



# Disposal of Land & Other Assets Policy

Policy Number	A15
Responsible Officer(s)	Chief Executive Officer; Manager Finance.
Policy Adopted	February 2023
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Next review date	February 2027
Applicable Legislation	<i>Local Government Act 1999; Roads (Opening &amp; Closing) Act 1991.</i>
Related Policies	Procurement (Purchasing) Policy; Community Engagement Policy; Accounting for Assets Policy; Asset Management Policy; Prudential Management Policy

## 1. POLICY PRINCIPLE

Wakefield Regional Council is committed to ensuring its practice of disposing of land and other assets is done in a transparent and accountable way, while being fair and equitable to all parties involved and meeting legislative requirements.

## 2. POLICY OBJECTIVE

- To comply with Section 49 of the *Local Government Act 1999*;
- To define the methods by which land and other assets are disposed of;
- To demonstrate accountability, transparency and responsibility to ratepayers;
- To be ethical, fair and equitable to all parties involved;
- To ensure all processes are monitored and recorded;
- To guarantee the best possible outcome is achieved for the community;
- To achieve value for money outcomes.

*Note: this Policy does not cover land sold by Council for the non-payment of rates, or the disposal of goods which are not owned by the Council (such as abandoned vehicles) as these are dealt with in the Act.*

## 3. DEFINITIONS

For the purposes of this policy:

**Land:** includes community land, vacant land, operational land, road reserves, any legal interest in land, and any land-related other assets, including all buildings and structures (community and operational) on land.

**Other Asset:** any physical item that Council owns and that has at any time been treated pursuant to the *Australian Accounting Standards* as an asset, and includes all plant and equipment, furniture, loose tools and surplus inventory (including bulk items). It does not include financial investments or finance related activities, trees or land (as defined above).

## 4. POLICY DETAIL

Council must have regard to the following five principles in its process of disposal of land and other assets:

- Encouragement of open and effective competition;
- Obtaining value for money - this is not restricted to price alone. An assessment of value for money

must include consideration of (where applicable):

- the contribution to Council's strategic management plans;
- any relevant direct and indirect benefits to Council;
- efficiency and effectiveness;
- the costs of various disposal methods;
- internal administration costs;
- risk exposure; and
- the value of any associated environmental benefits.
- Ethical behaviour and fair dealing – Council is to behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations;
- Probity, accountability, transparency and reporting;
- Ensuring compliance with all relevant legislation.

#### 4.1 **Considerations prior to disposal of land and other assets**

Any decision to dispose of land and other assets will be made after considering (where applicable):

- The usefulness of the land or other asset;
- The current market value of the land or other asset;
- The annual cost of maintenance;
- Any alternative future use of the land or other asset;
- Any duplication of the land or other asset or the service provided by the land or other asset;
- Any impact the disposal of the land or other asset may have on the community;
- Any cultural or historical significance of the land or other asset;
- The positive and negative impacts the disposal of the land or other asset may have on the operations of the Council;
- The long-term plans and strategic direction of the Council;
- The remaining useful life, particularly of another asset;
- A benefit and risk analysis of the proposed disposal;
- The results of any community consultation process;
- Any restrictions on the proposed disposal;
- The content of any community land management plan; and
- Any other relevant policies of the Council, including its Internal Control Manual.

#### 4.2 **Sale or Disposal of Land or Building**

No sale or disposal of Council land or building may occur without the formal approval of Council. Such approval will specify all aspects, procedures and outcomes to be observed during the sale process and will specify officer(s) to whom responsibility has been delegated to act on Council's behalf in that sale or disposal.

The Council may resolve to sell or dispose of land. However, 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* prior to its disposal.

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

- Undertake community engagement in accordance with the Act and Council's *Community Engagement Policy*; and
- Ensure that the process for the revocation of the classification of Land as community land has been concluded prior to its disposal; and
- Comply with all other requirements under the Act in respect of the disposal of community land.

#### 4.3 Land or Buildings – Methods of Sale or Disposal

The Council will, where appropriate, dispose of land through one of the following methods:

- Open market sale – advertisement for disposal of the land through the local media and where appropriate, a paper circulating in the State, or by procuring the services of a licensed real estate agent and/or auctioneer (following compliance with the Council's *Procurement (Purchasing) Policy*);
- Expressions 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;
- By negotiation – with owners of land adjoining the 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.

Selection of a suitable disposal method will include consideration of (where appropriate):

- The number of known potential purchasers of the land;
- The original intention for the use of the land;
- The current and possible preferred future use of the land;
- The opportunity to promote local economic growth and development;
- Delegation limits, taking into consideration accountability, responsibility, operation efficiency and urgency of the disposal;
- The total estimated value of the disposal; and
- Compliance with statutory and other obligations.

The 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.

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) one independent valuation must be obtained to establish the reserve price for the land. The independent valuation must be made no more than six months prior to the proposed disposal.

If land is to be disposed of via a select tender or direct sale, then (unless the Council resolves otherwise) a minimum of two independent valuations must be obtained to ensure that an appropriate market value is obtained. The independent valuation must be made no more than six months prior to the proposed disposal.

Council will seek to dispose of land at or above current market valuation, by whichever method that will 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 strategic direction. These reasons must be documented in writing.

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).

#### 4.4 Other Asset Disposal

The sale of other assets will be the responsibility of the relevant Departmental Manager who is responsible for the security and maintenance of those assets.

Disposal of the asset will be one of the following methods:

- Trade-in – trading in equipment to suppliers;
- Expressions of interest – seeking expressions of interest from buyers;

- Select tender – seeking tenders from a selected group of persons or companies;
- Open tender – openly seeking bids through tenders;
- Public auction – advertisement for auction through the local media and, where appropriate, a paper circulating in the State, or procuring the services of an auctioneer (following compliance with the Council's *Procurement (Purchasing) Policy*).
- Sell or donate:
  - Low value items where there is no realistic market;
  - A community benefit can be gained;
  - The cost of disposal methods is excessive in relation to the value;
  - In the case of any items considered as 'scrap' or of 'salvage' potential only, to a value of \$500 and with the prior approval of the Chief Executive Officer, disposal may also be undertaken by direct negotiated sale.
- Recycle or disposal to landfill – where there is no value or damage renders the item unserviceable;
- Write off – In accordance with Council's asset accounting process. Any faulty or damaged asset which carries a potential security risk will not be disposed of to a third party but will be destroyed or scrapped. The asset then must be removed from Council's Asset Register.

Selection of a suitable method will include consideration of (where appropriate):

- The public demand and interest in the asset;
- The method most likely to return the highest revenue;
- The value of the asset;
- The costs of the disposal method compared to the expected returns; and
- Compliance with statutory and other obligations.

Council Members and employees of the Council will not be permitted to purchase assets or take, for private use or sale, any goods being disposed of by Council unless the purchase is via an open tender process or a public auction, and the tender submitted or bid made is the highest.

Purchasers of assets must agree in writing before purchasing the 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.

#### **4.5 Community Engagement**

Community Engagement, where that is applicable, must be undertaken in respect of proposed disposals in accordance with the Act and Council's *Community Engagement Policy*.

### **5. REVIEW**

This Policy shall be reviewed every 48 months, or more frequently if required by legislation or Council.

#### **Document history:**

Version	Adopted	Description of Change
1.0	March 2014 – Min 213	New Policy.
	November 2014	Policy numbering system changed and inclusion of document history table.
2.0	March 2016 – Min 203	Minor formatting including policy objective heading.
3.0	February 2019	New template. Minor wording changes. Merging of policy relating to unused road reserves (to incorporate into one policy document).
4.0	February 2023	New policy template and addition of paragraph 4.2 'Sale or Disposal of Land or Building'.