POLICY FA13 – Disposal of Surplus Assets

Responsible Officer: Chief Executive Officer	**Approved By:** Council
Adoption Date: 27 August 2026	**Last Reviewed:** New Policy
Version: 1.0	**Next Review Date:** August 2029

1. Purpose

To provide a transparent, equitable and legally compliant framework for the disposal of local government property that is surplus to the operational requirements of the Shire of Bridgetown-Greenbushes, ensuring value for money, probity, and proper record keeping and in accordance with section 3.58 of the *Local Government Act 1995* and Regulation 30 of the *Local Government (Functions and General) Regulations 1996.*

2. Scope

This policy applies to the disposal of all property owned by, vested in, or under the care, control or management of the Shire of Bridgetown-Greenbushes, except where a specific legislative or policy exemption applies.

3. Statutory Framework

All disposals must comply with:

- *Local Government Act 1995*, section 3.58
- *Local Government (Functions and General) Regulations 1996*, regulations 30 and 31
- Any other applicable legislation, Council policies, and delegated authority instruments relevant to the disposal

Disposals must occur by public auction, public tender, or another lawful method permitted under section 3.58 of the Act or regulation 30. Where property is proposed to be disposed of other than by public auction or public tender under section 3.58(3), the Shire must give local public notice of the proposed disposition, invite submissions for the required period, consider any submissions received, and ensure the notice includes the required market value and consideration details. Officers must first confirm whether a proposed disposal is an exempt disposition under regulation 30 before determining the disposal pathway.

4. Definitions

Term	Definition
Act	*Local Government Act 1995*
Asset	A resource controlled by the Shire as a result of past events and from which future economic benefits or service potential are expected to flow to the Shire.
Disused equipment, machinery and materials	Items that, in the opinion of the Chief Executive Officer or delegated officer, are no longer required and cannot be readily sold, traded or reused, or have little or no residual value. Disposal of such items must still comply with section 3.58 of the Act unless an exempt disposition under regulation 30 applies.

Term	Definition
Non-profit community organisation	A not-for-profit organisation or group whose primary purpose is to improve quality of life or provide community, welfare, sporting, recreational, cultural or similar community benefit.
Worker	An employee, contractor, volunteer, work experience student or other person carrying out work for or on behalf of the Shire.
Public notice and application	A process involving local public notice of a proposed disposition and invitation for submissions in accordance with section 3.58(3) of the Act.
Private treaty	A negotiated sale of property at an agreed price, undertaken only where lawful under section 3.58 of the Act and associated regulations.
Tender	An externally advertised process inviting offers to purchase property in accordance with legislative requirements.

5. Policy Statement

- The Shire may dispose of surplus assets through sale, donation, trade-in, recycling or lawful refuse disposal where those assets no longer provide operational value and where disposal is lawful, transparent and appropriately approved.
- The disposal method selected must reflect legislative compliance, value for money, probity, environmental responsibility, risk management and, where relevant, community benefit.
- Surplus assets must not be donated to Council Members or Workers.
- Any sale involving a Council Member or Worker may only occur through a lawful competitive public process, with conflicts of interest transparently managed and documented.
- Where a disposal is undertaken under section 3.58(3), the Shire must give local public notice, consider submissions received, and record reasons for the decision in accordance with legislative requirements.

5. Roles and Responsibilities

Role	Responsibility
CEO	The CEO is responsible for ensuring the Shire has appropriate systems, delegations, and governance arrangements in place to support lawful and compliant disposal of surplus assets under this policy.
Delegated Officer	An officer authorised under the Shire's Delegations Register to approve and manage asset disposals within their delegated authority, ensuring compliance with legislation, this policy, and associated procedures.
Responsible Officer (Project / Operational)	Officers leading projects or operational activities involving assets are responsible for identifying assets affected by works, consulting with asset custodians, and ensuring disposal requirements are documented and addressed.

Role	Responsibility
Council	Council is responsible for making decisions on disposal of property where required by legislation or where the disposal exceeds delegated authority.

6. Reasons for Disposal

An asset may be determined surplus where it:

- Has reached its predetermined economic life
- Is due for replacement or renewal
- Is no longer required due to changes in service delivery or usage patterns
- Does not meet work health and safety requirements
- Is damaged, beyond economical repair or no longer operable
- No longer provides an acceptable level of service to the community

7. Order of Disposal

Disposal methods are to be selected based on lawfulness, value for money, probity, risk, environmental responsibility and, where relevant, community benefit. Subject to these considerations, disposal will generally occur by sale, donation, trade-in, recycling or lawful refuse disposal.

- Sale by public auction or public tender may be used where this is expected to achieve a competitive and transparent outcome.
- Private treaty may only be used where lawful under section 3.58(3) or where the disposal is exempt under regulation 30. Where section 3.58(3) is used, local public notice, invitation for submissions, market value disclosure and consideration of submissions are required.
- Donation to eligible non-profit community organisations or schools may occur only where lawful and supported by objective assessment criteria such as community benefit, capacity to use the asset, alignment with Shire outcomes, equity, and value/risk considerations. Priority may be given to organisations and schools located within the Shire where this is consistent with those criteria and the law.
- Trade-in may be used where the entire consideration received for the disposal is applied to the purchase of replacement property and the value of the replacement property does not exceed $75,000, or where another lawful pathway applies.
- Recycling or lawful refuse disposal may be used where assets cannot be practically sold, donated or traded and all environmental, safety and records requirements are met.

In applying this policy, officers must also comply with the Shire's current delegated authority. As at Delegation 1.22, disposal of land to an adjoining owner may be treated as exempt where the market value is less than $5,000 and the delegate determines the land would not benefit anyone other than the adjoining owner.

Disposal of property other than land or buildings may be exempt where the market value is less than $20,000, or where the property is disposed of within 6 months after an unsuccessful auction, public tender or private treaty via statewide public notice. Trade-in type disposals may also be exempt where the entire consideration is applied to the purchase of other property and the value of that property does not exceed $75,000.

Staff exercising delegated authority must also observe the delegation condition that disposal of property for any single project, or single transaction, is limited to a value of less than $20,000 unless otherwise approved.

Where public auction is used, a reserve price is to be set by independent valuation. If the reserve price is not achieved at auction, negotiation may be undertaken to achieve a sale at up to a 10% reduction from the reserve price, where permitted by the relevant delegation or approval.

Where private treaty under section 3.58(3) is used, negotiation may be undertaken at up to a 10% variance from the valuation where permitted by the relevant delegation or approval, and reasons for the final decision must be recorded.

Disposal methodology should, wherever practicable, demonstrate environmentally responsible outcomes.

8. Conditions of Disposal or Sale

All surplus assets disposed of by sale or donation are subject to the following conditions:

- Items are disposed of on an "as is, where is" basis, with all faults.
- Payment (where applicable) must be received prior to collection.
- The Shire will not provide consumables, installation, maintenance or technical support.
- The Chief Executive Officer, or delegated officer, may:
    - Withdraw items from sale or donation processes.
    - Reject any tender or application.
    - Decline to enter into a private treaty.

9. Asset Management and Reporting

- All disposed assets must be recorded and removed from the asset register or relevant inventory systems.
- A Disposal Register must be maintained, recording as applicable the date, asset description, disposal method, purchaser or recipient, consideration or estimated value, approval pathway, and relevant decision record.
- All documentation relating to tenders, expressions of interest, private treaties, donations or other disposal decisions must be retained in accordance with records management requirements.
- Details of assets disposed of by sale, donation, trade-in, recycling or refuse disposal must be reported through the monthly financial statements or other approved financial reporting mechanisms where applicable.

10. Legislative and Other References

- *Local Government Act 1995* – s.3.58

- *Local Government (Functions and General) Regulations 1996* – regs 30 and 31
- Delegation 1.22 – Disposing of Property (Staff)
- Delegations Register

11. Review and Monitoring

This policy will be reviewed every three (3) years, or earlier if legislative or governance changes occur. Compliance monitoring is the responsibility of the Chief Executive Officer.