

**POLICY**



**CENTRAL TABLELANDS WATER**

# **ASSET DISPOSAL POLICY**

## DOCUMENT CONTROL

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Reviewed by		General Manager			
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1	12/10/15		DFCS		16/079
2	Dec 2025	Rewritten to align with legislative requirements and best practice	EMCS		25/104

## Purpose

The purpose of this policy is to ensure:

- Accountability and transparency in the disposal of Central Tablelands Water owned assets,
- Compliance with CTW's Code of Conduct, particularly with respect to conflict of interest, and
- CTW's assets are disposed of in a responsible, transparent, and accountable manner that achieves the best value for money in accordance with all relevant applicable legislation, in particular, the Local Government Act 1993 (NSW).

## Scope

This policy applies to all assets owned and maintained by CTW and hence is applicable to all Directorates. Examples of assets owned, leased, or controlled by Central Tablelands Water and therefore covered by this policy include (but are not limited to) plant, vehicles, buildings, land, Information & Communication equipment, office furniture, machinery, and water meters.

This policy should be read in conjunction with applicable Asset Management Plans to ensure whole of life considerations. Assets will be disposed to the best advantage of CTW, considering whole of life costs and replacement needs.

## Principles

### 1. General Principles

#### 1.1 Delegated Authority

With respect to the disposal of assets that are surplus to CTW requirements, the following delegated approval applies:

- Where the disposal is valued at \$250,000 or over (including GST), or is the sale of CTW owned land, only the Council has delegated authority to approve.
- In addition to the delegated authority to approve disposals up to the value of \$249,999 (including GST), only the General Manager (GM) has delegated authority to approve disposal of assets.
- In accordance with delegated authority, Executive Managers can authorise the disposals to the value of their purchasing delegation. This excludes assets being sold for nil cost.
- In accordance with delegated authority, the Executive Corporate Services Manager can authorise the disposal of Information & Communication Technology assets in accordance with this policy. This excludes assets being sold for nil cost.

All requests for disposal are to be made on the relevant CTW Disposal of Assets Request Form.

#### 1.2 Reasons for Disposal

A decision to dispose of an asset may be based on one or more of the following:

- Obsolescence
- Non-compliance with occupational work, health and safety standards
- No use expected in the foreseeable future

- No usage in the previous 24 months
- Optimum time to maximise return and/or to minimise life-cycle costs
- Uneconomical to repair

### **1.3 Preparing Assets for Sale**

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

- Additional items not intended for sale
- Confidential documents or data (records, files, papers)
- Documents on CTW letterhead or which may be used for fraudulent purposes
- Software (which could lead to a breach of licence or contain confidential data)
- Hazardous materials

A declaration of reason(s) for disposal is to be completed and approved by an authorised approver, together with the checklist to demonstrate compliance of disposal rules (refer Section 1.4).

As much as practicable, any CTW identifying mark or logo should be removed or obliterated.

Spare parts held for a particular item should be disposed of in one parcel with the asset.

### **1.4 Disposal Rules**

At all times, surplus assets or materials should be disposed of in a way that maximises returns whilst ensuring open and effective competition.

Prior to disposal, a reasonable effort is to be made to ensure no other department has a need for the asset. Items of historical or cultural significance should be given special regard and any dangerous goods disposed of only in an authorised manner.

Advice is to be sought from the Executive Management Accountant regarding the GST and financial accounting implications of the sale of the asset, noting assets with a residual written down value will impact the financial statements of CTW.

No warranty is to be offered on assets sold.

#### **1.4.1 Disposal of Information & Communication Technology (ICT)**

All information & communication technology intended for disposal is to be approved by the Executive Manager Corporate Services. All CTW data and software applications are to be removed from any hard drives, as well as external asset tags and labels connecting a machine to CTW.

The Executive Manager Corporate Services will arrange for the disposal of equipment in accordance with this policy.

### **1.5 Asset Disposal Methods**

#### **1.5.1 Method of Disposal for Plant and Vehicles**

Vehicles and plant will be disposed of using the most financially advantageous method. Acceptable methods include:

- a) Auction (reserves set at market values).
- b) Dealer Trade (minimum of 3 trade prices required).

- c) Private sale by sealed tender following approved procedures.

No process favouring disposal to staff will be permitted.

### **1.5.2 Method of Disposal for Other Assets**

The following general methods of sale or disposal of CTW's assets are acceptable:

- a) Trade-in on new Assets (in line with same number of quotes required for value in purchasing policy).
- b) Sale by public auction.
- c) Open invitation to quote/ tender to staff in specific circumstances such as the disposal of low value assets or obsolete equipment that has no significant market value.
- d) Open invitation to tender or quote to the public through advertisements in the media.
- e) Direct approach to potential purchasers in specific circumstances, such as:
  - Prior ownership of the land or asset
  - The owners of land adjoining the parcel of land for sale
  - Direct relationship with an asset
  - Prior contractual arrangement
- f) Donation to charitable institutions or local community service organisations, such as the SES.
- g) Scrapping of obsolete assets via disposal at a Registered Tip or Recycling Facility.

### **1.5.3 Sale of Major Assets**

Should the Council determine to invite tenders or expressions of interest for the sale or disposal of other assets, the same procedures that apply to the purchasing process equally apply to the process of selling or disposing of land or assets.

### **1.5.4 Recording of Sold Assets**

The officer responsible for the disposal of any CTW asset with complete the asset disposal form to inform CTW's Executive Management Accountant and Asset Officer, providing all relevant details so that Asset Register can be updated and appropriate accounting treatments for disposed assets effected. The General Manager will sign off on all Disposal Forms.

## **2. Sale to staff/Board members**

As a general principle, sale of assets to staff 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 CTW assets should not be limited to staff or to elected officials. Members of the public must also be allowed to compete for the purchase.

CTW staff may only purchase assets being disposed of through an arm's length competitive process, such as calling of expressions of interests from staff (for low value assets) or public auction. Assets will not be sold to individual staff by private treaty unless extenuating circumstances apply and only then with the express consent of the General Manager.

Assets being scrapped are only to be taken by CTW staff with the consent of the General Manager.

### 3. Governance

#### 3.1 Policy Implementation

This policy will be implemented immediately upon adoption. A copy will be available on CTW's website and SharePoint.

There are no specific reporting requirements for this policy.

#### 3.2 Conflict of Interest

The officer responsible for the disposal of any CTW asset and the relevant Manager must ensure that no conflict of interest occurs in or because of the asset disposal process and must disclose to the General Manger any actual or perceived conflict of interest that may arise in the performance of their duties as soon as identified.

The General Manager will record the disclosure and implement procedures for the management of control of the conflict including the withdrawal of the conflicted officer from the process, if necessary.

The non-disclosure of an identified conflict of interest will be considered a breach of CTW's Code of Conduct and may lead to disciplinary action.

#### 3.3 Non-Compliance

Regular monitoring of compliance with this policy, relevant legislation and CTW policies and procedures will be undertaken and documented by the responsible officer for this policy.

Breaches of this policy are breaches of CTW's Code of Conduct and notification will be made to the General Manager.

### POLICY REVIEW

This policy will be reviewed every 4 years, or more frequently if needed, with reference to any relevant legislation, best practice guides, or other related factors.

### DEFINITIONS

Asset	Any item of property owned by Central Tablelands Water.
Asset Disposal	The removal of an asset from Central Tablelands Water's ownership.
Plant	Includes but not limited to loaders, graders, and backhoes.
Light Vehicles	All sedans, wagons, utilities, and light trucks under 4.5 tonne.
Low Value Assets	Assets with a value of \$1,000 or less.
Obsolete	An asset no longer being used because it can't produce value for Central Tablelands Water.
Small Plant	Included but not limited to mowers, brush cutters, pumps, and chainsaws.
Trucks	All trucks over 4.5 tonne.
Tender	As defined in the Local Government Act 1993. May take the form of open or selective tenders.
The Act	Refers to the Local Government Act 1993.

## **REFERENCES**

- Local Government Act 1993 (NSW)
- CTW Code of Conduct
- Independent Commission Against Corruption Act

## **VARIATION**

Council reserves the right to review, vary or revoke this policy.