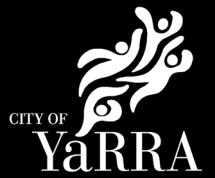


Property Strategy

2025-2030



Yarra City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra. We also acknowledge the significant contributions made by other Aboriginal and Torres Strait Islander people to life in Yarra. We pay our respects to Elders from all nations and to their Elders past, present and future.

Table of contents

Executive summary	4
Purpose of this strategy	6
Purpose and application	6
Why does Council need a property strategy?.....	6
Structure	6
Review of this strategy.....	7
Part 1: Context	8
What is Council property?.....	8
An overview of Yarra's property portfolio.....	10
Strategic alignment	11
Council's roles and responsibilities in managing property.....	12
Our strategic environment	13
Part 2: Our strategic property objectives	17
Realise maximum community benefit.....	17
Right properties in the right locations	18
Towards financial sustainability	18
Maximise property utilisation and activation	18
Transparent and equitable property allocation	19
Good governance in property decision making	19
Part 3: Decision making framework.....	20
Property management functions.....	20
Portfolio management choices	21
Leasing and licensing	24
Acquisitions.....	30
Disposals	33
Strategic partnerships and investments	37
Appendices	39
Appendix 1: Property assessment tool	39

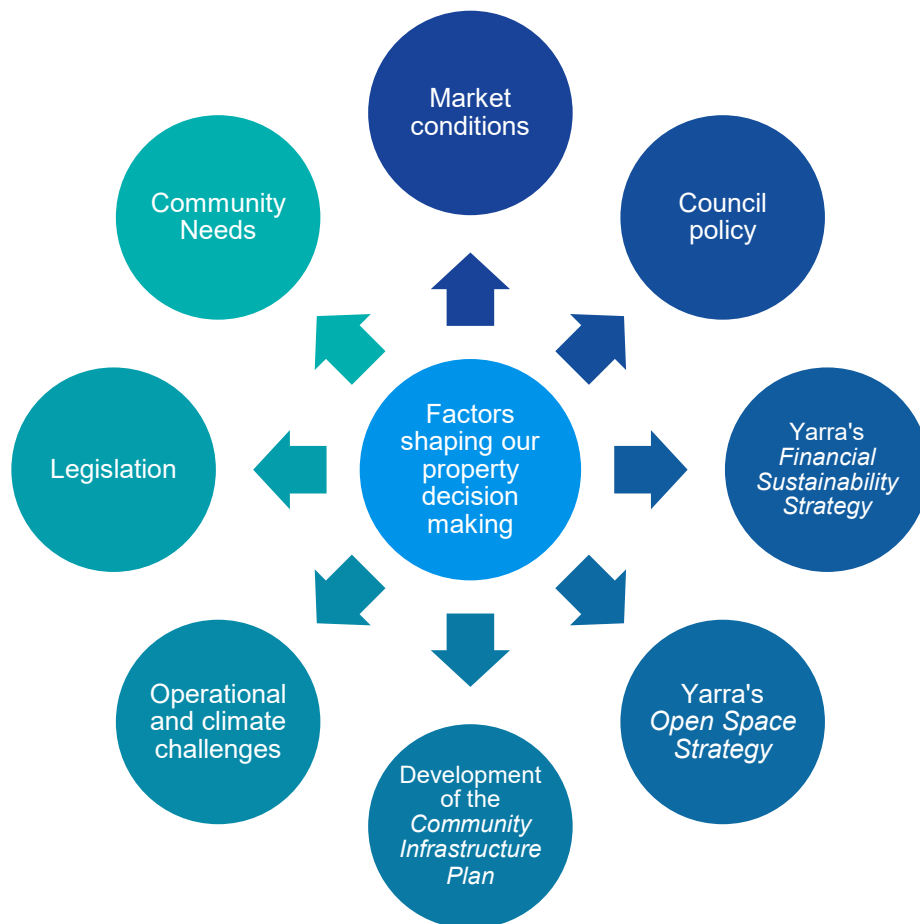
Executive summary

Purpose of this strategy

Yarra City Council is the custodian of a significant and valuable property portfolio on behalf of the community. We are responsible for the full spectrum of property management functions including the investment, acquisition, operation, maintenance, and disposal of properties. The purpose of this property strategy is to serve as the guiding framework for how Council will manage its property portfolio over the next five years. It defines what we are working towards in the medium term and provides useful instruction on how we will make operational decisions that will lead to the achievement of our strategic property objectives.

Context

We operate in an evolving and complex environment where there are competing demands for property use, a myriad of potential choices for allocation and competitive market conditions that make our property assets one of Council's most valuable. As a portfolio manager, we need to respond to, and balance, a wide range of strategic and operational considerations in our decision making.



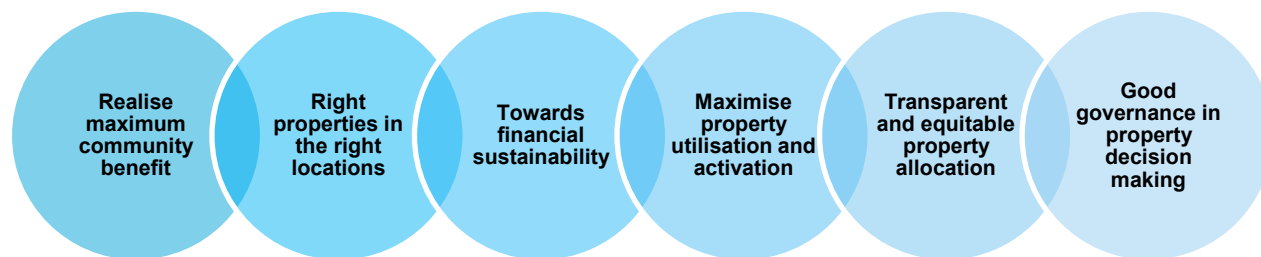
It is in this context that we need to:

- Make strategic decisions about land and property use.
- Make operational decisions about short term property allocation.
- Leverage our property portfolio to improve our financial sustainability.

We need to do this in a way that is proactive, future focused, aligned and evidence based.

Our strategic property objectives

In response to the opportunities and challenges presented by our macro and operating environments, we are focusing our efforts to advance six strategic property objectives:



Decision making framework

To deliver on our strategic objectives, we need to make operational decisions that align with our medium and long-term goals. To achieve this, we have adopted policy positions across all of our key property management functions: portfolio management, leasing and licensing, acquisitions, disposals and strategic partnerships and investments. The below table summarises our key policy positions.

Property function	Our key policy positions
Portfolio management	<ul style="list-style-type: none"> We actively review property holdings to ensure they match our needs and are performing to the greatest potential. We will classify our properties into three categories to help designate their use: civic, premier and community properties. We will give Council first opportunity to designate a property as a civic property to hold for Council use, to support effective service delivery. We will require market rent for premier properties. We will give first preference to organisations that demonstrate community benefits and capacity to pay market rent. We will apply a priority of access framework to allocate community properties.
Leasing and licensing	<ul style="list-style-type: none"> We will apply priority of access principles to make decisions about property allocation. We will consider our community service priorities, community impact, property utilisation and activation, and each users capacity to pay. We will promote shared access to Council facilities by preferencing licenses over exclusive leases. We will implement transparent rent structures, that are proportionate to a user's capacity to pay. We will ask the community groups that benefit from accessing our properties to share in the maintenance of the facilities they occupy, to create a more sustainable model. We will implement standards for maximum agreement terms, to give us greater flexibility. We will ask our tenants and licensees to regularly acquit against community benefits, to make sure the outcomes we anticipated at the time of decision making are being realised.
Acquisitions	<ul style="list-style-type: none"> We look to actively acquire properties we know we need. We will establish a strategic acquisition fund to finance the purchase of property we need.
Disposals	<ul style="list-style-type: none"> We will make recommendations to Council to dispose of properties that are underperforming or that could be exchanged for better value. We use the income we generate from disposals to fund future land purchases.
Strategic partnerships and investments	<ul style="list-style-type: none"> We will only enter strategic partnerships or investments that clearly align to the achievement of a goal defined in a Council plan or strategy. We will only enter partnerships or invest in opportunities that are in the best interest of current and future Yarra residents. We will steer away from partnerships and investments that result in cost shifting or that are not clearly aligned to a Council adopted plan or strategy.

Purpose of this strategy

Yarra City Council is the custodian of a significant and valuable property portfolio on behalf of the community. We operate in an evolving and complex environment where there are competing demands for property use, a myriad of potential choices for allocation and a profound need to develop a long-term plan for community infrastructure and service delivery. It is in this context that this document aims to provide a clear and robust framework to guide all property related decisions to make sure that we are generating maximum public value.

Purpose and application

This property strategy is to serve as a guiding framework for how Council will manage its property portfolio over the next five years. It aims to define what we are working towards in the medium term and provide useful instruction on how we will make operational decisions that will lead to the achievement of our strategic property objectives.

Why does Council need a property strategy?

One of the key actions of *Yarra's Financial Sustainability Strategy* is to develop a property strategy to ensure that the way we make decisions about Council's property portfolio aligns and enables the achievement of Council's broader strategic goals and objectives. It is in this light that this strategy provides clear and meaningful policy positions that help to guide day to day decision making about property. By creating a transparent and structured approach to decision making, we will maximise the value we create through the management of Council's property assets.

Structure

This strategy is divided into three parts:

Part	Purpose	Scope
Part 1: Context	<i>To provide background on Council's role in property management, how we are currently situated and where we need to respond to be effective in our role</i>	<ul style="list-style-type: none">• Outlines Council's roles and responsibilities in relation to property management• Canvases the current state of Council's property.• Explores the macro and operating environments in which we make property related decisions.
Part 2: Strategic objectives	<i>To establish the focus areas for our property management efforts for the next five years</i>	<ul style="list-style-type: none">• Articulates the strategic objectives we will work towards over the next five years.• Communicates why these objectives are important in the context in which this property strategy is situated.• Defines what success looks like.
Part 3: Decision making framework	<i>To provide practical guidance on how we make operational decisions that lead us to achieve our strategic objectives</i>	<ul style="list-style-type: none">• Adopts policy positions in each area of property management that align to our strategic objectives.• Provides decision-making processes that apply these policy positions.• Establishes the authorising environment for different property related decisions.

Review of this strategy

This strategy will be reviewed after one year of application.

From time to time, administrative updates may be made to reflect changes in legislation, role titles or other items that do not materially impact the intent of the strategy.

Any material change to this strategy that impacts decision making and practical application must be approved by the elected Council.

Part 1: Context

Council is entrusted by the Yarra community to manage its diverse property portfolio in a strategic and contemporary way. We are responsible for the full spectrum of property managing functions including the investment, acquisition, operation, maintenance, and disposal of properties. This section of the property management strategy provides an overview of Council's property portfolio and Council's obligations in relation to its management.

What is Council property?

Yarra's portfolio is diverse and includes a range of property types. In the context of this strategy, property refers to any land, buildings and improvements that Council has interest in as the property as the manager or the occupant. It includes:

- freehold properties where Council is the owner
- Land under Council's ownership or control as granted by legislation, such as roads
- Crown Land where Council is appointed as the Committee of Management
- tenancies where Council is the tenant in various private and government owned properties.

Property categories

Our properties can be classified into five broad categories:

Property	Examples
<i>Civic use</i>	Town halls, libraries, administration spaces, recreation centres, aquatic centres, operations depots
<i>Commercial property</i>	Shop fronts, office accommodation, service infrastructure
<i>Community service infrastructure</i>	Neighbourhood houses, senior citizen centres, kindergartens, community centres, maternal and child health centres, public toilets
<i>Open space</i>	Parks, reserves, sports grounds and pavilions, playgrounds, path networks
<i>Transport infrastructure</i>	Roadways, laneways, rights of way, footpaths

Creating public value

In all our property dealings we strive to create value for our community by:

- using our properties to deliver community services
- enabling and sustaining community led connections and creative opportunities
- facilitating community access to properties to participate in programs and connect with others
- contributing to Council's long term financial sustainability
- creating a resilient and prosperous community

How has Council obtained its property portfolio?

Yarra City Council's current property portfolio has been shaped by many different events over the City's history.

- Through the local government amalgamations of 1994, Yarra City Council was vested ownership of the property assets previously owned by the former cities of Richmond, Collingwood and Fitzroy.
- Over time Council has been vested ownership of new parcels of land and properties as a result of land transfers and exchanges with state government.
- Council has purchased property to add to its portfolio and equally, divested of property that is no longer required.

Each of these events contribute to the current composition of Yarra's property portfolio.

What does Council do with property?

Council's properties are used in many and varied ways. The current portfolio is used to:

- Enable Council's service delivery by providing buildings to operate services like kindergartens, maternal child health services, family services, libraries and council customer service.
- Support community organisations and other parties to deliver community services.
- Facilitate recreational, leisure and sporting activities.
- Provide places of community connection and participation in outdoor open space and in built facilities like community centres, neighbourhood houses and arts and cultural venues.
- Provide transport connections and other critical infrastructure.
- Generate revenue

An overview of Yarra's property portfolio

As at March 2025, Yarra City Council manages a property portfolio valued at over \$1.2 billion on behalf of the community. Excluding roads and laneways, this portfolio comprises more than 300 properties across the city's 19.5 square kilometres area. – making our portfolio one of Yarra's most valuable assets.

An overview of our property types

Number	Property types
3	Town halls
5	Libraries
25	Family, youth and children's centres
31	Community halls, rooms and centres
36	Leisure centres, sporting pavilions and grandstands
13	Commercial and office buildings
25	Public toilets
177	Public Space

An overview of current management arrangements

Number	Measure
103	Land parcels owned and managed by Yarra City Council
69	Buildings owned and managed by Yarra City Council
113	Parcels of Crown Land managed by Yarra City Council
30	Buildings owned by others where Council is the tenant

Strategic alignment

Council's property portfolio is a high value, strategic asset that we can leverage to support and achieve our community vision:

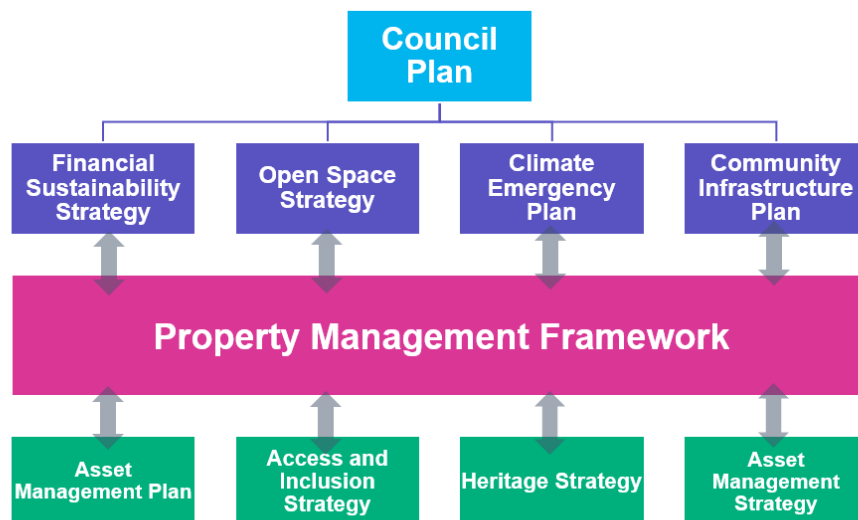
Yarra is a vibrant, safe and inclusive environment. We celebrate and embrace our diversity and connection to each other and the land. Our community is empowered to work together and support one another with trust and respect.

This property management strategy *enables* the achievement of our strategic goals as set out in:

- Council Plans
- Open Space Strategy
- Community Infrastructure Plan
- Financial Sustainability Strategy
- Climate Emergency Plan

In turn, this property management strategy is *informed by* Council plans and policies including:

- Asset Management Policy and Asset Plan
- Access and Inclusion Strategy
- Heritage Strategy
- Arts and Culture Strategy
- Gender Equality Action Plan



This strategy is also supported by a range of operational tools that aim to translate the principles and parameters established in this strategy into practice and to provide further detail and clarity about the way we approach property management.

Council's roles and responsibilities in managing property

Council's role in managing property

- Council's role in managing property is multi-faceted and we need to balance competing interests.
- As a service provider, we need to use our assets to provide quality community services to our residents.
- As the authority responsible for a prosperous future Yarra, we need to leverage our property portfolio to improve our financial sustainability.
- As a planning authority for future Yarra, we need to make long-term strategic decisions about land and property use.
- As a community property manager, we need to make short and medium-term decisions about use and allocation of property.
- As an asset owner, we need to ensure our assets are adequately managed, maintained, and – at the appropriate time – renewed

Council's responsibilities

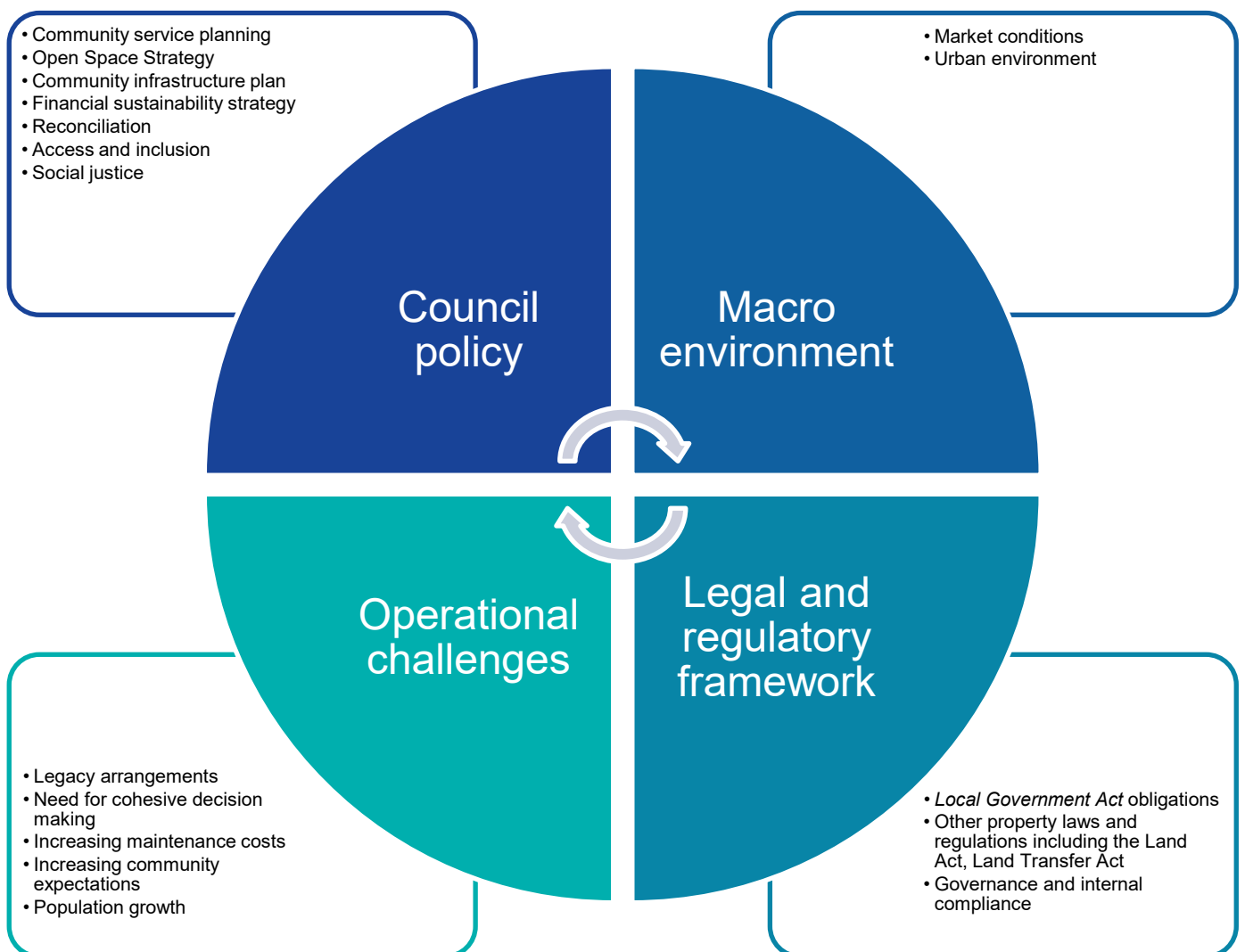
- To make strategic decisions that will result in intergenerational benefits for communities of Yarra.
- To conserve heritage, environment and cultural significance.
- To make financially responsible decisions.
- To promote social justice, community participation, access and inclusion through all Council decisions and services.
- To ensure our assets are working hard for our community.
- To comply with all governing laws, regulations and internal processes.
- To ensure our properties are safe, compliant and fit for purpose.
- To consult with the community on significant property related decisions.

Values underpinning our approach

- *Future focused* - Ensuring our decisions are strategic and in the best interests of current and future Yarra residents
- *Aligned* - Connecting our operational actions and decisions to our strategic objectives
- *Active* - Constantly reviewing our portfolio, seeking out opportunities and taking action
- *Evidence based* - Using our best data and insights to make the best decisions we can

Our strategic environment

The way we manage Yarra's property portfolio needs to take into account and balance an array of different, and often competing factors. Our decision making needs to respond to an ever-changing external environment as well as address operational challenges. This section of the property strategy canvasses the different strategic and operational opportunities and challenges that inform our property management approach.



Council policy

Community vision

Yarra 2036 Community Vision (Vision) is our first-ever community vision. It sets out the community's hopes, aspirations and priorities for the next 15 years. It is an important, long-term strategic document that guides all planning and decision making for Council and the community.

Vision statement:

Yarra is a vibrant, safe, and inclusive environment. We celebrate and embrace our diversity and connection to each other and the land. Our community is empowered to work together and support one another with respect and trust.

Our changing community

When we compare the current demographic profile of Yarra against the demographic profile predicted for the future, we can see that our community is changing. We know that:

- Yarra is set to experience population growth. Our population is predicted to increase by 49,850 people between 2023 and 2041, representing an almost 63 per cent increase.
- Equally, it is predicted that the number of residential dwellings in Yarra will grow from 49,961 in 2021 to 77,416 in 2041.
- Community infrastructure demands associated with a growing population will increase, so too will the need to renew and upgrade existing assets during a period of escalating construction costs.
- Changes in land use are on the horizon. Many former industrial and manufacturing areas are being redeveloped to mixed use precincts with a combination of residential, commercial, and business use.
- Yarra will retain a higher proportion of share houses and fewer families compared to greater Melbourne.
- 10% of Yarra residents currently live in public housing.
- A significant proportion of Yarra households do not own a car at double the Victorian average.
- Approximately 20.4% of households in Yarra live at the lowest end of the socio-economic scale, experiencing hardship and social disadvantage. In contrast, 25.8% of households earn an income of \$2,000 or more per week.

- Yarra has 25.3m² of open space per person, expected to reduce to 20m² per person with population growth.
- Over one quarter of the community was born overseas. In 2021, there were 18,025 non- English speakers living in the City of Yarra. Approximately 20% of residents speak a language other than English at home. Vietnamese, Greek, Mandarin, Italian and Cantonese are the top languages spoken at home, other than English.

Our evolving service profile

Council delivers a wide range of inclusive and accessible services and programs. These include childcare, recreation facilities, libraries, arts and cultural initiatives, services for older persons and people living with a disability. The businesses of local governments are diverse and subject to change. To keep pace with community expectations, changes in service markets and state and federal government policy, we are continuously reviewing the services that we offer as a council and the way we deliver them. Subsequently, our property portfolio needs to constantly adapt to match our service offering.

Understanding our future community infrastructure needs

We are developing a new community infrastructure plan which will give us important insights on how we can align our property portfolio with our community infrastructure requirements. Strategic analysis like the community infrastructure plan is key to ensuring that the property decisions we make now create intergenerational benefits. Shared use of public space and flexible community infrastructure is a means to manage community needs whilst the city grows and thrives.

Open space deficits

Our *Open Space Strategy* tells us that we need to create more open and green spaces to create a more liveable and sustainable Yarra that is fit for the future. The strategy sets the ambition to provide open space within easy walking distance for the majority of the community. We know that there are gap areas in all of our precincts, and that some areas within Yarra require a significant investment to achieve this target.

Managing Country

Council recognises that all land in the City of Yarra is Wurundjeri Woi Wurrung Country that was never ceded. The City of Yarra actively supports self-determination. We will work in partnership to advocate for and support opportunities to advance the land management interests of Traditional Owners.

Financial sustainability

In December 2023 Council adopted our *Financial Sustainability Strategy*. The strategy highlights a range of challenges we face to ensure our community is thriving and prosperous now and into the future. Importantly in the context of our property management, the strategy commits us to:

- optimising revenue generating assets, including property.
- taking a careful and fiscally responsible approach towards the use of reserves for strategic property acquisitions and major projects that will provide intergenerational community benefit.
- establishing and investing in new cash reserves for to enable future investment in community infrastructure and to address risk for unforeseen events.
- ensuring user fees and charges reflect the true cost of service.
- ensuring new community infrastructure investment is informed by evidence of need and is undertaken in a financially sustainable manner with the right blend of renewals and new infrastructure.
- ensuring the right level of services are provided to the community and effectively plan for future and changing community needs.
- strengthening Yarra's advocacy and partnerships to achieve a better share of, and weather the storm of declining government grants and subsidies.

Macro environment

Our urban environment

We are an inner-city local government where we are constrained for greenfield land and property is expensive. The result is that use of land and affordable property is highly contested. Many organisations look to Council for assistance to access property to enable the delivery of community services. High property prices are a barrier to some community organisations servicing Yarra and its residents.

Leveraging the value of our property portfolio

Yarra is well connected to the CBD and stands alone as a vibrant economic and cultural hub within Greater Melbourne. Our property portfolio is high value and diverse in its array of land and buildings. Many of our buildings have strong cultural, heritage and architectural character whilst our open spaces are beloved land assets accessed by residents of Yarra and visitors from beyond our boundaries.

Market conditions

Like any player in the market, Council needs to be considerate of broader conditions and trends in real estate. Interest rates, rising and falling property values and supply and demand trends all impact the decisions we make about how we use and hold property.

Inheriting assets and cost shifting

Through legacy arrangements or land transfers, Council sometimes formally or informally takes on the responsibility for new property assets on behalf of other tiers of government. Rarely, these arrangements are supported by ongoing funding to resource the maintenance and management of the new assets. This results in pressure on Yarra's operating budgets to absorb these costs.

Responding to the climate emergency

The climate emergency represents an unprecedented challenge – both globally and locally – with devastating consequences now and in the immediate future. The climate crisis is impacting people's health, wellbeing, and livelihoods and our natural and built environments. We need to consider how we manage our property portfolio to reduce our climate risk exposure while meeting the changing community needs.

Operational challenges

Legacy management arrangements

Some longstanding property management arrangements have been in place for many years without review. In some cases, arrangements have evolved to include sub-letting of Council property that hasn't always resulted in a fair return to Yarra. To make sure that we are generating optimum community benefits from our property management we need to implement a framework that regularly measures performance of our arrangements to make sure that we are realising the community benefits that were intended at the commencement of the arrangements.

Vacant or single occupation properties

Across our portfolio we have a number of properties that are sitting vacant or that are only being used by a single party. In a landscape where resources are finite, we need to make sure that each and every property is working hard and achieving maximum utilisation.

Need for cohesive decision making

We know that our property management would benefit from a more strategic approach to decision making. The volume of assets we manage, a lack of meaningful data on how property is used and the complex inter-dependencies that surround our property management present challenges to our decision making. We need to have a considered approach to make sure we are investing our efforts into the decisions and actions that will generate the most benefits. Opportunity costs are a significant risk to Council, as without a well-considered, tactical approach to portfolio management we are at risk of making uniformed or isolated decisions.

Increasing costs to maintain and manage property

Our assets are ageing, some of the land we manage is contaminated and building material and labour costs are rising. All of these factors contribute to increasing maintenance, insurance and management costs which burden Council's overall financial position. Finding a way for parties who benefit from access to Council's properties to

share in the ongoing costs of property maintenance is key to success.

Legal and regulatory compliance

The Local Government Act 2020

The *Local Government Act 2020* sets out Council's powers in relation to land. Part 4, Division 4 of the Act details Council's powers and obligations regarding:

- acquisitions and compensation
- creation of easements
- restrictions on power to sell or exchange land
- lease of land
- transfer, exchange, or lease of land without consideration.

Other laws and regulations

In addition, as both a landowner and land manager we must understand and comply with our obligations under numerous legislation including the following:

- *Education and Care Services National Law Act (2010)*
- *Education and Care Services National Regulations (2011)*
- *Crown Land (Reserves) Act 1978 (Vic)*
- *Emergency Management Act 1986 (Vic)*
- *Heritage Act 2017*
- *Land Act 1958*
- *Transfer of Land Act 1958*
- *Retail Leases Act 2003*
- *Occupational Health and Safety Act 2004*
- *Planning and Environment Act 1987*
- *Road Management Act 2004*
- *Subdivision Act 1988*
- *Environment Protection Act 2017*
- *Building Act 1993*
- *Local Government Best Practice Guideline for the Sale, Exchange, and Transfer of Land 2009*

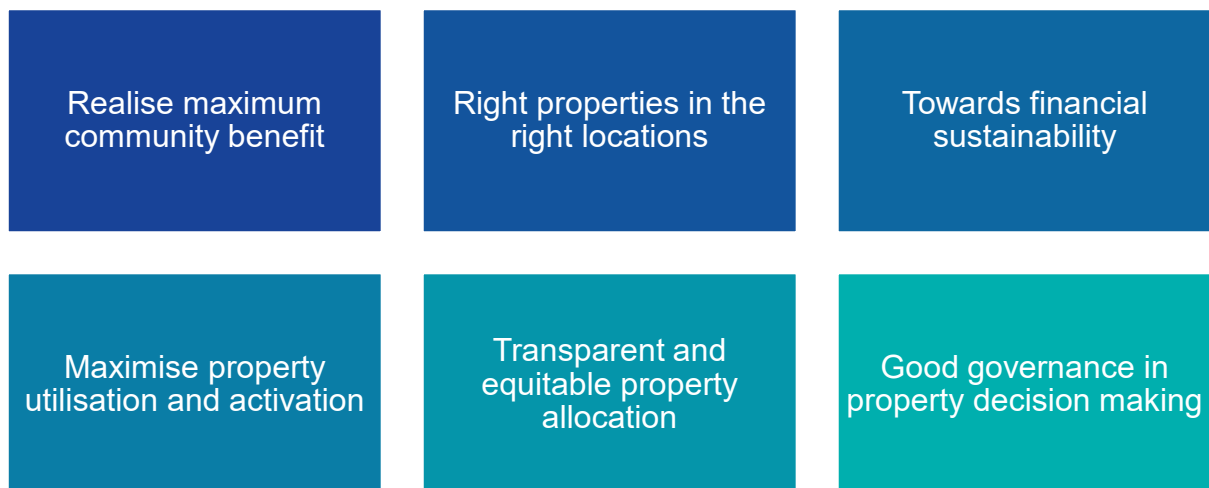
Internal governance and compliance

In addition to these legislative obligations, the purchase or sale of land must also be undertaken in accordance with Council's relevant Instruments of Delegation, namely the Instrument of Delegation from Council to the Chief Executive Officer as amended from time to time, and the Instrument of Sub-delegation from the Chief Executive Officer to Council staff.

Part 2: Our strategic property objectives

To respond to the challenges and opportunities presented in operating environments, we need to be targeted in our property management approach. This section of the strategy sets our strategic objectives for the next five years and defines what successful property management looks like.

Over the next five years, the residents of the City of Yarra will elect a new Council, develop a new Council Plan, create a new community infrastructure plan and continue to deliver our day to day services to the community. Amongst this, we need to make strategic decisions about our property portfolio, and make operational decisions about short term use. While we need to have a flexible framework that responds to our changing environment, we also need to be clear about what we are trying to achieve in the medium term. It is in this context, that we have developed our six strategic property objectives.



Realise maximum community benefit

Our community is at the heart of all we do. In the first instance, we are committed to leveraging our properties to create and facilitate community benefit.

What success looks like:

- We facilitate community access to property to community groups and not for profit organisations, that each offer a specific and diverse value proposition to the Yarra community that is in demand and clearly benefits our residents.
- We secure value for money outcomes where Council is a tenant of a property.
- We can clearly articulate the value we are generating from each property use and allocation. We can demonstrate how each and every property use or allocation is contributing to the achievement of our broader goals and objectives.
- Our tenants and licensees acquit against community benefit regularly, so we know that the community benefits are being realised.
- Our allocation of property advances Council policy, including our commitment to social justice, community participation, cultural enrichment, economic development, climate emergency and access and inclusion. We focus on how we can create social dividends through our property allocation.

Right properties in the right locations

Our properties are a key enabler of our service delivery and provide the infrastructure to support quality community service. With service needs, levels and mixes constantly changing, we need to be able to respond to ensure our property portfolio is aligned.

What success looks like:

- We hold the properties that add the most value to our portfolio and divest of those that don't enhance our strategic position or can be exchanged for better value.
- We act on opportunities to grow or enhance our portfolio where it provides significant strategic or financial benefit.
- Our property holdings match our current and future community infrastructure needs.
- We show healthy activity in the market as we regularly review, dispose and acquire property to match our holdings with service need.
- Our decisions take into consideration the climate emergency risks
- All our properties are fit for purpose for the allocated use.

Towards financial sustainability

Our *Financial Sustainability Strategy* underscores the need for us to review all facets of Council service delivery and operations to ensure we are fit to thrive into the future. As one of our highest value assets and a significant area of expense, our property management approach must live the values of the strategy.

What success looks like:

- The ongoing costs of maintaining our portfolio are financially sustainable.
- We divest of property that is surplus to need and re-invest the funds we generate back into our community infrastructure network.
- Our portfolio includes a combination of management arrangements that balance market rent and subsidised rent arrangements.
- The users that benefit from accessing our properties share in the reasonable ongoing maintenance costs of the properties they access.
- We classify some properties as premier properties, leveraging them to generate income for Council.
- We are innovative in how we work with others to create public value. We pursue partnerships that provide a financial advantage to the Yarra community as a means to achieve community benefits in a value for money way.

Maximise property utilisation and activation

Our property resources are finite and highly valued, and we need to make sure that all our assets are working the hardest that they can.

What success looks like:

- We have no medium-term or ongoing property vacancies.
- Our properties are generally used every day, at all times of the day, all year round.
- Our occupancy and utilisation arrangements provide the greatest possible opportunity for the greatest number of people and groups to access our properties.
- Our use of properties promotes the activation and preservation of our activity centres and major precincts.

Transparent and equitable property allocation

Use of Council property is in high demand, and we need to make difficult decisions about how we prioritise access. This property strategy and our supporting operational practices need to be clear so that all interested parties know how and why we make our decisions.

What success looks like:

- The way we allocate use of property reflects our priorities and we make deliberate decisions to allocate property to parties that help achieve our broader strategic goals and objectives.
- Our community has full transparency on how we make decisions about property allocation.
- Our occupancy agreements and rental structures are consistent and equitable.

Good governance in property decision making

As the custodian of Yarra's property portfolio, we need to champion best practice governance in all of our decision making. We need to be clear about the process for making decisions and who is authorised to make various property related decisions.

What success looks like:

- Our property decisions are based on evidence, and we use the information we have at hand to make strategic, long-term decisions.
- This strategy and supporting operating policies enable well considered and timely decision making and property transactions.
- We consult with the community on decisions of significance through targeted engagement, in accordance with *Yarra's Community Engagement Policy*. Specifically, we will:
 - Give notice of any proposal to dispose of property on Council's website.
 - As required, conduct other engagement through direct mail, Yarra Life bulletins and signage to inform the community when Council is contemplating a property disposal.
 - Engage in a targeted consultation process when Council is contemplating any decisions of significance. Such decisions might include:
 - Where the decision will result in a change to the current or historic use of the property
 - Where the decision relates to a heritage property or a property of cultural significance
 - Where the decision is financially significant
 - Publish any property acquisitions on Council's website.
- All property transactions are compliant with the legislation, regulations and delegations that govern them.

Part 3: Decision making framework

This final section of the property strategy provides a framework for decision-making across each of the key property functions of Council. This section establishes policy principles to guide our operational decision-making results and ensure it is linked to the achievement of our strategic objectives.

Property management functions

As a property manager, Council undertakes a wide range of functions to manage property. The below table summarises the choices presented to Council when making decisions about the current and future uses and allocations of properties.

Property management function	Council's role
<i>Portfolio management</i>	Carefully curating Council's property holdings to make sure we have the right properties, divest of liabilities and that we allocate use appropriately.
<i>Property assessments</i>	Reviewing and assessing the value, purpose and use of individual property holdings and clusters of property, to aid decision making.
<i>Hold and occupy</i>	Hold the property as part of the portfolio and directly use it for Council operations to deliver a Council service.
<i>Hold and lease or license</i>	Hold the property as part of the portfolio and provide a third party with access to the property through a lease or license.
<i>Hold for future development</i>	Holding the property where evidence supported development opportunities are possible.
<i>Dispose</i>	Selling, transferring or otherwise divesting of a property asset to free Council of ongoing management and generating a financial return.
<i>Acquire</i>	Purchasing or leasing new property, accepting gifted properties, or accepting ongoing management responsibility for a new property.
<i>Develop</i>	Making the intentional decision to invest resources to improve a property asset through the Asset Management Plan. This includes constructing new assets on Council property.
<i>Partner</i>	Working with another external organisation (private or government) to develop land or property.

Portfolio management choices

Relevant strategic objectives



Portfolio management principles

To help us make the right choices about what we do with our properties, we need to regularly review and assess our property holdings. The following principles will be applied when we are making choices about what we do with properties within our portfolio.

1. Active review of our properties

We will be active in managing our property portfolio. This means we will regularly review our properties, to make sure we are making the best decisions possible about use and allocation. The following events will trigger a review of an individual property, or of a cluster of properties in a specific geographic area:

- New insights into community needs, such as a new Council plan or strategy supported by evidence.
- A change in community service profile e.g. evidence of increasing unmet demand for a service or evidence of a diminishing need.
- A property vacancy.
- Nearing expiration of an occupancy agreement.
- A strategic or commercial proposition is presented to Council by a third party.
- Changes in regulatory and legislative requirements.

2. Balancing different types of property use

When determining what to do with a specific property, Council faces a range of choices. Wherever we can, we will strive to make decisions that are aligned with or work towards achievement of multiple Council goals. However, sometimes this is not possible. Sometimes we are faced with situations where we need to make a deliberate decision to advance one Council goal, understanding that it might compromise the achievement of another. For example, sometimes we will make a decision to accept a highly subsidised market rental to provide a community organisation access to a property to deliver an in-demand community service with the understanding that Council will absorb the cost of holding and maintaining that property in exchange for the community service. In this case, Council will miss out on a revenue opportunity. Equally, sometimes we will make a deliberate decision to designate a property as a commercial opportunity to generate income, with the goal to deliver on our *Financial Sustainability Strategy* and understanding that commercial occupancy will preclude community use.

To help us prioritise and make these choices, we will classify each of our property types and apply a hierarchy of use to each category. This is summarised in the below table:

Classification	Civic properties	Premier properties	Community properties
<i>Description</i>	Any property Council deems it requires to deliver its operations and services	Properties with high value attributes that make it a valuable asset in the real estate market	All other properties in Council's portfolio that are not civic or premier properties
<i>The process for deciding how the property will be used</i>	Council is given first preference to designate a property as a civic property	Market rental is required for use of premier properties. <ol style="list-style-type: none"> 1. First preference for use is given to community organisations with capacity to pay market rent 2. Second preference is given to commercial organisations with capacity to pay market rent 	Allocation of use is assessed against the priority of access principles included later in this policy, but summarised as: <ul style="list-style-type: none"> • community service priority • community impact • utilisation and activation • users' capacity to pay

Civic properties

Civic properties are those that Council holds to deliver its core services and operations. These services might be delivered directly by Council or by a third party with the support or partnership of Council. When considering what to do with a property, Council will have first pass opportunity at designating it a civic property for Council's use. If it is not required by Council, it will proceed to be designated as a premier property or community property.

Premier properties

As noted earlier in this strategy, Council is the custodian of a highly valuable group of assets in its property portfolio. Our premier properties are those that meet the following criteria:

- properties in areas of high real estate demand
- properties in activity centres or other in demand localities
- newly renovated or developed properties
- properties with street frontage

We need to make sure we make our most valuable assets work hard for us. Accordingly, where a property is designated to be a premier property, we will apply the following hierarchy of use:

- First preference will be given to community organisations with capacity to pay market rent.
- Second preference will be given to commercial or private organisations with capacity to pay market rent.
- Only where there is no interest, or there is a strong business case proving a profound community benefit, will a subsidised rent structure be offered.

Community properties

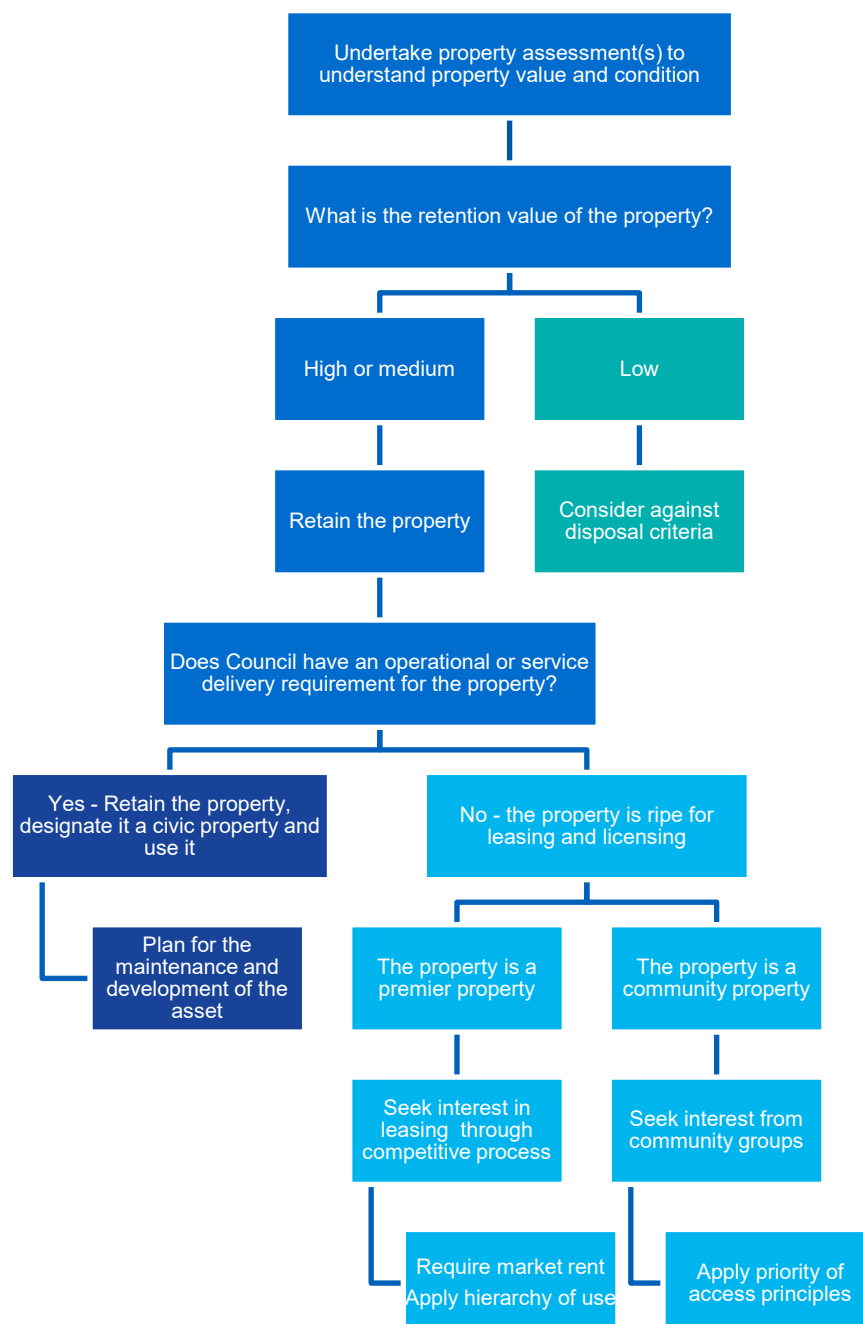
Community properties are all those that are not classified as civic or premier properties. We will allocate the use of these properties based on the priority of access principles outlined in the leasing and licensing section of this strategy.

Property assessment roles and responsibilities

Role	Responsibilities
<i>Manager Property</i>	Regularly reviewing our property holdings Classifying properties as civic, premier or community in accordance with this strategy
<i>Service managers</i>	Communicating community service and property requirements Providing advice to inform decision making about property use

Decision making guidelines

The following decision-making process puts our portfolio management principles into action.



Leasing and licensing

Relevant strategic objectives



Leasing and licensing policy principles

To achieve our strategic objectives, we will apply the following policy principles to all leasing and licensing decisions:

1. Application of priority of access principles to guide property allocation

Where Council has a property available and suitable for leasing or licensing to a community organisation, we will apply the following priority of access principles to determine which applicant is the best fit for the opportunity:

Priority of access principle	Our evaluation framework preferences
<i>Community service priority</i>	<ul style="list-style-type: none">Organisations that deliver a service that meets a service gap.Organisations that would benefit from co-location with other community services.Organisations that will help Council achieve a goal in an adopted plan or strategy.
<i>Community impact</i>	<ul style="list-style-type: none">Organisations that will directly benefit residents of Yarra.Organisations that will benefit community members that are under-represented, marginalised or at risk.
<i>Utilisation and activation</i>	<ul style="list-style-type: none">Organisations that can demonstrate high property utilisation.Service offerings that will attract people to the property and result in the activation of the property and broader geographical precinct.Organisations that are agreeable to shared access with other organisations.
<i>Users' capacity to pay</i>	<ul style="list-style-type: none">Organisations financial capacity to contribute to Council's costs of holding the property.Organisations that offer a financial benefit to Council.

Whilst the priority of access principles remain the same for most assessments, the weightings of each criterion are subject to change based on the nature of the property and Council's aspirations for it. Additional principles may be considered by the Property Services team where required to account for special circumstances and requirements (e.g. heritage and environmental conservation)

The assessment matrix leans towards the following the outcomes:

Priority level	Community organisation attributes
<i>High priority</i>	Organisations that: <ul style="list-style-type: none"> offer a service that is in high demand in Yarra and will help meet a service gap. directly benefits local Yarra residents. deliver a service that benefits members of the community that are under-represented, marginalised or at risk. is conducive to shared facility access and would benefit from co-location with other complementary services. will continue to the activation of the property, activity centre or priority precinct. have capacity to contribute to the costs of holding and maintaining the property.
<i>Moderate priority</i>	Organisations that: <ul style="list-style-type: none"> offer a discretionary community service. have reasonable opportunity to secure property access in the private market.
<i>Low priority</i>	Community organisations that: <ul style="list-style-type: none"> offer a service that is over supplied or already well represented in Yarra. are not servicing the local Yarra community. benefit a small representation of the community.
<i>Not supported</i>	Community organisations that: <ul style="list-style-type: none"> contradict Council's policy positions e.g. electronic gaming machines or fossil fuel. hold values that do not align with Yarra City Council.

2. Preference for agreements that facilitate multi-party access to Council facilities

To maximise utilisation, and to promote activation of Council facilities, we will always preference occupancy arrangements that facilitate multiple parties to access Council facilities. Typically:

- Council's preferred form of occupancy agreement will be a licence (non-exclusive).
- A lease (exclusive use occupancy agreement) will only be considered in circumstances where:
 - the property is fit for purpose for a bespoke use.
 - there are no reasonable opportunities to make the property multi-purpose.
 - there is no other demand for the property.
 - the proposed tenant is offering investment into a property that improves the asset and creates benefit for Yarra.
 - there is commercial benefit for Council.

Although Council aims to ensure that all facilities are highly utilised, tenants or licensees must not sublet, hire or assign the premises without the prior written approval of Council. Where Council does permit sub-letting or casual hire of the facility by the tenant or licensee, Council reserves the right to amend the rental amount to ensure that Council shares in the financial return of any arrangement.

3. Rental fees proportionate to community benefit and capacity to generate income

Council expects the tenants and licensees that benefit from access to community facilities to share in the reasonable costs of maintaining those facilities. We also recognise that each organisations capacity to generate income differs, depending on their organisational structure and purpose. Ensuring property use is affordable to community organisations who share Council's strategic objectives is a key priority. To ensure an equitable approach, we will apply the following principles to determining rental fees, to ensure our fees are proportionate to the organisation's capacity to generate income and the value they offer the Yarra community.

Rental category	Structure	Eligibility and application
<i>Market rent</i>	Full market rent as set by an independent valuation or competitive market testing	<p><u>Default position for all properties</u></p> <p>Applicable to all for profit organisations accessing Council property</p> <p>May be applicable to not-for-profit organisations that receive substantial external funding or fees for service</p>
<i>Discounted market rent</i>	<p>A discount of 25% - 75% off the market rent may be applied where access to the property yields community benefit.</p> <p>The rate of discount will be proportionate to the organisation's capacity to generate income and the value of community benefits derived for the City of Yarra.</p>	<p>Any not-for-profit organisation that:</p> <ul style="list-style-type: none"> receives meaningful government funding (ongoing or significant value grants) has some income generating capacity through endeavours like: <ul style="list-style-type: none"> membership fees retail sales liquor trading. payment for services demonstrates that paying market rent would have an adverse impact on community benefits achieved. Provides a meaningful and valuable service to the community.
<i>Short term, non-exclusive use</i>	The minimum hire fee as outlined in Council's annual fees and charges and maintenance contribution (where not already reflected in the hire fees)	<p>Any not-for-profit community-based organisation that:</p> <ul style="list-style-type: none"> casually hires Council facilities and venues. has a seasonal agreement in place for shared use of a Council facility.

Rental category	Structure	Eligibility and application
<i>Peppercorn</i>	<p>Minimal rental as negotiated with the organisation</p> <p>The rental fee is heavily subsidised to take into consideration the significant community benefit yielded</p>	<p>Any community organisation that provides an essential and high-value service, addressing a clear community need or service gap, and has limited capacity to generate income. Generally, these organisations:</p> <p>Are primarily operated by volunteers</p> <p>Do not charge for their services</p> <p>Do not collect membership fees</p> <p>Provide support or programs that would otherwise be unavailable or inaccessible to the community</p>

Transitional period

The above rental structures apply to any new leases or licenses entered after the adoption of this strategy. In the case of an expiring agreement, the existing tenants or licensees will be provided with six months' notice of any change to the rental structure brought about by this strategy.

4. Maximum terms that enable flexibility

In an environment that is constantly changing, Council requires flexibility in its occupancy agreements to be able to respond to evolving conditions. To provide this flexibility, our standard length of a lease or license agreement will be a maximum of five years. This may be extended – at Council's absolute discretion - only in situations where at least one of the following criteria is met:

- The organisation is paying market rental.
- The organisation has a long-term service agreement in place with Council for service delivery.
- The organisation is making a capital contribution to improve the property.
- The organisation has a long-term presence and investment.

5. Lease and licence renewal

A lease or licence may be renewed for an existing tenant, subject to the following:

- Approval from the General Manager Infrastructure and Environment.
- Endorsement from the relevant internal Service Manager, confirming that the renewal aligns with Council's strategic objectives and community priorities.
- Submission of a formal lease renewal application demonstrating that the tenant:
 - Has maintained an exemplary tenancy record, including compliance with all lease obligations, financial responsibilities, and community benefit commitments.
 - Continues to be the most suitable occupant for the property, providing services or benefits that align with Council's vision and priorities.
- Evidence that a change of tenant would have an adverse impact on the property's use, the continuity of services, or the community benefit derived from the space.

Renewals will be assessed on a case-by-case basis to ensure that Council properties continue to be allocated in a way that maximises public value, promotes equitable access, and upholds good governance in property management.

6. Sharing in maintenance and outgoings obligations

All tenants and licensees will be responsible for their share of the property's maintenance and general costs which at minimum include:

- utilities outgoings
- rates (if charged)
- GST and stamp duty

7. Regular reviews to ensure outcomes are achieved

All tenants and licensees must complete an annual accountability report to measure how the community benefits are being achieved. The report will consider the type of service delivered by the organisation and will generally comment on:

- building utilisation
- financial performance of the organisation
- participation rates and reach of service
- community outcomes achieved
- actions and effort made to support the climate emergency plan

8. Good governance in leasing and licensing

Council officers will implement a competitive process to ascertain interest in the property and make a decision on allocation by assessing each proposal against the principles in this strategy. On some occasions negotiation may be considered a better method to secure a beneficial outcome. Any exemption to not undertake a competitive process to offer access to a property must be authorised by the General Manager Infrastructure and Environment.

Council will comply with its obligations as outlined in Sections 115 and 116 of the *Local Government Act 2020* which states:

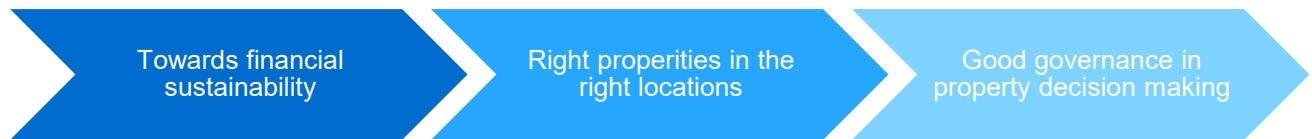
- *A Council's power to lease any land to any person is limited to leases for a term of 50 years or less.*
- *Subject to any other Act, and except where section 116 applies, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.*
- *A Council must include any proposal to lease land in a financial year in the budget, where the lease is:*
 - a) for one year or more and—*
 - i. the rent for any period of the lease is \$100 000 or more a year; or*
 - ii. the current market rental value of the land is \$100 000 or more a year; or*
 - b) for 10 years or more.*
- *If a Council proposes to lease land that is subject to subsection (3) and that was not included as a proposal in the budget, the Council must undertake a community engagement process in accordance with the Council's community engagement policy in respect of the proposal before entering into the lease.*

Leasing and licensing management roles and responsibilities

Role	Authorisation
<i>Community service managers</i>	<ul style="list-style-type: none"> • Advisory role to help assess community benefit and advise on current and future properties. • Advise on community outcomes and KPIs to be included in occupancy agreements. • Review, assess and report on tenants and licensees' performance and compliance with pre-set requirements. • Authority to make recommendations and participate in evaluation.
<i>Manager Property</i>	<ul style="list-style-type: none"> • Authority to determine the rent structure based on the nature of the organisation. • Authority to determine the appropriate rate of discount applied to a community organisation based on the evidence presented. • Authority to offer a five-year lease or license to a community organisation following an evaluation process provided the value of annual market rental is under \$50,000. • Authority to designate a premier property for which market rent will be demanded.
<i>General Manager Infrastructure and Environment</i>	<ul style="list-style-type: none"> • Authority to offer a five-year lease or license to a community organisation following an evaluation process provided the value of annual market rental is under \$100,000 • Authority to offer a lease or licence via direct negotiation, without a competitive process taking place. • Authority to approve sub-letting or casual hire of a Council property by a tenant or licensee.
<i>Chief Executive Officer</i>	<ul style="list-style-type: none"> • Authority to offer a premier property at less than market rental. • Authority to offer a lease or licence term beyond five years and up to ten years. • Authority to offer a five-year lease or license to a community organisation following an evaluation process provided the value of annual market rental is over \$100,000 but under \$1 million. • Authority to determine that a decision is significant and warrants targeted community consultation.
<i>Council</i>	<ul style="list-style-type: none"> • Authority to award a lease for longer than 10 years. • Any exemption to this policy.

Acquisitions

Relevant strategic objectives



How Council acquires property

Council may acquire land through:

- a private agreement
- as a result of a development outcome
- acting on compulsory acquisition rights
- engaging in the open marketplace
- land transfers or exchanges

Acquisition policy principles

To achieve our strategic objectives, we will apply the following policy principles to all acquisitions:

1. Active acquisitions to secure properties we need

We will actively seek to acquire property where:

- There is an identified current or future need for property holdings to facilitate community services as evidenced in Yarra's Community Infrastructure Plan (including Yarra's Kindergarten Infrastructure and Service Plan) or other Council adopted plans or strategies.
- Acquisition will provide for the expansion of open space, particularly in areas of shortfall identified in Yarra's Open Space Strategy.
- Acquisition will improve the development potential or use of existing property holdings.
- There is a relatively low risk, commercial opportunity that will lead to income generating opportunities and contribute to Council's long-term financial sustainability.

2. Accessing reserve funds for strategic acquisitions

As outlined in the *Financial Sustainability Strategy*, we will establish a financial reserve to enable the purchase of new community land in locations where we know it will aid our service delivery and generate community benefit. The following principles apply to all expenditure from the fund:

- There must be a supportive acquisition assessment in favour of the purchase.
- There must be budget available within cash reserves to enable the acquisitions.
- Funds obtained through the disposal of property assets will be re-invested for the purchase of new property or community infrastructure. That is, funds generated from property asset disposal won't be accessed for any other purpose than to improve our community infrastructure network and property portfolio.

Acquisition roles and responsibilities

The following roles within Council have responsibilities in relation to strategic acquisitions:

Role	Authorisation	Financial Delegation
<i>Manager Property</i>	<ul style="list-style-type: none">To actively seek opportunities to acquire landTo conduct strategic acquisition assessmentsTo engage independent advice to inform acquisitions assessmentsTo make recommendations on acquisitions	No financial delegation
<i>Council</i>	Authority to approve strategic property acquisitions	Any decision to acquire new property will be a decision of the elected Council

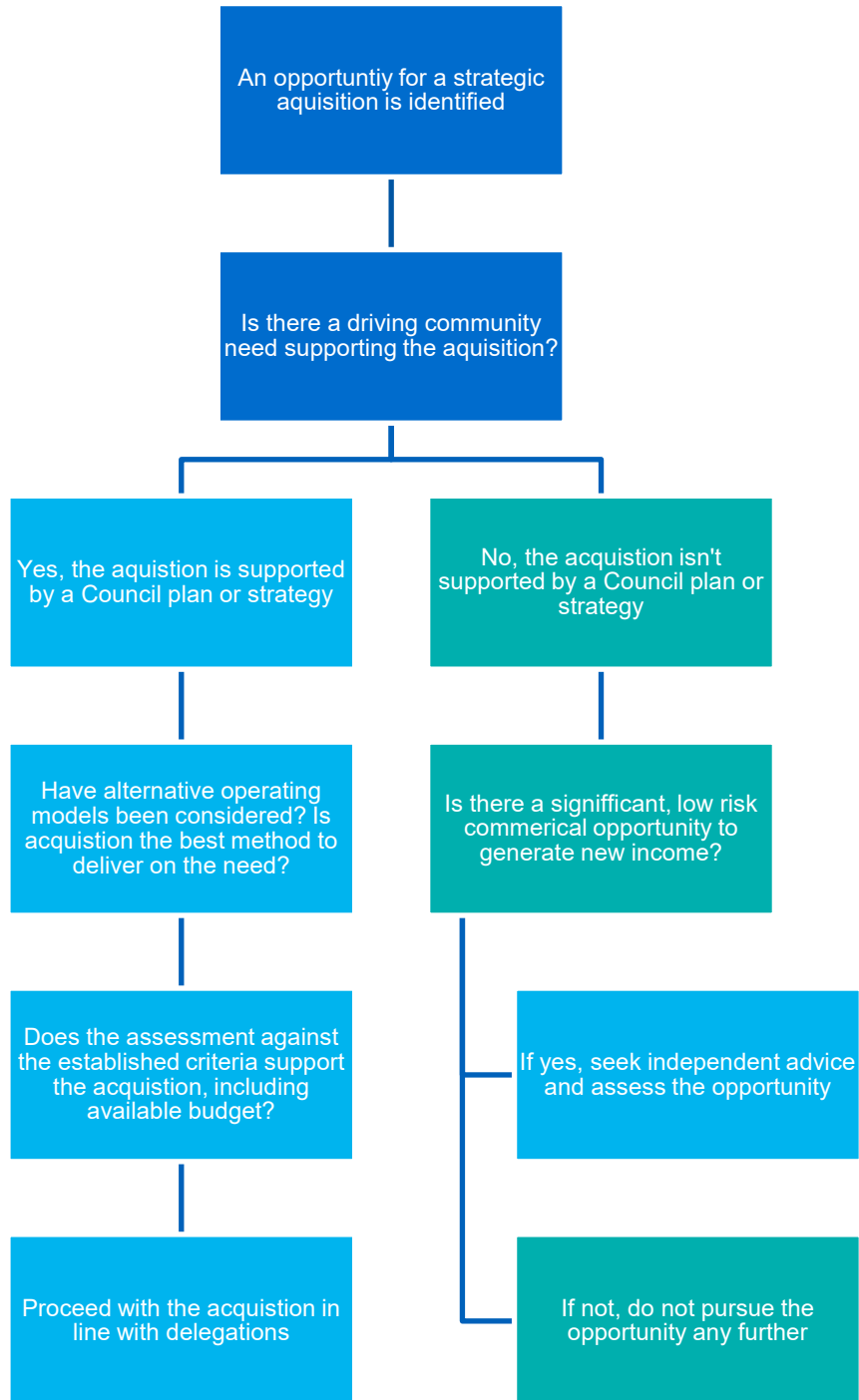
Decision making guidelines

Acquisitions assessment criteria

Criteria	Conditions that support acquisition
<i>Strategic need</i>	<ul style="list-style-type: none">There a clear, strategic need for the property holding that is directly aligned to a Council plan, policy, or strategy.Acquisition been determined as the best method of facilitating access to property. Other options (such as Council leasing or licensing a property from an external party) have been explored and are not preferred.
<i>Fit for purpose</i>	<ul style="list-style-type: none">No or limited works would need to be complete to the property to make it fit for the strategic need. If works are required, there is an available funding source.There are no restrictive covenants that would limit the use of the property for its intended purpose.
<i>Financial viability</i>	<ul style="list-style-type: none">The acquisition is affordable, and Council has the available cash reserves to fund the purchase.The property will generate financial value for future Yarra as it is predicted to have underlying capital growth potential.The property can be acquired at a reasonable cost compared to the market valuation and the purchase represents value for money.
<i>Ongoing management</i>	<ul style="list-style-type: none">There is a plan and budget for ongoing management of the propertyThe property that requires minimal ongoing management and maintenance
<i>Legal and risk assessment</i>	<ul style="list-style-type: none">Will the acquisition result in Council being burdened by risk? Examples might include unacceptable levels of contamination.The land is free from encumbrances.Town planning, land zoning and other requirements are appropriate for Council's intended use or can easily be amended to fit.

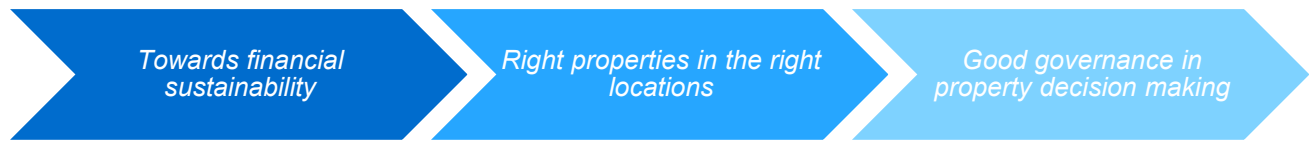
Decision making process

The following decision-making process puts our acquisition principles into action.



Disposals

Relevant strategic objectives



How Council disposes property

Council can dispose of property by:

- selling it
- exchanging it
- transferring it to another party

Disposal policy principles

To achieve our strategic objectives, we will apply the following policy principles to all disposal decisions:

1. **Actively disposing properties that are underperforming or could be exchanged for better value**

Holding property that isn't being used to its full potential is costly to Council. Ongoing maintenance, administration and opportunity costs all present risk to Council, and disposing of property can help us reduce our liabilities as well as provide income to fund the pursuit of other endeavours. We will dispose of properties that:

- add no strategic value to the portfolio.
- are not required for future community infrastructure.
- surplus to need to deliver Council's core services.
- are underperforming or under-utilised.
- attract unsustainable ongoing maintenance or management costs.
- do not meet current regulatory or legislative requirements
- pose high future risk

In addition, we won't, without strategic justification and consultation, dispose of property:

- for under market value.
- that results in a net loss of quality open space.
- that is of significant cultural value.
- that is of significance to Traditional Land Owners.

2. **Management of disposal process**

The following principles will be applied to managing the sale of property:

- a competitive process will be the default method of sale. such as a public auction, public tender or public registration or expression of interest. From time to time, sale of exchange may take the form of private treaty or exchange of land of equivalent value, where there is a clear value proposition for the City of Yarra.

- when considering offers for the purchase of Council land, Council will give the highest weighting to the financial benefit returned to Council. Council will also give weight to the proposed future use of the property, and how this might advance Council's social, cultural and economic goals.

3. Use of property sale proceeds

Funds generated from the disposal of property will be allocated to support strategic initiatives, such as the acquisition, development of property or other investments that align with community needs. However, Council may consider alternative allocations on a case-by-case basis at its discretion.

Disposal roles and responsibilities

Role	Authorisation	Financial Delegation
<i>Manager Property</i>	<ul style="list-style-type: none"> • To actively seek opportunities to dispose land • To conduct disposal assessments • To procure independent advice to inform disposal decisions • To make recommendations on disposals 	No financial delegation
<i>Council</i>	Authority to approve property disposals	Any decision to dispose of a property (irrespective of value) will be a decision of the elected Council

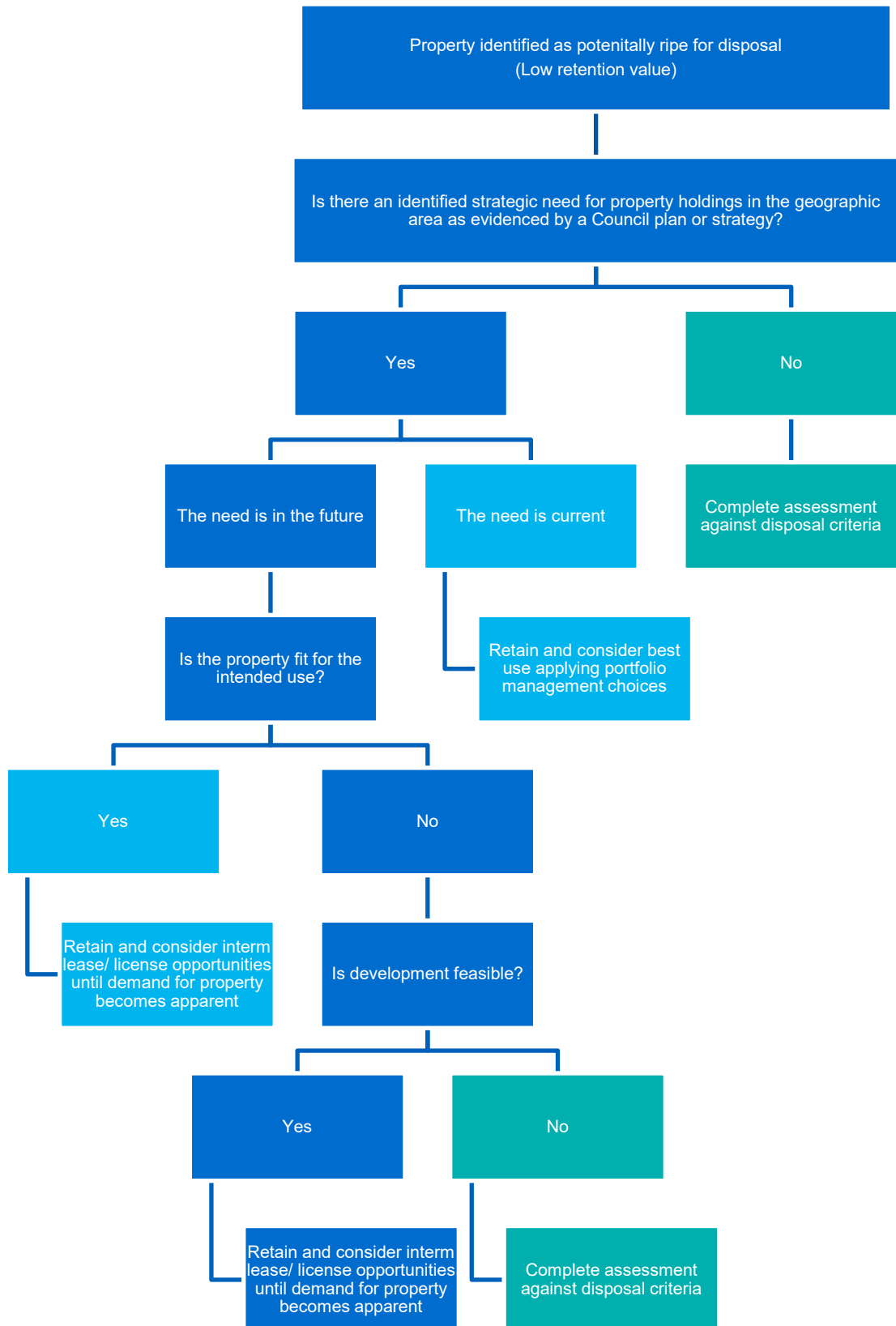
Decision making guidelines

Disposals assessment criteria

Criteria	Conditions that support disposal
<i>No strategic need</i>	<ul style="list-style-type: none"> • There is no identified strategic need for the property in a Council plan or strategy. • The property is currently unutilised or under-utilised. • Disposal won't disadvantage future generations of Yarra. • The land is not of significance to Traditional Owners, or Traditional Owners have been consulted appropriately.
<i>Commercial viability</i>	<ul style="list-style-type: none"> • Financial benefit will be realised from the sale as there is a strong likelihood Council will secure a financial return at or higher than the market value of the property. • Disposal will result in a lesser burden on Council's operating and maintenance budgets.
<i>Ongoing management</i>	<ul style="list-style-type: none"> • The property is at the end of its life and the cost of renewal outweighs the potential community benefit that could be generated. • The costs of holding the property are unreasonable when balanced against the benefit it has potential to facilitate.
<i>Legal and risk assessment</i>	<ul style="list-style-type: none"> • Council has the appropriate authority to dispose of the property. • Disposing the property will reduce risk to Council.

Decision making process

The following decision-making process puts our disposal principles into action.



Property disposal procedure

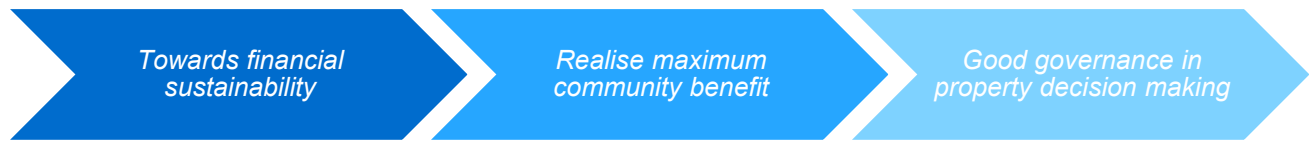
Any decision to dispose of property will be a decision of the elected Council.

In disposing of any property assets, Council will comply with the requirements of *Section 114 of the Local Government Act – Restriction on power to sell or exchange land*, that states:

- 1) *Except where section 116 applies, if a Council sells or exchanges any land it must comply with this section.*
- 2) *Before selling or exchanging the land, the Council must—*
 - a) *at least 4 weeks prior to selling or exchanging the land, publish notice of intention to do so—*
 - (i) *on the Council's Internet site; and*
 - (ii) *in any other manner prescribed by the regulations for the purposes of this subsection; and*
 - b) *undertake a community engagement process in accordance with its community engagement policy; and*
 - c) *obtain from a person who holds the qualifications or experience specified under section 13DA(2) of the Valuation of Land Act 1960 a valuation of the land which is made not more than 6 months prior to the sale or exchange.*

Strategic partnerships and investments

Relevant strategic objectives



How Council enters into partnerships and investments

Council is sometimes presented with opportunities to join other government agencies, not for profit or private sector organisations in the pursuit of community benefits. Commonly these arrangements involve Council contributing funding, assets or other resources to a project. These arrangements can take the form of:

- land exchanges or transfers
- section 173 Agreements
- joint ventures
- Public Private Partnerships
- memorandums of understanding with other government organisations
- developer contribution agreements

Strategic investments policy principles

To achieve our strategic objectives, we will apply the following policy principles to all strategic investment and partnerships decisions:

1. Pursuing opportunities that are in the interest of Yarra

We will enter partnerships and investments only where there is clear public value for the Yarra community. We will consider opportunities that:

- are directly linked to the achievement of Council's goals and strategic objectives.
- have a strong value proposition for the residents of Yarra.
- produce a financial advantage such as the private sector sharing in the cost of community infrastructure.
- are sustainable for Yarra in the long term.
- are future focused and will create intergenerational benefits.
- will facilitate an innovative way to deliver community infrastructure.

We will steer away from opportunities that:

- aren't a priority for Council.
- should be reasonably provided by other tiers or governments or community organisations. That is, they aren't the core service of councils.
- result in cost shifting.
- financially burden the current and future residents of Yarra.
- pose unacceptable levels of risk to Yarra.
- result in Council inheriting an unusable or limited use asset.

Strategic partnerships roles and responsibilities

Role	Authorisation	Financial Delegation
<i>Manager Property Services and General Managers</i>	Authority to negotiate partnerships and strategic investment opportunities that align with the principles of this strategy	No approval authority
<i>Chief Executive Officer</i>	<p>Authority to enter operational partnerships and make investments within normal financial delegations</p> <p>Authority to reject a land transfer or exchange that does not comply with the principles of this strategy</p>	Up to \$1 million
<i>Council</i>	Authority to enter into long-term partnerships and make strategic investments	Over \$1 million

Appendices

Appendix 1: Property assessment tool

Criteria for property assessments

When we are making decisions about what to do with a property, we will consider the risks and opportunities from multiple angles. The below framework will help us consider all aspects of the decision.

Criteria	Considerations
<i>Property value</i>	<ul style="list-style-type: none">• What value attributes does the property hold?• Is it of cultural, environmental or heritage significance?• Does the property have heritage character and protections?• Is the property of significance to Traditional Owners?
<i>Locality</i>	<ul style="list-style-type: none">• Does the property have street frontage?• Does the property have close proximity to or a strategic location within an activity centre?• How accessible is the property? Is it well connected to the broader infrastructure network?
<i>Potential use</i>	<ul style="list-style-type: none">• How has the property been used historically?• What purposes or functions is the property suitable for currently?• What is the historical utilisation?• What future community infrastructure is demanded in the property's locality?• Is there opportunity to facilitate shared access to the facility and make it multi-purpose?• What are the other potential uses and whether these should be given more weight?• What is the status of existing occupancy agreements and what scope do we have to review arrangements?• What is the cost of facilitating a potential use? How does this compare to the property's overall useful life?
<i>Physical condition</i>	<ul style="list-style-type: none">• What is the property condition? How much building life remains?• What is the building's replacement value?• What maintenance and renewal is required to ensure the property is compliant?• What level of risk does the physical condition pose? Are these risks able to be easily remediated or are they acceptable?• What climate risks is the property exposed to?
<i>Future Yarra</i>	<ul style="list-style-type: none">• How will this property holding help or hinder future residents of Yarra?• Is there a future community infrastructure need in the geographic area in the future?

Criteria	Considerations
<i>Development potential</i>	<ul style="list-style-type: none"> • What is the land zoning and overlays? • What site constraints would impact future development? • What is the status of adjoining properties? • What are the opportunities for expansion? • What are the opportunities to consolidate properties within the area?
<i>Financial viability</i>	<ul style="list-style-type: none"> • What is the land value? • What is the building value? • What is the market rental value? • Is underlying capital growth predicted for the property? • Does holding the property result in opportunity costs?
<i>Portfolio alignment</i>	<ul style="list-style-type: none"> • How does this property sit within the broader portfolio? • What other similar properties exist within the portfolio? • What other properties are within the same geographic precinct?
Assessment	
Retention value	Low/moderate/ high
Property classification	Civic/ premier/ community
Potential uses	Civic use Commercial property Community service infrastructure Open space Transport infrastructure
Best fit potential use	
Other comments	