



Policy Title	Asset Disposal Policy
Related Documentation	Code of Conduct Statement of Business Ethics Procurement Policy Payment of Expenses and Provisions of Facilities to the Mayor, Deputy Mayor and Councillors Policy
Relevant Legislation	<i>Local Government Act 1993</i> <i>Local Government (General) Regulation 2021</i>
Responsible Officer	Executive Manager Corporate Services and Governance

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Objective

To ensure that the disposal of Council's assets are undertaken in accordance with the relevant legislation and Council's procedures.

Policy Statement

To ensure decisions made in relation to the disposal of surplus assets are made to provide maximum return to the community either by realising the strongest financial return or by fulfilling a community service need, and are diverted from landfill.

Scope

Council staff involved in any aspect of disposal of Council's assets must adhere to this policy.

This policy applies to all types of Council assets including plant, equipment, inventory (stores items), electronic devices and hardware and portable and attractive items, but not apply to the disposal of land and/or buildings.

Principles

Council's disposal of assets shall be conducted in a manner that complies with these general policy statements:

1. Prior to disposal, an assessment must be made to determine whether the asset requires disposal, including confirmation that the asset is no longer required, is unserviceable or beyond economic

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repair, is obsolete or operationally inefficient, does not comply with Council's standards, or the costs of retaining the asset outweigh the benefits of retaining it.

2. The method of disposal should be appropriate to the nature, quantity and location of the asset, and promote fair and effective competition to the greatest extent possible. A competitive disposal method is preferred, particularly for the disposal of high-value assets or large quantities of similar assets.
3. Disposal of assets to Councillors and employees of Council should not occur outside a public process unless identified as part of the Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors Policy, or without written approval from the General Manager.
4. Buyers of Council's disposed assets are to rely on their own enquiries regarding the condition, workability and suitability of an asset. No warranty or after sales service is to be offered on any asset disposed of.

Council's authorised disposal methods are as follows:

1. Public Tender

Where the estimated returns exceed the legislative tendering threshold of \$250,000 (including GST).

2. Public Auction

Public auction (at a NSW Government contracted auction house or online through eBay, or equivalent) should be utilised when:

- a) There is public demand for the items
- b) Alternative disposal methods are unlikely to realise higher revenue; and
- c) The costs associated with the auction can be justified in relation to the expected revenue from the sale.

3. Quotations/Expressions of Interest

Should be utilised where:

- a) The items are under the legislated tender threshold;
- b) The costs of disposal are disproportionate to the expected returns; or
- c) There is limited interest.

4. Trade-in

May be utilised as a convenient way to upgrade equipment such as plant, however, a decision to trade-in surplus goods must be based on a clear analysis of the benefits of the trade-in as opposed to separate sale.

5. Sale/Donation to Charities or other Community Agencies

When considering this method of disposal, Council must consider:

- a) The items are under the legislated tender threshold of \$250,000
- b) Whether the group is non-profit and that the intended use of the asset is non-commercial;
- c) Ensure community agencies receive equitable treatment to avoid possible claims for bias; and
- d) Such method of disposal must be authorised by the Director of the section responsible for the asset.

6. Writing off the value of the Asset (recycling/destruction):

This method of disposal should only be used in the following circumstances:

- a) If the asset has no value; or
- b) If the asset is unserviceable or beyond economical repair.

Effectiveness of this Policy

This policy will be reviewed annually in accordance with Regulations and related policies to ensure its continuing suitability and effectiveness. Records of reviews shall be maintained.

END OF POLICY STATEMENT