Disposal of Land and Assets Policy

Reference Number: Section 1 No. 1
Responsible Department: Finance Department
Related Policy/Procedure: 2.02 Code of Conduct for Council Members
2.04 Code of Conduct for Council Employees
1.11 Asset Capitalisation Policy
1.13 Procurement Policy
Procedure - Use of Council Assets

Date of Adoption: 22 March 2016
Current Review Date: 20 February 2018
Minute Reference: 27 February 2018 at Page 2018/542
Version Number: Amendment No. 1
Applicable Legislation: Local Government Act, 1999
Next Review Date: February 2020
Review Frequency: Biennially

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 of Council 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 Section 49 (a1) of the Act requires Council to develop and maintain policies, practices and procedures directed towards:

1.3.1 obtaining value in the expenditure of public money; and

1.3.2 providing for ethical and fair treatment of participants; and

1.3.3 ensuring probity, accountability and transparency.

1.4 This Policy does not cover:

1.4.1 Land sold by Council for the non-payment of rates; or

1.4.2 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 means any physical item that the Council owns and that has at any time been treated pursuant to the Australian Accounting Standards as an ‘asset’, 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 and second hand 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**

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 Code of Conduct for Council Members and the Code of Conduct for Council Employees as varied from time to time.

3.5 **Ensuring compliance with all relevant legislation**

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, particularly of an Asset;
4.11 a benefit and risk analysis of the proposed disposal;
4.12 the results of any community consultation process;
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, taking into account 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 delegate) 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 – may be disposed of by the responsible GM 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.

History of Policy

Original Policy adopted at Council meeting held 22 March 2016 Page 2016/69
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