

# Operational Policy

## Disposal



## CONTROLLED DOCUMENT INFORMATION

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19th September 2023	OSM235/23	Creation of standalone policy. Exerts taken from Procurement and Disposal policy, New formatting and Branding.

Further Document Information and Relationships	
<b>Related Legislation*</b>	<a href="#">Local Government (General) Regulation 2021</a> <a href="#">Local Government Act 1993 No 30</a> <a href="#">Government Information (Public Access) Act 2009 No 52</a> <a href="#">Work Health and Safety Act 2011</a> <a href="#">Work Health and Safety regulation 2017</a> <a href="#">Tendering Guidelines for NSW Local Government 2009</a> <a href="#">Model code of conduct and procedures 2020</a>
<b>Related Policies</b>	<a href="#">Code of Conduct</a> <a href="#">Gifts, Benefits and Bribes</a> <a href="#">Motor Vehicle Leaseback</a> <a href="#">Statement of Business Ethics</a> <a href="#">WHSMS Policy and Procedure WHS001</a> <a href="#">Procurement</a> <a href="#">Councillor Expenses and Facilities</a>
<b>Related Documents</b>	<b>Procurement Framework - To be Written.</b> <b>Disposal Procedure - To be Written</b>
<p><b>Note:</b> Any reference to Legislation will be updated in this Policy as required. See website <a href="http://www.legislation.nsw.gov.au/">http://www.legislation.nsw.gov.au/</a> for current Acts, Regulations and Environmental Planning Instruments.</p>	

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## **1. Purpose**

Council is committed to ensuring disposal of assets, surplus to council requirements is carried out in a fair, transparent, and accountable manner whilst maintaining best value for money, impartiality and avoiding any perceived or real conflicts of interest. Council assets are public resources and, even if redundant or depreciated, usually still have monetary value, therefore disposal requires careful planning to ensure it is conducted in a way that obtains best value for money.

## **2. Commencement and Review**

This Operational Policy is effective from date of endorsement by the General Manager and shall remain in force until repealed by formal revocation by the General Manager.

As part of Council's commitment to good governance and continuous improvement, this Operational Policy must be reviewed and re-endorsed by the General Manager not less than once every four years or as otherwise determined by the General Manager in line with legislative requirements and policy changes.

## **3. Scope and Application**

This Operational Policy is to provide clear guiding principles for the disposal of Council-owned assets including, but not limited to plant, equipment, materials and stock items; office equipment and furniture; information technology, software and hardware.

At all times, surplus assets or materials shall be disposed of in a manner that maximises the return to council, whilst maintaining an open and transparent process.

When selling or disposing of assets, Council shall strictly implement its Code of Conduct, Statement of Business ethics and other relevant policies on matters relating to disposal.

This Operational Policy applies to all Council staff, Contractors, and Volunteers.

#### 4. Definitions

In this Operational Policy, the following terms shall be interpreted as having the following meanings:

<b>Term</b>	<b>Definition</b>
<b>Council</b>	Means Parkes Shire Council
<b>Business Day</b>	Means a day that is not a Saturday, a Sunday, 27/28/29/30/31 December, nor a public holiday in Sydney
<b>General Manager</b>	Means the General Manager of Parkes Shire Council appointed under section 334 of the <i>Local Government Act 1993</i>
<b>Governing Body</b>	Means a person elected or appointed to civic office as a member of the governing body of Council who is not suspended, including the Mayor
<b>Employee</b>	Person whose employment is governed by a contract of service, or a person deemed to be an employee under Australian or NSW industrial law
<b>Fair</b>	Being unbiased, reasonable, and even-handed. Being fair does not mean satisfying everyone or not reasonably pursuing one's legitimate interests. A fair decision may still adversely affect parties
<b>Assets</b>	Assets referred to in this policy encompass all items of value to Council. This includes, but is not limited to, light vehicles, plant and equipment, office equipment, office furniture, materials and stock items, software, and hardware. It does <b>not</b> however include real property (Building and Land) which in all cases requires a council resolution
<b>Value-for-Money</b>	Council recognises that 'overall value-for-money' is about broader economic benefits to the Council area and not just the lower price. Value for money is determined by financial and non-financial factors, including but not limited to quality, fitness for purpose, capability, associated risks, total cost of ownership including maintenance, operational costs, and disposal

## 5. Responsibility - Delegation of Authority

Party or persons	Responsibilities
Council	<ul style="list-style-type: none"> <li>• To act as custodians for Council Assets</li> <li>• To approve Council's Plant and Vehicle Replacement Program</li> <li>• To approve the sale and acquisition of large value assets</li> <li>• To ensure appropriate resources are available for the purchase of replacement assets as needed</li> <li>• Approve disposal of Land assets</li> </ul>
General Manager (GM)	<p>GM has delegated authority to dispose of Council owned assets that are surplus to requirements, excluding Land which can only be disposed of by resolution of Council:</p> <ul style="list-style-type: none"> <li>• To approve the sale and acquisition of Council assets</li> <li>• To ensure that accurate reliable information is presented to Council for decision making</li> </ul>
Directors, Managers and the Fleet and Depot Manger	<p>Directors/Managers have delegated authority to dispose of Council owned assets where the assets are marked for replacement in the approved Replacement Plan:</p> <ul style="list-style-type: none"> <li>• To develop a replacement program, using the principles of Lifecycle Analysis</li> <li>• To present information to the Council and General Manager in terms of lifecycle risks and costs</li> <li>• To provide co-ordination for the implementation and communication of this policy across Council departments</li> </ul>
The Chief Financial Officer (CFO)	<p>The CFO has delegated authority to dispose of Council owned assets that are surplus to requirements, to a maximum value of \$10,000 per item, excluding land which may only be disposed of by resolution of Council</p>
Stores Supervisor	<p>The Stores Supervisor has delegated authority to dispose of stores stock and/or loose tools where the disposal methods meet the write-off definition below</p>
Other Staff	<p>To implement replacement programs within the boundaries of individual responsibilities</p>

## **6. Reasons for Disposal**

A decision to dispose of a Council owned asset may be based on one or more of the following:

- No longer required
- Unserviceable or beyond economic repair
- Technologically obsolete and operationally inefficient
- Non-compliant with work, health and safety standards
- Surplus to current or immediately foreseeable needs
- Optimum time for maximum return
- Part of an asset replacement program to ensure appropriate for Council's needs and ensure value for money whilst maintaining asset value
- Provide the desired level of service in the most cost-effective manner, for the Council's present and future needs
- Secure potential or future plant and vehicle requirements of Council to enable it to carry out its functions
- Manage the assets of the fleet to ensure the asset value is maintained
- Maintain a modern, efficient, and safe plant and vehicle fleet

## **7. Sale or Disposal of Land and Other Assets**

### **7.1. Principles**

When selling or disposing of land or assets, the following have specific application:

- Consideration of community access to an appropriate range of facilities and services within Parkes Shire, delivered through the physical assets
- Recognition of the value of areas of native vegetation to biodiversity in Parkes Shire and the need for areas to be available for this purpose
- Transparency and accountability in sale and disposal practices and procedures
- Thorough community consultation on proposed sale or disposal of significant and important assets
- The equitable distribution of and access to quality physical assets within Parkes Shire
- Recognition of opportunities to enhance local economic development and growth
- The benefits of quality physical asset management including better service delivery, optimising the utilisation of assets, higher return on investments and creating opportunities to facilitate new facilities and services
- Compliance with all statutory obligations
- Commercial confidentiality
- Consideration of ecological impact
- Equitable, efficient and defective practices and decisions

### **7.2.**

### 7.3. Criteria

The following criteria should be considered in deciding which method to use for the sale or disposal of land and assets:

- The number and type of known potential purchasers of the land or asset/s
- The original intention for the use of the land or asset/s when purchased
- The original method and intent of Council in obtaining ownership or custodianship of the asset/s
- The current and possible preferred future use of the land or asset/s
- Potential for development and local economic growth
- Estimated value of the asset
- The level of public interest in the disposal

## 8. Methods of Disposal

The following general methods of sale or disposal of Council's assets are acceptable:

- Relocation of a surplus asset from one area within the Council to another area which can utilise the asset
- Write-off (destruction or removal to a council recycling or tip location)
- Donation to registered charities or community organisations, such as the SES, Men's Shed, etc
- Trade-in - used where there is not an active market or the Trade in price is higher than a public auction estimate
- Public Auction
- Direct Approach

## 9. Public Auction

For all assets where money is exchanged, a public auction **must** be conducted. Public Auctions maximise the opportunity for public participation in the disposal process and provides an opportunity for Council to sell for the best value. When disposing of assets in which council would like to attract local tenders, items are to be advertised on the Council website and local platforms.

When attracting purchases from outside the LGA assets are to be advertised on larger distribution platforms such as Gray's Online, Pickles Auctions or other appropriate online Auction platforms.

Should Council determine to invite tenders or expressions of interest for the sale of disposal of land and assets, the same procedures that apply to the procurement process equally apply to the process of selling or disposing of land or assets. ( See [Procurement](#) Policy for further details)

## 10. Direct Approach

Direct approach is where council approaches selected persons for potential sales in specific circumstances, such as:

- Prior ownership of the land or asset
- The owners of land adjoining the parcel of land for sale

This method is only to be used for the abovementioned circumstances; all other sales must be made by public auction.



### **11. Warranty and Logos**

All disposals are to be without warranty of any kind and as much as practical and Parkes Shire Council identifying marks or logos should be removed or obliterated. Spare parts held for a particular item should be disposed of in one parcel with the asset.

### **12. Sale to Staff or Councillors**

As a general principle, sale of assets to staff or Councillors is NOT to 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 or to elected officials. Members of the public must also be allowed to compete for the purchase.

Notwithstanding the above, Council's Councillor Expenses Policy allows for Councillors to keep their mobile device at the end of their term of office if they wish, however the payment of any ongoing monthly charges is the responsibility of the Councillor.

### **13. Sale of Information Technology (IT)/Computer Equipment**

All information technology/computer equipment intended for disposal is to be approved by the Director Customer, Corporate Services and Economy on recommendation from the IT Support team. All Parkes Shire Council data and software applications are to be removed from any hard drives as well as external asset tags and labels connecting a machine to Parkes Shire Council.

### **14. Documents required to be completed to support disposal.**

A disposal of Assets Form must be completed, and the disposal approved.

### **15. 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 role. If a Conflict of Interest arises, the employee must immediately seek the advice of their department Manager/Director.

All staff must comply with the applicable provisions of Council's Code of Conduct. It is the personal responsibility of Council officials to comply with the standards in the code and to regularly review their personal circumstances and conduct with this in mind.

### **16. Record keeping**

Records of disposal or sale of assets must be recorded within the Council's document management system ECM.