



LACHLAN SHIRE COUNCIL

DISPOSAL OF ASSETS POLICY

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Version: 2	Adopted: 17 July 2024	Resolution: 2024/156	Commencement Date: July 2020	Last Review Date: June 2024	Next Review Date: June 2028	Content Manager Ref: D24/11857

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1. BACKGROUND

Lachlan Shire Council (Council) is committed to ensuring a systematic and auditable process for the disposal of Council assets when no longer required.

2. SCOPE

This policy applies to all staff, councillors, contractors, and anyone who is involved in the disposal of surplus Council assets.

This policy does not apply to land or real property. Disposal of land or buildings is to be conducted in accordance with legislative requirements and resolution by council.

3. OBJECTIVE

The objective of this policy is to ensure that Council's disposal of surplus assets activities is conducted with probity and transparency, comply with legislative requirements, and ensure optimal value to the Lachlan Shire community.

4. DEFINITIONS

Asset: For this policy an asset is defined as any item or resource owned and/or controlled by council (excluding land or real property). 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.

5. POLICY IN BRIEF

This policy provides guidance for the disposal of surplus Council assets, and recognises that:

- High standards of ethical practice and behaviour are essential in disposing of Council assets
- Disposal practices should be undertaken in accordance with legislative requirements, and in a manner that is clear and documented
- Asset disposal practices should aim to optimise the value to the broader Lachlan Shire community.

6. POLICY IN DETAIL

6.1 General Guidelines

All asset information should be reviewed prior to disposal to ensure informed decision making.

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Items of historical or cultural significance should be carefully considered, and in accordance with relevant guidelines and regulations.

Any dangerous or hazardous goods are to be disposed in accordance with manufacturers' recommendation and legislative requirements. Expert advice should be obtained from Council's waste or environment officers as needed.

Ensure that all prospective purchasers are aware that the sale of assets is on the basis of "as is" and at the purchaser's risk. Purchasers are to rely on their own enquiries regarding the condition and workability of assets. No warranty or after sales service is to be offered on the disposal of any assets.

6.2 Identifying Surplus Assets

Council will regularly review the assets it holds to ensure they are fit for purpose. An asset can be deemed surplus to requirements for varying reasons, including:

- It has reached thresholds for Council's Plant and Equipment or vehicle replacement
- It has no identifiable future use, past its expiry, obsolete or inefficient
- It is unserviceable or uneconomical to repair
- It does not meet current work health and safety requirements
- It no longer complies with relevant environmental or quality standards

6.3 Review of Alternative Use

Prior to disposing of an asset, reasonable efforts will be taken to ensure that no other area of Council operation requires the asset.

6.4 Donation to charities and community organisations

Donations may be considered after exploring all avenues for recouping fair value to Council.

Low value surplus assets, with a cumulative value of up to \$5,000, may be donated to charities and community organisations.

To ensure due process, charities and community organisations will be invited to submit a proposal for the items, with all groups treated equitably. Once determined the donation requires authorisation by the General Manager.

6.5 Preparing Assets for Disposal

- Prior to disposal, assets must be thoroughly checked to ensure they do not contain the following:
 - Additional items not intended for sale
 - Confidential documents or any other Council documents
 - Council software, files or data (which may lead to a breach of licence, or contain confidential data or Council information)
 - Hazardous material
 - All Council branding or identifying marks should be removed where feasible.

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6.6 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 should be disposed in conjunction with the asset.

6.7 Methods of Disposal

Disposal of assets should be conducted in a manner that maximises returns and ensures transparent and effective competition. Methods of disposal include (but are not limited to):

- Public Auction: assets with cumulative estimated value up to \$249,999, or as determined by council.
- Tender: Assets valued at \$250,000 or more must be disposed by tender in accordance with legislative requirements. Assets with estimated cumulative value under \$250,000 may also be disposed by tender.
- Donation: – assets valued up to \$5,000, by invitation to submit proposal, to charity or local community organisations
- Re-purpose: assets valued up to \$5,000 may be re-purposed within Council or associated committee or user group, by inviting a documented proposal for the Committee/user group.
- Trade-In or as determined by council, assets including motor vehicle, plant and equipment
- Negotiated sales: assets valued up to \$5,000 may invite proposals from interested parties including Rural Fire Service or other councils
- Landfill or destruction: assets of no economic value or deemed unsafe

The General Manager has the delegated authority to approve the disposal of assets and the appropriate method of disposal, as shown in Table 1. The General Manager may sub-delegate this authority where deemed appropriate.

The method of disposal will be selected to maximise the public benefits of disposal, considering social, economic and circular economy principles to minimise environmental impact. Where the cost of disposal outweighs the potential financial return to Council, efforts will still be made to re-use items, as outlined in Table 1 under \$5,000 in value. Disposal to landfill should be a method of last resort, unless the item presents a risk to health and safety.

To ensure the process of disposal is at all times open and transparent, the decision and reasons for selecting a particular method of disposal will be documented and records saved, along with a register of all disposed assets.

The assessment of proposals, quotations and tenders must be documented and objective, consistent, and transparent. Council will only accept one quotation from potential purchasers, and potential purchasers will not be given an opportunity to re-quote.

Where items are to be disposed of via auction, a reserve price will be set by **the General Manager or their authorised delegate**, considering the advice of the auctioneer.

No warranty is to be provided on assets being disposed.

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Table 1 – Disposal methods

Estimated Asset Value, (incl. GST)	Methods	Required Standard
Up to \$5,000	Re-purpose of asset within Council or associated committee or user group	Invite documented proposal from Committees/user groups
	Donation of asset to charity or community organisation	Invite documented proposal from charities/community organisations
	Expression of Interest /Acceptance of quotes	Promoted via Council’s website and social media. Invite proposals (including from, for example, Rural Fire Service, other councils). Written quotation required from potential purchaser(s)
	In-house tender	Promoted and executed via internal means. Items to be collected at no expense to Council.
	Public sale /giveaway	Promoted via Council’s website and social media. Items to be collected at no cost to Council.
Up to \$249,999	Public Auction	Conducted via registered auctioneer or registered online auction site
	Public Tender, in accordance with legislative requirements	Conducted via appropriate public advertising which may include Tender Link and subject to acceptance by Council
\$250,000 or more	Must be by Public Tender, in accordance with legislative requirements	Conducted via appropriate public advertising which may include Tender Link and subject to acceptance by Council

(Note: This policy does not apply to land or real property. Disposal of land or buildings is to be conducted in accordance with legislative requirements and resolution by Council)

6.8 Staff, Contractors and Councillors

Disposal of assets to staff, contractors, committee members, councillors, or their relatives, partners, families, friends or associates, should not 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.

6.9 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 real, perceived, potential, 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 Council's policies including Code of Conduct, Conflict of Interest Policy.

7. FURTHER INFORMATION

Further information about this policy can be obtained by:

- contacting the Governance and Risk Officer
- contacting the Director Corporate and Community Services

8. RELATED DOCUMENTS

Related LSC policies include:

- *Code of Conducts for Councillors and Staff*
- *Procurement Policy*
- *Local Preference Policy*
- *Gifts, Benefits and Bribes Policy*
- *Fraud and Corruption Control Policy*
- *Conflict of Interest Policy*
- *Public Interest Disclosure Policy*
- *Modern Slavery Policy*
- *Statement of Business Ethics*

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Related Legislation includes:

- *Local Government Act 1993 (NSW)*
- *Local Government (General) Regulation 2021 (NSW)*
- *Government Information (Public Access) Act 2009 (GIPA Act)*
- *Tendering Guidelines for NSW Local Government* issued by Department of Premier and Cabinet (Local Government)
- *Modern Slavery Act 2018 (NSW)*

9. RIGHT TO VARY OR TERMINATE

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

Nothing in this policy limits any applicable legislation.

Greg Tory

GENERAL MANAGER

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