



WAVERLEY
COUNCIL

Asset Disposal Policy

Policy owner	Executive Manager, Finance.
Approved by	Executive Leadership Team
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Relevant legislation/codes	Local Government Act 1993; Local Government (General) Regulation 2021; Independent Commission against Corruption Act 1988 and ICAC Guidelines; Work Health & Safety Act 2011; Australian Accounting Standard AASB 116 Property Plant and Equipment.
Related policies/procedures/guidelines	Procurement Policy; Asset Disposal Procedure; Council's Code of Conduct; WH&S Policies.
Related forms	Asset Disposal Form

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1. Background

This policy provides clear guiding principles for the disposal of Council owned assets excluding land and buildings. A probity plan is inherent in this policy for ensuring overall fairness and integrity in the disposal of Council's assets to ensure the process is transparent and complies with Council's Code of Conduct, particularly with respect to conflict of interest, and is in line with Council's environmental sustainability and circular economy commitments to eliminate waste and reduce the continual use of new resources.

2. Purpose

To ensure Waverley Council assets are disposed of in a responsible, fair, transparent, accountable and socially and environmentally sustainable manner.

3. Scope

3.1 The aim of this policy is to:

- (a) Define the methods by which assets are disposed of;
- (b) Demonstrate accountability and responsibility of Council to ratepayers;
- (c) Be fair and equitable to all parties involved;
- (d) Enable all processes to be monitored and recorded;
- (e) Ensure that the best possible financial, environmental, and social outcome is achieved for the Council and the local community.

3.2 This policy does not cover the sale or disposal of:

- (a) Real property (i.e. land and buildings);
- (b) Civil fixed assets (i.e. roads and footpaths);
- (c) Financial Investments;
- (d) Merchandise intentionally purchased by Council for re-sale;
- (e) Food and Beverages purchased by Council for re-sale at its venues;
- (f) Any goods that have a listed price in the adopted fees and charges.

4. Delegation Of Authority

4.1 The General Manager has the delegated authority to dispose of assets up to \$1,000,000 in accordance with the delegation register.

4.2 The General Manager has sub-delegated authority to dispose of assets up to \$50,000 to the responsible director for their areas as follow:

- Director Assets & Operations
- Director Corporate Services
- Director Community, Culture and Customer Experience
- Director Planning, Sustainability and Compliance

4.3 The General Manager has sub-delegated authority to dispose of assets up to \$5,000 to the responsible officers for their areas as follow:

- Chief Information Officer
- Manager Library & Learning Future

- 4.4 The approval must not be given without consideration of a recommendation from the Executive Manager of the relevant business area.

5. Policy Statement

Council's disposal of asset-related activities shall be conducted in a manner that complies with these general policy statements:

- 5.1. Prior to disposal, a reasonable effort is made to ensure that no other Council department has a need for the asset and that circular economy opportunities have been investigated and actioned.
- 5.2. At all times, surplus assets should be disposed of in a way that maximizes returns whilst ensuring open and effective competition. Generally, this will be through the publicly competitive process of public auction.
- 5.3. Items of historical or cultural significance should be given special regard.
- 5.4. Any dangerous goods should be disposed of only in an authorized manner.
- 5.5. No warranty is to be offered or given on assets sold.
- 5.6. A check must be carried out to ensure assets do not contain:
- (a) Additional items not intended for sale;
 - (b) Confidential documents (records, files, papers);
 - (c) Documents on Council letterhead or which may be used for fraudulent purposes;
 - (d) Software (which could lead to a breach of license or contain confidential data);
 - (e) Hazardous materials.
- 5.7. As much as is practical, any "Waverley Council" identifying mark should be removed or obliterated.
- 5.8. Spare parts held for a particular item should be disposed of in one parcel with the asset.

6. Probity

6.1 Conflict of Interest

Councillors and Council Officers involved in the disposal of assets are responsible for disclosing any actual or perceived conflicts of interest that may arise in the performance of their duties. All perceived and actual conflicts are to be referred to the General Manager or his/her delegate.

The following steps are to be undertaken as part of any asset disposal process to minimize any potential conflicts of interest:

- (a) Ensure that applicants are required to disclose any conflicts of interest known to them at the time of submission of their tender/expression of interest/direct offer, etc.

- (b) Ensure that any conflicts of interest of Councilors are disclosed during the process of evaluating any tender/expression of interest/direct offer, etc. lodged by applicants.
- (c) Ensure that the requirements of the Local Government Act are met in relation to any decisions of Council concerning the process.

Further to this, Council should ensure that the assessment of tenders/expressions of interest/direct offers, etc. are undertaken by a panel of Council officers who otherwise is not involved in the tender/expression of interest/direct offer, etc. process and do not have a conflict of interest.

6.2 Sale to Staff, Administrators or Councillors

As a general principle, the sale of assets to staff, Administrators 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 elected officials. Members of the public must also be allowed to compete for the purchase.

However, it is recognised that there will be individual instances where sale to a staff member, Administrator or Councilor may be the most practical or fair and reasonable manner of disposal. In these instances, authority for disposal will rest with the General Manager or his/her delegate. All decisions and the reasons for the decisions must be documented.

7. Methods Of Disposal

All assets with the exemption of land and buildings must be disposed of in line with the Policy Statement and as indicated in the current Asset Disposal Procedure (SF18/276).

The principal methods of disposal of assets in hierarchical order are:

- (a) Stored for future use
- (b) Offered to other teams and departments
- (c) Sold via auction, Expression of Interest or Tender
- (d) Donated
- (e) Recycled
- (f) Landfill or as legally required

8. Review of Policy

This Policy will be reviewed every four years or as required in the event of legislative changes. The Policy may also be changed as a result of other amendments that are to the advantage of Council and in the spirit of this Policy. Any amendment to the Policy must be by way of a Council Resolution or the approval of the General Manager. Council reserves the right to vary the terms and conditions of this policy, subject to a report to Council.

9. Definitions

For the purposes of this policy the following terms are defined as outlined below:

Term	Definition
Council	Waverley Council
Asset	A resource controlled by the Council as a result of past events and from which future economic benefits are expected to flow to the Council, and/or they have the capacity for future service delivery. This includes items of low to no value, including but not limited to plant and equipment; office equipment, fitting, fixtures and furniture; computers and telecommunications including software and hardware, library books, statues, sculptures and artworks, play and exercise equipment, infrastructure assets and components materials for building and footpaths and any other goods owned by Council with the exception of land and buildings.
Other assets	Any goods owned by Council
Beyond economical repair	A classification given to an asset where that asset requires repairs likely to be more expensive than its replacement value
Motor vehicle	A passenger sedan or station wagon, motorcycle or commercial motor vehicle including vans, utilities, buses and trucks
Accumulated depreciation	The cumulative amount of depreciation recognised over the life of an asset.
Carrying amount	The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses
Depreciation	The systematic allocation of the depreciable amount of an asset over its useful life
Disposal	The disposal, trade-in, donation, or passing of control of the asset to another organisation
Gain or loss on sale	The difference between the net proceeds on sale and the carrying value of the asset.
Proceeds of sale	Any consideration received by the Council in exchange for an asset
Residual value	The estimated financial amount that Council would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
Useful life	The period over which an asset is expected to be available for use by Council