

COUNCIL POLICY	
Reference Number	1053363
Responsible Business Unit	City Assets
Responsible Officer	General Manager Assets & Infrastructure
Legislation	Local Government Act 1999-S49 Real Property Act 1886 Land and Business (Sale and Conveyancing) Act 1994 Development Act 1993 Retail and Commercial Leases Act 1995 Crown Land Management Act 2009 Residential Tenancies Act 1995 Strata Titles Act 1988 Community Titles Act 1996 Roads (Opening and Closing) Act 1991 Land Acquisition Act 1969
Relevant Delegations	Chief Executive Officer
Related Policies Management Guidelines Frameworks	Unsolicited Proposals Policy Lease and Licence Policy Code of Conduct for Staff Code of Conduct for Elected Members Code of Conduct for S41 Independent Members Code of Conduct for Volunteers Delegations
Link to Strategic Plan	Objective 2.1 - Land Use
Council resolution	49.2
Date Adopted	10 March 2020
Review Date	February 2023
Previous Revisions	1/8/05 – 594.3.4, 24/9/09 – 951.3.2 (743147)

POLICY STATEMENT

This policy seeks to:

- define the methods by which land and assets are disposed of;
- will demonstrate accountability and responsibility of Council to ratepayers;
- be fair and equitable to all parties involved;
- enable all processes to be monitored and recorded, and
- ensure that the best possible outcome is achieved for the Council.

Furthermore this policy will assist Council to ensure a consistent, fair, transparent and accountable approach is maintained and assist in ensuring all third party applications are treated fairly and equitably in disposing of its assets.

The disposal of Council's assets should align with Council's Strategic Plan and relate to the provision of a valued environment, connected communities, great people and lifestyle and a dynamic economy.

This policy does not cover land sold by Council for the non-payment of rates or disposal of abandoned vehicles which are dealt with within other sections of the *Local Government Act 1999* (the Act).

OBJECTIVES

Council's objective is to achieve advantageous disposal of land, road or other assets while having regard to the following principals:

- Encouragement of open and effective competition;
- Obtaining value for money;
- Ethical behaviour and fair dealing;
- Probity, accountability, transparency and reporting, and
- Ensuring compliance with all relevant legislation.

SCOPE

This policy applies to all land, road or other assets owned by the Rural City of Murray Bridge including minor and major plant and equipment.

PRINCIPLES

Considerations

Before any decision into the sale and disposal of land, roads or other assets, consideration should be given to the following factors:

- Councils Unsolicited Proposals Policy;
- The usefulness of the asset;
- The annual cost of maintenance;
- The remaining useful life of the asset;
- Asset unserviceable or beyond economic repair;
- Surplus to requirements;
- Part of an asset replacement program;
- Any impact the disposal of the asset may have on the local community;
- Any cultural or historical significance of the asset, and
- The long term plans and strategic direction of the Council.

Disposal Method

Plant and equipment assets with a sale value of less than \$5,000 (exc GST), excluding land

For assets with a sale value of less than \$5,000 the disposal method is determined by the relevant Manager who is responsible for the asset. The method used for the disposal of assets will maximise the return to Council.

The accepted means of disposal under this category may include:

- External Quotation;
- Public Auction;
- Trade-in – trading in goods to suppliers;
- Donation to a community organisation; or
- Dumping.

Plant and equipment assets with a sale value of \$5,000 (exc GST) or over, excluding Land

For assets with a sale value of between \$5,000 - \$200,000 the disposal method is determined by the relevant General Manager on a case by case basis. If the asset is over \$200,000 a Council

resolution may be required. The method used for the disposal of assets will maximise the return to Council. The method of disposal may include:

- External Quotation;
- Public Auction;
- Trade-in – trading in goods to suppliers, or
- Select or open tender.

Buyers Risk

Before purchasing any items of plant or equipment, purchasers of surplus assets will be required to agree in writing that no warranty is given by Council in respect of the suitability and condition of the asset. Buyers are to rely on their own investigations regarding the condition and workability of the items and Council will not be responsible for any repairs or maintenance of the asset.

Conditions on Donations to Community Organisations

Assets can only be donated to another organisation if the organisation can

- Affirm in writing they are an entity that carries on activities for a public purpose or their primary objective is not directed at making a profit;
- Provide written acknowledgement of receipt of the asset;
- Acknowledge Council will not be responsible for any repair or maintenance of the asset;
- Acknowledge all copyright or licensed content has been removed, and
- Take responsibility for the timely removal of the asset and any associated costs that arise from the assets removal.

Land disposal

Council may resolve to dispose of land by way of a resolution of Council to declare the land surplus to requirements.

Where the land forms or formed a road or part of a road, Council must ensure that the road is closed under the *Roads Opening and Closing Act 1991 (SA)* prior to its disposal.

Where the land is classified as community land, Council must:

- Undertake public consultation in accordance with the Act and its policies;
- Remove the status of community land before sale, and
- Comply with all other requirements under any other relevant acts.

Where Council proposes to dispose of land through the grant of a leasehold interest, Council must comply with its obligations under the Act, including its public consultation obligations under Section 202 of the Act.

The method of disposal for land assets may include:

- Open Market Sale – openly seeking through advertisement in a paper circulating in the area or/and a paper circulating in the state or by procuring the services of a licenced Real Estate Agent or Auctioneer;
- Expression of Interest – seeking expressions of Interest for the land;
- Select Tender – seeking tenders from a selected group of persons or companies;

- Open Tender – openly seeking bids through tenders, including public auction, or
- By negotiation – negotiating with the owner of adjoining land or others with a pre-existing interest in the asset or land swap or where land is to be used by a purchaser whose purpose for the land is consistent with the Council's strategic objective for the land.

The land cannot be sold for less than market value. Where the land is being sold on the open market at least one valuation or one appraisal must be sourced from an independent value consultant. Where the land is to be sold by open tender a minimum of two independent valuations must be obtained.

Policy Exemptions

This Policy contains general guidelines to be followed by the Council in its disposal activities. There may be emergencies, or disposal in which a tender process will not necessarily deliver the best outcome for the Council and other market approaches may be more appropriate. In certain circumstances, the Council may, after approval from its Elected Members, waive application of this Policy and pursue a method which will bring the best outcome for the Council. The Council must record its reason in writing for waiving application of this policy.

DEFINITION

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

Act means the *Local Government Act 1999 (SA)*

Assets mean the physical items that Council owns. This includes land, roads, buildings, plant, machinery, equipment and all other physical objects. It does not include financial investments or finance related activities as the use of such assets are covered in other policies and procedures.