

# Operational Policy for Asset Disposal

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# 1. Introduction

## PURPOSE STATEMENT

Council assets will be disposed of in a responsible, transparent and accountable manner to the best advantage of Council.

## OBJECTIVE OF POLICY

To provide a systematic and accountable process for the disposal of surplus assets.

## DEFINITIONS

**“Asset”** any item of furniture, equipment, stock or property that is listed on Council’s asset register.

**“Net residual value”** the return to Council once all costs for the sale have been deducted.

**“Best interest of Council”** greatest net return after disposal, taking into account Council’s ethics and environmental considerations.

## EXCLUSIONS

Property and buildings or any other asset deemed by the General Manager or delegated authority.

- Information technology – Items are offered as a trade in if this is in the best interest of Council.
- Plant and Fleet – Items are offered as a trade in if this is in the best interests of Council.
- Councillors – Councillors must comply with the payment of expenses and provision of facilities policy (November 2008).



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## 2. Delegations

The General Manager has the delegated authority to dispose of property under the Local Government Act Part 3 (s377).

Apart from the donation of items to charity, the General Manager has delegated authority to the following officers for their areas;

Director – Public Works & Services

Director – Corporate and Technical Services

Director – Recreation, Customer & Community Services

Director – Planning & Environmental Services

Manager – Financial Services

Manager – Fleet & Depot

Manager – Corporate Procurement

Manager – Computer Services

Divisional Manager – HR/OD

Divisional Manager – Business, Services & Property

Divisional Manager – Finance & Information Systems & Services

Divisional Manager – Technical Services

Divisional Manager - Governance, Administration & Executive Support

Divisional Manager – Parking Services

Divisional Manager – Business & Services

Divisional Manager – Maintenance & Construction

Divisional Manager – Bondi & Beaches

Divisional Manager – Bondi Junction

Divisional Manager – Resource Recovery

Divisional Manager – Cultural and Community Services

Divisional Manager – Library & Customer Service

Divisional Manager – Integrated Planning & Community Consultation

Divisional Manager - Park Operations and Open Space Management

Divisional Manager – Strategic Planning

Divisional Manager – Development Assessment

Divisional Manager – Environmental Services

Divisional Manager – Compliance



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### 3. Rules for disposal

Once an item has been identified as surplus to needs the relevant officer will ensure:

- Dangerous goods are dealt with in the appropriate manner.
- The item is offered first to other sections within Council before any other disposal action is commenced.
- Residual value is estimated.
- Return, warranty or guarantee is NOT offered with any disposed item.
- All information relating to Council, including confidential material, software with licence restrictions, memory content and markings is removed or erased.
- Sale to staff or any member of the public is NOT permitted except through a public auction. This can include an on line auction process.
- Donation to a bona fide charity is permitted with the General Manager's approval. The value for each charity is not to exceed \$2,000 in any 12 month period.
- There is no conflict of interest in the disposal process.
- The disposal is registered on the "Disposal Form" and filed accordingly in the designated "Disposed Assets" file.
- Supporting documents eg. Sales docket, tip receipts, letters from donor recipient etc are attached to the form before filing.
- Following disposal of the asset a copy of the "Disposal Form" is forwarded to Financial Services. The copy sent to Financial Services should include copies of any receipts and must include the asset register number.



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## 4. Process for Disposal

### **STEP 1 IDENTIFYING SURPLUS, OBSOLETE, AND WORN OUT ASSETS**

The decision to dispose of an asset is the responsibility of the Officer who is accountable for the item. This decision is likely to be influenced by a range of factors including whether:

- The item is beyond its useful economic life.
- The item is still operational and if not the likely cost to repair compared to the estimated replacement cost.
- The item is no longer required for its original purpose.
- The item needs to be replaced and has reached the optimum replacement time to maximise any return on the item.
- The item is still safe to be used and meets current OH&S requirements.

### **STEP 2 APPROVAL TO DISPOSE OF THE ASSET**

The “Disposal of Minor Assets” form is to be completed for all asset disposals.

For items which have no clear owner, disposal must be signed off by the Divisional Manager of the area in which the asset is located.

### **STEP 3 SELECT THE METHOD OF DISPOSAL**

The disposal method should be determined by the nature and location of the goods for disposal and with a view to achieving the best outcome for Council.

Some assets need special consideration eg hazardous, heritage and sensitive items when considering disposal.

Dangerous goods must be disposed of in a safe and environmentally sound manner.

If the item has no residual value for Council then it should be offered as a donation to an interested external party, recycled if possible and as a last resort sent to landfill.



If the item has a residual value then it is to be

- Offered to other sections of Council for Council use or
- Offered for public auction with an appropriate reserve. This can include through an on line auction process.

If not sold at auction

- The item will be reassessed and offered at auction again at an appropriate time.
- If not sold again the item will be offered without reserve at the next most appropriate time.
- If still not sold the item will be donated to charity, recycled or if unable to be recycled, sent to landfill.

The cost of the administrative effort of undertaking the disposal should be considered when selecting a disposal method.

#### **STEP 4 PREPARING AN ASSET FOR DISPOSAL**

The item is to be checked to ensure it is on the asset register, if not it is to be entered via the standard process.

The item is valued at an appropriate rate. This valuation is to be established in conjunction with the Corporate Procurement Manager who may commission person/s of appropriate background and knowledge to provide the valuation.

In addition, some action may need to be taken on assets prior to disposal. Considerations include;

- Ensuring that the asset is safe to be used by others
- Decommissioning (eg removing logos/markers, removing potential hazardous parts of an asset, restricting capacity for abuse)
- Possible relocation of the asset to Council's Works Depot at Waterloo for disposal
- Detailing (cleaning etc) the asset to increase its attractiveness to buyers.
- For IT equipment, removal of confidential material, software with licence restrictions, memory content, etc.



## **STEP 5 MANAGING THE DISPOSAL PROCESS**

Generally items for auction or sale are to be sent to a central location such as Council's Works Depot at Waterloo. The asset is to have all appropriate paperwork attached prior to disposal, including the "Disposal of Asset" form.

The Purchasing & Stores section, in consultation with the Corporate Procurement Manager, will then proceed to send the asset to the appropriate sale facility. Any costs incurred such as travel, lotting fees etc will be the responsibility of the asset owner.

Alternatively, items can be considered for offer by on line auction. Council currently has an Ebay account. Any decision about offering an item for sale on line are to be made in conjunction with the Corporate Procurement Manager, who will coordinate the process if it is decided that this is the most suitable method of disposal.

## **STEP 6 ACCOUNT FOR DISPOSAL REVENUE**

Revenue received from the disposal of assets must be deposited into the appropriate account. Please seek advice from the Finance Section as to which account any funds are to be allocated.

## **STEP 7 RECORDS**

Disposal of assets are to be appropriately documented and records maintained for audit purposes

1. A copy of the "Disposal of Surplus, Obsolete and Worn Out Asset Form" and
2. A copy of any sale advice is to be placed on file A07/0535 – Disposal of Assts.

In addition, a copy of the approved "Disposal of Asset" form is to be forwarded to the Corporate Procurement Manager as a record of the disposal.





## WAVERLEY COUNCIL DISPOSAL OF ASSETS

A07/ 0535

Approval is sought to dispose of the following:

Description*	Qty	Asset ID No	Net book value	Est. cost of disposal	Est. market value

\* Please include make, model, serial number, location, barcode, technical specification etc. (as the asset needs to be identified in Council's Asset Register)

Reasons for Disposal	✓	Comments
Obsolete		
Uneconomic to repair		
Surplus to requirement		
Optimum replacement time		
Potential or actual OH&S risk		
Other (provide details)		

Proposed Method of Disposal	✓	Comments
Relocated within Council		
Sale by on line auction (eg Ebay)		
Sale by public auction, tender or expression of interest		
Trade in on new asset		
Donation to charity		
Disposal as scrap at registered site		

.....  
Name and Signature of officer requesting  
Date...../...../.....

### Approval

The above disposal is approved / not approved.

.....  
Name and Signature of officer with delegation to approve  
Date...../...../.....



**Disposal**

I, ....., certify that the above goods were disposed of  
on...../...../.....

\$ received on disposal: \$.....

Receipt No: ..... Date...../...../.....

.....  
Name and Signature  
Date...../...../.....

**Asset Registers**

Finance Asset Register updated on : ...../...../.....

Asset Register updated on: ...../...../.....

.....  
Name and Signature:  
Date...../...../.....

**UPON COMPLETION, THIS FORM MUST BE FILED IN THE DISPOSAL REGISTER IN RECORDS**  
**Note: Ensure you attach supporting documentation where appropriate**

