

# Amendment to Acquisition & Disposal of Land & Assets Policy

Strategic Alignment - Our Economy

Public

Tuesday, 4 March 2025

City Planning, Development  
and Business Affairs  
Committee

**Program Contact:**

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## EXECUTIVE SUMMARY

In response to a CEO Undertaking and the findings of the Strategic Property Review Internal Audit, amendments have been made to the Acquisition & Disposal of Land & Assets Policy for Council's endorsement at **Attachment A**.

At the 17 October 2023 meeting of the City Finance and Governance Committee, a Chief Executive Officer (CEO) Undertaking was recorded during consideration of the Future Fund and Investment Policy, stating that a review of Council's Acquisition & Disposal of Land & Assets Policy would be undertaken as part of the review of the Strategic Property Action Plan.

In accordance with the 2023-24 Internal Audit Plan, an audit was undertaken by external consultant firm KPMG with a focus on the policies, processes, risks and controls relating to acquisition and disposals.

On 14 June 2024, the City of Adelaide Audit and Risk Committee considered the Strategic Property Review Internal Audit undertaken by KPMG, which identified two low risk findings and three performance improvement opportunities.

The Internal Audit findings recommended minor amendments to the Acquisition & Disposal of Land & Assets Policy with associated procedural guidance regarding acquisitions and disposals. The Internal Audit findings were provided to Council on 25 June 2024.

The Policy has been amended to implement the Strategic Property Review Internal Audit's findings.

## RECOMMENDATION

The following recommendation will be presented to Council on 11 March 2025 for consideration

THAT THE CITY PLANNING, DEVELOPMENT AND BUSINESS AFFAIRS COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Adopts the proposed Acquisition & Disposal of Land & Assets Policy at **Attachment A** to Item 7.1 on the Agenda for the meeting of the City Planning, Development and Business Affairs Committee held on 4 March 2025.

## IMPLICATIONS AND FINANCIALS

|                                                                        |                                                                                                                                                                                                                |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City of Adelaide<br>2024-2028<br>Strategic Plan                        | <a href="#">Strategic Alignment – Our Economy</a><br>Review the Strategic Property Action Plan by 2024 to manage opportunities including car parks and other commercial assets for our community.              |
| Policy                                                                 | The report will result in the amendment of the Acquisition & Disposal of Land & Assets Policy.                                                                                                                 |
| Consultation                                                           | Once adopted the Policy will be communicated to internal stakeholders to reinforce governance practices in accordance with the audit findings.                                                                 |
| Resource                                                               | Not as a result of this report                                                                                                                                                                                 |
| Risk / Legal /<br>Legislative                                          | Section 49 of the <i>Local Government Act 1999</i> (SA) requires Council to develop a policy for contracts and tenders when disposing of land or assets to ensure ethical and fair treatment for participants. |
| Opportunities                                                          | To undertake process improvements as identified by KPMG through the Strategic Property Review Internal Audit.                                                                                                  |
| 24/25 Budget<br>Allocation                                             | Not as a result of this report                                                                                                                                                                                 |
| Proposed 25/26<br>Budget Allocation                                    | Not as a result of this report                                                                                                                                                                                 |
| Life of Project,<br>Service, Initiative<br>or (Expectancy of)<br>Asset | Not as a result of this report                                                                                                                                                                                 |
| 24/25 Budget<br>Reconsideration<br>(if applicable)                     | Not as a result of this report                                                                                                                                                                                 |
| Ongoing Costs<br>(eg maintenance<br>cost)                              | Not as a result of this report                                                                                                                                                                                 |
| Other Funding<br>Sources                                               | Not as a result of this report                                                                                                                                                                                 |

# DISCUSSION

## Background

1. On 27 January 2022, Council adopted an updated Acquisition & Disposal of Land & Assets Policy ([Link 1](#)). The Policy was due for review at that time, as the previous version of the Acquisition & Disposal of Land & Infrastructure Assets Policy had not been reviewed since its adoption by Council in December 2015.
2. On 17 October 2023, the City Finance and Governance Committee recommended that Council adopt the Future Fund and Investment Policy. During the Committee's consideration, a CEO Undertaking was recorded stating that: *"In response to a query from Deputy Lord Mayor, Councillor Martin, an undertaking was given that a review of the policy contained in part 3 of the recommendation [being the Acquisition & Disposal of Land & Assets Policy] will be progressed as part of the work on the Strategic Property Action Plan"* ([Link 2](#)).
3. In accordance with the 2023-24 Internal Audit Plan, the Strategic Property Review Internal Audit was conducted by KPMG and was considered in confidence by the City of Adelaide Audit and Risk Committee on 14 June 2024.
4. The Strategic Property Review Internal Audit assessed and evaluated Council's property-related strategies and internal controls to ensure alignment with Council's overall goals and objectives, focusing on the management of key risks relating to the acquisition and disposal of land and assets. This included a particular focus on disposal to enable redevelopment projects.
5. The objectives of the Strategic Property Review Internal Audit included assessing the transparency, fairness, and compliance of the property acquisition and disposal process, including adherence to key components of the Acquisition & Disposal of Land & Assets Policy.
6. The Strategic Property Review Internal Audit identified five findings, two of which were low risk with the remaining three findings being performance improvement opportunities. The findings of the internal audit were as follows:

| Findings and Performance Improvement Opportunities                     | Risk Rating             |
|------------------------------------------------------------------------|-------------------------|
| Detailed procedural guidance including decision-making frameworks      | Low                     |
| Enhancing clarity of valuation timelines before property disposal      | Low                     |
| Opportunities to streamline the strategic property acquisition process | Improvement Opportunity |
| Overdue review of the Prudential Management Policy                     | Improvement Opportunity |
| Record management improvement opportunities                            | Improvement Opportunity |

7. The Internal Audit findings were presented to Council on 25 June 2024.
8. A separate review of the Strategic Property Action Plan was identified as a key action within the 2024-28 Strategic Plan. This review was completed in 2024 following four Council Member workshops. As a result, the Strategic Property Action Plan was replaced by the confidential City of Adelaide Property Strategy.

## Acquisition & Disposal of Land & Assets Policy

9. In accordance with Section 49 of the *Local Government Act 1999* (SA), Council is required to develop a policy for contracts and tenders when disposing of land or assets to ensure ethical and fair treatment for participants. Council's policy position should ensure accountability and transparency within disposal processes.
10. The Acquisition & Disposal of Land & Assets Policy (the Policy) has been amended to respond to the findings of the Strategic Property Review Internal Audit. A copy of the Policy, including amendments made, is available at [Link 3](#).

11. The key changes in response to the findings and recommendations identified by KPMG in the Strategic Property Review Internal Audit are summarised within the table below:

| Recommendations                                                                                                       | Policy Amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Finding (Low Risk):<br><i>Detailed procedural guidance including decision-making frameworks.</i>                | Example process flow charts to guide the acquisition and disposal for redevelopment processes have been provided at <a href="#">Link 4</a> . The example flow charts will inform supporting procedural guidance for acquisitions and disposals.<br><br>The example process flow chart for acquisition considers where a conditional offer may be made, noting that a property cannot be acquired without a formal resolution of Council.                                                                                                               |
| Audit Finding (Low Risk):<br><i>Enhancing clarity of valuation timelines before property disposal</i>                 | Clause 3.6 has been added to the Policy to require that an independent valuation be obtained not more than 6 months prior to a Council decision to dispose of land or assets to ensure that proposed disposals are assessed against a contemporaneous independent market valuation.                                                                                                                                                                                                                                                                    |
| Performance Improvement Opportunity:<br><i>Opportunities to streamline the strategic property acquisition process</i> | A process flow chart has been prepared at <a href="#">Link 4</a> , to streamline the property acquisition process, whilst still enabling appropriate Council Member engagement.<br><br>In this regard, a Council approval is required for all strategic property acquisitions. This must consider where required a report that addresses the prudential issues pursuant to Section 48 of the <i>Local Government Act 1999 (SA)</i> .<br><br>The example process flow charts will inform supporting procedural guidance for acquisitions and disposals. |

12. An additional performance improvement identified by KPMG to review the Prudential Management Policy has been addressed, with a new Prudential Management Policy adopted by Council on 26 November 2024.
13. A further performance improvement to improve the management of records is being undertaken by the Strategic Property & Commercial Program in accordance with Council's existing Records Management Operating Guideline.

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## DATA AND SUPPORTING INFORMATION

**Link 1** – Extract of minutes of Council on 27 January 2022

**Link 2** – Extract of Chief Executive Officer Undertaking from minutes of City Finance and Governance Committee on 17 October 2023

**Link 3** – Amended Acquisition & Disposal of Land & Assets Policy

**Link 4** – Example Process Flow Chart for Acquisitions and Disposals for Redevelopment

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## ATTACHMENTS

**Attachment A** – Proposed Acquisition & Disposal of Land & Assets Policy

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