

TITLE:	Disposal of Property Policy		
DIVISION:			
ADOPTED BY:	Council		
DATE OF ADOPTION:	March 20, 2014	DATE OF REVIEW:	March 2018
MOTION NUMBER:	41/14		
POLICY NUMBER:	CP000009		
AUTHORISED:	Chief Executive Officer		

THIS POLICY APPLIES TO:

All employees of the Barkly Regional Council and Elected Members

PREAMBLE

The aim of all policy is for Councillors to provide strategic input into the effective operational framework of the organisation under S.11 of the Local Government Act

SUMMARY

The Policy identifies factors that the Council will consider when disposing of land and other assets, methods of disposal and what should be done with the proceeds from the sale of assets.

OBJECTIVES

The Policy seeks to ensure that the process for the sale and disposal of land and other assets is considered, fair, compliant with Ministerial guidelines and transparent and also achieves the best possible outcome for the Council.

BACKGROUND

Section 182(1) of the Local Government Act 2008 provides that, subject to Ministerial guidelines a Council may deal with or dispose of Council owned property.

POLICY STATEMENT

Sale and disposal of land and other assets should be consistent with the Council's economic, social and/or environmental objectives. When considering options for the sale and disposal of land and other assets the Council will look for opportunities to advance the objectives of the strategic plan.

Authority to dispose of Property

Property which has been purchased, or the purchase of which has been contributed to, by a funding source, may not be disposed of unless the terms of the funding agreement have been met. This includes any requirement to gain approval from the funding body to dispose of property.

Decisions for sale or disposal of real property must be made by Council resolution unless the Council has delegated this authority.

Method to be used

Generally, council will sell or dispose of land and other assets by:

- Direct sale – advertisement for sale and the nature of the advertisement i.e. public notice, local paper etc...
- Quotation – seeking quotations for the sale of land and other assets;
- Selected tender – seeking tenders from a selected group of persons, companies, organisations, or other interested parties;
- Open tender – openly seeking, through advertisement, tenders, or buyers for Council, land and other assets; or
- Other means as deemed appropriate by council or the CEO (provided disposal has been authorised by council).

Considerations

In considering the method of disposal of an asset the Council will consider:

- The potential for the council to obtain the best price;
- The number of known potential purchasers of the land or assets;
- The current and possible preferred future use of the land or assets;
- The existence of local purchasers of the land or assets;
- The opportunity to promote local economic growth and development;
- The total estimated value of the sale;
- Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of the sale;
- Risk; and
- Compliance with statutory and other obligations

In circumstances where there is a sale or disposal of **land** other than by tender process the reasons for entering into such contracts should be documented.

Commercial confidentiality should apply to negotiations for sale and disposal of land and other asset transactions unless council decides otherwise.

Risk Assessment and Minimisation

When disposing of plant and equipment other than by trade-in an assessment is to be made of the condition of the asset to determine whether it is fit for purpose and compliant with current standards and in the event that this is **not** the case whether it should simply be scrapped, or should be sold as parts or with an appropriate disclaimer.

For example:

Playground equipment: Equipment that does not comply with existing standards should neither be sold nor donated. It should be scrapped.

Plant and Equipment: Equipment that is not fit for purpose e.g. un-roadworthy or inoperable, should be sold as parts.

Proceeds from Sale of Assets

Proceeds from the sale of assets (capital revenue) should be applied to:

- The reduction of any debt associated with the asset acquisition or upgrade since the original purchase or construction; or
- Offset the cost of replacement assets required for operations arising from identified assets sale; or
- A specific Reserve Fund if appropriate or to the asset replacement reserve.

LEGISLATION, TERMINOLOGY AND REFERENCES

Section 182(1) of the Local Government Act 2008 provides that, “Subject to the Minister’s guidelines, a council may deal with or dispose of property of which the council is the owner.”

IMPLEMENTATION AND DELEGATION

Subject to compliance with legislative requirements and this Policy the CEO has delegated authority to dispose of all assets, other than land, with a book value of less than \$10,000 and, plant and equipment of any value where the plant or equipment is to be traded in as part of the purchase of replacement plant or equipment.

EVALUATION AND REVIEW

This Policy should be evaluated on the basis that the Audit Committee is satisfied that it has been complied with and that the ministerial guidelines and all legislative requirements have been met since the Policy was last reviewed.

This Policy is to be reviewed every four (4) years, and may be reviewed at other times at the discretion of Chief Executive Officer.