

Disposal of Assets Policy

1 Purpose

The purpose of this policy is to ensure the disposal of assets surplus to Council requirements are carried out in a manner that promotes best value for money, accountability, sustainability, fairness, transparency, consideration of ethics and impartiality and avoids any conflict of interest.

The policy does not apply to property transactions.

2 Policy

2.1 When is an asset considered surplus to requirements?

An asset is surplus to requirements if it:

- Is obsolete and/or operationally inefficient
- No longer complies with workplace health and safety standards
- Is past its expiry date
- Has no further use in the foreseeable future
- Has not been booked out in the previous 18 months in the case of stock items
- Is at the optimum stage for disposal under an asset replacement program
- Is discovered that the item is hazardous
- Is uneconomical to repair
- Does not comply with the relevant facility's collection policy

2.2 Alternative use

Prior to disposing of an asset or materials reasonable efforts are to be taken to ensure no other Council department has a need for the asset. Transfer of the asset to another similar organisation may also be considered e.g. to a section 355 committee or another Council. A transfer price is to be agreed if the asset is being transferred.

2.3 Donation to Charities or Community Organisations

Low value assets and scrap material with an estimated cumulative value under \$2,000 may be "donated" to charities or community organisations with the authority of the relevant Director. Where this method is proposed organisations should be asked to submit proposals on its future use for consideration. All community groups must receive equitable treatment to avoid possible claims of bias. Each organisation's not for profit status should be vetted as the items must not be used for commercial purposes. The items are to be removed at no cost to Council.

2.4 Disposal method

All assets for which no alternative use has been identified and donation is not being considered are to be disposed of in a way that maximises returns while ensuring open and effective competition. This will normally be achieved using publicly competitive processes unless it is clearly most cost effective to use an alternative method. The disposal method should be appropriate to the nature, quantity and location of the items. The cost of making the sale must be taken into consideration particularly in the use of public tender, auction and quotation options.

The disposal will be made by a Council officer with appropriate delegated authority. In the case of items with a disposal value of \$150,000 or above the requirements of section 55 of the Local Government Act 1993 apply.

Sale of assets to staff/councillors is not to occur outside of a public process unless this is the most practical or fair and reasonable manner of disposal. In no circumstances should plant (including motor vehicles) be made available to staff or Councillors. An example of an appropriate sale would be the sale of a low value item to a councillor not re-elected at the end of their term. Should this approach be taken then authority for disposal will rest with the General Manager.

2.5 Special considerations

Items of historical or cultural significance should be given special regard.

Library items are to be weeded in accordance with the Library Collection Development Policy (POL-051). This policy also allows the library to sell donated material not selected for inclusion in the collection.

Deaccessioning of museum or gallery items should be made in accordance with the Coffs Harbour Regional Museum Collection and Conservation Policy (POL-130) and the Coffs Harbour Regional Gallery Collections Policy (POL-034) respectively.

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

In the case of plant trade-in is also to be considered where this is a convenient way to upgrade the relevant equipment. The decision to trade-in must be based on a clear analysis of the benefits of the trade-in as opposed to separate sale. Plant sales also attract the requirements of the Workplace Health and Safety Act which should be referred to.

2.6 No warranty to be given

Items are to be sold as-is at the buyer's risk. Buyers are to rely on their own enquiries regarding the condition and workability of asset. No warranty or after sales service is to be offered.

2.7 Decision making

The delegated officer and the relevant Group or Section Leader must ensure that no conflict of interest occurs as a result of decisions made as part of the asset disposal process. The disposal process must be adequately documented.

3 Definitions

Assets: Encompasses all items of value to Council irrespective of their status as an accountable item or consumable

Deaccessioning: The internal procedural step by which an object may be removed from the official inventoried collection of a museum or gallery

Low value assets and scrap materials: Can include:

- Consumable materials – sand, gravel, chemicals, paint, turf, hardware items, pavers
- Off-cut materials – pipe, cables, timber, plumbing fittings
- Recyclable materials – scrap metals, steel posts, brass, street signs
- Technology – IT equipment, mobile phones, cameras, calculators, computers, printers, batteries etc.
- Plant and equipment – obsolete and unserviceable items such as old trailers, lawn mowers, powered tools
- Office furniture – surplus and obsolete office chairs, desks, tables etc.

Plant: Includes any machinery, vehicle, equipment, appliance, implement or tool and any component or fitting thereof or accessory thereto

Publicly competitive processes: Processes that give all members of the public a fair chance to acquire the item. This includes public tender, public auction, sale by online auction or expression of interest/quotations

Uneconomic to repair: Means a classification given to an asset where that asset requires repairs likely to be more expensive than its replacement value

Weeding: This is the removing of materials from a library collection in a systematic and deliberate way. It is an ongoing collection management activity that aims to ensure library materials are relevant, current and appealing. Stock which is out-of-date, in poor condition, aged or no longer in demand is removed.

4 Key Responsibilities

Position	Directorate	Responsibility
Mayor	Council	To lead councillors in their understanding of, and compliance with this policy.
General Manager	Executive	To lead staff (either directly or through delegated authority) with this policy. To make decisions in regard to any application for the sale of assets to staff/councillors outside of a public process.
Directors	All Directorates	To communicate the contents of this policy to Group Leaders/Section Leaders within the directorate and ensure that decisions to dispose of assets are made according to this policy.
Group Leaders	All Directorates	To ensure that any requests for disposal of assets submitted to them are carefully considered prior to requesting a delegate's approval.
Officers in positions with delegated authority to dispose of assets	All Directorates	To ensure that requests submitted to them for the disposal of assets comply with the principles of this policy and that decisions are made accordingly.
All Council officials	Council	To comply with this policy when considering the disposal of assets.

5 References (laws, standards and other Council documents)

- Local Government Act 1993 (NSW)
- Local Government (General) Regulation 2005 (NSW)
- Independent Commission Against Corruption Act 1988 (NSW)
- Corruption Risks in NSW Public Sector Procurement – Consultation paper (July 2010)
- Corruption Risks in NSW Public Sector Procurement – The Management Challenge
- Code of Conduct Policy (POL-031)
- Donations by Council Policy (POL-013)
- Library – Collection Development Policy (POL-051)
- Procurement Policy (POL-032)
- Statement of Business Ethics (Aug 2013)
- Coffs Harbour Regional Museum Collection and Conservation Policy (POL-130)
- Coffs Harbour Regional Gallery Collections Policy (POL-034)

6 Details of Approval and revision

- **Approval date: 22/06/2017**
- **Responsible Section: Financial Planning**
- **Superseded policies/procedures: Disposal of Assets Policy (POL-021) Aug 2013**
- **Next review date: 22/06/2021**

Table of amendments

Amendment	Authoriser	Approval ref	Date