

Sale and Disposal of Land and Other Assets Procedure

Procedure Author	General Manager – City Assets
Date of next review	January 2025

1. Purpose

To outline the procedures for the sale and disposal of land and other asset activities undertaken by the Council.

2. References and Supporting Documentation

This procedure is to be read in conjunction with the Sale and Disposal of Land and Other Assets Policy.

- Fees and Charges Schedule
- Closure of Walkways Procedure
- Surveyor-General's Guidelines - *Roads (Opening and Closing) Act 1991*
- *State Records Act 1997*

3. Application

Senior Manager	The Senior Manager will monitor compliance with this Policy.
Managers	Managers will communicate, implement and monitor compliance with this Policy. Ensure alignment to the suite of Strategic Management Plans.
Authorised and delegated officers	Authorised and delegated officers are to adhere to the principles of this policy and follow procedures and guidelines in the tasks associated with naming a Council asset.

4. Procedure

For the avoidance of doubt, any reference to land in this procedure also includes any buildings/fixed improvements located on the land.

4.1 Sale or Disposal of Land

4.1.1 The following matters are to be considered prior to disposal of land (where applicable):

- The usefulness of the land;
- The current market value of the land;
- The annual cost of associated maintenance;

- d) Any alternate future use of the land;
- e) Any duplication of the land, or the service provided by the land;
- f) Any impact the disposal of the land may have on the community;
- g) Any cultural or historical significance of the land;
- h) The positive and negative impacts the disposal of the land may have on the operations of the Council;
- i) The long term plans and strategic direction of Council;
- j) A benefit and risk analysis of the proposed disposal;
- k) The results of any community consultation process;
- l) Any restrictions on the proposed disposal; and
- m) The content of any community land management plan;

4.1.2 Council may determine to dispose of land as per the Delegations Register.

4.1.3 Where the land forms or formed a road or part of a road, Council must ensure the land is closed under the *Roads Opening and Closing Act 1991*, in accordance with the Surveyor-General's Guidelines - *Roads (Opening and Closing) Act 1991* prior to its disposal. Employees should follow the Closure of Walkways Procedure where applicable.

4.1.4 Where the land is classified as "community land", Council must comply with all requirements under Section 194 of the *Local Government Act 1999* in respect to disposal of community land.

4.1.5 Council will not dispose of land to any Council Member or employee.

4.1.6 Council should, where appropriate, dispose of land through one of the following methods:

- a) *Expressions of Interest* – seeking expressions of interest for the land in accordance with Council's Procurement Policy.
- b) *Select Tender* – seeking tenders from a selected group of persons, companies, organisations or other interested parties in accordance with Council's Procurement Policy.
- c) *Open Tender* – openly seeking bids from tenderers in accordance with Council's Procurement Policy.
- d) *Unsolicited Bids* – proposal submitted to Council that has not been requested by Council in accordance with Council's Procurement Policy.
- e) *Other means including Direct Negotiation* - as deemed appropriate and endorsed by Council.

4.2 Disposal of Land

- 4.2.1 One independent valuation should be obtained to establish the market price for the land proposed for sale or disposal (unless Council resolves otherwise).
- 4.2.2 Council will seek to dispose of land at or above current market valuation by whichever method is likely to provide Council with a maximum return, unless Council resolves to accept a lesser return (with due regard to all associated costs to achieve the transaction or such other amount as the Council resolves).
- 4.2.3 Council and all employees involved in sale and disposal activities will behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations.
- 4.2.4 All decisions and the reasons for the decisions should be documented via records management process.

The following should be considered prior to approval of any Council approved land disposal:

- a) Agreed outcomes to be identified for a property;
 - b) Good governance processes should be demonstrated;
 - c) Maximising commercial or financial return;
 - d) Demonstrating positive community outcomes; and
 - e) Attracting capital investment and employment opportunities.
- 4.2.5 A strategic land use assessment or subsequent document should be undertaken. This should include any consultations with the public as required by legislation as well as consulting with any stakeholders on the proposed land for disposal.
 - 4.2.6 Should direct negotiation be considered to provide the best outcome for Council, an independent third party report should be completed and endorsed by Council Members prior to entering into any contract of sale.
 - 4.2.7 Following the disposal of a land asset, any relevant decommissioning asset register adjustments and documentation of financial transactions will be undertaken by Finance and Asset Management teams

4.3 Sale or Disposal of Other Assets

- 4.3.1 An asset should only be disposed of when:
 - a) The requirement for the service no longer exists;
 - b) There is an alternative and better solution to providing the same service;
 - c) The asset is obsolete and can no longer deliver the service to appropriate;
 - d) The asset does not comply with occupational health and safety standards;
 - e) It is deemed the optimum time for disposal to maximise return;
 - f) There are hazardous chemicals or materials present in the asset; and/or
 - g) It is uneconomical to repair.

- 4.3.2 Prior to disposal, a check should be carried out to ensure assets do not contain:
- a) Additional items not intended for sale;
 - b) Confidential documents (records, files, papers);
 - c) Documents on the Council letterhead or which may be used for fraudulent purposes;
 - d) Hard drives which have contained Council operated software (which could lead to a breach of licenses or contain confidential data) are to be physically destroyed; and
 - e) Hazardous materials (which should be disposed of in an authorised and safe manner).
- 4.3.3 As much as practical, any Council identifying mark or logo should be removed or obliterated prior to disposal. Spare parts held for a particular item should be disposed of in one parcel with the asset.
- 4.3.4 Other assets should be disposed of via the following methods:
- a) Direct sale through public advertisement;
 - b) Public auction;
 - c) Select or open tender;
 - d) Donation to community groups;
 - e) Trade-in arrangements; or
 - f) Other means – as deemed appropriate by the Chief Executive Officer or General Manager.
- 4.3.5 All reasonable efforts should be made to ascertain the current market value of the asset to ensure best value for money is achieved.
- 4.3.6 If the cost of sale outweighs the value or return of the asset(s) it may be disposed of by way of recycling or as waste.
- 4.3.7 Council and all employees involved in sale and disposal activities will behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations.
- 4.3.8 Assets should only be disposed of by employees with the appropriate delegated authority.

Auction may be public, trade or electronic (for items of significant value a reserve price will be agreed to between the relevant manager and the auctioneer prior to the auction or a fixed price as determined by the responsible General Manager or Senior Manager).

- 4.3.9 In the event that the cost of undertaking a tender process or appointing an independent agent is not financially practicable the assets may be:
- a) Taken to a waste disposal facility if the cost of disposal is more than the potential disposal proceeds.
 - b) Sold or donated to other entities operating in the local government sector or incorporated community/sporting groups (registered/operating in the Council

area).

In considering any request, employees should keep in mind the following:

- a) Community groups should receive equitable treatment to avoid possible claims of bias.
- b) A check should be made to ensure the group is non-profit and that the intended use of the asset is non-commercial (i.e. non-profit).
- c) Where the donation is seen as appropriate but there is a potential claim of bias, the matter should be referred to the Chief Executive Officer.
- d) The charity/community group must remove the asset themselves and at no cost to the Council unless otherwise arranged with Council.

4.3.10 The officer responsible for the disposal of any Council asset and the relevant General Manager must ensure that no conflict of interest occurs in or as a result of the asset disposal process.

4.3.11 Sale of assets to employees is not to occur outside of a public process

4.3.12 All decisions and the reasons for the decisions must be documented using records management processes.

4.4 Exemptions from this Procedure

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

5. Feedback

Your feedback on this procedure is invited and can be directed to the Manager Governance via email to governance@playford.sa.gov.au or by calling the Customer Contact Team on 8256 0333.

Administration use only

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Endorsed by	Council
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Version history

Version no.	Approval date	Approval by	Change
1	25 May 2021	Ordinary Council Resolution No. 4612	New Procedure
