



## Sale and Disposal of Land and Other Assets

Application	All Staff
Responsible Officer	Director Corporate & Community Services
File No	CM:POL:CWP
Authorised by	Council
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### Purpose

The purpose of this policy is to clearly define the framework, responsibilities and processes to effectively manage the disposal of Council assets.

### Definitions

Council: Carrathool Shire Council

### Reference

This policy complements other legislation and where it is silent on matters referred to in the following legislation such matters must be followed in accordance with the legislation.

- *Local Government Act 1993*
- *Roads Act 1993*

### Policy statements

#### 1.0 Principles

Council will ensure that its sale and disposal practices and decisions are consistent with its strategic, corporate and financial directions taking into consideration the following principles:

- equitable distribution of, and access to, quality physical assets within the Council;
- equitable access to open and in particular the need for open space to be within easy walking distance of all residences;
- recognition of the value of areas of native vegetation to biodiversity in the Council and the need for areas to be available for this purpose;
- opportunities to enhance local economic development and growth;
- the benefits of quality physical asset management including better service delivery, optimising the utilisation of assets, higher return on investments, and creating opportunities to facilitate new activities;
- accountability and transparency;
- open and fair competition;
- compliance with statutory and other obligations;
- professional integrity and probity;
- commercial confidentiality;
- environmental sustainability; and
- risk management.

1.1 The General Manager be delegated authority to authorise the sale of surplus plant, equipment and goods.

1.2 Surplus plant, equipment or goods with an apparent value of \$1,000 or more be disposed of by auction, or invitation to submit expression of interest, tenders or quotations, following suitable public advertising.

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- 1.3 The Director or Manager responsible for the plant, equipment or goods proposed for disposal; evaluate the most appropriate method of disposal to the best advantage of Council for recommendation to and approval by the General Manager.
- 1.4 The method of disposal of plant, equipment or goods with an apparent value of less than \$1,000 is determined by the relevant Director to gain the best advantage for Council.
- 1.5 The relevant Director or Manager is responsible for ensuring that any disposal process is documented and advice of disposal is forwarded to the Director Corporate & Community Services for amendment of the Council's Asset Register.

## 2.0 Procedures

### 2.1 Likely Sale Circumstances

The following circumstances are indicative of likely scenarios where land or assets will become available for sale or disposal:

#### 2.1.1 Land

- Surplus to Council requirements, as identified through the strategic planning process.
- Owner of abutting land approaches Council to purchase the property. The land is seemingly of no use to Council, but may benefit the ratepayer e.g. unused laneway, irregular adjoining block, etc.
- The facility on Council land is not adequate, is under-utilised by the community or requires major improvements to bring it up to community expectations and there is no viable future use identified through public consultation.
- The facility on Council land is not cost effective, has no significant social value and is assessed as being a financial burden on the community provided that existing activities can be accommodated elsewhere.

#### 2.1.2 Assets

- Regular scheduled updating of plant and equipment (e.g. vehicles, machinery, office equipment).
- Surplus to Council needs (e.g. office furniture, demountable buildings, office equipment).
- No longer compliant with Work Health & Safety Standards
- Obsolete due to changed procedures, functions or usage.
- Found to contain hazardous material.
- Reaching optimum selling time to maximize returns.
- Beyond economical repair.
- Stock item with no year to date movement for the past financial year.

### 2.2 Sale or Disposal Methods

Generally Council will sell or dispose of land and other assets through adoption of the following methods:

- trade-in on new items;
- direct sale by public advertisement;
- sale by public auction;
- sale by expression of interest;
- sale by selected tender;
- sale by open tender;



- sale by direct approach to potential purchasers in specific circumstances such as:
  - prior ownership of the land or asset;
  - owners of land adjoining the parcel of land for sale;
  - direct relationship with an asset (eg. painting commissioned or painted by a relative);
  - prior contractual arrangement;
- other means as deemed appropriate by Council or the General Manager.

### 2.2.1 Calling Tenders

Where appropriate Council's Procurement Policy applies to the sale and disposal of land, and other assets through tender, and any other relevant procedures for the calling of expressions of interest.

### 2.2.2 Land Valuation

Prior to selling or disposing of land the General Manager will seek a valuation of the land from a registered valuer for the purpose of setting a reserve price.

If the owner of abutting land seeks to purchase land from the Council two independent valuations will be obtained at the cost of the intending purchaser and the higher valuation will be applied. Alternatively an exchange of land may be considered subject to consultation with all other owners of abutting land.

### 2.2.3 Selection Panel

A selection panel may be formed to consider offers made for the land or assets presented for sale.

### 2.2.4 Advertising

If deemed appropriate assets up to the value of \$5,000 may be advertised in Council's newsletter and such advertising will be deemed to be public advertising.

## 2.3 Factors in Determining the Appropriate Method of Sale or Disposal

In determining the appropriate method of sale or disposal Council will consider factors including:

- the number of known potential purchasers of the land or assets;
- the original intention for the use of the land or asset when purchased;
- the original method and intent of Council obtaining ownership or custodianship of the asset (e.g. a bequest, purchase from neighbours);
- the current and possible preferred future use of the land or asset;
- the opportunity to promote local economic growth and development;
- the total estimated value of the sale;
- delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of the sale;
- the level of public interest in the disposal; and
- compliance with statutory and other obligations.

## 2.4 Community Land

If the land proposed to be sold is Community Land as designated in Council's Community Land Register, Council will comply with the legislative procedure in Section 29 of the *Local Government Act 1993* to affect its sale.

## 2.5 Public Road

If the land proposed to be sold forms a road or part of a road, Council will comply with the legislative procedure in the *Roads Act 1993* to affect its sale.



### 2.6 Documentation

To assist in demonstrating that its sale and disposal activities are cost effective, fair, transparent, accountable and to meet community needs, Council will document the reasons for entering into contracts other than those resulting from a tender process.

### 2.7 Use of the Proceeds of Sale

Where appropriate and cost effective, Council will use the proceeds of the sale of assets or land to fund like programs and projects that will provide similar or improved community benefits. However, Council reserves the right to use the funds for any purpose.

### 2.8 Consultation

Council recognises its responsibilities to undertake public consultation as required by the *Local Government Act 1993* and in accordance with its Community Engagement Strategy.

Council also recognises the Enterprise Agreements, industrial awards, and other employee relations obligations. Where required, the General Manager will consult with staff on decisions that will significantly impact on their employment with Council.

In addition, for sales of parcels of land not designated as Community Land but significant to the community, consultation will occur.

### Revision Table

Minute /Date	Amendment Summary	Reason or Reference
0732 / 20.09.2005	Policy 114 Sale Land & Disposal of Assets	Replace Policy 2.9 Plant & Equipment – Disposal of Surplus (799/15.09.1987)
1105 / 16.05.2006	Policy 128 Disposal of Assets	Replace Policy 2.9 Plant & Equipment – Disposal of Surplus (799/15.09.1987)
0626 / 18.03.2014		Policy 114 Sale Land & Other Assets and Policy 128 Disposal of Assets to be incorporated into a combined policy.
0741 / 16.10.2018	Combine Policy 114 and 128	Amended

### Associated Documents

Council's Procurement Policy  
Council's Community Land Register  
Community Engagement Strategy

### Review

This policy may be amended from time to time and will be reviewed within four years of its adoption (or latest amendment) with reference to any relevant legislation and best practice guides.