POLICY NAME	ASSET DISPOSAL POLICY
Date Adopted	22 July 2026
Resolution Number	173/26
Policy Custodian	Director Infrastructure Services
Policy Development Officer	Director Infrastructure Services
Review Date	2029 (3 years from resolution date)
Relevant Legislation	*Local Government Act 1993* *Local Government (General) Regulation 2021* *State Records Act 1998* *Government Information (Public Access) Act 2009* Australian Accounting Standards (AASB 116, AASB 138) – for derecognition/ write-off
Related Documents	Asset Capitalisation Policy (Adopted 28 May 2025) Procurement Policy and Procedures Disposal of ICT Assets Policy Risk Management Policy Records Management Policy Asset Management Plans and Long-Term Financial Plan TSC Code of Conduct

POLICY OBJECTIVES

1. Provide a consistent, transparent and timely approach based on "the whole of life cost" assessment for disposing of assets that are surplus, obsolete, unserviceable, require replacement for operation purposes or uneconomic to retain.
2. Achieve value for money and promote fair and effective competition through appropriate disposal methods (e.g., public/online auction, expressions of interest, public tender, trade-in).
3. Ensure probity, accountability and the management of conflicts of interest, with clear separation of duties and documentation.
4. Ensure compliance with applicable legislation, State Records requirements and Government Information (Public Access) Act 2009 (GIPA) obligations.
5. Embed sustainability by prioritising reuse, repurposing, recycling and safe disposal in line with environmental and WHS requirements.

6. Align disposal practices with Council's Asset Capitalisation Policy (May 2025), particularly Section 6 'Asset Decommissioning and Disposal', and AASB 116 to maintain whole-of-life asset integrity.
7. Whole-life cost assessment for various options would improve decision making of Council's ownership of various elements of Council's significant asset portfolio.

WHOLE-LIFE COST CONSIDERATIONS

Whole-life cost concept relates to the total cost of ownership over the life of an asset. The concept is also is commonly referred to as "cradle to grave". Costs considered include the financial, environmental and social costs throughout the life of the asset. Typical areas of expenditure which are included in calculating the whole-life cost include planning, design, construction and acquisition, operations, maintenance, renewal and rehabilitation, depreciation and cost of finance and replacement or disposal.

POLICY SCOPE

This Policy applies to all Councillors, employees, contingent workers and contractors involved in initiating, approving, conducting, recording or reporting the disposal of Council owned or controlled assets.

COUNCIL ASSET CLASSIFIED INTO 9 CATEGORIES/ASSET CLASSES

Council owned or controlled assets portfolio including but not limited to the following asset classes:

1. **Transport Assets**: Transport Assets: Sealed roads, unsealed roads, bridges, major culverts, kerb and gutter, footpaths and stormwater drainage and causeways.

2. **Water Services Assets**: Water treatment plants, pumping stations, and water supply networks.

3. **Sewerage Services Assets**: Sewer treatment plants, pumping stations and sewer networks.

4. **Buildings, Swimming pool and Saleyards**: Council owned buildings, community buildings, heritage buildings, parks and recreational facilities, war memorial baths and saleyards.

5. **Plant, Fleet & Equipment**: Heavy plant, light plant, motor vehicles (including trade-in vehicles) and machinery.

6. **Parks & Open Space:** 44 hectares of dedicated parklands and 21 hectares of sporting grounds.

7. **Furniture, Fittings & Office Equipment**: Office furniture, fittings, white goods and minor equipment.

8. **ICT Assets**: ICT hardware, communications equipment and other Council ICT resources.

9. **Council land**

Exclusions: disposal of Council-owned real property (land and buildings) is governed by separate processes and Council resolutions; abandoned and impounded goods are handled under specific legislation and procedures.

POLICY STATEMENT

Council will dispose of assets in a manner that delivers value for money, integrity and transparency. The choice of disposal method will consider net financial outcome, market conditions, timing, risks, administrative effort and sustainability.

1. Triggers for disposal: surplus to current and future needs; obsolete and technically outdated; uneconomic to repair or maintain; safety and environmental risk that cannot be reasonably mitigated; or replacement under an approved renewals program.

2. Approval & delegations: Disposal actions require approval consistent with Council's financial delegations. Land and building disposals require a Council resolution. All disposals must be initiated via an Asset Disposal Request with justification, indicative value, proposed method and probity/risk assessment.

3. Preferred methods: In accordance with the Procurement Policy, expressions of interest and quotes; public tender where legislatively required or where advantageous; public auctions; trade-in where documented analysis shows a superior net outcome. Donations or transfers to registered charities, community groups or other public entities would apply only where sale would not represent value for money or the administrative cost would be disproportionate, subject to approval and public benefit test; regulated recycling or destruction for uneconomic, hazardous or unsaleable items.

4. Special Handling by Asset Class

• Infrastructure: partial disposals must be reflected in the asset register per capitalisation policy (quantity or componentisation). Document salvage for spares.

• Buildings, swimming pool and saleyards: check public land classification/plan of management; Council resolution required for disposal.

• Fleet, Plant and Equipment: typically auction; WHS checks and safe handover required.

• ICT: follow Disposal of ICT Assets Policy, backup as relevant, data sanitisation to government standards, de-identification, licence review, e-waste recycling; retain sanitisation certificates.

5. Simple, Complex or Grouped assets: Council will apply the definitions of Simple, Complex and Grouped assets within its Asset Capitalisation Policy specifically, when disposing of these types of assets.

6. Valuation & Reserves: Use recent sales and auction data, independent appraisal for higher-value items, or qualified internal assessment. Set reserve prices where appropriate and document methodology.

7. Probity & conflicts: Council officials may only purchase assets via an open competitive process and must not have had decision-making involvement or access to non-public information providing advantage. Contract splitting and practices designed to avoid tendering are prohibited.

8. Records & reporting: The Finance team must be notified of all decommissioning, disposal or partial disposal within 28 days to update the asset register and financial systems. Workforce, Safety, Risk & Records notified for insurance purposes. Disposal files will retain approvals, valuations, advertisements/listings, bids/quotes, evaluation records, sale/transfer documents, WHS/environmental certificates and asset register adjustments.

9. Financial treatment: Assets will be "de-recognised", and any gains or losses recognised in accordance with Australian Accounting Standards, Council's accounting policies and insurance purposes.

10. Complaints & Supplier Feedback: Manage complaints consistently with OLG/NSW Procurement guidance (fairness, timeliness, documentation).

11. Review: every three years or upon legislative/policy change (Procurement framework).

POLICY DEFINITIONS

Definition	Meaning
Asset	A resource that provides service potential or economic benefit to Council/community and is expected to be in commission for more than one year.
Disposal	Any method by which Council divests itself of an asset, including sale, auction, tender, trade-in, transfer/donation, recycling or destruction.
Decommissioning	The permanent or temporary removal from service of an asset or part of an asset.
Partial Disposal	The permanent removal/abandonment of part of an asset (e.g., component replacement) requiring asset register update.
Complex Assets	Complex assets are those that consist of a number of related parts or elements that collectively provide a service, or part of a service.
Simple Assets	Simple assets are those that have no components that can be identified by purpose, material, valuation unit rate, or useful life.
Grouped Assets	Grouped assets are a number of assets that are recognised as a single asset in Council's asset register.
Market Value	The amount expected to be received from selling an asset in an orderly transaction between market participants at the measurement date.
Asset Register	Council's authoritative record of assets, including identification, location, value, life and status.
Trade-in	A disposal method where an asset is exchanged for a credit against the purchase of another asset.
Reserve Price	A minimum acceptable sale price set for auction/tender based on valuation.

VERSION CONTROL & CHANGE HISTORY

Previous Versions	Date of Adoption by Council	Resolution #	Author/Editor	Summary of Changes
New Policy	22/07/26	173/26	Manager Asset Program and Planning & Manager Finance & Technology	New Policy and Procedure, aligned to Asset Capitalisation Policy (May 2025); introduces probity, methods and recordkeeping requirements.

Appendix A – Asset Disposal Request Form & Checklist

Asset Disposal Request Form & Checklist		
Disposal Information	Requesting Officer (Name)	
	Area/Dept	
	Date	
Asset Information	Asset Class	
	Asset Description	
	Cost Centre	
	Location	
Asset Owner	Asset Owner	
	Business Unit Representative	
Value	Initial Purchase Price ($)	
	System Application and Product Value ($)	
	Estimated Disposal Value ($)	
Delegated Approval	Manager Approval (Name)	
	Manager Approval (Signature)	
	Manager Approval (Date)	
	Provide Details on Disposal Methodology (what method was used)	
	Agreed Value ($)	
	Sold to (Vendor Details, Name, Address)	
	Buyers Agreement Signed (provide copy)	
Payment	Date Payment Received	
	Confirm payment to Finance Service	
Asset Register Update	Finance asset disposal process	
	Financial Delegation Approval (Signature)	
	Date	
	Finance Services Processed Finalised	