Port Pirie Regional Council

DISPOSAL OF LAND & ASSETS POLICY	
Type	Governance
Category	Office of the Chief Executive
Responsible Officer	Chief Executive Officer
First Issued / Adopted	22 May 2013
Review Period	4 years
Last Reviewed	25 March 2026, 25 September 2019, 23 March 2016
Minutes Reference	OM062/26, OM327/19, OM70/16,
Next Review Date	March 2030
Applicable Legislation	Local Government Act 1999 Independent Commissioner Against Corruption Act 2012 Community Titles Act 1996 Crown Land Management Act 2009 Land Acquisitions Act 1969 Land & Business (Sale & Conveyancing) Act 1994 Planning, Development & Infrastructure Act 2016 Roads (Opening & Closing) Act 1991 Real Property Act 1886 Retail & Commercial Leases Act 1995 Residential Tenancies Act 1995 Strata Titles Act 1988 Work Health & Safety Regulations 2012
Related Documents	Accounting Standards AASB116 Behavioural Management Policy (standards) Community Engagement Policy Code of Conduct for Council Employees Code of Conduct for Council Members Behavioural Management Policy (standards) Community Land Management Plan Lease & Licence Policy Procurement Thresholds & Delegations Policy Prudential Management Policy Purchase of Land Policy DRAFT Risk Management Policy Unsolicited Proposals Policy
Public Consultation Required	Yes for Community Land and Roads
File Reference	2024.1253 working documents 2025.0785 master document

1. PURPOSE

This policy seeks to provide guidance to Council employees in the disposal of Land and other Assets owned by the Council, by:

a) Ensuring a fair, transparent, and accountable disposal process is followed;

b) Promoting cost-effective disposal methods that provide Value for Money;

c) ensuring disposal decisions are guided by principles of Value for Money, risk management, and Probity; and

d) Providing direction on recommended practices, relevant Council policies, and applicable legislative requirements for such disposals.

This policy establishes the framework which will be supported by Council's associated procedures and operational guidance related to disposal of Land and other Assets.

2. SCOPE

a) This policy has been prepared with reference to Section 49(a1) of the *Local Government Act 1999* (SA) (the **Act**) which requires Council to develop and maintain policies, practices and procedures directed towards:Obtaining value in the expenditure of public money;

b) Providing for ethical and fair treatment of participants; and ensuring Probity, accountability and transparency in procurement operations.

This policy is also consistent with sections 201 and 202 of the Act.

This policy does not apply in the following circumstances:

a) The sale of Land for non-payment of rates;

b) Permits granted under section 221 or 222 of the Act;

c) Open space permits;

d) Leases, licences, authorisations or permits with a term of 5 years or less;

e) Disposal of goods which have been identified as scrap;

f) Disposal of goods which are not owned by Council.

3. DEFINITIONS

See Appendix 1

4. POLICY

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 Code of Conduct for Council Employees and other legislative requirements.

4.1 Policy Principles

The objective of this policy is to provide clear direction and a framework that enables the Council to achieve best practice in relation to its disposal functions.

a) In undertaking disposal functions, the Council should seek to strike an appropriate balance between the underlying need, timing and specific circumstances relating to the disposal and the following principles ensuring Consistency with Council's strategic and long-term financial directions (including Council's Strategic

Management Plans, Annual Business Plan, Annual Budget and relevant Policies);

b) Facilitating Value for money through informed decision-making and the selection of disposal methods that balance cost, benefit and risk, promote efficiency and effectiveness, and or maximise both financial and broader community value;

c) Encouraging open and effective competition, having regard to the principles of Probity, accountability, transparency, ethical behaviour and fair dealing;

d) Exploring opportunities to enhance local economic development and growth;

e) Managing risks appropriately in all stages of the disposal process;

f) Being responsive to the current and future needs of the community in asset management and disposal;

g) Ensuring compliance with statutory and other obligations; andh) Respecting any commercial confidentiality.

4.2 Considerations prior to Disposal of Land and Assets

Before proceeding with the disposal of Land or Assets, Council will have regard to the circumstances of the proposed disposal and may consider the following matters, to the extent they are relevant:

a) Council's Risk Framework risk categories: – people, financial/infrastructure, environmental, legal and reputation which may apply to the Land and/or Asset;

b) Council's Unsolicited Proposals Policy and clause 4.8 of this Policy;

c) Delegation limits of the employee/s facilitating the sale and disposal;

d) Urgency of the sale or disposal e.g. emergency situation;

e) The original intention for use of the Land or Asset at time of acquisition;

f) The current market value;

g) Any reasonably anticipated alternative or future use;

h) Any known duplication of the Land or Asset or the service provided by the Land or Asset;

i) Any reasonably anticipated impact the disposal may have on the community or Council's services or operations;

j) Any known cultural or historical significance;

k) the reasonably anticipated remaining useful life Including the annual cost of maintenance;

l) Any known restrictions on the proposed disposal;

m) If the Land is Community Land, the content of any Community Land Management Plan and or the results of any relevant community engagement (consultation) process;

n) Any reasonably anticipated impact on the environment;

o) Relevant Council Policies; and

p) Any other matter Council considers relevant having regard to the specific circumstances of the proposed disposal.

NOTE: If the cost of sale outweighs the value of the return of the Asset/s the CEO (or person delegated by the CEO) may decide that the Asset be disposed of by way of:

a) Recycling; or

b) Donation; or

c) As waste (note electrical items classed as waste should have lead cut before disposal).

d) For auditing purposes the decision, including the outcome, must be documented.

For the avoidance of doubt, this provision does not limit Council's ability to recycle, donate or dispose of (as waste) Assets in other circumstances.

4.3 Sale or Disposal of Land or Buildings

The sale or disposal of Council Land or buildings may **not** occur without the formal approval of Council at a properly convened meeting of the Council. Such approval may specify any aspects, procedures and outcomes to be observed during the sale process, and any committee member, employee and/or contractor to whom responsibility has been delegated to act on Council's behalf in that sale or disposal.

4.3.1 Road or Road Reserve

Where the Landforms 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.

The affected Land (the section of the road reserve to be closed) must be incorporated into an existing, adjoining title.

The landowner must agree to meet all costs associated with the closure of the section of road and subsequent transfer of the affected Land (including, but not restricted to survey costs, valuation costs, conveyancing costs, lodgement fees and charges).

4.3.2 Community Land

Where Land is classified as Community Land, the Council must:

a) Undertake public consultation in accordance with the Act and Council's Community Engagement Policy; and

b) Ensure that the process for the revocation of the classification of Land as Community Land has been concluded prior to its disposal; and

c) Comply with all other requirements under the Act in respect of the disposal of Community Land.

4.3.3 Leasehold Interest

Where the Council proposes to dispose of Land through the grant of a leasehold interest, the Council must comply with its obligations under Section 202 of the Act.

4.4 Land or Buildings – Method of Sale or Disposal

Council will generally dispose of Land using one of the following methods:

a) open market sale by advertisement for Public Auction or direct sale;

b) Expression of Interest;

c) Open Tender;

d) Select Tender;

e) Gifted through negotiation with a community based or not-for-profit organisation, or such other entity who in the Council's opinion, has interest in the Land (e.g. playground equipment) to achieve broader community or strategic benefit; or

f) By direct negotiation.

4.4.1 Approaching the Market *(Land and Buildings)*

Employees will select a method of approaching the market that is appropriate for the nature and context of the disposal. Determining the most suitable method in the circumstances will generally be guided by the following types of issues:

a) The nature of the Land and the proposed disposal;

b) The level of public demand and interest in the Land, including the number of reasonably anticipated or known potential purchasers;

c) The estimated value of the Land and the method most likely to achieve the best return to Council;

d) The risks associated with the Disposal;

e) The most efficient means of achieving the Council's objectives in a timely and cost effective manner;

f) The capacity of the market to submit a proposal that adequately responds to the selected disposal process.

The reasons for selecting a particular disposal method will be documented by the relevant employee, having regard to the factors outlined above.

For all methods of disposal, at least one (1) independent valuation must be obtained no more than six (6) months prior to the decision to dispose, to inform the reserve price (for Public Auction) or market price (for all other disposal methods), unless Council resolves otherwise.

4.4.2 Disposing of Land

The Council will generally seek to dispose of Land at or above current market valuation, using a method that is likely to achieve the best return for the Council. Where a lesser sale price is accepted for reasons aligned with the Council's strategic objectives, those reasons should be documented in writing.

Council will not dispose of Land or buildings to any Council Member or employee or Volunteer who has been involved in any process related to a decision to dispose of the Land or buildings and/or the establishment of the price.

4.5 Sale or Disposal of Other Assets

Assets referred to in this section include Assets which will be replaced or upgraded on a periodic basis, or have been identified as surplus to Council's operational requirements or are classified as obsolete, including but not limited to:

a) Office furniture

b) Office equipment (threshold dollar value to be determined by CEO);

c) Computer and telecommunications (ITC) equipment (threshold dollar value to be determined and resolved by Council);

d) Facility equipment including microwave, water urn, and refrigerator;

e) Minor plant and associated equipment (including, hand mowers, chainsaws, line trimmers etc.);

f) Plant incorporating pressure vessels (e.g. air compressor), and/ or including gas cylinders (e.g. welding Plant and associated equipment);

g) Passenger vehicles, including utilities; and

h) Major plant, machinery and associated equipment.

In a situation where an unsolicited proposal has been received, Councils Unsolicited Proposal Policy will be followed.

The purchaser of assets must be required to agree in writing that before purchasing any asset that no warranty is given by the Council in respect of the suitability and condition of the asset for the purchaser and that the Council will not be responsible for the asset in any respect following the sale.

NOTE: In accordance with WHS Regulations 2012, Chapter 5 and Council's (WHS) Plant Procedure, section 4.11 (Salvage and Disposal) the person being supplied with or purchasing any item of plant including a vehicle and/ or mobile plant must be given any relevant:

a) Health and safety information prepared by the designer or manufacturer for the plant held by Council (including the owner operator manual); and

b) Records relating to the plant (including maintenance records and a written notice outlining the condition of the plant, and faults identified and, if appropriate, that the plant should not be used until the faults are rectified).

Where items of Plant (e.g. passenger vehicles and heavy Plant, machinery & equipment) have been identified as surplus to needs (not included in a replacement program), the disposal is to be approved by a formal resolution of Council prior to the disposal occurring.

Council Members, employees of the Council and Volunteers will not be permitted to purchase Assets unless the purchase is via an Open Tender process or a Public Auction, and the tender submitted or bid made is the highest.

4.6 Other Assets – Method of Sale or Disposal

The Council will sell or dispose of other Assets using one of the following methods:

a) trade-in – trading in an Asset or equipment to suppliers;

b) Expressions of Interest;

c) Select Tender;

d) Open Tender; or

e) Public Auction.

4.6.1 Approaching the Market *(other Assets)*

Employees will select a method of approaching the market that is appropriate for the nature and context of the disposal. Determining the most suitable method in the circumstances will generally be guided by the following types of issues:

a) The nature of the Asset and the proposed disposal;

b) The level of public demand and interest in the Asset, including the number of reasonably anticipated or known potential purchasers;

c) The estimated value of the Asset and the method most likely to achieve the best return to Council;

d) The risks associated with the disposal;

e) The most efficient means of achieving the Council's objectives in a timely and cost effective manner;

f) The capacity of the market to submit a proposal that adequately responds to the selected disposal process.

4.6.2 Passenger Vehicles and Plant, Machinery & Equipment

In general, passenger vehicles and Plant, machinery & equipment will be disposed of by direct trade-in, unless it can be clearly demonstrated that better value may be obtained by selection of another method of sale.

4.7 Records

All stages of the sale and disposal decision making process, including the reasons for utilising a specific disposal method, must be appropriately documented. This enables the processes which are taken to be defensible and will preserve the confidence of the Council.

At the conclusion of the sale process, the Director Corporate and Community, in consultation with the Fleet Manager and the Asset Manager should be advised of the outcome and ensure that the Council's Asset Register is updated to reflect the disposal and price (if any) achieved.

4.8 Unsolicited proposals

Where Council receives an unsolicited proposal relating to the disposal of Land or Assets, it will ordinarily be assessed in accordance with Council's Unsolicited Proposals Policy, which provides the primary framework for the consideration of unsolicited approaches. However, Council may assess an unsolicited proposal under this Disposal of Land and Assets Policy where it considers it appropriate, having regard to the nature and context of the proposal. This may include, for example, a disposal of Land by a direct negotiation where there is a clear Value for Money proposition, or where the proposal arises in response to a structured disposal process already commenced by Council under this Policy.

4.9 Exemptions from this Policy

This policy contains general guidelines to be followed by the Council in its disposal activities, including a range of methods that may be adopted to achieve the best outcome for the Council or the community.

There may be circumstances however where applying a specific provision of this Policy may not necessarily deliver best outcome for the Council. In such circumstances, the Council Members may resolve to exempt a disposal from the application of this Policy (in whole or in part).

All decision to grant an exemption must be clearly documented, including the reasons for the exemption and any supporting information.

5. DOCUMENT REVIEW

This Policy will be reviewed every four years, or earlier if required by changes in legislation, related documents, WHS requirements, Council intent, delegated authorities, or by CEO/Director determination.

6. FURTHER INFORMATION

This policy is available for inspection at:

- Port Pirie Regional Council Principal Administration Office, 115 Ellen Street, Port Pirie
- Crystal Brook Office, 21 Bowman Street, Crystal Brook

It can be downloaded, free of charge, from Council's internet site: www.pirie.sa.gov.au

Copies are available on request (fees may apply in line with Council's Schedule of Fees and Charges).

7. DOCUMENT HISTORY

Version No.	Date Approved	Minute Reference	Notes/ changes
V1.0	22/05/2013		New Document
V2.0	25/03/2026	*OM062/26*	Consultation with NWL have resulted in the following: Changed/Updated: document format; Manager's job title, File no. Policy Statement (sect. 4); Review period from 3 to 4 yrs; Development Act 1993 to Planning, Development & Infrastructure Act 2016; Yes for Community Land and Roads (Public Consultation); File reference from Synergy to ALTUS; Purpose statement (Sect.1); Definitions moved to Appendix 1; Policy Principles (Sect. 4.1); Considerations prior to Disposal of Land and Assets (Sect. 4.2); Exemptions from this Policy (Sect. 4.11); Further Information (Sect. 6). Expression of Interest, Land, Open Quotation, Public Auction, Value for Money (Appendix 1). Added: Land Acquisitions Act 1969 and Work Health & Safety Regulations 2012 (Applicable legislation); Accounting Standards AASB116, Behavioural Management Policy (standards), Community Land Management Plan, Lease & Licence Policy, Procurement Thresholds & Delegations Policy, Prudential Management Policy, Purchase of Land Policy DRAFT, Risk Management Policy, and Unsolicited Proposals Policy (Relevant Documents); Open tender, select tender, and explanation for 'gifted'(Sect. 4.4); Approaching the Market (Sect. 4.4.1); Disposing of Land (Sect. 4.4.2); Approaching the Market (Sect. 4.7); Unsolicited Proposals (Sect. 4.10); and Document History (Sect. 7). Deleted **:** Unsolicited Proposals and affixing of the Council Seal requirements (Sect. 4.3); obligation under the Act, including its public consultation (Sect. 4.3.3); Where disposal of a vehicle – sentence (Sect. 4.9); Select quotation (Appendix 1).

Attachment A – Definitions

The Act
Means *Local Government Act 1999* (SA).

Approach to market
Is a general collective term that can be used to describe an invitation to suppliers to provide quotes, proposals, expressions or registrations of interest to tender.

Asset
Is any physical item that the Council owns and that has at any time been treated pursuant to the Australian Accounting Standards as an asset. It includes Major Plant and Equipment and Minor Plant and Equipment. It does not include financial investments or finance related activities, trees or Land.

Auction House
Means an established government or private auction house which allow members of the public to bid on various items (e.g. State Government Vehicle Auctions)

Community Land
Means all Land classified as community land under Section 193 of the Act.

Direct negotiation or sale
Means entering into direct negotiations with a single selected provider for goods or services, without any prior approach to the market.

Disposal
Means a change in ownership (or effective control) of an asset, including land, from the Council to another, by the use of the methods of disposal as contained in this policy.

Expression of Interest
Means an invitation by the Council to prospective purchasers of Land or an Asset to register their interest for the supply of Land or an Asset, often forming part of the qualification process to submit a tender.

Gifting
Through negotiation with a community based, not-for-profit organisation which has interest in an asset (e.g. playground equipment) broader community benefit.

Land
Includes Community Land, vacant land, operational land, road reserves, any legal interest in land, and any other land-related assets, including all buildings (community and operational) on land.

Lease, licence, authorisation or permit
Refers to types of agreements that may be entered into by Council with third parties for the right to use or occupy an area or facility which is owned by the Council or under its care, control or management. Such an arrangement may also be recorded in a contract or deed.

This includes a formal arrangement by lease for exclusive possession and a legal interest in the Land and less formal arrangements of a licence issued for a specified short term period for multiple users of Land and a permit issued for a casual use arrangement which includes permits under the Act.

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. It does not include Minor Plant and Equipment.

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).

Open Tender
Means undertaking a formal tendering process in the open market**Open Quotation**
Means inviting quotes with an approach in relation to the sale of Land or Assets.

Plant
Includes (as defined in the WHS Act 2012):

a) Any machinery, equipment, appliance, container, implement and tool; and
b) Any component of any of those things; and
c) Anything fitted or connected to any of those things

Probity
Means a risk management approach to ensure that selection and decision-making processes will be found to be honest, fair, transparent and defensible if scrutinised. A process conducted with regard to proper standards of probity will achieve both accountability and transparency and provide parties to the process with fair and equitable treatment.

Public Auction
Means advertisement for auction through the local paper and, where appropriate, a paper circulating in the State, or procuring the services of an auctioneer (following compliance with the Council's Procurement Policy) followed by a sale process via an established government or private auction house engaged through the LGA Procurement panel contract.

Request documentation
Includes request for quotes, request for tender and expression of interest.

Request for Quotes
Means a process for inviting quotes to achieve a stated outcome.

Request for Tender
Means a process in which an invitation to submit offers for clearly described goods or services is publicly advertised.

Reserve
Means an area of community land reserved or dedicated as a reserve or an area of land that has been designated by the Council as a reserve.

Road
Means a public or private street, road or thoroughfare to which public access is available as defined in the Act.

Select Tender
Means a process in which selected organisations or individuals are invited to submit a Tender for the purchase of Land or Assets.

Tender
Means a proposal, bid or offer that is submitted in response to a Request for Tender.

Value for Money
Means the relative benefits of different disposal options, assessed by considering all associated costs, including transaction costs, any anticipated savings in operations or maintenance, efficiency gains and the reduction of any current or likely. Assessing Value for Money is however not solely about seeking the highest financial return, but about securing the best overall outcome for the Council and the community. It involves balancing cost, risk, timeliness and quality, and considering both tangible and intangible benefits, including community outcomes and alignment with Council's strategic objectives.

Volunteer
Means persons who:

a) Undertake activities undertakes defined activities of their own free will, without payment;
b) Receives no financial remuneration for tasks performed or services rendered except for reimbursement of out of pocket expenses in some activities;

c) Are involved in or undertake activities of benefit to Council and the community and provide occasional services, entertainment, instruction or other programs and activities for specified purposes over a specified time; and

d) Complements, but does not replace or threaten the livelihood of paid workers.