

11.1.1 Urgent Business – Sale of Toyota Corolla

Applicant: N/A
File Ref. No: ADM182
Disclosure of Interest: Nil
Date: 19th February 2019
Author: Gary Sherry
Attachments: Nil

Summary

Council is to consider reviewing urgent business relating to resolution of the sale process for Council's Toyota Corolla sedan.

Background - Nil

Comment

Staff are attempting to have the Agenda prepared at least a week before each Council Meeting. In completing this schedule, business of an urgent nature will arise from time to time in particular where commercial activities within the district would be delayed by Council not considering the item.

Statutory Environment

Shire of Cuballing – Standing Orders Local Law 1999 – Section 3.10:
3.10 Urgent Business Approved By the Person Presiding or by Decision

In cases of extreme urgency or other special circumstance, matters may, with the consent of the person presiding, or by decision of the members present, be raised without notice and decided by the meeting.

Strategic Implications - Nil

Policy Implications

Financial Implications - Nil

Economic Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

Options

Council may resolve:

1. the Officer's Recommendation;
2. to not consider the urgent business.

Voting Requirements – Simple Majority

OFFICER'S RECOMMENDATION:

That Council consider the urgent business relating to the resolution of the sale process for Council's Toyota Corolla sedan.

11.1.2 Sale of Toyota Corolla Sedan

Applicant: N/A
File Ref. No: ADM 182
Disclosure of Interest: Nil
Date: 23rd January 2019
Author: Bronwyn Dew, Deputy CEO
Attachments: Nil

Summary

Council is to consider the sale of Council's Toyota Corolla Sedan to Narrogin Toyota for a price of \$15,500 (GST Exclusive).

Background

Council purchased its Toyota Corolla Sedan in the 2016/2017 financial year for \$24,354.00. The vehicle formed part of the then Deputy Chief Executive Officer's salary package and was used by the Deputy Chief Executive Officer and Administration staff.

Comment

As the current Deputy Chief Executive Officer chooses to reside outside the Shire of Cuballing, Council chose to negotiate a salary package that did not involve private use of a vehicle.

Currently the vehicle is intermittently used for administrative tasks and is stored in the Shire Depot. The Officer's Recommendation proposes the sale of the vehicle and the administrative tasks being met by the staff use of the CEO's vehicle or another Shire vehicle as required.

The value of the vehicle is estimated by:

- Carsales.com.au to be between \$18,200 and \$20,300 depending on the condition. This valuation assumes 30,000 km when the vehicle has driven 45,000; and
- By Redbook at between \$19,500 and \$20,000 in very good condition.

Council has received a quotation from Narrogin Toyota to purchase the vehicle for \$15,500 (GST Inclusive).

Council can also choose to sell the vehicle by auction through a range of action providers. These providers can choose to sell the vehicle by auction, with the vehicle to be picked up from Cuballing. It is also possible for Council to offer the vehicle through the auction with a reserve value.

Selling the vehicle privately has risks to Council of:

- deterioration in the value of the vehicle over the time a buyer is being sought;
- costs of maintaining the vehicle in saleable condition;
- the costs of advertising the vehicle for sale; and
- legal issues over the sale of the vehicle problems over the

Strategic Implications - Nil

Statutory Environment

Local Government Act 1995

3.58. Disposing of property

- (1) In this section —
dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not;
property includes the whole or any part of the interest of a local government in property, but does not include money.
- (2) Except as stated in this section, a local government can only dispose of property to —
 - (a) the highest bidder at public auction; or
 - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.
- (3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —
 - (a) it gives local public notice of the proposed disposition —
 - (i) describing the property concerned; and
 - (ii) giving details of the proposed disposition; and
 - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;and
 - (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.
- (4) The details of a proposed disposition that are required by subsection (3)(a)(ii) include —
 - (a) the names of all other parties concerned; and
 - (b) the consideration to be received by the local government for the disposition; and
 - (c) the market value of the disposition —
 - (i) as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or
 - (ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.

Local Government (Functions and General) Regulations 1996

30. Dispositions of property excluded from Act s. 3.58

- (1) A disposition that is described in this regulation as an exempt disposition is excluded from the application of section 3.58 of the Act.
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- (3) A disposition of property other than land is an exempt disposition if —
 - (a) its market value is less than \$20 000; or
 - (b) it is disposed of as part of the consideration for other property that the local government is acquiring for a consideration the total value of which is not more, or worth more, than \$75 000.

Policy Implications

Council has delegated the following authority in relation to the Sale of Surplus Equipment, Materials and Scrap.

This delegation has not been used in this matter because Shire staff and close relations to Shire staff submitted offers. The Officer has declared an Impartiality Interest in this matter.

W7: Sale of Surplus Equipment, Materials and Scrap

The Chief Executive Officer is delegated the authority to sell by the holding of a surplus goods sale at Council's Depot or any other fair means, items of surplus equipment, materials, tools, etc which are no longer required, are outmoded, or are no longer serviceable.

Guidelines

This delegation applies only to items with a sale value less than \$2,000.

Financial Implications

In considering this offer for the Toyota Corolla Sedan Council should recognise that:

- the vehicle is currently stored at the Shire Depot in an open area.
- the vehicle is currently used for administration staff to make the weekly trip to Narrogin for banking purposes but is otherwise unused.

It should be expected that the condition, and therefore value of the vehicle will deteriorate in this situation.

Economic Implications – Nil

Social Implications – Nil

Environmental Considerations – Nil

Consultation – Nil

Options

The Council can resolve:

1. the Officer's Recommendation;
2. to sell the Toyota Corolla Sedan by private treaty, with Council obtaining additional quotations for the sale;
3. to sell the Toyota Corolla Sedan by private treaty by auction or tender;
4. to not sell the Toyota Corolla Sedan; or
5. defer and seek additional information stating the reasons for such decision.

Voting Requirements – Simple Majority

OFFICER RECOMMENDATION:

That Council sell the Toyota Corolla Sedan to Narrogin Toyota for \$15,500 (GST Inclusive).