	RESERVE PRICE POLICY	DOCUMENT NO: A3750871

1.1 Objectives:
The objective of this policy is to set the Reserve Price for land being sold at auction where Council has resolved to sell the land to collect outstanding rates.

1.2 Regulatory Authority:
Chapter 4 Part 12 Division 3 section 143 'Conduct of auction' of the *Local Government Regulation 2012*

1.3 Human Rights Commitment
Ipswich City Council (Council) has considered the human rights protected under the *Human Rights Act 2019 (Qld)* (the Act) when adopting and/or amending this policy. When applying this policy, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

1.4 Policy Statement:
Unless otherwise determined, when Council has resolved to sell a property pursuant to Part 12 Division 3-(Selling or acquiring land for overdue rates or charges) section 140, Council adopt sub-section (b) as described in section 143 of the *Local Government Regulation 2012* as the preferred method of setting the reserve price except where:-

    (i) an independent valuation of the property indicates that the value of the land is higher than the market value of the property and greater than the overdue rate; or

    (ii) the overdue rates are greater than the market value of the subject property.

If (i) or (ii) occur then sub-section (a) as described in section 143 of the *Local Government Regulation 2012* is the preferred method of setting the reserve price.

In all cases, Council shall obtain an independent valuation of the subject property from a registered valuer. The valuation shall provide an estimated market value on a forced sale valuation basis.

In all circumstances where the subject property has a State debt preserved amount, pursuant to section 138(4)(a) the new owner would assume any liability to the State.

1.5 Scope: The core matter addressed by this policy is setting the reserve price at an auction for the sale of land in accordance with the relevant legislation.

The sale of land by auction not the subject of a Council resolution to sell the land for overdue rates is not in scope for this policy.

1.6 Roles and responsibilities:
Chief Financial Officer and Strategic Client Office Manager:
- Setting the reserve price and advising the auctioneer of the reserve price; and
- Conduct of Auction, s 143(2) 4. 'The power to enter into negotiations with the highest bidder at the auction to sell the land by agreement if the reserve price is not reached at the auction'.

Auctioneer:
The auctioneer is to conduct the auction in accordance with the advised reserve price and state at the auction that the sale is subject to any encumbrances, which may be in favour of the State, and that the purchaser must pay the State debt amount.

1.7 Definitions:
Reserve Price:
If the highest bid at an auction equals or exceeds the reserve price, the property will be sold to that bidder. If the highest bid does not equal or exceed the reserve price it is not sold at auction but may be sold subsequent to negotiations with the highest bidder.

Relevant Legislation:
Chapter 4 Part 12 Division 3 section 143 'Conduct of Auction' of the *Local Government Regulation 2012*:
(1) The local government must set a reserve price for the auction that is at least—
    (a) the market value of the land; or
    (b) the higher of the following—
        (i) the amount of overdue rates or charges on the land;
        (ii) the value of the land.

Value of the land:
The value of the land is the value determined under the Land Valuation Act.
For non-rural land the value is its site value.
For rural land the value is its unimproved value.

1.8 Policy Author:
Strategic Client Office Manager

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