

Land and Property Disposal Procedure

1. Purpose

The *Land and Property Disposal Procedure* (the Procedure) is mandatory pursuant to the *Land and Property Management Policy*. The Procedure provides guidance and instructions to Health Service Providers when disposing of:

- its owned (Certificate of Title) / controlled (Crown Reserves) properties; and
- properties that are the subject of the Health Service Providers *Memorandum of Understanding for Management and Control of Land and Buildings* with the Health Ministerial Body.

This Procedure sets the process for:

- the disposal (by sale or transfer) of land and property deemed under-utilised or surplus to the requirements of the WA health system. Disposal by lease/licence or sublease is addressed separately in the *Leasing Out Procedure*;
- the intergovernmental transfer of land or property to another Health Service Provider or to another WA State Government agency;
- the roles and responsibilities of different stakeholders involved in the disposal or sale process (e.g. Department of Planning, Lands and Heritage); and
- the accurate and timely recording of information relating to the land and property portfolio of the WA health system.

This Procedure assists the WA health system to comply with the requirements of the *Government [Strategic Asset Management Framework](#)* and principles of the Governments *[Land Asset Sales Program \(LASP\)](#)*.

This Procedure details the disposal process for Health Service Land (ie: land that is purchased/acquired by a Health Service Provider in the first instance and then subsequently disposed).

Land that is owned (under Certificate of Title) / controlled (Crown Reserves) by the Health Ministerial Body must be disposed via the Department of Health on behalf of the Health Ministerial Body at the request of a Health Service Provider.

The Department of Health Infrastructure Unit will provide ownership status of a property being considered for disposal on request.

2. Requirements

Health Service Providers are responsible for managing the disposal of their land and property portfolio to ensure they have suitable infrastructure to support their current and future service requirements.

In accordance with Section 37 of the *[Health Services Act 2016](#)*, the power of a Health Service Provider to dispose of land does not extend to land held by the Health Ministerial Body or the transfer of Crown land for an estate in fee simple.

A Health Service Provider must have the Minister's written approval before it disposes of health service land in accordance with Section 37 of the *Health Services Act 2016*. This approval function has been delegated to the Director General of Health under an Instrument of Delegation for property transactions under \$2,000,000.

As part of its corporate planning and the Governments [Strategic Asset Management Framework](#), Health Service Providers must undertake asset and construction planning in accordance with their strategic asset plan and the principles identified in the WA Health *Strategic Asset Plan* to identify land and property that is under-utilised or surplus to requirements.

2.1 Disposal of Property (including vacant land)

The disposal of property requires a number of approvals and consultation:

- *Department of Health Infrastructure Unit* – Health Service Providers must refer all matters concerning the disposal of property that is deemed Health Ministerial Body owned / controlled to the [Department of Health Infrastructure Unit](#). The Department of Health's Infrastructure Unit will manage the disposal of all property deemed owned (under Certificate of Title) / controlled (Crown Reserves) by the Health Ministerial Body in conjunction with Health Service Providers. The Department of Health's Infrastructure Unit will arrange for proper execution of all disposal documentation associated with Health Ministerial Body property by authorised Department of Health officers. Health Service Providers must consult with the [Department of Health Infrastructure Unit](#) for any property that is deemed Health Ministerial Body owned / controlled.
- *Department of Planning, Lands and Heritage* – The Health Service Provider (in conjunction with the Department of Health Infrastructure Unit) is responsible for initiating the involvement of the [Department of Planning, Lands and Heritage](#) in the settlement process if the property is a Crown Reserve. Freehold titles are exempt from this requirement.
- *Health Service Provider* – The authorised officer (authorised pursuant to a Health Service Providers Authorisation and Delegation Schedule) is required, in the first instance, to approve the disposal of Health Service Land before undertaking disposal processes. Authorisation and Delegation Instruments have been implemented to provide power to designated staff within the Health Service Providers to execute relevant legal documentation associated with "Health Service Land" property disposals.
- *Statutory Approvals* – The Health Service Provider is responsible for obtaining the relevant statutory approvals as required in accordance with the *Health Services Act 2016* for the disposal of Health Service Land. The Department of Health Infrastructure Unit can assist Health Service Providers as required.
- *Identification of encumbrances* - Health Service Providers are responsible for identifying any encumbrances and restraints for the surplus property relating (but not limited) to: Aboriginal Heritage; Native Title; Community Heritage value; and site contamination. Health Service Providers (in conjunction with Department of Health Infrastructure Unit) are responsible for liaising with any agencies responsible for or associated with the identified encumbrances and restraints and acting accordingly to resolve any issues arising.
- *Land Asset Sales Program* – Properties surplus to requirements must be listed with the Governments [Land Asset Sales Program](#) (LASP), coordinated by the Department of Planning, Lands and Heritage. Metropolitan properties are offered to all Health

Service Providers (excluding WACHS) in the first instance – WACHS property disposals are progressed immediately. The properties are then listed on the LASP website for 30 days. During this time other Government agencies can express an interest to acquire the property. The Health Service Provider is responsible for all holding costs until disposed. There may be scope to seek reimbursement of significant holding costs from the sale proceeds of property assets, however this requires approval of the Treasurer. Such proposals will need to be actioned by the Department of Health Infrastructure Unit. The Department of Health Infrastructure Unit is responsible for adding a surplus property directly onto the Department of Planning, Lands and Heritages online LASP Portal.

- *Sale Process* – if there is no interest from within Government for alternative uses for the property, the Department of Planning, Lands and Heritage will engage either LandCorp or a private selling agent to manage the sale of the property on the open market as part of the LASP process. If the property is a Crown Reserve, the Department of Planning, Lands and Heritage will manage the process to have the property converted to Certificate of Title for sale.
- *Market Valuation* – The Department of Planning, Lands and Heritage will arrange a current market valuation from Landgate Valuation Services or alternatively from a private sector licenced Valuer as part of the LASP process.
- *Settlement* – The State Solicitor’s Office or a private settlement agent will need to be engaged to act on behalf of the Health Service Provider at settlement (if the property is held under Certificate of Title by the Health Service Provider). If the property is a Crown Reserve settlement will be arranged directly by the Department of Planning, Lands and Heritage. The Department of Health Infrastructure Unit can assist with the settlement process as necessary.
- *Sale Proceeds* – in accordance with the LASP policies, Government agencies (including Health Service Providers) are not permitted to retain sale proceeds from the sale of Government property it has progressed for disposal. Certificate of Title property sales proceeds will be credited to the Department of Health or Health Service Provider initially but must then be transferred to the Treasury Consolidated Account. Treasury expects that if any funding for new capital works or upgrade/refurbishment of existing WA health system property is required that the normal processes for sourcing funding is followed via the Department of Health. Further advice in this regard needs to be obtained from the [Department of Health Infrastructure Unit](#).

2.2 Intergovernmental transfer of land

An intergovernmental transfer of land or property may occur with another Health Service Provider or WA State Government agency at no cost, when there is a demonstrated sufficient and genuine requirement. A like-to-like transfer or exchange of assets can also occur when there is suitable surplus land and property available that meets both parties’ requirements.

Land and Property transferred in this way requires an exemption from the LASP and this must be negotiated with the Department of Lands, Planning and Heritage. The Department of Health Infrastructure Unit is able to assist with these negotiations provided a suitable case exists for exemption.

3. Definitions

| Term | Definition |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Holding Costs | Relate (but not limited) to security, fencing, utility costs (water, electricity, gas), ongoing gardening and essential maintenance for a vacated property awaiting disposal. |
| Health Service Land | Land that is purchased/acquired by a Health Service Provider in the first instance and then subsequently disposed). |

Disposal Process

Once a property has been deemed surplus to requirements, consult the Department of Health Infrastructure Unit) on how the property is tenured/owned (ie: Certificate of Title or Crown Reserve and whether it is Health Service Provider or Health Ministerial Body owned/controlled)

Relevant Authorised Officer of a Health Service Provider is required to approve disposal of the property, with a copy forwarded to Department of Health Infrastructure Unit (if the property is owned (under Certificate of Title) / controlled (Crown Reserves) by the Health Ministerial Body).

Health Service Provider is responsible for acquiring the relevant statutory approvals in accordance with the *Health Services Act 2016* and identifying any encumbrances or restraints on the surplus property via the Department of Health Infrastructure Unit.

Department of Health Infrastructure Unit/Health Service Provider will work with DPLH to identify and resolve any [Heritage](#) / [Aboriginal Heritage](#)/[Native Title/site contamination](#) issues in relation to the property.

DPLH will arrange a current market valuation from Landgate Valuation Services or alternatively from a private sector licenced Valuer which needs to be arranged as part of the LASP process.

All property disposals are to be managed under the policies and procedures of the [Land Asset Sales Program \(Department of Planning, Lands and Heritage – DPLH\)](#). Department of Health Infrastructure Unit will offer any metropolitan properties to other Health Service Providers (excluding WACHS) in the first instance. Department of Health Infrastructure Unit will add surplus property to the Governments Land Asset Sales Portal (online register of surplus Govt assets). Property remains on LASP for 30 days and other Govt agencies can express an interest to acquire. Health Service Provider is responsible for all holding costs until disposed.

If EOI received from another State Govt Agency – all EOIs are assessed by the DPLH and if an agency is successful, demonstrating sufficient and genuine requirement, the property may be transferred to such agency at no charge.

If no EOI received within Govt – [LandCorp](#) manage disposal of the property on private market at current market valuation (as determined by LVS or private valuer) in conjunction with Department of Health Infrastructure Unit/DPLH

Property sold / transferred

The State Solicitor's Office or a private settlement agent will need to be engaged to act on behalf of the Health Service Provider at settlement (if the property is held under Certificate of Title by the Health Service Provider or Health Ministerial Body). If the property is a Crown Reserve settlement will be arranged directly by the DPLH. The Department of Health Infrastructure Unit can assist with the settlement process.

ALL SALES PROCEEDS ARE TO BE RETURNED TO THE CONSOLIDATED ACCOUNT (TREASURY)

Agencies are not permitted to retain sale proceeds in accordance with LASP. Certificate of Title property proceeds will initially be credited to the Department of Health or Health Service Provider. but must then be transferred to the CA