



<b>Policy Name</b>	<b>Sale and Disposal of Land and Assets</b>
Policy Number	CA09
Responsible Section	Property & Building Assets
Responsible Department	City Assets
Date Last Adopted	April 2021
Date of Next Review	April 2024
Applicable Legislation	<i>Local Government Act 1999</i> <i>Roads Opening and Closing Act 1991</i>
Related Governance Documents	<i>Procurement Policy</i> <i>Asset Management Strategy</i>
City Plan Theme	Leadership

**PURPOSE/OBJECTIVE**

Council is responsible for the sustainable management of a wide range of assets to support the evolving needs of the community. A key aspect of sustainable asset management is determining when an asset is no longer required and thus should be disposed in a responsible manner. This Policy guides the sale and disposal of land and other assets and outlines Council’s approach in preparing an asset for sale and disposal.

**SCOPE**

This policy relates to the sale and disposal of land and other assets that Council has determined are no longer required.

**POLICY**

**Principles**

Council will consider disposal where it has been determined that land or assets are not required. Through the disposal process Council will:

- seek to obtain the best possible financial return;
- consider non-financial outcomes that assist in achieving Council’s strategic priorities;
- ensure a fair, transparent and accountable process
- ensure a variety of potential purchasers are given an opportunity to purchase the land or asset
- consider opportunities to enhance local economic development and community outcomes; and
- maintain commercial confidentiality within legislative constraints.

## Implementation

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

- the long term plans and strategic direction of Council;
- the remaining useful life of the land or asset;
- obsolescence and non-compliance with relevant standards;
- the current market value of the land or asset and annual cost of maintenance;
- any alternative future use of the land or asset;
- any duplication of the land or asset or the service provided by the land or asset;
- any impact the disposal of the land or asset may have on the community;
- any impact the disposal of the land or asset may have on Council operations;
- any cultural or historical significance of the land or asset;
- any restrictions of the land or asset;
- a risk/benefit analysis of the proposed disposal;
- any environmental or sustainability impacts; and
- any other strategic matter that Council deems appropriate to consider in making its decision.

## Disposal Methods

### Land Disposal

Any decision to dispose of land must be a decision of Council.

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.

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

- undertake public consultation in accordance with the Local Government Act (Section 193) and the Council's public consultation policy;
- 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.

Council will use a disposal method that considers:

- the current and possible preferred future use of the land;
- any potential purchasers of the land (if known);
- the opportunity to promote local economic growth and development;
- the achievement of any specific urban design or urban development objectives;
- efficiency and urgency of the disposal;
- the net estimated value of the disposal;
- easement requirements, access to land, existing or future infrastructure needs and service authority requirements; and
- compliance with statutory and other requirements.

Prior to disposal, a reasonable effort is to be made to determine the market value of the land. At least one independent valuation must be obtained to determine the market value except in circumstances where a valuation is determined by a Director to be unnecessary or unfeasible.

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

- seeking expressions of interest for the land
- open tender or market sale - openly seeking bids through tenders or market sale methods, including public auction
- select tender - seeking tenders from a selected group of persons or companies
- 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.

### Asset Disposal

The disposal of assets (both major plant and equipment and minor plant, stock and equipment) will be the responsibility of the relevant Council Officer who is the designated asset owner with the necessary delegated authority.

Council will use a disposal method that considers:

- the public demand and interest in the asset;
- the method likely to provide the highest net return, taking into account likely return and cost of disposal method;
- the value of the asset and whether it is major plant and equipment or minor plant, stock and equipment;
- environmental and sustainability impacts; and
- compliance with statutory and other requirements.
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Council will dispose of assets through one of the following methods:

- trade-in: trading in plant and equipment to suppliers
- expressions of interest: seeking expressions of interest from buyers
- select tender: seeking tenders from a selected group of persons, community groups or companies
- public tender: openly seeking bids through tenders
- public auction: advertisement for auction through online or print publications, or procuring the services of an auctioneer
- destruction: assets which are not cost effective to dispose using the above methods may be destroyed, recycled and/or disposed to landfill as appropriate with due consideration to environmental impacts
- give away: to community groups where it can be demonstrated that the above listed methods are unfeasible or will not yield any income to Council, subject to Director approval.

### Minor Plant, Stock and Equipment

Where minor plant, stock and equipment cannot be disposed of through any of the above listed disposal methods, Council may publish a list of surplus items and seek offers for their disposal.

Decision making will be supported by the following provisions:

- If two or more offers are the same and one is from within the City of Port Adelaide Enfield area but the other is not, preference is to be given to the offer within the City of Port Adelaide Enfield.
- If two or more offers are the same and one is from a community group, preference is to be given to the community group.

- If two or more offers are the same and one is from a staff member or elected member and the other is from a community member, preference is to be given to a community member.
- If the above process does not yield a preferable result as indicated, a random draw be conducted.

## **DEFINITIONS**

“Asset” means an individual or group of physical objects, which has value and enables services to be provided. It includes major plant and equipment, minor plant, stock and equipment, infrastructure and portable buildings but does not include financial investments, trees or land.

“Community Land” means all land classified as community land under Section 193 of the Local Government Act 1999.

“Land” means Community land, vacant land, operational land, road reserves and any other land related assets, including all fixed buildings (community and operational) on land.

“Minor Plant, Stock and Equipment” means all minor machinery and equipment owned by Council. It includes all loose tools, store items, inventory stock, furniture, art, gifts, secondary items removed from buildings, and surplus bulk items (such as sand and gravel).

“Major Plant and Equipment” means all major machinery and equipment owned by the Council. It includes all trucks, vehicles, operating machinery and major plant items. It does not include minor plant, stock and equipment.