

ASSET DISPOSAL POLICY

DOCUMENT SUMMARY

This Official Council Policy deals with the disposal of Council assets in an open, transparent and accountable manner.

1. STATEMENT OF POLICY INTENT

The intent of this policy is to establish a policy for Wentworth Shire Council to openly and transparently dispose of its assets surplus to Council's needs.

2. POLICY SCOPE

This policy is applicable to councillors, administrators, members of staff of council, independent conduct reviewers, members of council committees including the conduct review committee and delegates of the council.

3. DEFINITIONS AND ABBREVIATIONS (used in this policy)

This table summarises the main definitions and abbreviations contained within this policy

Act	Local Government Act 1993 (NSW)
Assets	Applies to the terms 'asset(s)', 'stores', 'item(s)', 'equipment', 'furnishings' and 'goods' as used throughout this policy and refers to items with an original purchase value of more than \$5,000 (excl. GST) or an estimated residue value of more than \$1,000 (excl. GST) at the time of disposal. It does not include real property (building and land) but may include fittings attached to the property.
Regulations	Local Government (General) Regulations 2005 (NSW)

4. BACKGROUND INFORMATION

Nil.

5. POLICY

It is the policy of this Council that:-

- 5.1 A "good" is of value to Council; only in so much as it continues to cost effectively support the delivery of the Council's services. Goods that are no longer needed should be disposed of promptly. The "disposal" must achieve best value for money such that Council obtains the best possible return for the goods it sells.
- 5.2 The disposal method that is chosen must promote fair and effective competition to the greatest extent possible, and disposals should be conducted in an ethical manner. The disposal process should be as follows:
 - Decision to dispose
 - Estimate the value
 - Factors to consider in disposal
 - Select the appropriate disposal method
 - Obtain approval for disposal process
 - Effect disposal
 - Evaluate the disposal process

Document Approval

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- 5.3 Council staff should check and declare that there is no conflict of interest on their behalf prior to the commencement of each disposal activity. If there is a conflict of interest the staff member should seek advice from their Departmental Director or Manager.
- 5.4 Before any disposal action can be taken, it is necessary to seek approval that goods are appropriate for disposal from the Departmental Director. Council staff must consider the following common criteria for determining whether assets may be suitable for disposal:
- a) No longer required;
 - b) Unserviceable or beyond economic repair;
 - c) Technologically obsolete;
 - d) Surplus to current or immediately foreseeable needs;
 - e) Part of an asset replacement program; and/or
 - f) Contains any environmentally sensitive or hazardous material.
- 5.5 The disposal method chosen must be appropriate to the value, nature, quantity and location of the goods, and to promote fair and effective competition to the greatest extent possible. Negotiated assets sales and internal expressions of interest for sales of asset to staff will not be allowed. To help achieve these objectives the following methods are to be utilised:
- a) Destruction / Land filling – where items are of no value.
 - b) Verbal quotes – Goods valued up to \$5,000 excl. GST may be disposed of by verbal quotes. A minimum of 3 quotes must be obtained.
 - c) Written quotes - Goods valued up to \$50,000 excl. GST may be disposed of by written quotes. Trade-ins are considered as equivalent in process to written quotes. A minimum of 3 quotes must be obtained.
 - d) Auction – Goods valued up to \$150,000 excl. GST may be disposed of by public auction.
 - e) Tender – Goods over \$150,000 exc GST. The tendering process must be utilised pursuant to the Local Government Act and Regulation.
- 5.6 Having chosen the most appropriate method of disposal, the council officer must seek approval from the appropriate Director or manager for permission to proceed with the disposal. This must be in writing via an appropriate email or memo.
- Regardless of the method of disposal, probity must be maintained and any changes to the disposal process, terms and conditions must be communicated to all potential participating parties.
- 5.7 **Donations to Community Groups/Charities**
This method of disposal may not be used for assets with an estimated value of more than \$5,000. All donations of assets with a value exceeding \$5,000 are to be reported to Council for approval before any transfer of ownership.

Donations of assets with a value of less than \$5,000 may only be made with the authority of the relevant Director and only after exploring all avenues for recouping a fair value for Council. Council staff should only consider donations in response to a

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formal written request. In considering any request, staff should keep in mind the following:

- Community groups should receive equitable treatment to avoid possible claims of bias.
- 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 non-profit and that the intended use of the asset is non-commercial (i.e. non-profit)
- Where the donation is seen as appropriate but there is a potential claim of bias the matter should be referred to the General Manager.
- The charity/community group must remove the asset themselves and at no cost to the Council.

5.8 Irrespective of the disposal method applied, all prospective buyers must be advised in writing that items disposed of, at the buyer's risk ('buyer beware'). Buyers are to rely on their own investigations regarding the condition and workability of the items and Council will not be responsible for any repairs or maintenance of the asset.

5.9 For all disposals, irrespective of whether the goods are written off, the asset registers must reflect the relevant details and the accounting records must be adjusted.

6. ATTACHMENTS

Nil.



. 27 Nov 2019

Approved by Council and signed by Ken Ross
General Manager of Wentworth Shire Council

Signed & Dated

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