

**POLICY TITLE:** ASSET DISPOSAL POLICY

**EXPIRY DATE:** UNLIMITED

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**OBJECTIVES**

To establish a policy for Balranald Shire Council to openly and transparently dispose of its assets surplus to Council's needs.

**POLICY STATEMENT**

Aim

The disposal must achieve best value for money such that Council obtains the best possible return for the goods that are being disposed, as well as maintaining probity and transparency throughout the process.

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.

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.

Conflict of Interest

Council staff involved in disposal need to understand their responsibility to disclose actual or perceived conflicts of interest that may arise in the performance of their duties.

Council staff should check 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 Director.

Decision to Dispose

Before any disposal action can be taken, it is necessary to seek approval that the goods are appropriate for disposal. Some common criteria for determining that the goods may be suitable for disposal include:

- No longer required;
- Unserviceable or beyond economic repair;
- Technologically obsolete;
- Operationally inefficient;
- Surplus to current or immediately foreseeable needs;
- Part of an asset replacement plan.

### Method of Disposal

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.

To help achieve these objectives the following methods are to be utilised:

1. Destruction – Destruction where items are of no value;
2. Negotiated Sales and Verbal Quotes – Goods valued up to \$1,500 may be disposed of by negotiated sales, internal expressions of interest and verbal quotes;
3. Written Quotations/Tenders/Auction – Goods valued over \$1,500 but not exceeding \$150,000 may be disposed of by written quotes, tenders or by auction;
4. Goods Valued over \$150,000 – If the estimated value of the goods exceeds \$150,000, the tendering process must be utilised pursuant to the Local Government Act and Regulation.

### Other Factors in the Disposal Process

There are factors apart from the monetary value of the goods that can affect the choice of disposal method, including:

- The market available for the goods;
- Time considerations;
- Council resources required to manage the disposal;
- The costs associated with the different disposal methods, ie any administration and transport cost to Council;
- The size, portability and number of goods;

Accordingly, a common sense approach should be utilised in determining the most appropriate form of disposal. In any event, the reasons should be documented and filed if an alternate method is to be utilised other than the method prescribed above (according to the monetary value of the goods in question).

### Effectiveness of the Disposal

Council employees are to ensure that the goods are properly prepared for disposal and that it is made clear to potential buyers that the goods are being sold at the buyer's risk.

Council employees should also check that goods to be disposed of do not contain material that is not intended for disposal. Neglecting to check may result in legal liability and embarrassment to Council.

Irrespective of the disposal method, it is essential that all prospective buyers are advised in writing that items are disposed of, with any faults and at the buyer's risk.

Buyers are to rely on their own enquiries regarding the condition and workability of the items.

### **1. POLICY REVIEW**

This policy may be amended at any time and must be reviewed at least every five years following its adoption (or latest amendment).

*Adopted by Council – 21<sup>st</sup> April 2009*

*Minute No. 05.09.1978*