



**DATE ADOPTED: 28 MARCH 2023**

**VERSION: 1.0**

## **POLICY OBJECTIVES**

The objective of this policy is to ensure Council's asset disposal practices are conducted with probity and transparency, ensure optimal value to the Maitland community through the disposal of assets surplus to Council needs and comply with relevant legislation.

## **POLICY SCOPE**

This policy applies to anyone who undertakes or is involved in the disposal of surplus Council assets including Councillors, staff and delegates. This policy does not apply to the disposal of land or real property.

The policy recognises that:

- High standards of behaviour and ethical practice are essential in disposing of Council assets;
- Disposal practices should be undertaken in a manner that is clear and documented;
- Asset disposal practices should aim to optimise the value to the broader Maitland community.

## **POLICY STATEMENT**

Council will regularly review the assets it holds to ensure they are fit for purpose.

### **1.1 Identifying surplus assets**

An asset can be deemed surplus to requirements through application of one or more of the following:

- It has reached the thresholds set under Council's Plant and Equipment Replacement Policy;
- It has reached the thresholds set under Council's passenger vehicle replacement program;
- It has no identifiable future use;
- It is past its expiry date;
- It is obsolete and/or inefficient;
- It is unserviceable or uneconomical to repair;
- It does not meet contemporary work health and safety requirements;
- It no longer complies with appropriate environmental or quality standards.

### **1.2 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. Transfer of the asset to a group operating in support of Council (eg a 355 committee) may also be considered. A transfer value will be agreed, based on a review of market factors.

### 1.3 Donation to charities and community organisations

Low value assets, with a cumulative value of up to \$5000, may be donated to charities and community organisations. Organisations will be asked to submit a proposal for the items, with all groups treated equitably. Once determined, the donation will be authorised by the General Manager.

### 1.4 In-house tenders

As a general principle, sale of assets to Council officers or councillors should not happen outside of a public process. However, in-house tenders can be cost-effective for goods where the value is low but the costs of externally advertising and selling them would be excessive. In-house tenders may be considered, for example, in the sale of individual redundant items, office equipment of a modest size, or courtesy gifts of a token amount that Council has received, or where the asset would otherwise be disposed of to landfill.

### 1.5 Methods of disposal

The General Manager has the delegated authority to approve the disposal of assets and establish 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 by the Finance and Procurement Department along with a register of all disposed assets.

The Finance and Procurement Department will ensure the assessment of proposals, quotations and tenders is objective, consistent, documented 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 Council, considering the advice of the auctioneer.

No warranty is to be provided on assets being disposed.

**Table 1 – Disposal methods**

Estimated asset value (inc GST)	Method	Standard
\$0 - \$5,000	Re-purpose of asset within Council or associated committee or user group	Documented proposal from committee/user group
	Direct donation of asset to charity/community organisation	Documented proposal from charity/community organisation
	Acceptance of quote/s (minimum of one per item)	Promoted via Council's website and social media. Written quotation required from potential buyer



	In-house tender	Promoted and executed via intranet and 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 expense to Council.
\$5,001-\$24,999	Direct negotiation of sale with community organisation/user group considering public benefit, dollar value and payment terms	Documented proposal from community organisation/user group, including dollar value and payment terms.
	Acceptance of quote/s (minimum of one per item)	May be promoted via Council's website and social media. Written quotation required from potential buyer.
	Public auction	Conducted via registered auctioneer or registered online auction site.
\$25,000 - \$99,999	Expression of Interest/acceptance of quote/s (minimum of two per item)	May be promoted via Council's website and social media. Written quotation required from potential buyer.
	Public auction	Conducted via registered auctioneer or registered online auction site
	Public Tender	Conducted via Tenderlink
\$100,000 - \$250,000	Public auction	Conducted via licenced auctioneer or registered online auction
	Public Tender	Conducted via Tenderlink
\$250,000+	Public Tender (as required under legislation*)	Conducted via Tenderlink

\* note exclusions in Plant & Equipment Replacement Policy

## 1.6 Probity

Under the Code of Conduct, all Council Officials have an obligation to disclose potential or actual conflict of interests. Any declared potential or actual conflict of interest in a disposal process, must be declared and managed in accordance with the code.

Individuals may be removed from involvement in the process where the conflict cannot be otherwise managed.

## .2 KEY RESPONSIBILITIES

### 2.1 Elected body

- Ensure understanding of, and compliance with, this policy

### 2.2 General Manager

- Lead staff in their understanding of, and compliance with, this policy
- Resolve disposal methods in accordance with policy parameters



### 2.3 Group Managers, Executive Managers and Managers

- Set an example for staff by complying with this policy and associated procedures in relation to all disposal activities
- Communicate and enforce the principles of the policy to staff.

### 2.4 Finance and Procurement Department

- Lead the management and implementation of this policy
- Maintain systems and processes for administration of asset disposal practices
- Provide probity advice.

### 2.5 Council staff

- Ensure any disposal process activities for which the staff member is responsible are undertaken in accordance with this policy
- Maintain all required records in Council's corporate records system
- Report any suspected breaches of the policy.

## POLICY DEFINITIONS

<b>Asset</b>	A resource with an economic value that can be measured and expressed in dollar terms
<b>In house tender</b>	Where an asset is offered for sale to Council staff or councillors

## POLICY ADMINISTRATION

BUSINESS GROUP:	Strategy, Performance and Business Systems
RESPONSIBLE OFFICER:	Manager Finance and Procurement
COUNCIL REFERENCE:	Ordinary Council Meeting 28 March 2023
POLICY REVIEW DATE:	Three (3) years from date of adoption
FILE NUMBER:	12/22
RELEVANT LEGISLATION	<ul style="list-style-type: none"><li>• Local Government Act (NSW) 1993</li><li>• Local Government (General) Regulation (NSW) 2021</li><li>• Government Information (Public Access) Act (NSW) 2009</li></ul>
RELATED POLICIES / PROCEDURES / PROTOCOLS	<ul style="list-style-type: none"><li>• Code of Conduct</li><li>• Fraud Control Policy</li><li>• Plant and Equipment Replacement Policy</li><li>• Public Interest Disclosures Internal Reporting Policy</li><li>• Right to Information Policy</li></ul>

## POLICY HISTORY

VERSION	DATE APPROVED	DESCRIPTION OF CHANGES
1.0	28 March 2023	New policy adopted



