



Policies, Procedures and Guidelines

DISPOSAL OF ASSETS POLICY

GEN015

OBJECTIVE

To provide a systematic and accountable method for the disposal of assets and to ensure the process is transparent. All disposal of assets must comply with both Council's Code of Conducts and all relevant legislation.

SCOPE

This policy applies to all assets and applies to employees, councillors and contractors who deal with the disposal of assets within Council.

This policy excludes **community land**. Under the Local Government Act 1993 No 30 Section 45 (1) council has no power to sell, exchange or otherwise dispose of community land.

DEFINITION

Asset: is a resource controlled by the Council as a result of past events and from which future economic benefits are expected to flow to the Council, and/or they have the capacity for future service delivery.

POLICY

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 and stock items.

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

Prior to the disposal of any asset, Council must ensure that no other department within Council has a requirement for the asset. When necessary, community consultation is conducted prior to disposal of significant assets.

All asset information should be reviewed 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 manufacturers recommended manner and within legislative requirements. Expert advice should be obtained from Council's waste or environment officers where necessary.

It is to be made clear to all prospective buyers that assets are sold as-is and at the buyer's 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.

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Delegation of Authority

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. **This includes assets that are to be dumped as they are no longer serviceable and cannot be disposed of for any value. Assets are not to be given to employees, contractors or councillors.**

Note: Community land. Under the Local Government Act 1993 No 30 Section 45 (1) council has no power to sell, exchange or otherwise dispose of community land.

In addition, the General Manager has delegated this authority to the following Council officers:

- Director Corporate and Community Services;
- Director Infrastructure Services; and
- Director Environment, Tourism and Economic Development

Decision to Dispose

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

- Reached the end of its useful life;
- Surplus to requirements;
- Under-utilised;
- Not fit for purpose;
- Unserviceable; or
- No longer meets legislative requirements

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 or Software (which may lead to a breach of license or contain confidential data);
- Hazardous material.

As far as practical, any Lachlan Shire Council branding or identifying marks should be removed.

Stock items and spare parts

Store personnel should be notified if disposal of an asset impacts stock items. Spare parts held for a particular asset (being disposed) should be disposed of in conjunction with the asset.

Disposal Methods

The principal methods for disposal of assets are:

- Destruction – where assets are of no economic value or deemed to be unsafe;
- Donation to registered charities or community organisations – where estimated value of individual assets does not exceed \$2,000;
- Negotiated sales – where the estimated value of individual assets does not exceed \$2,000 or assets are to be disposed of to the Rural Fire Service or to other Local Government councils;
- Auction – assets with an estimated value between \$2,000 and \$250,000 may be disposed of by public auction;

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- Trade In – motor vehicle, plant and equipment assets;
- Tender – all assets with an estimated individual value between \$2,000 and \$250,000 may be disposed of by tender. All assets with an estimated individual value greater than \$250,000 must be disposed of by tender. Real estate is excluded from this requirement;
- Sale of real estate – disposal of land and buildings requires a resolution of council and may be sold by tender, public auction, through a registered real estate agent or at market value with negotiations conducted by the General Manager or delegate.

Section 55 of the Local Government Act 1993 sets out the parameters for Tendering, and should be referenced and complied with, where relevant. Section 55 (3) (d) states that the tendering requirements do not apply to a contract for the sale by a council of land.

Sales to Staff, Contractors and Councillors

Sale of assets to staff, contractors and councillors must 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, contractors or to elected officials. Members of the public must also be provided with the opportunity to compete for the purchase.

Conflicts of Interest

A conflict of interest exists where a reasonable and informed person would perceive that a member of Council staff or an individual councillor could be influenced by a private interest when carrying out their public duty. Members of Council staff or individual councillors involved in the procurement process must avoid any conflict of interest.

Any conflict of interest, whether pecuniary or non-pecuniary, involving a member of Council Staff or an individual councillor, their spouse, relative, partner, friend or business associate must be declared and must be dealt with in accordance with the relevant Council Code of Conduct.

Donations to Community Groups and Registered Charities

This method of disposal may not be used for individual assets with an estimated value of more than \$2,000.

Donations of assets surplus to Council requirements may only 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; and
- 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.

RIGHT TO VARY

Council reserves the right to vary or terminate this policy at any time.

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RELATED DOCUMENTS

Procurement Policy

Asset Accounting Policy

NSW Local Government Act 1993

NSW Local Government (General) Regulation 2005

Tendering Guidelines for NSW Local Government – October 2009

Code of Conduct for Staff

Code of Conduct for Councillors

Greg Tory

GENERAL MANAGER

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