



Council Policy Manual

DISPOSAL OF ASSETS

Policy, procedure protocol	Policy
Document version	1
Policy number	GOV4/1
Obsolete number	
Keyword classification	Asset
Adoption date	23/04/2021 02/11/07
Resolution	42/21 301/07
Review due date	2025
Date revoked	
Documents superseded	
Related Documents	Strategic Plan Management Plan 10 Year Plant Replacement Plan Social & Community Plan Local Government Act 1993 – Sections 8
Relevant delegations	
Responsible officer	



Council Policy Manual

Objective.....	3
Statement Of Business Ethics	3
Occupational Health And Safety	3
Local Government Act 1993	3
Local Government (General) Regulation 2005.....	3
Determination Of Value.....	3
Sale Of Assets With An Estimated Value Over \$150,000	3
Designation Of Assets	4
Methods Of Disposal.....	4
Obtaining Of Quotations	5
Other Requirements	5
Splitting Quotes.....	5
Independence Of Quotes	5
Payment For Purchases	5
Councils Local Preference Policy.....	5



Council Policy Manual

OBJECTIVE:

To provide a framework consistent with legislative requirements that provide clear guidelines relating to the sale of assets surplus to the needs of Brewarrina Council aimed at ensuring the following.

- Assist Council in achieving the most advantageous price and conditions
- Open and fair competition with consideration to promote opportunities for potential purchasers in local and regional area.
- Cost effectiveness
- Good management Practices
- Transparency and Probity
- Environmental Performance

STATEMENT OF BUSINESS ETHICS

Staff and suppliers should be aware of Councils Statement of Business Ethics and abide with the provisions contained within that document.

OCCUPATIONAL HEALTH AND SAFETY

Council will at times be mindful of its obligation to ensure that during the disposal process of goods and in particular plant and equipment that no foreseeable hazards are created as a direct result of the disposal process.

Any item that it is considered will require specialist skills to operate shall be brought to the purchaser's attention and documentation to that effect completed prior to the sale being completed.

LOCAL GOVERNMENT ACT 1993

Staff should be familiar with the provisions of section 55 of the Local Government Act 1993 and ensure compliance at all times

LOCAL GOVERNMENT (GENERAL) REGULATION 2005

Staff should be aware of the provisions of this regulation and its impact on the calling of tenders where applicable and ensure compliance

DETERMINATION OF VALUE

As necessary the General Manager shall ensure that an estimated value of the assets to be sold is obtained and if the assets to be disposed so warrant an independent professional opinion sought.

SALE OF ASSESTS WITH AN ESTIMATED VALUE OVER \$150,000



Council Policy Manual

A Public Tender in accordance with the Local Government (General) Regulation 2005 must be undertaken and a formal contract or agreement must be established.

DESIGNATION OF ASSETS

Managers are accountable for ensuring that the surplus, obsolete or worn out assets in their area are sold or disposed of in accordance with this policy.

An asset is **surplus** if it is functioning and of economic benefit but has no application in Councils operations.

An asset is **obsolete** if it is technologically out dated and functions without economic benefit

An asset is **worn out** if it no longer functions, which includes an unreliable asset or one which is beyond economic repair

METHODS OF DISPOSAL

The following are general methods of sale of Councils assets are acceptable

1. Trade in on new assets eg Motor vehicles
2. Transfer within Council with appropriate amendment to assets schedules
3. Sale by Public Auction
4. Open invitation to tender or quote to the public through advertisements in the media
5. Invitation to staff to quote in circumstances that the assets have no real value and sale through the public system would not be economic
6. Direct approach top potential purchasers in specific circumstances
7. Donation to a community based non profit organisations.
8. Disposal at a registered tip

NOTE. Staff may only purchase assets being disposed of through an arms length competitive process, such as the calling of expressions of interest from staff or public auction.



Council Policy Manual

Assets will not be sold to individual staff by private treaty without the express consent of the General Manager. Assets to be scrapped are only to be taken by Council staff with the consent of the General Manager.

OBTAINING OF QUOTATIONS

If the method of disposal is by the obtaining of quotations or by direct approach to potential purchasers the following guidelines should be adhered to unless otherwise authorised by the General Manager if the circumstances so warrant

- Assets valued between \$0-\$2,000.00 at least one written quotation
- Assets valued \$2000.00 - \$20,000.00 at least two written quotation.
- Assets valued \$20,000.00 - \$150,000.00 at least three written quotation

OTHER REQUIREMENTS:

SPLITTING QUOTES:

It is unacceptable to split a particular sale of assets into smaller parcels to circumvent the above requirements.

INDEPENDENCE OF QUOTES:

The quotes obtained must not be all from related arms of the same organisation supplying the goods or services.

PAYMENT FOR PURCHASES

Prior to Council relinquishing any assets payment must be received in full for the agreed sale price or other arrangements for payment of the money due made and agreed to by the General Manager.

COUNCILS LOCAL PREFERENCE POLICY

Note : Councils local preference policy does not apply to the sale of goods by direct purchase