPERTY INVESTMENT

Where supported by business case and commercial frameworks, to rationalise, divest, redevelop, strategically acquire assets and re-invest in future property opportunities for long term benefit. This includes the creation of additional revenue streams by maximising investment returns from Council's property portfolio and leveraging the property portfolio to activate places.

4. FIT FOR PURPOSE ASSETS

Maintain a portfolio of property assets that are fit for purpose and maintained to a standard that meets, current and future community needs, the relevant legislative requirements and sustainability/efficiency principles. This includes optimising our assets so they are fully utilised and generate highest outcomes and activation for the entire community.

5. STRATEGIC ALIGNMENT

Ensure that Council's property portfolio is strategically aligned with service delivery objectives to the community and changing needs and priorities over time.



PROPERTY MANAGEMENT

In this strategy “Property” describes any kind of interest in land which Council either holds or has been granted and includes land, buildings, rights of way, leases, licences and easements. The property assets of Council are managed consistent with the guiding principles of section 8A of the Local Government Act 1993. In addition, section 186 of the Local Government Act 1993 prescribes that Council may acquire land for any public purpose. Any acquisition or sale of land and property cannot be delegated by the Council under Section 377 of the Act.

This strategy is enabled by the following Council policies;

- i. Acquisition and Disposal of Land and Easements
- ii. Leasing and Licencing Council Property

Wollondilly Shire Council directly controls and manages more than 750ha of land. Council’s property portfolio is held or managed to support the delivery of a wide range of services to the community. Other property, including vacant land, is held for future strategic needs. Council also owns or manages significant lands held primarily for the purpose of preserving the natural environment for general public recreation and public access purposes.

The assets in Wollondilly Shire Council’s property portfolio can be broadly grouped as follows:

PURPOSE	USES
Direct & indirect community benefit	<ul style="list-style-type: none"> • Libraries • Parks & reserves • Sporting fields • Community centres • Halls • Performing arts centre • Aquatic & leisure facilities • Child care centre • Leases to not for profit and community services aligned activities • Leases to organisations that operate for community support and activation
Operational needs	<ul style="list-style-type: none"> • Depots • Administration offices
Investment	<ul style="list-style-type: none"> • Use and management of land and assets where the primary purpose is for investment, to generate revenue or market rent realisation

Land owned by Wollondilly Shire Council is classified in accordance with section 25 of the Local Government Act 1993 as either community or operational land.

A. COUNCIL OWNED COMMUNITY LAND

Community land is typically comprised of public reserves, parks, sporting fields and natural areas. Community land comprises 60% of Council’s property portfolio. Generally, it exists for public access and use although it can also be used/occupied under lease and licence agreements. Community land has more limitations around utilising the land for specific purposes. It can be leased, licenced or any other estate granted for a maximum term of 30 years and is required to have a Plan of Management, which describes how Council will use and manage the land on behalf of the community. Community land cannot be sold, exchanged or otherwise disposed of without a significant process.

B. COUNCIL OWNED 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 comprises 20% of Council’s property portfolio. 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.

C. LAND LEASED/LICENCED FROM THIRD PARTIES

In circumstances where Council does not have suitable property available in its portfolio to deliver services and operations to the community, it may need to utilise other land not owned by Council.

D. CROWN LAND MANAGED BY COUNCIL

Council manages crown land owned by the State of NSW. Identified crown reserves are managed by Council as “Council managed crown land” under the Crown Land Management Act 2016 or “devolved land”. As crown land manager, Council manages 17 crown reserves with a combined area of 360ha. The Crown Land Management Act 2016 requires Councils to classify managed crown land as either community or operational land, in the same way Council has to classify land it owns. Council managed crown land is required to have a Plan of Management in place and Native Title advice is to be obtained for any lease, licence or development on crown land.

Devolved land is required to be managed by Council in accordance with section 48 of the Local Government Act 1993, that is, public reserves that the Governor of NSW has proclaimed to be controlled by the Council. Council manages 18 devolved crown reserves with a combined area of 102ha. A total of four of these devolved reserves are dedicated for cemetery purposes. Council has to use and manage devolved land for the dedicated purpose (eg; public recreation) and has no ability to lease to third parties. Council does not receive capital or maintenance funding for these crown lands.

The crown land properties account for 20% of Council’s property portfolio – half of these are classified as community land meaning that Wollondilly Shire Council’s total owned and managed property portfolio comprises 70% community land.

F. GROWTH INFRASTRUCTURE

Explore and support implementation where feasible of alternative models for the delivery of community infrastructure in the growth areas to meet community needs in a timely fashion.

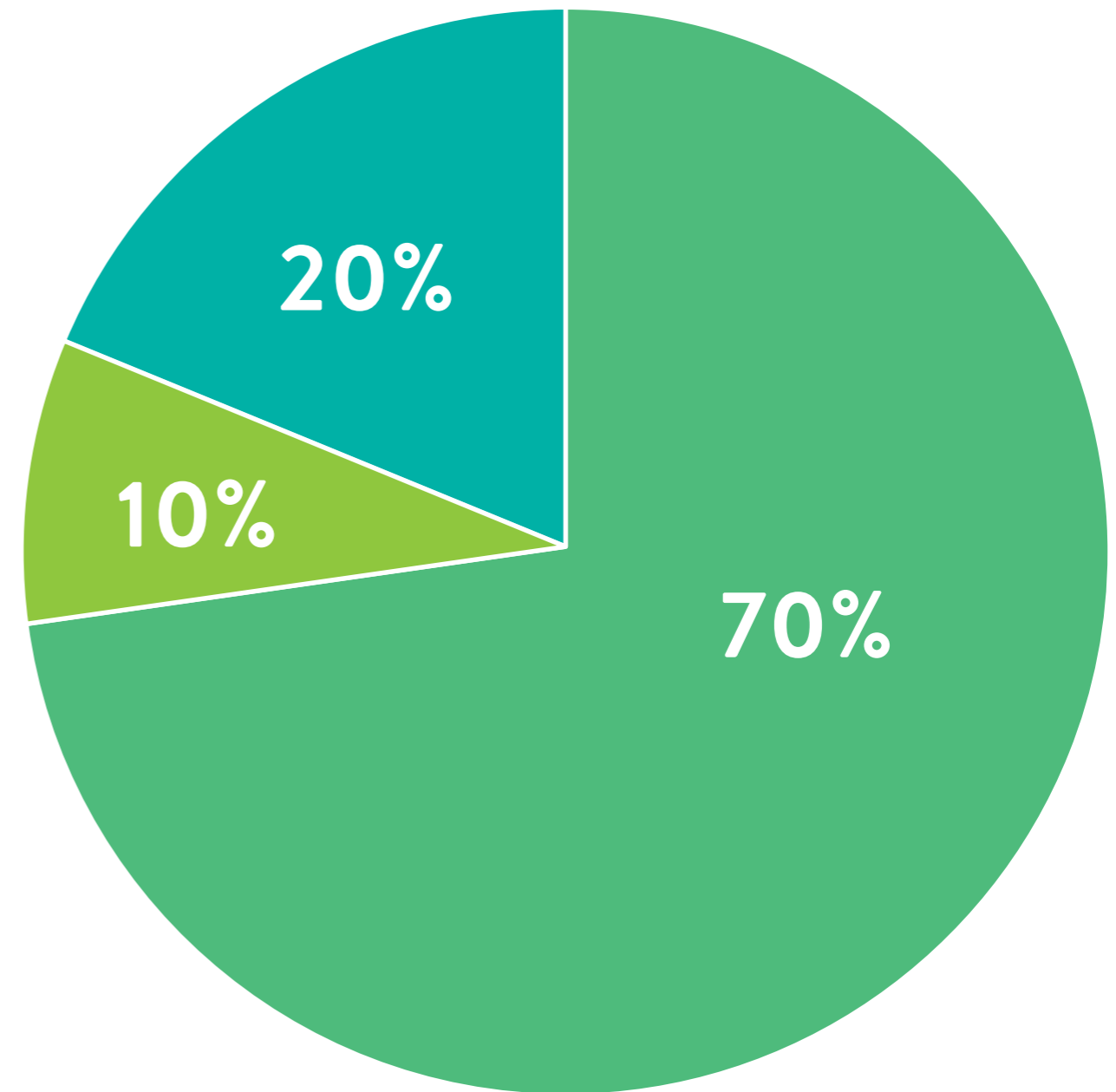
G. SUSTAINABLE

The property Strategy aims to positively contribute to Councils Sustainable Development Goals through investment, development and asset management to improve prosperity and improve health and wellbeing while protecting the environment Wollondilly Shire is influenced by and contributes to global trends. The United Nations Sustainable Development Goals (SDGs) provide a global roadmap to increase prosperity, end social injustice and poverty, and improve health and wellbeing, all while protecting the environment for current and future generations.

When reviewing the property strategy and implementation plan, we have considered how the strategy and plan can contribute to the achievement of these goals.



COMMUNITY/OPERATIONAL LAND BREAKDOWN



DEVOLVED LAND 10%
(Crown)

OPERATIONAL LAND 20%
(Council & Crown)

COMMUNITY LAND 70%
(Council & Crown)

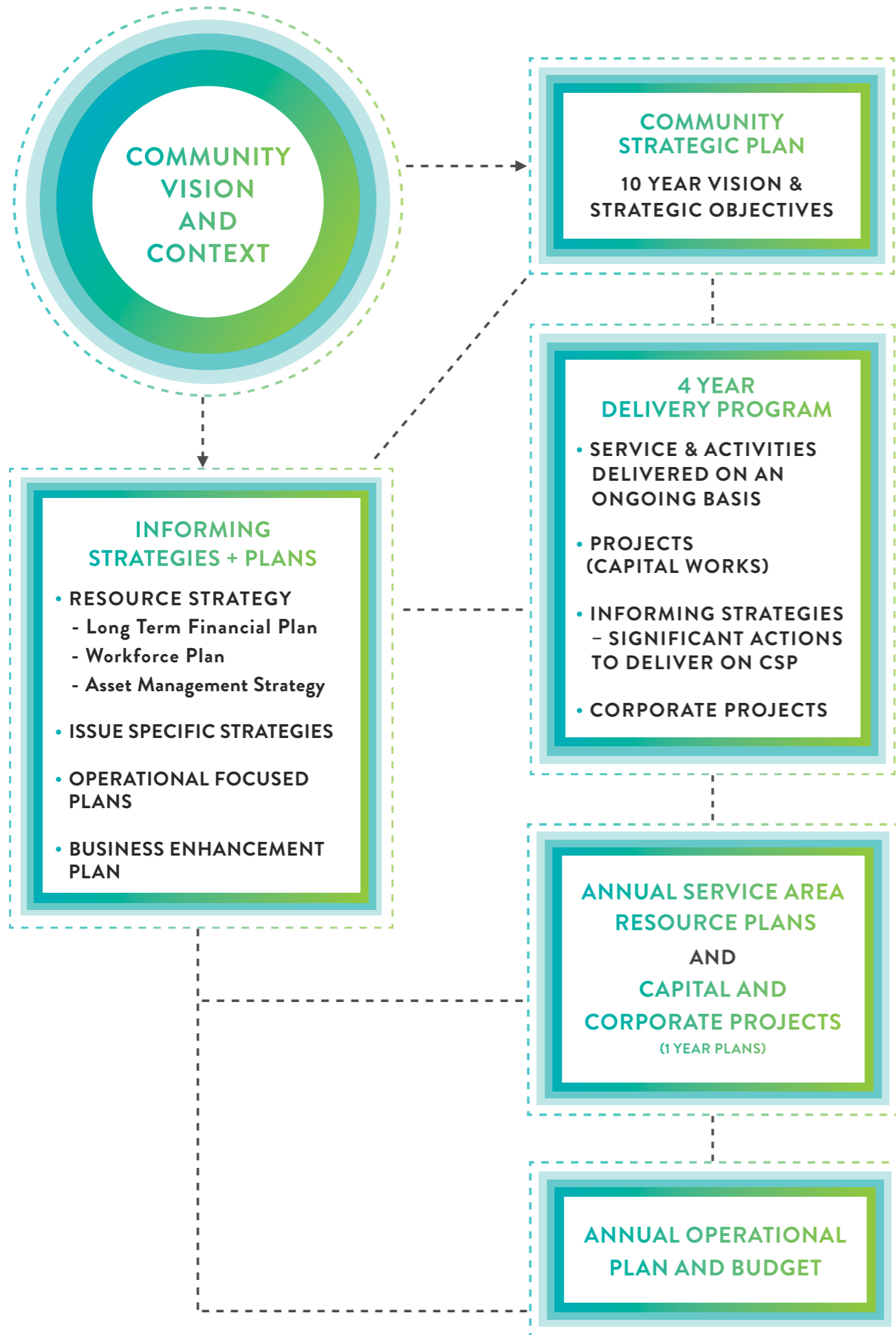
ALIGNMENT OF THE STRATEGY

This strategy contributes to the realisation of the Council's Vision contained within Wollondilly Community Strategic Plan of "making Wollondilly even better together."

Council's Community Strategic Plan (10 years) is supported by the Delivery Program (4 years) and annual Operational Plans. Council uses a legislatively-required integrated planning and reporting framework (IP&R), a suite of strategic plans that help guide the activities and service levels of Council to achieve our Vision. It is business planning that aligns to the community's priorities and expectations.

Property must be managed and adapted to ensure it effectively supports changing community needs and priorities. The Property Strategy as a supporting document under the IP&R framework, is also underpinned by state and federal legislation that directs the proper management and utilisation of Council property assets. Complementary supporting documents to the Property Strategy include Council's Resources Strategy (incorporating the Long Term Financial Plan and Asset Management Strategy), Local Strategic Planning Statement and Integrated Transport Strategy, Planning controls and Plans of Management. The Property Strategy will evolve as the Shire grows.





MAJOR PORTFOLIO LAND PARCELS

Council's property portfolio contains a range of land and property assets which have potential to generate future community benefit for the residents of Wollondilly. These include the Antill Park golf course at Picton, the current site of the Council Works Depot in the Picton town centre, a key industrial landholding at Wonga Road Picton as well as other landholdings which may have the potential to be re-purposed from the current status to deliver better outcomes for the community into the future.

GREENFIELDS LAND

Greenfields land refers to undeveloped land that is capable of being developed into urban environments whether that be for housing supply or employment generating purposes. Council should actively pursue key land acquisition opportunities which will provide regional economic stimulus and employment generation opportunities. Directly, the acquisition of land in greenfield environments can support those growing communities and deliver the services and facilities required.

Land acquisition opportunities will arise over the next 20 years particularly in the centres of Wilton and Appin. Opportunities to acquire land should be actively pursued where they are aligned to the Community Strategic Plan or provide demonstrated investment opportunity for Council in the future.



POLICY AND LEGISLATION CHANGES

A Council's property is managed in accordance with a number of NSW and Federal Government supporting frameworks and legislation. Legislative changes may require Council to alter its property portfolio to meet evolving community service needs and requirements.

FINANCIAL CAPACITY

B Council's property portfolio is of a scale that can be leveraged to provide diversification to the sources of income that are available to facilitate the provision of services to the Wollondilly community.

POPULATION GROWTH AND SERVICE DEMANDS

C Population growth is expected to place considerable pressure on Council over the coming years. The growing population will also have potentially different service needs to the established population of the Shire, including emerging population demographics. Prudent management of Council's property and land holdings is important to maintain and identify the quantum and range of services to the Wollondilly community into the future.

Balancing community expectations in relation to established access and tenure of public places, having regard to prevailing hire/use costs, maintenance and servicing costs and pressure on building upkeep, will be an ongoing dynamic and challenge for Council in its discipline to apply asset management and financial capacity considerations with property portfolio actions.

AGEING ASSETS

D Council's portfolio requires ongoing expenditure or investment to ensure community service needs are met and functionality optimised. Ageing assets can be difficult to retrofit and upgrade with current building codes and contemporary practices. This requires proactive management of the portfolio and in the future may include integrating services, re-purposing sites, or disposal of under-utilised or financially unsustainable sites including where future the use and benefit cannot be clearly established.

ACTION AREAS

The objectives of the strategy will be delivered through a range of specific actions that will guide decision making and enable the delivery of;

- An improved financial return from the existing portfolio over the period from 2025 to 2030.
- \$2M in profits from active management (divestment/development/redevelopment) of the portfolio.
- Increased gross income from the portfolio to a total of \$3M by 2032.

providing a diversification of revenue sources for Council and providing the funds to grow the portfolio.

The Strategy will also provide for non-economic actions that deliver on sustainable outcomes that deliver improved prosperity, health and wellbeing outcomes for the community.

The delivery of the actions contained within the strategy will be monitored and reported on through the established integrated planning and reporting framework including quarterly progress reporting with the Delivery Program, Annual Report, End of term report as well as ad-hoc reporting over time. The strategy will be formally reviewed every five years to ensure it is commercially sound and remains contemporary.

The following actions will deliver a property portfolio that meets the underlying principles of assets that are fit for purpose, able to meet changing community requirements and maximised for best commercial outcomes.



OBJECTIVE	ACTIONS	MEASURES
<p>1. Portfolio management</p> <p>Apply contemporary asset and financial management practices to the property portfolio to; deliver best financial and non-financial outcomes for Council and the community, and optimise the use of land and assets minimising risk.</p> <p>This includes the custodianship of property registers and establishing a data baseline and data to inform decision-making and make best use of the property portfolio of Council.</p>	<ul style="list-style-type: none"> • Prepare a detailed plan for initial implementation of the strategy. • Establish an officer led strategic property working group to oversee the delivery of the strategy. • Monitor property portfolio performance, appropriateness, efficiency and effectiveness. • Manage the financial, legal and other risks associated with property interests. • Review of Council's Property Policies as scheduled. • Maintain register of Council managed and owned land and currency of property agreements. • Maximise the use of assets within the property portfolio at all times and are being put to "highest and best use." • Ensure assets are appropriately maintained and sustainable over their life-cycle. 	<p>Implementation Plan prepared by 31 March 2025.</p> <p>Scheduled/prescribed reviews.</p>
<p>2. Commercial sustainability</p> <p>Ensure that Council's property holdings and dealings; deliver the optimum investment return and are commercially sustainable aligned with Council's long-term financial strategy providing best value for money to the community.</p>	<ul style="list-style-type: none"> • Consider life-cycle costs of acquiring, holding, utilising and divestment of properties. • Review financial sustainability optimisation and commercial performance of assets. • Commitment to Council's Long Term Financial Plan and responsible financial management with property portfolio management. • Return proceeds from property management to the property portfolio to deliver continuing strategic objectives and future property opportunities. 	<p>Targets from Implementation plan are on track.</p>

OBJECTIVE	ACTIONS	MEASURES
<p>3. Property Investment</p> <p>Seek opportunities with supported business case and commercial frameworks to; rationalise, redevelop, strategically acquire assets and re-invest in future property opportunities for long term benefit.</p> <p>This includes the creation of additional revenue streams by maximising returns from Council's property portfolio and leveraging the property portfolio to activate places.</p>	<ul style="list-style-type: none"> • Actively consider land and asset divestment and re-investment (rationalisation) for property to enable alternate community, operational or commercial opportunities that better service the community and Council, where assets are; <ul style="list-style-type: none"> i. no longer meeting community, strategic or commercial expectations ii. not fit for purpose iii. underperforming iv. surplus to needs v. no longer a value for money proposition for Council to retain • Recommendations to acquire and dispose of Council property will come to Council for approval • In a timely manner undertake individual business cases to demonstrate the financial sustainability of significant property development and acquisitions. • Reinvest proceeds from the divestment of land and property holdings to acquire revenue generating property and for future strategic property acquisitions. • Pursue strategic property acquisitions consistent with Council Strategies and Plans that assist Council's service delivery priorities, operational and community need and for investment benefit. • Leverage opportunities for private sector investment in new community infrastructure particularly in light of escalating costs of development and acquisition, to catalyse development and realise capital value uplift. • Seek to establish partnerships with private sector, NGO's and other organisations and other government agencies to optimise community outcomes. 	<p>Targets from Implementation plan are on track.</p> <p>Generate \$2M in profit from the divestment/development of the existing property portfolio (2025 to 2030).</p> <p>Increase the gross income generated from the portfolio to \$3M (by 2032).</p>

OBJECTIVE	ACTIONS	MEASURES
<p>4. Fit for purpose assets</p> <p>Maintain a portfolio of property assets that are; fit for purpose, and maintained to a standard that meets current and future community needs and relevant legislative requirements and sustainability/efficiency principles.</p> <p>This includes optimising our assets so they are fully utilised and generate highest outcomes and activation for the entire community.</p>	<ul style="list-style-type: none"> • Provide fit for purpose assets in optimal locations to meet service delivery demands. • Undertake asset improvements that will enhance the asset and deliver improved outcomes to the community. • Activate asset re-positioning and re-purposing to enhance property (refurbish, redevelop, realign) to achieve long term community or commercial benefits and improved return and sustainability, where assets are; <ul style="list-style-type: none"> i. not meeting community, strategic, or commercial requirements ii. not fit for purpose iii. underperforming iv. no longer a value for money proposition for Council in the current form • Maximise community and commercial value and return from Council's property portfolio through a combination of active asset management and strategic re-investment over time. • Ensure relevant Asset Management Plans include asset priority funding lists based on community service level requirements and expected growth • Transitioning to net zero emissions, including decarbonizing built environments. 	<p>Targets from Implementation plan are on track.</p> <p>Improve the gross financial return from the existing property portfolio by +25% (2025 to 2030).</p>
<p>5. Strategic alignment</p> <p>Ensure that Council's property portfolio is; strategically aligned with service delivery objectives to the community and changing needs and priorities over time.</p>	<ul style="list-style-type: none"> • Ensure implementation of this strategy is consistent with and supports Council's integrated approach to service delivery. • Investigate activation of public open space and facilities through commercial activity opportunities. • Seek multiple services/functions on properties over single delivery or occupation. 	<p>Quarterly and Annual reporting.</p> <p>End of Term reporting.</p>
<p>6. Growth Infrastructure</p> <p>Explore and support implementation where feasible of alternative models for the delivery of community infrastructure in the growth areas to meet community needs in a timely fashion.</p>	<ul style="list-style-type: none"> • Through strategic property engagement, Voluntary Planning Agreements (VPA) and/or establishing 'partnerships' with private, government or community organisations to leverage off value add opportunities. 	<p>VPA inclusive of value capture.</p> <p>Unsolicited Proposals.</p> <p>Increase trend in proportion of medium density housing.</p>

OBJECTIVE	ACTIONS	MEASURES
<p>7. Sustainable</p> <p>The property Strategy aims to positively contribute to Councils Sustainable Development Goals through investment, development and asset management to improve prosperity and improve health and wellbeing while protecting the environment.</p>	<ul style="list-style-type: none"> • Enhance well-being through health, education and recreation facilities. • Transitioning to net zero emissions, including decarbonizing built environments. • Increasing housing diversity and affordability. • Promoting innovation and investment in clean energy, housing and infrastructure. • Growing innovation precincts and technology sectors. • Strengthening local and regional economic resilience. • Leveraging Western Sydney. • Airport and Aerotropolis for growth. 	<p>Community satisfaction with Council support for community groups.</p> <p>Collaboration on Council owned Assets with health Network.</p> <p>Reduce Co2 emissions Council owned Properties.</p> <p>Increased Social and Affordable Housing.</p> <p>Environmental Projects established on Council Land.</p> <p>Protect Heritage Values Council Owned Assets.</p> <p>Increase the total area of Council land designated as employment land.</p> <p>Community satisfaction with Councils long term financial plan.</p>



Wollondilly
Shire Council

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Cataract Dam, Cataract