# Asset Disposal Policy

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## 1. Purpose

This Policy establishes a clear and consistent framework for the disposal of Northern and Yorke Local Government Association (NYLGA) assets to ensure decisions are transparent, accountable, and achieve value for money.

The Policy aims to:

- Ensure asset disposals are conducted fairly, consistently, and in accordance with legislative obligations
- Promote value for money and responsible stewardship of public resources
- Support informed, evidence-based decision-making
- Ensure processes are transparent, defensible, and auditable
- Align asset disposal activities with NYLGA's strategic objectives and regional priorities
- This Policy has been prepared having regard to section 49 of the *Local Government Act 1999* (SA), noting NYLGA's status as a regional subsidiary.

## 2. Scope

This Policy applies to:

- All physical assets owned or controlled by NYLGA, including land, plant, equipment, and other tangible assets.

This Policy does not apply to:

- Financial investments or financial instruments
- Procurement of goods and services (covered under separate policies).

## 3. Definitions

**Asset**

Any physical item owned by NYLGA and recognised as an asset in accordance with applicable accounting standards, including land, infrastructure, plant, and equipment.

**Disposal**

The transfer, sale, trade-in, donation, recycling, or destruction of an asset, resulting in a change of ownership or control.

**Value for Money**

An assessment of the best outcome based on cost, quality, fitness for purpose, risk, and whole-of-life considerations.

**Members**

Constituent councils of the Northern and Yorke Local Government Association.

## 4. Guiding Principles

All asset disposal activities will be guided by these principles:

- Transparency and accountability
- Value for money
- Consistency and fairness
- Probity and integrity
- Compliance with statutory obligations
- Strategic alignment
- Local benefit where appropriate
- Conflict of interest management.

## 5. Asset Disposal Framework

All asset disposal decisions must follow a structured and documented process:

**Assessment**

- Identify the asset and confirm ownership
- Assess the condition, remaining useful life, and maintenance costs
- Determine whether the asset is surplus to operational requirements
- Consider future service delivery needs.

**Evaluation**

- Assess potential disposal options
- Consider financial, operational, environmental, and community impacts
- Evaluate risks associated with disposal.

**Approval**

- Ensure disposal decisions are made in accordance with delegated authority levels
- Obtain required approvals before disposal.

**Implementation**

- Select a proper disposal method
- Conduct the disposal process under this Policy.

**Documentation**

- Maintain a complete and accurate record of the process, decision, and outcome.

## 6. Circumstances for Disposal

Assets may be considered for disposal where they are surplus to operational requirements, obsolete, unserviceable, uneconomical to maintain, replaced under an approved program, or where disposal is otherwise in NYLGA's strategic or financial interests.

## 7. Financial Considerations

Where appropriate, disposal decisions should consider the estimated market value of the asset and the net return after considering costs such as removal, storage, transport, and disposal.

## 8. Disposal Methods

Asset disposal may be undertaken using one or more of these methods:

- Public sale (including online platforms or public advertisement)
- Public auction
- Open or selective tender process
- Trade-in arrangements (in accordance with procurement requirements)
- Transfer or sale to member councils
- Donation to community or not-for-profit organisations (where justified)
- Recycling or environmentally responsible disposal
- Write-off and scrapping.

The selected method must:

- Be appropriate to the value and nature of the asset
- Support value for money
- Be justifiable and documented.

## 9. Decision-Making and Approvals

All disposal decisions must:

- Be supported by appropriate analysis and justification
- Be made within approved delegation limits
- Consider financial thresholds and risk exposure
- Be documented in a way that shows transparency and accountability.

## 10. Non-Market Disposal

Where an asset is disposed of other than through an open market process (e.g. public auction or tender), the reasons for adopting an alternative method must be clearly documented.

## 11. Disposal of Land

Disposal of land must not proceed until all relevant statutory requirements, title considerations, and any applicable restrictions or approvals have been identified and addressed.

## 12. Probity and Conflicts of Interest

All parties involved in asset disposal must:

- Act with integrity and impartiality
- Avoid actual, potential, or perceived conflicts of interest
- Declare any conflicts of interest when they arise
- Not use their position to obtain personal or financial advantage
- Failure to comply may result in disciplinary action.

## 13. Record Keeping

All asset disposal activities must be documented, including:

- Asset details and valuation (where applicable)
- Assessment and decision-making rationale
- Approvals and delegations exercised
- Method of disposal and process undertaken
- Outcome, including financial return
- Records must be securely stored in accordance with legislative and organisational requirements.

## 14. Monitoring and Continuous Improvement

Asset disposal activities will be:

- Reviewed to ensure compliance and effectiveness
- Analysed to identify trends, risks, and opportunities for improvement
- Reported to leadership where appropriate.

## 15. Related Policies

This Policy should be read in conjunction with:

- Procurement Policy
- Code of Conduct
- Fraud and Corruption Prevention Policy
- Delegations Policy
- Financial Management Policy
- Records Management Policy.

## 16. Review

This Policy will be reviewed every two years or earlier if required due to:

- Legislative changes
- Organisational changes
- Audit findings or identified risks.