

Sale or Disposal of Assets Policy

Reference Number:	CR23/15032
Type:	Council Policy
Responsibility:	Director City Corporate
Responsible Officer (s):	Finance Manager
Initial Adopted Date:	Council 29 August, 2000
Last Review Date:	Audit & Risk Committee 12 April 2023 Council 23 May 2023
Next Review Date:	3 years (May 2026)
Legislation:	Local Government Act, 1999 (SA) Independent Commissioner Against Corruption Act, 2012
Related Documents:	Asset Management Policy Fixed Assets Financial Reporting Policy Procurement Policy Code of Conduct for Council Employees Code of Conduct for Council Members

1 Purpose

- 1.1 The Sale or Disposal of Assets Policy (the "Policy") provides a framework relating to the sale or disposal of land and other assets and outlines Council's approach in preparing an asset for sale or disposal, in accordance with Section 49(1)(d) of the Local Government Act 1999.

2 Definitions

- 2.1 For the purpose of this Policy:

- 2.1.1 "Direct Approach" is a procurement process undertaken by directly approaching and negotiating with one or more suppliers, without testing the market.
- 2.1.2 "Employee" means a person employed by the City of Prospect.
- 2.1.3 "Open Tender" means a tender is advertised to the entire market via an open invitation process e.g. SA Tenders website accompanied by an advertisement.
- 2.1.4 "Public Auction" A formal real estate transaction where an asset is held for sale to the market and sold to the highest bidder.
- 2.1.5 "Select Tender" involves the selection of suppliers that will be invited to tender. Selection may be from a multi-use list, a list of potential suppliers that have previously responded to an expression of interest or a list of potential suppliers that have been granted a specific licence or comply with a legal requirement. Sometimes referred to as limited tendering.

- 2.1.6 "Trade-in" involves including an asset owned by Council in the purchase of another asset, usually of similar characteristics, in order to achieve an efficient asset change-over transaction.

3 Scope

- 3.1 This Policy applies to all Council employees when undertaking the sale or disposal of Council assets.
- 3.2 This Policy has been developed to ensure Council employees and Elected Members are aware of specific provisions in the Independent Commissioner Against Corruption Act 2012 (ICAC Act), and the provisions in relation to the sale or disposal of Council assets as identified by the ICAC Act.

4 Legislative and Corporate Requirements

- 4.1 This Policy has been developed in accordance with Section 49 of the Local Government Act, 1999.
- 4.2 Specifically, Section 49(1)(d), requires Council to develop and maintain a Policy regarding the sale or disposal of land or other assets.
- 4.3 This Policy underpins and supports the Procurement Policy. As such, the procurement principles outlined in that Policy should be observed at all times throughout the stage or procuring services with the aim of selling or disposing of Council asset.

5 Policy Statement

5.1 Reasons for disposal of asset

- 5.1.1 Obsolescence;
- 5.1.2 Non-compliance with work health and safety standards;
- 5.1.3 No use expected in the foreseeable future;
- 5.1.4 Optimum time to maximise return;
- 5.1.5 Discovery of hazardous substances or materials present in the asset; or
- 5.1.6 Uneconomical to repair.

5.2 Sale or Disposal Principles

Prior to commencing any process to dispose of land assets, Council will ensure that, where necessary, the process for revocation of the classification as community land in accordance with Section 194 and 201 of the Local Government Act 1999 has been concluded.

- 5.2.1 For the sale and disposal of land and other assets valued in excess of Council's capitalisation thresholds, the following key principles apply:

- (1) Consistency with and relevance to Council's Corporate and Strategic Plans;
 - (2) Transparency and accountability in sale and disposal procedures and practices, ensuring that Council obtains the best possible price in the circumstances surrounding the sale, and that all potential purchasers are given equal opportunity to purchase the land or assets;
 - (3) Opportunities to enhance local economic development and growth;
 - (4) Compliance with statutory and other obligations;
 - (5) Commercial confidentiality within legislative constraints; and
 - (6) Other relevant factors deemed appropriate by Council.
- 5.2.2 Council may utilise one or more of the following methods to sell or dispose of land and other assets:
- (1) Trade-in;
 - (2) Public auction;
 - (3) Select tender;
 - (4) Open tender; or
 - (5) Direct approach to potential purchasers.
- 5.2.3 Council will evaluate the most appropriate method for the sale or disposal of land or other assets that includes:
- (1) Approaching the market for the sale of any parcel of land unless there is a Council resolution to the contrary (i.e. land encroachment); and
 - (2) Council approaching the market using a formal process for the sale of land or other assets where the value exceeds \$100,000.
- 5.2.4 As far as possible, surplus assets or materials should be disposed of in a way that maximises returns whilst maximising open, transparent and effective competition.
- 5.2.5 Prior to disposal, a reasonable effort is to be made to ensure no other Council Department has a need for the asset. Items of historical or cultural significance should be given special regard and any dangerous goods disposed of only in an authorised and safe manner.
- 5.2.6 Council may, at its discretion, determine not to call for tenders in respect of a particular sale or disposal where it is deemed it is in the best commercial interests of the Council and its ratepayers.
- 5.2.7 Council will however record the reasons for utilising an alternative disposal method.

- 5.2.8 The sale or disposal of assets valued below Councils capitalisation thresholds will be disposed at the discretion of the Chief Executive Officer or relevant Director, by whichever method is likely to bring about the most favourable return to Council.
- 5.2.9 The Officer responsible for the disposal of any Council asset and the relevant Director must ensure that no conflict of interest occurs in or as a result of the asset disposal process.
- 5.2.10 Misappropriation of surplus or low value assets or unwanted or forgotten items can amount to theft.

5.3 Unsolicited Proposals to Council for the sale or disposal land or other assets.

- 5.3.1 In the event that an unsolicited proposal for the purchase of an asset is received; it should be directed to the relevant Director in the first instance. The proposal should then follow the sale and disposal principles in section 5.2 of this policy.

5.4 Sale to Employee/Elected Members

- The disposal of any surplus or end of life Council assets should not be limited to employee or to elected members.
- 5.4.1 At the CEO discretion disposal of any surplus or end of life assets may be sold to employees / Elected Members in a transparent market tested process, where these have been a tool of trade. All items will be incorporated into a sale register.

6 Review

- 6.1 The Policy will be reviewed once per Council term or as required by legislation.

7 Access to the Policy

- 7.1 The Policy is available for public inspection on Council's website www.prospect.sa.gov.au and from Customer Service at the Civic Centre, 128 Prospect Road, Prospect SA 5082.

8 Further Information

- 8.1 For further information about this policy please contact:

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128 Prospect Road
Prospect SA 5082
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