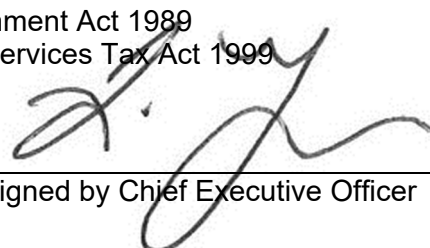


DOCUMENT TYPE:	Council policy
DOCUMENT STATUS:	Approved
POLICY OWNER POSITION:	Manager Financial Services
INTERNAL COMMITTEE ENDORSEMENT:	Not applicable
APPROVED BY:	Council
DATE ADOPTED:	26/09/2023
VERSION NUMBER:	3
REVIEW DATE:	26/09/2027
DATE RESCINDED:	Click here to enter a date.
RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	Asset Management Policy Asset Management Plan Staff Code of Conduct Councillor Gift Policy
RELATED LEGISLATION:	Local Government Act 2020 Local Government Act 1989 Goods and Services Tax Act 1999
EVIDENCE OF APPROVAL:	



Signed by Chief Executive Officer

FILE LOCATION: K:\EXECUTIVE\Strategies policies and procedures\Policies - adopted PDF and Word\POL Disposal of Council Assets v3.docx

Policy documents are amended from time to time, therefore you should not rely on a printed copy being the current version. Please consult the policies on the Loddon Shire website (Council Policies) or Intranet (Organisational Policies) to ensure that the version you are using is up to date.

This document is available in alternative formats (e.g. larger font) if requested.

1 PURPOSE

The purpose of this policy is to provide direction to Council staff when disposing of Council assets. Effective application of this policy will ensure that any disposal of Council's assets is carried out in a transparent, fair, independent and open manner.

2 SCOPE

This policy applies to Staff, delegated committee members and contractors for the identification of assets that are no longer 'fit for purpose' or excess to the current needs of Council and require disposal or rationalisation. All asset sale actions must adhere to the Levels of Authority Delegations.

3 POLICY

3.1 Considerations prior to request to dispose of an asset

Before any request to dispose of or rationalise an asset is submitted from the relevant department to the delegated staff member, the relevant officer must ensure that the request is appropriate and must consider (where applicable) the following:

- utilisation of the asset
- usability of the asset
- current market value of the asset
- ongoing cost to maintain the asset to a reasonable standard
- appropriate timing of disposal to maximise return for Council
- duplication of the asset or the service provided by the asset
- if the asset is surplus to the needs of Council
- potential risk of ownership, e.g. contains environmentally sensitive or hazardous material
- impact the disposal of the asset may have on the community
- any cultural or historical significance of the asset
- the remaining useful life of the asset
- compliance with Council's Procurement Policy
- donating or gifting of assets when the asset is no longer fit for Council purposes, or when the financial realisation of the asset is minimal
- risk analysis of the proposed asset disposal or rationalisation
- the asset does not contain confidential documents, software, licencing implications or associated material (e.g. on items such as computers and tablets)
- conflict of interest (that the officers involved in the disposal process have no conflict of interest e.g. membership of relevant committees, receive financial benefits from the use or disposal of the asset)
- internal financial controls and transparent asset management and disposal practices
- consideration of the context of 'gifts' within the Councillor Gift Policy and Staff Code of Conduct.

3.2 Methods of disposal

Council officers will manage, where appropriate, the disposal or rationalisation of the asset in the most cost effective manner, through one of the following methods:

Disposal method	Rationale	Asset type
Trade-in	Trading in equipment as part of another purchase or plant rationalisation process	Major equipment and minor equipment
Expression of interest	Seeking expressions of interest from buyers	Land, major equipment and minor equipment
Open tender	Openly seeking bids through a tender process	Land, major equipment and minor equipment
Sale or public auction	Land - Upon obtaining a current valuation, procure the services of a real estate agent or auctioneer and advertising for sale or auction through the website, Facebook and local paper. Where appropriate, a newspaper circulating in Victoria, ensuring open and effective competition that maximises returns for Council (following compliance with Council's Procurement Policy and relevant requirements of the Local Government Act 2020) Minor equipment – Public advertising or use of a public auction platform, ensuring open and effective competition	Land, major equipment and minor equipment
Demolish/recycle	Depending on the condition and potential future usability of the asset, the value of the asset may be written off and the asset disposed of if the asset is beyond economical repair	Minor equipment
Charity/gifting	Donation of Council owned assets to a non-profit organisation will be undertaken via a transparent and competitive process administered using the Smarty Grants platform	Minor equipment

Selection of a suitable disposal method will include consideration of:

- the public demand and interest in the asset
- the method most likely to return the highest revenue to Council
- the value of the asset
- whether it is light vehicle or heavy plant and equipment
- the costs of the disposal method compared to the expected returns, and
- compliance with statutory and other obligations.

Councillors and Council officers will not be permitted to purchase assets being disposed of by Council unless the purchase is via an open tender or public auction process.

Charity / gifting of surplus or redundant assets may only be made with the authority of the CEO (fleet and major plant and other items valued over \$10,000) or relevant delegated officer in accordance with the Levels of Authority Delegations (other items valued under \$10,000), and only after exploring all avenues for recouping a fair value for Council or any alternate use within Council.

Council officers should only consider donations in response to a formal written request. In considering any request, officers should keep in mind the following:

- community groups should receive equitable treatment to avoid possible claims of bias
- the asset manager will investigate to ensure the group is non-profit and that the intended use of the asset is non-commercial (i.e. non-profit)
- where the donation is seen as appropriate but there is a potential claim of bias, the matter should be referred to the director of the department where the asset sits, who will adjudicate the claim or refer the matter to the CEO and
- the charity/community group should facilitate the removal of the asset themselves.

3.3 Due diligence checklist

A check must be carried out to ensure assets do not contain:

- additional items not intended for sale
- confidential documents (records, files, papers)
- documents on Council letterhead which may be used for fraudulent purposes
- hard drives with Council specific software still installed (which could lead to a breach of licences or contain confidential data)
- hazardous materials
- any identifying Council logos or marks that must be removed prior to sale, and
- all spare parts relating to the asset for sale must be included in the advertised 'asset for sale' package.

Upon the sale of an asset, it is the responsibility of the manager of the relevant department where the asset sits to inform the Financial Services Department of the sale to ensure that the financial statements and asset registers are updated to reflect the sale.

Refer to Council Property Transactions and Management Policy for land sales and transfers.

3.4 Consultation

Council must undertake public consultation in respect of its proposed disposals or rationalisation of land in accordance with the Local Government Act 2020.

3.5 Delegations

Authority to dispose of Council owned assets is outlined in Council's Levels of Authority Delegations.

3.6 Buyer's risk

Irrespective of the disposal method applied, all prospective buyers must be advised in writing that the asset is disposed of, with any faults, at the buyer's risk ('as is where is'). Buyers are to rely on their own investigations regarding the condition and function of the asset and Council will not be responsible for any repairs to or maintenance of the asset.

4 COMMUNITY ASSETS

Where a Community Asset Committee or similar group has purchased minor non fixed assets using funds raised by the committee, they may dispose of the asset using the methods outlined in Section 3.2. All excess funds are to be retained by the asset committee / group to be used for future asset purchasing or to assist with maintenance costs. The sale of any asset needs to be discussed, approved and noted in the relevant minutes.

5 DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Term	Definition
Asset	A resource with economic value that Council owns or controls with the expectation that it will provide a future benefit. Council assets typically include roads, bridges, footpaths, drains, libraries, town halls and recreational centres, and minor items such as plant, furniture, IT devices and equipment.
Land	Vacant or including buildings.
Major equipment	Items of plant and furniture that are above the capital recognition threshold.
Minor equipment	Minor items of plant, furniture or technology that are under the capital recognition threshold.

6 HUMAN RIGHTS STATEMENT

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act. Loddon Shire Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.

7 REVIEW

The Manager Financial Services will review this policy for any necessary amendments no later than 4 years after adoption of this current version.