



Light
Regional
Council

Disposal of Land and Assets Policy

Reference Number:	Section 1 No. 01
Responsible Department:	Finance Department
Related Policy/Procedure:	1.02 Asset Management Policy 1.11 Asset Capitalisation Policy 2.02 Code of Conduct for Council Members 2.03 Committee Members Code of Conduct 2.04 Code of Conduct for Council Employees 2.04A Ethics Statement for Light Regional Council Employees Conduct 1.13 Procurement Policy 6.22 Internal Controls Policy Procedure - Use of Council Assets
Date of Adoption:	22 March 2016
Current Review Date:	23 November 2021
Minute Reference:	ARC10.3/2021
Version Number:	Amendment No. 2
Applicable Legislation:	Local Government Act, 1999
Next Review Date:	November 2025
Review Frequency:	4 yearly or sooner if necessary

1. Purpose

- 1.1 In compliance with Section 49 of the Local Government Act 1999 (**Act**), Council should refer to this policy (**Policy**) when disposing of Land and Assets.
- 1.2 This Policy seeks to:
 - 1.2.1 define the methods by which Land and Assets are disposed of;
 - 1.2.2 demonstrate accountability and responsibility to ratepayers;
 - 1.2.3 be fair and equitable to all parties involved;
 - 1.2.4 enable all processes to be monitored and recorded; and
 - 1.2.5 ensure that the best possible outcome is achieved for the Council.
- 1.3 This Policy does not cover:
 - 1.3.1 Land sold by Council for the non-payment of rates; or
 - 1.3.2 disposal of goods which are not owned by the Council, such as abandoned vehicles;as these are dealt with separately in the Act.

2. Definitions

In this Policy, unless the contrary intention appears, these words have the following meanings:

- 2.1 **Asset** has the same meaning as defined in the Asset Management Policy, and includes Major Plant and Equipment and Minor Plant and Equipment. It does not include financial investments or finance related activities, trees or Land.

- 2.2 **Land** includes community land, vacant land, operational land, road reserves, any legal interest in land, and any other land-related assets, including all buildings (community and operational) on Land.
- ~~2.3~~ **Major Plant, Fleet and Equipment** may include all major machinery and equipment owned by the Council. It includes all trucks, graders, other operating machinery, major plant items and fleet.
- 2.4 **Minor Plant and Equipment** may include all minor plant and equipment owned by Council. It may also include all loose tools, store items, furniture, office equipment, IT equipment and used items removed from Major Plant and Equipment (such as air conditioners).
- 2.5 **Building and Construction Materials** may include surplus sand, gravel, mulch, bricks, pavers, steel offcuts, damaged signs etc.

3. Policy Principles

Council must have regard to the following principles in its disposal of Land and Assets:

3.1 Encouragement of open and effective competition

The method of disposal shall be undertaken in a transparent manner to maximise opportunities on balance with community benefit.

3.2 Obtaining Value for Money

3.2.1 This is not restricted to price alone.

3.2.2 An assessment of value for money must include consideration of (where applicable):

- the contribution to Council's long term financial plan and strategic management plans;
- any relevant direct and indirect benefits to Council, both tangible and intangible;
- efficiency and effectiveness;
- the costs of various disposal methods;
- internal administration costs;
- risk exposure; and
- the value of any associated environmental benefits.

3.3 Ethical Behaviour and Fair Dealing

Council is to behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations.

3.4 Probity, Accountability, Transparency and Reporting

Where a Council Member or employee of the Council wishes to purchase an asset or land, they shall have regard to the provisions contained within the Ethics Statement for Light Regional Council Employees Conduct, and Code of Conduct for Council Members as varied from time to time.

3.5 Ensuring compliance with all relevant legislation

Disposal methods shall be undertaken in a manner that aligns with the requirements of the Local Government Act 1999 and legislation relevant to the disposed asset.

4. Considerations Prior to Disposal of Land and Assets

Any decision to dispose of Land and Assets will be made after considering (where applicable):

- 4.1 the usefulness of the Land or Asset;
- 4.2 the current market value of the Land or Asset;
- 4.3 the annual cost of maintenance;
- 4.4 any alternative future use of the Land or Asset;
- 4.5 any duplication of the Land or Asset or the service provided by the Land or Asset;
- 4.6 any impact the disposal of the Land or Asset may have on the community;
- 4.7 any cultural or historical significance of the Land or Asset;
- 4.8 the positive and negative impacts the disposal of the Land or Asset may have on the operations of the Council;
- 4.9 the long term plans and strategic direction of the Council;
- 4.10 the remaining useful life, of an Asset;
- 4.11 a benefit and risk analysis of the proposed disposal;
- 4.12 the results of any community consultation process if required by legislation;
- 4.13 any restrictions on the proposed disposal;
- 4.14 the content of any community land management plan; and
- 4.15 any other relevant policies of the Council.

5. Disposal Methods

5.1 Land disposal

- 5.1.1 The Council may resolve to dispose of any Land under its care, control and management including Community Land and Roads, considering the relevant legislation and procedures.

- 5.1.2 Council will dispose of Land in accordance with the Policy Principles (refer Item 3). Options may include:
 - 5.1.2.1 open market sale;
 - 5.1.2.2 expressions of interest;
 - 5.1.2.3 select tender;
 - 5.1.2.4 open tender;
 - 5.1.2.5 by negotiation with relevant parties.
- 5.1.3 Selection of a suitable disposal method will include consideration of (where appropriate):
 - 5.1.3.1 the number of known potential purchasers of the Land;
 - 5.1.3.2 the original intention for the use of the Land;
 - 5.1.3.3 the current and possible preferred future use of the Land;
 - 5.1.3.4 the opportunity to promote local economic growth and development;
 - 5.1.3.5 delegation limits, taking into consideration accountability, responsibility, operation efficiency and urgency of the disposal;
 - 5.1.3.6 the total estimated value of the disposal; and
 - 5.1.3.7 compliance with statutory and other obligations.

5.2 Assets disposal

- 5.2.1 The sale of Assets (both Major Plant, Fleet and Equipment and Minor Plant and Equipment) will be the responsibility of the Chief Executive Officer (or delegated General Manager) who is responsible for those Assets.
- 5.2.2 Where the asset may be of benefit to the Community, consideration will be given to Community Groups where deemed appropriate by the responsible General Manager.
- 5.2.3 In other circumstances, the Council will, where appropriate, dispose of Assets through one of the following methods:
 - 5.2.3.1 trade-in;
 - 5.2.3.2 expressions of interest – select tender;
 - 5.2.3.3 open tender;
 - 5.2.3.4 open market (may include online sites such as Gumtree or Trading Post);
 - 5.2.3.5 public auction (may include public auction sites such as Pickles, Manheim or online sites such as eBay);

- 5.2.3.6 Surplus Building and Construction Materials or other minor Assets – may be disposed of by the responsible General Manager in accordance with the procedure for use of Council Assets. The procedure makes reference to codes of conduct, Work Health Safety legislation and ensures all activities are accounted for and regulated.

Records shall be kept of all disposal activities in accordance with procedures associated with this Policy.

6. Delegations

Delegations and Sub Delegations to dispose of assets are detailed within the Delegations Register approved by Council and amended from time to time.

Policy History

- Original Policy adopted at Council meeting held 22 March 2016 Page 2016/69
- Amendment No. 1 adopted at Council meeting held 27 February 2018 at page 2018/542
- Amendment No. 2 adopted at Council meeting held 23 November 2021, Minute Reference ARC10.3/2021, Page Reference 2021/243.