



<b>Title of Policy</b>	Disposal of Assets		
<b>This applies to</b>	All Council staff		
<b>Author</b>	Michael Boyd	<b>Date approved:</b>	
<b>Position of Author</b>	General Manager	<b>Authorised by:</b>	
<b>Legislation, Australian Standards, Code of Practice</b>	Local Government Act 1993 Local Government (General) Regulation 2005		
<b>Related Policies/Procedures</b>	Code of Conduct Statement of Business Ethics Management of Assets Policy		

## OBJECTIVE

To ensure that the disposal of assets surplus to Council requirements is carried out in a manner that promotes obtaining best value for money; accountability; fairness and impartiality and avoids any conflicts of interest.

## GUIDELINES

Assets referred to in this policy encompass all items of value to Council. This includes, but is not limited to, plant and equipment, office equipment, office furniture, stock items and software.

At all times, surplus assets or materials should be disposed of in a manner that maximises returns whilst ensuring open and effective competition.

Where need be, consultation with relevant business units and community consultation is conducted prior to disposal of significant assets. Furthermore, every effort must be made to ensure that no other department within Council has a need for the asset.

All asset information is maintained prior to disposal to ensure that informed decision making pertaining to the disposal can be made.

Items of historical or cultural significance should be given special regard adhering to relevant guidelines and regulations.

Any dangerous or hazardous goods are to be disposed of only in the authorised manner.

It is to be made clear to all prospective buyers that assets are sold as-is and at the buyers risk. Buyers are to rely on their own enquiries regarding the condition and workability of assets. No warranty or after sale service is to be offered on any assets disposed of.

All disposals must be notified in writing to Council's Director Business Services with sufficient identifying information to allow disposed assets to be removed from Councils Assets Registers.

## **RELATED DOCUMENTS**

Asset disposal should align with the Asset Management Plan (AMP). The AMP will be reviewed on a regular basis and should disclose assets requiring replacement or redundancy.

## **DELEGATION**

The General Manager has delegated authority to dispose of Council owned assets that are surplus to requirements, excluding land, which may only be disposed of by resolution of Council.

## **CONFLICT OF INTEREST**

Council officers involved in the disposal of assets are responsible for disclosing any actual or perceived conflicts of interest that may arise in the performance of their duties. Council officers must ensure there is no conflict of interest on their behalf prior to the commencement of each disposal activity. All perceived and actual conflicts of interest are to be referred to the General Manager.

## **REASONS FOR DISPOSAL**

A decision to dispose of a Council owned asset may be based on one or more of the following:

- Obsolescence
- Non-compliance with work health and safety standards
- Nil utilisation estimates in foreseeable future
- Nil usage in previous 6 months (stock items)
- Optimum time for maximum return
- Uneconomical to repair
- Replacement of an existing asset e.g. plant

## **PREPARING ASSETS FOR DISPOSAL**

Thorough inspections must be carried out prior to disposal to ensure assets do not contain:

- Additional items not intended for sale
- Confidential documents
- Any other Council documents
- Software (which may lead to a breach of licence or contain confidential data)
- Hazardous material

## **DISPOSAL METHODS**

The principal methods of disposal of assets are:

- Destruction – where assets are of no value
- Donation to registered charities or community organizations – where estimated asset value does not exceed \$2,000
- Negotiated sales – where estimated asset value does not exceed \$2,000 or to Rural Fire Service
- Auction – assets with an estimated value between \$2,000 and \$150,000 may be disposed of by public auction
- Tender – all assets with an estimated value between \$2,000 and \$150,000 may be disposed of by tender. All assets with an estimated value greater than \$150,000 must be disposed of by tender.

## **SALES TO STAFF AND COUNCILLORS**

As a general principle, sale of assets to staff and councilors is not to occur outside of a public process.

The Independent Commission Against Corruption (ICAC) recommends that invitations to bid for the purchase of any surplus Council assets should not be limited to staff or to elected officials. Members of the public must also be provided with the opportunity to compete for the purchase.

However, it is recognised that, on occasion, there will be individual circumstances where sale to a staff member may be the most practical or fair and reasonable manner of disposal. In these instances, the General Manager is to document all decisions and reasons for such decisions in relation to asset disposal.

## **DONATIONS TO COMMUNITY GROUPS AND REGISTERED CHARITIES**

This method of disposal may be used for assets with an estimated value greater than \$2,000.

Donations of assets surplus to Council requirements may be made with the authority of the General Manager and only after exploring all avenues for recouping a fair value for Council.

A request by a community group or registered charity for the donation of Council assets must be made in writing. In evaluating such requests, the following must be considered:

- Community groups and registered charities should receive equitable treatment
- A check should be made to ensure the group is not a disguised business operation providing funds or remuneration to the principals
- A check should be made to ensure the group is not-for-profit and that the intended use of the asset is non-commercial

The recipient group is responsible for the removal of the asset at no cost to Council.

## **VARIATION**

Council, by resolution, reserves the right to vary the terms and conditions of the policy.