

 Adelaide Plains Council	Disposal of Land and Other Assets Policy	
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	Administered by: General Manager Finance and Business	Last Review Date: 2022 Next Review Date: 2024
Document No: D22/13911	Proactive Leadership Strategic and sustainable financial management	

1. Objective

- 1.1 The purpose of this Policy is to establish a framework of broad principles relating to the disposal of Land and other Assets. This Policy will assist in ensuring a consistent, fair and transparent approach is maintained when disposing of Council owned Land and other Assets.
- 1.2 This Policy seeks to:
 - 1.2.1 define the methods by which Land and other 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;
 - 1.2.5 ensure that the best possible outcome is achieved for Council; and
 - 1.2.6 ensure alignment to Council's Strategic Management Plans.
- 1.3 Section 49 (a1) of the Local Government Act 1999 (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 in procurement operations.

2. Scope

This Policy relates to the disposal of Council owned Land and other Assets.

In compliance with section 49 of the Act), Council should refer to this Policy when disposing of Land and other Assets.

This Policy **does not apply** to land sold by Council for the non-payment of rates or the disposal of goods which are not owned by Council (such as abandoned vehicles). These are dealt with separately under the Act.

3. Definitions

In this Policy, unless the contrary intention appears, these words have the following meaning.

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.

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.

Major Plant and Equipment includes all major machinery and equipment owned by the Council. It includes all trucks, graders, other operating machinery, fleet vehicles and major plant items. It does not include Minor Plant and Equipment.

Minor Plant and Equipment includes all minor plant and equipment owned by Council. It includes all loose tools, store items, furniture, second hand items removed from Major Plant and Equipment (such as air conditioners, bricks and pavers), surplus bulk items (such as sand and gravel) and all information technology and communication equipment (such as ipad, mobile phones, laptops, computers and excludes leased equipment).

4. Policy Statement

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

4.1.1 Encouragement of open and effective competition:

4.1.2 Obtaining Value for Money

a. This is not restricted to price alone. 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.

4.1.3 Ethical Behaviour and Fair Dealing

Council is to behave with impartiality, fairness, independence, openness and integrity in a way which appropriately manages conflicts of interest in all discussions and negotiations.

4.1.4 Probity, Accountability, Transparency and Reporting

4.1.5 Ensuring compliance with all relevant legislation.

5. Considerations Prior to Disposal of Land and Assets

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

- 5.1 the usefulness of the Land or Asset;
- 5.2 the current market value of the Land or Asset;
- 5.3 the annual cost of maintenance;
- 5.4 any alternative future use of the Land or Asset;
- 5.5 any duplication of the Land or Asset or the service provided by the Land or Asset;
- 5.6 any impact the disposal of the Land or Asset may have on the community;
- 5.7 any cultural or historical significance of the Land or Asset;
- 5.8 the positive and negative impacts the disposal of the Land or Asset may have on the operations of the Council;
- 5.9 the long-term plans and strategic direction of the Council;
- 5.10 the remaining useful life, particularly of an Asset;
- 5.11 a benefit and risk analysis of the proposed disposal;
- 5.12 the results of any community consultation process;
- 5.13 any restrictions on the proposed disposal;
- 5.14 the content of any community land management plan; and
- 5.15 any other relevant policies of the Council, including its Financial Controls Policy and Prudential Management Policy and strategies.

6. Disposal Methods

6.1 Disposal of Land

- 6.1.1 The Council may resolve to dispose of Land.
- 6.1.2 Where the Land forms or formed a road or part of a road, the Council must ensure that the Land is closed under the *Roads (Opening and Closing Act) 1991* (SA) prior to its disposal.
- 6.1.3 Where Land is classified as community Land, the Council must:
 - 6.1.3.1 undertake public consultation in accordance with the Act and the Council's public consultation policy.
 - 6.1.3.2 ensure that the process for the revocation of the classification of Land as community Land has been concluded prior to its disposal.
 - 6.1.3.3 comply with all other requirements under the Act in respect of the disposal of community Land.
- 6.1.4 Council will use a disposal method that considers:
 - 6.1.4.1 the number of known potential purchasers of the Land
 - 6.1.4.2 the original intention for the use of the Land
 - 6.1.4.3 the current and possible preferred future use of the Land

- 6.1.4.4 the opportunity to promote local economic growth and development
- 6.1.4.5 responsibility, operation efficiency and urgency of the disposal
- 6.1.4.6 the total estimated value of the disposal
- 6.1.4.7 easement requirements, access to Land, existing or future infrastructure needs and service authority requirements.
- 6.1.4.8 compliance with statutory and other obligations
- 6.1.5 Council will, where appropriate and through the use of appropriate delegations, dispose of Land through one of the following methods:
 - 6.1.5.1 expressions of interest - seeking expressions of interest for the Land.
 - 6.1.5.2 select tender - seeking tenders from a selected group of persons or companies.
 - 6.1.5.3 open tender or market sale - openly seeking bids through tenders or market sale methods, including public auction by engaging the services of a licensed real estate agent or auctioneer in accordance with the Council's Procurement Policy.
 - 6.1.5.4 by negotiation – with owners adjoining Land or others with a pre-existing interest in the Land, or where the Land is to be used by a purchaser whose purpose for the Land is consistent with the Council's strategic objectives for the Land.
- 6.1.6 Council will not dispose of Land to any Council Member, or employee of the Council who has been involved in any process related to a decision to dispose of the Land and/or the establishment of a reserve price.
- 6.1.7 If Land is to be auctioned or placed on the open market or disposed of by an expression of interest then (unless the Council resolves otherwise) at least one independent valuation must be obtained to establish the reserve price for the Land. The independent valuation must be made no more than 6 months prior to the proposed disposal and must take into account current and future Land zoning.
- 6.1.8 If Land is to be disposed of via a select tender or direct sale, then (unless the Council resolves otherwise) an independent valuation must be obtained to ensure that an appropriate market value is obtained. The independent valuation must be made no more than 6 months prior to the proposed disposal.
- 6.1.9 The Council will seek to dispose of Land at or above current market valuation by whichever method is likely to provide the Council with a maximum return, unless there are reasons for the Council to accept a lesser return which is consistent with the Council's overall strategic direction. These reasons must be documented in writing.
- 6.1.10 If the disposal is not to be on the open market, the disposal should be at or above the current market valuation (with due regard to all associated costs to achieve the transaction or such other amount as the Council resolves).
- 6.1.11 Where the Council proposes to dispose of Land through the grant of a leasehold interest, the Council must have complied with its obligations under the Act, including its public consultation obligations under the Act.

6.2 Assets Disposal

- 6.2.1 The sale of Assets (vehicles, major plant and equipment, minor plant, stock and equipment) will be the responsibility of the relevant Council Officer who is responsible

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for those Assets. The Council Officer must hold the necessary delegation of authority. For the purpose of ensuring that Council's Asset Register and Finance and Business Department have accurate data, the Council Officer must notify the General Manager – Finance and Business, in writing, the details of any Asset disposal.

6.2.2 The Council will use a method that considers:

- 6.2.2.1 the public demand and interest in the relevant Asset
- 6.2.2.2 the method most likely to return the highest revenue
- 6.2.2.3 the value of the Asset
- 6.2.2.4 the costs of the disposal method compared to the expected returns; and
- 6.2.2.5 compliance with statutory and other obligations.

6.2.3 Council will, where appropriate and through the use of appropriate delegations, dispose of Assets through one of the following methods:

- 6.2.3.1 trade-in – trading in equipment to a supplier
- 6.2.3.2 expressions of interest – seeking expressions of interest from buyers
- 6.2.3.3 select tender – seeking tenders from a selected group of persons, community groups or companies
- 6.2.3.4 public tender – openly seeking bids through tenders
- 6.2.3.5 public auction – advertisement for auction through the local paper and, where appropriate, a paper circulating in the State, or procuring the services of an auctioneer (Refer to Council's Procurement Policy).
- 6.2.3.6 destruction – minor plant, stock and equipment which are not cost effective to dispose of are to be destroyed and binned
- 6.2.3.7 direct disposal - disposing Assets directly to community groups for example due to:-
 - The works have been undertaken/Assets installed on land subject to a lease to that community group;
 - The works/Assets have limited if no value to a third party;
 - Disposal of the works/Assets to the community group will mean that Council has no ongoing responsibility for depreciation, maintenance and repair, replacement or insurance, which will be of financial benefit to Council
- 6.2.3.8 if none of above listed methods are appropriate, it is intended that Council may use another method, provided Council has considered the factors set out in clause 6.2.2 in selecting that method.

6.2.4 Preference will be given to community groups for disposal of Minor Plant and Equipment. Where this preference is applied, equipment offered must be serviceable and safe for use.

6.2.5 Council will not dispose of Assets to any Council Member or employee of the Council unless the purchase is via a public tender process or a public auction, and the tender submitted or bid made is the highest.

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- 6.2.6 Council will seek to ensure that every opportunity is made to notify the community of the disposal of Assets that are surplus to council requirements and are still serviceable and safe for use.
- 6.2.7 Purchasers of Assets must agree in writing that before purchasing any Asset that no warranty is given by the Council in respect of the suitability and condition of the Asset for the purchaser and that the Council will not be responsible for the Asset in any respect following the sale.

7. Exemption from this Policy

This Policy contains general guidelines to be followed by the Council in the disposal of its Land and Other Assets. There may be circumstances in which disposals pursuant to a tender process will not necessarily deliver the best outcome for the Council, and other market approaches may be more appropriate. In such circumstances, the Council may, by resolution, waive application of this Policy, and pursue a disposal method which will bring the best outcome for the Council. The Council must record its reasons in writing for waiving application of this Policy.

8. Work Health Safety

Council shall ensure the disposal of Assets occurs in line with Plant Procedure requirements.

9. Related Documents

Public Consultation Policy
Behavioural Standards for Council Members
Long Term Financial Plan
Strategic Plan
Annual Business Plan and Budget

Procurement Policy
WHS Plant Procedure
Fixed Assets Accounting Policy
Internal Financial Controls Policy
Prudential Management Policy

10. Records Management

All documents relating to this Policy will be registered in Council's Record Management System and remain confidential where identified. The Council must record its reasons for using a specific disposal method in the disposal of any Land or Other Asset.

11. Document Review

This Policy will be reviewed periodically to ensure legislative compliance and that it continues to meet the requirements of Council its activities and programs.

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12. References

Local Government Act 1999

Work Health and Safety Act 2012

13. Further Information

Members of the public may inspect this Policy free of charge on Council's website at www.apc.sa.gov.au or at Council's Principal Office at:

2a Wasleys Rd, Mallala SA 5502

On payment of a fee, a copy of this policy may be obtained.

Any queries in relation to this Policy must be in writing and directed to the General Manager Finance and Business.