

ASSETS AND SURPLUS LAND DISPOSAL POLICY

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Policy Level:	Organisation
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Responsible Officer:	Manager Financial Strategy
Responsible Director:	Director Corporate Performance
Relevant Legislation/Authority:	Local Government Act 1989
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1. INTRODUCTION

This policy gives direction for the decommissioning and disposal of Council owned Assets and Surplus Land. It covers the City's requirements and obligations in the disposal process and will inform Asset Managers of their responsibilities in the disposal process.

This Policy:

- Defines the methods by which Assets and surplus Land are disposed of;
- Seeks to ensure that the best outcome is achieved for Council and to provide maximum return to the community either by realising the strongest financial return or by fulfilling a community service need aligned to the visions of the City of Greater Bendigo;
- Ensures best practice and statutory compliance is adopted in the disposal of physical assets and surplus land;
- Supports the Asset Management Policy commitment to "decommission and dispose of assets that are under-utilised and no longer economically viable".

This Policy does not relate to:

- The procurement activities of Council;
- Land sold by Council as a result of the non-payment of rates;
- The disposal of Land or Assets which are not owned by Council e.g. abandoned vehicles; and
- Crown Land delegated to Council.



2. PURPOSE

To provide a systematic, transparent and accountable method for the disposal of Council owned Assets and surplus Land in accordance with Council's Code of Conduct, Council Policies and all appropriate legislation and accounting standards.

Sound asset management is a key concept underpinning the Community Plan. This Policy takes guidance from the objectives in the Community Plan and commitments in Council's Asset Management Policy.

3. SCOPE

This policy applies to Council staff responsible for the disposal of Council owned physical Assets and Land no longer deemed 'fit for purpose' or surplus to Council's requirements.

The City will refer to and align with relevant City plans and strategies when conducting any property transactions.

4. DEFINITIONS

Refer to the '*Procedure: Assets and Surplus Land Disposal*' for definitions relating to this Policy.

5. POLICY PRINCIPLES

The City will have regard to the following principles in the sale or disposal of Land or Assets:

- Demonstrated probity, accountability, responsibility and transparency to Councillors and the Community;
- To behave with impartiality, fairness, independence, openness and integrity in all discussions and negotiations;
- Achieving the best possible outcome for Council and the Community;
- The monitoring and recording of all sale and disposal activities;
- Appropriate management of risk; and
- Compliance with the Local Government Act and other legislative requirements.

6. CONSIDERATIONS WHEN PREPARING ASSETS FOR DISPOSAL/SALE

Refer also to the '*Procedure: Assets and Surplus Land Disposal*'.

A check must be carried out to ensure Land or Assets do not contain:

- Additional items not intended for sale;
- Confidential documents (records, files, papers, etc.);
- Documents on Council letterhead or which may be used for fraudulent purposes;
- Where hard drives contain council operated software (which could lead to a breach of licenses) or contain confidential data, the said software and data shall be erased/wiped from the hard drive prior to disposal;



- Hazardous materials; or
- Contaminated substances.

7. SALE OR DISPOSAL OF SURPLUS PROPERTY ASSETS - (LAND AND BUILDINGS)

Council may dispose of surplus property assets (excluding Crown land) through sales, exchanges or transfers.

All sales, exchanges and transfers of Land are required to comply with the provisions of the Local Government Act 1989. Sales are to be conducted through a public process (i.e. public auction, public tender or by registration of expressions of interest) unless circumstances exist that justify an alternative method of sale, (for example the sale or exchange of land by private treaty i.e. sale of disused roads, landlocked property etc.).

Sales and exchanges of Land or Land and Buildings should occur at not less than the market value assessed by a Certified Practising Valuer. However, if it is proposed to sell Land for less than the market value or to exchange that land for land of a lesser value, a report to Council will explain the reasons which led to the recommendation to accept a sale price that is less than market value or to exchange land for other land with a lower value.

Prior to selling or exchanging Land, Council must comply with Section 189 of the Local Government Act and:

- Give at least four weeks' public notice of an intention to sell or exchange land and allow interested persons to make a submission under Section 223 on the proposed sale or exchange; and
- Obtain from a person who holds the qualifications or experience specified under Section 13DA(2) of the Valuation of Land Act 1960 a valuation of the land which is made not more than six months prior to the sale or exchange.

If the Land to be sold forms part of a road that has been discontinued as a result of Council exercising its powers under clause 3 of Schedule 10 of the Local Government Act, the requirement to allow interested persons to make a submission under Section 223 is provided for under section 207A(a) rather than Section 189(3).

In the sale or disposal of any Council Land or Property Asset(s) the City will:

- Review its portfolio of Land or Properties to identify any Land or Property surplus to Council's needs;
- Fully research/document the history, prior and current requirements and original purpose of the land to be disposed.
- Consult with the relevant Heritage Officer to establish whether the site/land/building is subject to state or local heritage, indigenous or cultural significance;
- Consult with all relevant stakeholders that may be effected by the proposed Land or Property disposal;
- Appropriately assess the property for contamination or hazardous materials.
- Prepare Land or Properties for sale for example, rezone land, remove impediments such as easements, contamination where possible;
- Consult with adjacent neighbours by letter prior to statutory advertising;



- Pass on costs associated with the disposal of Land or Property to the purchaser where practicable.

In the process of the sale or disposal of Land or Property Asset(s) the following documents will be completed:

- Checklist (Attachment 1 in '*Procedure: Assets and Surplus Land Disposal*');
- Surplus Land Disposal Assessment and Evaluation Report (Attachment 2 in '*Procedure: Assets and Surplus Land Disposal*'); and
- Report to Executive Management Team and Council. A Council Resolution will be required to approve the sale of any Council owned Land or Property.

8. SALE AND DISPOSAL OF PHYSICAL ASSETS (NON LAND AND BUILDING)

The City may dispose of physical (non-land and building) assets through trade-ins, open public tender, public auction or donations. Note that this does not include the disposal of those items listed under the Employee Mobile Phone & Mobile Device Policy and the Councillor Mobile Phone & Mobile Device Policy.

The sale of physical Assets (including Roads; Building components; Bridges; Pathways; Recreation & Public Space Assets; Major Plant; Fleet Vehicles; Minor Plant and Equipment; IT & Communications assets; and Office Furniture & Equipment) will be the responsibility of the relevant City Manager/Officer who is responsible for the management of those Assets.

In the sale or disposal of any Council physical Asset(s) the City will:

- Review its portfolio of physical Assets to identify any Council assets that could be recognised for disposal;
- Review its portfolio of physical Assets to identify any Council assets requiring disposal due to renewal, replacement or upgrade;
- Consult with the relevant Heritage Officer to establish whether the physical asset has state or local heritage, indigenous or cultural significance;
- Consult with all relevant stakeholders that may be effected by the proposed Asset disposal;
- Ensure that, when selling or transferring physical assets to staff or councillors, the disposal does not occur outside of a public process. Members of the public must also be allowed to compete for the purchase;
- Pass on costs associated with the disposal of physical assets to the purchaser where practicable;

In the process of the sale or disposal of Physical Assets (Non Land and Building) the following documents will be completed:

- Checklist (Attachment 1 in '*Procedure: Assets and Surplus Land Disposal*');
- Physical Asset Disposal Assessment and Evaluation Report (Attachment 3 in '*Procedure: Assets and Surplus Land Disposal*'); and
- Report to Council and Executive Management Team where applicable (refer to 'Delegations').

9. BUYER'S RISK

Irrespective of the disposal method applied, all prospective buyers or donation/charity recipients of Assets must be advised in writing that items are disposed of, with any faults, at the buyer's risk ('as is, where is'). Buyers are to rely on their own investigations regarding the condition and function of the items and Council will not be responsible for the Asset in any respect following the sale or donation.

10. DELEGATIONS

This following information on delegations is an extract from the City's 'Instrument of Delegation' (from CEO to Staff). This extract is current as at June 2017, but should be referenced separately to ensure no changes have occurred.

Authority to dispose of Council owned Land or Assets sits at the following levels:

- Manager (Responsible for the management of Land or Assets)
- Director
- Executive Management Team (EMT)
- CEO / Council

	RESPONSIBILITY AND AUTHORISATION MATRIX		
Disposal Type	\$1 - \$99,999	\$100,000 - \$499,999	>\$500,000
Public Auction; Open Tender; Trade-in; Sale; EOI; Destroy/Recycle	Manager	Director	CEO or Council Resolution
Charity/Gifting	EMT	Council Resolution	Council Resolution
Land Sale, Exchange or Transfer	Council Resolution	Council Resolution	Council Resolution

11. EXEMPTIONS FROM THIS POLICY

This Policy contains general guidelines to be followed by the City in its disposal activities. There may be circumstances where the disposal methods identified in this Policy will not necessarily deliver best outcome for the Council, and other methods may be more appropriate.

The Chief Executive Officer may waive application of this Policy with respect to the sale or disposal of Land or Assets and pursue a method which will bring the best outcome for the



Council, in which case the reasons for waiving application of this Policy must be recorded in writing and reported to the Executive Management Team or Council, as applicable (see Delegations). However, in regards to the disposal of surplus land, Council is still obligated under Section 189 of the Local Government Act to provide public notice of an intention to sell or exchange land and allow interested persons to make a submission under Section 223 on the proposed sale or exchange; and obtain a current valuation of the land.

12. POLICY MONITORING AND REVIEW

The City will undertake a review and evaluation of the effectiveness of this Policy at least once every 4 years and following Council elections, in accordance with the City's strategic management and planning framework. The City may, in any event, conduct a review and evaluation of the effectiveness of this Policy at any time.

The Chief Executive Officer, or their delegate, will report to Council on the outcome of any review and will make recommendations for amendments, alterations or substitutions as may be required.

If this Policy is amended, altered or substituted in accordance with the above, it will not apply retrospectively to a method of Land or Asset disposal (as the case may be) already commenced or completed.

13. RELATED DOCUMENTS

There are a number of other related Council documents that should be read in conjunction with this Policy, as follows:

- Greater Bendigo City Council Community Plan (formerly Council Plan);
- Local Government Act 1989;
- Council Asset Management Policy;
- Council Community Engagement Policy;
- Council Statutory and Discretionary Reserve Policy (2013);
- Council Records Management Policy;
- Council Contaminated Land Policy (Draft) 2017;
- CoGB Asset Capitalisation Policy;
- CoGB Asset Capitalisation Procedures;
- CoGB Asset Valuation and Revaluation Policy;
- CoGB Asset Valuation and Revaluation Procedures;
- CoGB Built Heritage Strategy (2017);
- CoGB Procedure: Assets and Surplus Land Disposal;
- Relevant City of Greater Bendigo Plans and Strategies.

14. HUMAN RIGHTS COMPATIBILITY

The implications of this policy have been assessed in accordance with the requirements of the Victorian Charter of Human Rights of Responsibilities Charter.

15. ADMINISTRATIVE UPDATES

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this, such a change may be made administratively. Examples include a change to the name of a Council unit, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be made through consultation with the staff Consultative Committee and with the approval of EMT or where required, resolution of Council.

16. REFERENCES

- Local Government Best Practice Guideline for the Sale, Exchange and Transfer of land 2000 (Department of Planning and Community Development) (updated 2009)
- Local Government Act 1989 (Vic) (S189, S223)
- Subdivision Act 1988 (Vic) (S20)
- Planning and Environment Act 1987 (Vic) (S173)
- Environmental Protection Act 1970 (Vic) (S62A)
- Crown Land (Reserves) Act 1978 (Vic)
- Land Act 1958
- Burra Charter 1999
- International Infrastructure Management Manual, International Edition - Version 5, 2015
- Australian Infrastructure Financial Management Manual – Edition 2, 2015
- National Asset Management Assessment Framework, 2009
- Relevant Australian Accounting Board Standards (AASB)
- Council Contaminated Land Policy (Draft) 2017

17. DOCUMENT HISTORY

Date Approved	Responsible Officer	Unit	Change Type	Version	Next Review Date
Nov., 2017	MFS	Financial Strategy	Most recent update	1.00	Nov., 2021