



Council Policy: Sale and Disposal of Assets

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Related Policies or Corporate Documents:	Asset Management Council Policy Behavioural Standards for Council Members Capitalisation of Assets Council Policy Disposal of Computer and Related Equipment Policy Employee Code of Behaviour Enterprise Risk Management Council Policy Fraud and Corruption Prevention and Control Council Policy Gifts Benefits and Hospitality Administration Policy Information Technology and Its Use Administration Policy Public Consultation Council Policy Prudential Management Council Policy Prudential Management Administration Policy
Associated Forms:	
Note:	This version is substantially the same as the previous one but for very minor changes that were approved by the CEO on 23 November 2023.
Responsible Manager:	Manager City Property
Confirmed by General Manager:	General Manager Natural and Built Environments Date 7 November 2023
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COUNCIL POLICY - Sale and Disposal of Assets

1. Preamble

- 1.1 Section 49 of the [Local Government Act 1999](#) (the Act) requires each council to develop, maintain and adopt policies relating to the sale and disposal of land to ensure that:
- a. value for money is obtained
 - b. all parties are treated fairly and ethically
 - c. probity, accountability and transparency is intrinsic to the process.
- 1.2 Council will ensure compliance with all legislative requirements, including prudential reporting requirements.

2. Purpose

- 2.1 This policy seeks to define the methods by which assets are disposed of.
- 2.2 Demonstrate accountability, probity and transparency of Council to ratepayers.
- 2.3 Obtain value for money and encourage open competition.

3. Scope

- 3.1 This policy applies to all assets with the exception of computers and IT equipment.

4. Definitions

- 4.1 **Asset** means any physical item that is owned by or under the care and control of by the Council and that has at any time been treated pursuant to the Australian Accounting Standards as an 'asset', and includes Land, Major Plant and Equipment and Minor Plant and Equipment. It does not include financial investments, finance related activities, computers and IT equipment.
- 4.2 **Employee** means any full-time, part-time, contract, casual, work experience, trainees, and volunteers, as well as those persons working at a Council workplace through a contract or other similar external arrangement.
- 4.3 **Land** includes Community Land, vacant land, operational land and Roads, and any other land-related assets, including all buildings (community and operational) on Land.
- 4.4 **Major Plant and Equipment** includes all major machinery and equipment owned by the Council. It includes all trucks, graders, other operating machinery and major plant items with an original value of \$2,000 or more. It does not include Minor Plant and Equipment.
- 4.5 **Minor Plant and Equipment** includes all minor plant and equipment owned by Council. It includes all loose tools, store items, furniture, second hand items removed from Major Plant and Equipment (such as air conditioners, bricks and pavers) and surplus bulk items (such as sand and gravel) with an original value likely to be less than \$2,000.

4.6 **Useful life** is:

- 4.6.1 The period over which an asset is expected to be available for use by an entity; or
- 4.6.2 The number of production or similar units expected to be obtained from the asset by an entity.

5. Policy Statement

5.1 **Guiding Principles**

5.1.1 Value for Money

5.1.1.1. CWT will drive value for money in its sale and disposal of assets by deploying the most appropriate strategy to achieve its objectives.

5.1.1.2. Value for money includes consideration of both cost and non-cost factors (if applicable):

- the contribution to Council's long term financial plan and strategic management plans
- any relevant direct and indirect benefits to Council, both tangible and intangible
- efficiency and effectiveness
- the usefulness of the Land or Asset
- the current market value of the Land or Asset
- the costs of various disposal methods
- internal administration costs
- risk exposure
- the value of any associated environmental benefits.

5.1.2. Risk Management

5.1.2.1. The risks associated with any sale or disposal of an asset will be managed in accordance with this policy and CWT's [Enterprise Risk Management Framework](#).

5.1.2.2. All sale and disposal activities require the identification and assessment of potential risks. Risks must be assessed in accordance with CWT's [Enterprise Risk Management Framework](#).

5.1.3. Probity and Accountability

5.1.3.1. All employees involved in sale and disposal activities are required to observe the highest standards of integrity, probity and professional conduct and comply with the Employee Code of Behaviour as per the requirements of the *Local Government*

Act 1999 and the Administration Policy - Employee Code of Behaviour.

- 5.1.3.2. All stages of the sale and disposal decision making process will be documented, defensible and preserve confidence in CWT's process.
- 5.1.3.3. Parties will be treated fairly and equitably in any procurement process.
- 5.1.3.4. Non-conformance with this policy by employees may lead to disciplinary action.

5.2. Sale or Disposal Strategy

5.2.1. The following criteria should be considered in relation to the sale or disposal of assets:

- 5.2.1.1. number and type of known potential purchaser(s) of the asset(s)
- 5.2.1.2. original intention for the use of the asset(s) when purchased
- 5.2.1.3. original method and intent of Council's obtaining ownership/custodianship of the asset(s), e.g. a bequest
- 5.2.1.4. potential for local economic growth and development
- 5.2.1.5. total estimated value of the asset(s)
- 5.2.1.6. delegation limits taking into consideration accountability, operational efficiency, and urgency of the sale
- 5.2.1.7. compliance with statutory and other obligations
- 5.2.1.8. urgency of the sale or disposal
- 5.2.1.9. condition of the asset(s) and its remaining useful life
- 5.2.1.10. cost of the sale against the value or return of the asset(s).

The sale or disposal of assets may be through:

- 5.2.1.11. direct sale through public advertisement
- 5.2.1.12. public auction
- 5.2.1.13. invitation to tender (select or open)
- 5.2.1.14. donation to community groups and/or charitable institutions
- 5.2.1.15. vehicle trade-in arrangements.

In the event the asset has come to the end of its useful life, it may be disposed of by way of recycling or as waste.

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

- 5.2.2.1. the public demand and interest in the Asset
- 5.2.2.2. the method most likely to return the highest revenue
- 5.2.2.3. compliance with statutory and other obligations.
- 5.2.3. 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.
- 5.2.4. The sale or disposal of land and/or buildings must be referred to Council for its consideration and determination with independent valuations being obtained to assist and inform Council to ensure the objectives of this policy are achieved.
- 5.2.5. Where Land is classified as community land, the Council must:
 - 5.2.5.1. undertake public consultation in accordance with the Act and the Council's public consultation policy
 - 5.2.5.2. ensure that the process for the revocation of the classification of Land as community has been concluded prior to its disposal
 - 5.2.5.3. comply with all other requirements under the Act in respect of the disposal of community land.
- 5.2.6. The sale or disposal of computers and IT equipment such as mobile phones, photocopiers and printers must be undertaken in line with the [Disposal of Computer and Related Equipment Administration Policy](#).
- 5.2.7. 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.
- 5.2.8. If the sale or disposal of land forms part of a project for which a prudential report is required, a valuation of the land must be sought pursuant legislation and included in the prudential report.

6. Confidentiality

- 6.1. CWT will not disclose the confidential details of any offer received from a party to unauthorised persons without the prior written consent of the party unless required to do so by law.

7. Delegations

- 7.1. Council has delegated authority to the Chief Executive Officer (CEO) to make decisions in respect of matters covered by this policy including decisions unless referral to Council is otherwise required.
- 7.2. The CEO is authorised to further delegate the authority to staff (delegated officers/procurers) to make decisions in respect of the matters covered in this policy.
- 7.3. Financial sub-delegations are recorded in the publically available *City of West Torrens* [Subdelegations Framework](#).

- 7.4. Delegated officers are required to ensure that all sale and disposal of assets activities comply with the provisions of this policy and legislation and are in accordance with their approved delegations.

8. Consultation

- 8.1. If required, CWT will undertake public consultation in accordance with section 50 of the Act and its [Public Consultation Council Policy](#).

9. Availability

- 9.1. This policy is available for inspection in the Civic Centre and the Hamra Centre during normal opening hours as well as on [Council's website](#).
- 9.2. Copies may be purchased at a fee set annually by Council and as detailed in Council's [Fees and Charges Register](#).