

Sale or Disposal of Assets Policy

1. Introduction

- 1.1. The Eastern Waste Management Authority herein referred to as East Waste is committed to ensure a consistent, fair, transparent and accountable approach is maintained with regards to the sale or disposal of any assets which are owed by East Waste.
- 1.2. This Policy provides a framework relating to the sale and disposal of East Waste owned assets and outlines East Waste's approach in preparing an asset for sale or disposal in accordance with the Eastern Waste Management Authority Charter (Charter).

2. Definitions

- 2.1. **Asset** means all assets contained within East Waste's Asset Register (other than assets which are held under a lease). It includes all plant, vehicles, furniture and equipment, fit outs of facilities including offices and workshops.
- 2.2. **Employee** means a person employed by East Waste.
- 2.3. **Major plant and equipment** refers to all trucks, vehicles, operating machinery and other major plant items owned by East Waste.
- 2.4. **Minor plant and equipment** includes all loose tools, store items, inventory stock, furniture, art, gifts, minor information technology equipment. These assets have a value which is less than East Waste's capitalisation threshold and are not recorded on the Asset Register.
- 2.5. **Open Tender** means a tender that is advertised to the entire market via an open invitation process e.g. SA Tenders website accompanied by an advertisement.

3. Objectives

- 3.1. East Waste will consider disposal of assets when formulating its annual budget to determine whether there are any assets held which are either deemed no longer meeting operational needs and/or are surplus to East Waste's strategic requirements. Any assets which are held which are deemed no longer operationally or strategically required to be held by East Waste will be considered for disposal. The disposal process will consider:
 - Encouraging open and effective competition
 - Obtaining value for money by assessing:
 - Services provided to the Constituent Councils.
 - Impact on East Waste's strategic management plans and long-term financial plan.
 - Relevant direct and indirect risks to East Waste.

- Cost benefit of various disposal methods.
- Internal administration costs.
- Demonstrating impartiality, fairness, independence, openness and integrity in all discussion and negotiations.

4. Policy Scope and Implementation

4.1. Reasons to Dispose of an Asset

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

- 4.1.1. Obsolescence.
- 4.1.2. Non-compliance with work health and safety standards.
- 4.1.3. Considered surplus to East Waste's requirements.
- 4.1.4. Asset has not been used in the previous 12 months.
- 4.1.5. Uneconomical to repair.
- 4.1.6. Has reached the end of its useful life in accordance with East Waste's asset service standards.

4.2. Sale or Disposal Principles

- 4.2.1. The disposal of assets (both major plant and equipment and minor plant, stock, and equipment) will be the responsibility of the General Manager in accordance with the provisions of the East Waste Charter and Act.
- 4.2.2. The following factors will be considered when determining a method of disposal:
 - 4.2.2.1. Public demand and interest in the asset.
 - 4.2.2.2. The method likely to return the highest revenue.
 - 4.2.2.3. The value of the asset and whether it is major plant and equipment or minor plant, stock, and equipment.
 - 4.2.2.4. The costs of the disposal method compared to the expected returns, and compliance with statutory and other obligations.
 - 4.2.2.5. The optimum method to reuse or recycle the asset or its components.
- 4.2.3. Assets will be disposed of using the following methods:
 - 4.2.3.1. Trade-in – trading in equipment to suppliers.
 - 4.2.3.2. Expressions of interest – seeking tenders from a selected group of persons, community groups or companies.
 - 4.2.3.3. Public tender – openly seeking bids through tenders.
 - 4.2.3.4. Public auctions – advertisement for auction through the local paper and, where appropriate, a paper circulating in the state, or procuring the services of an auctioneer (following compliance with East Waste's Procurement Policy).
 - 4.2.3.5. Reuse or recycling of the asset or its components – or if this cannot be done, then safe disposal methods that minimise environmental harm.

- 4.2.3.6. Destruction – minor plant, stock and equipment which are not cost effective to dispose may be destroyed and binned.
- 4.2.3.7. East Waste will not dispose of assets to any Board Member, employee of East Waste, employee of a Constituent Council or a East Waste contractor unless the purchase is via a public tender process or a public auction, and the tender submitted, or bid made is the highest.
- 4.2.3.8. The sale and/or disposal of assets to Board Members/employees is not to occur unless it is done through an approved public process.
- 4.2.3.9. Purchasers of assets must be required to agree in writing before purchasing any assets that no warranties will be given by East Waste in respect of the suitability and condition of the asset for the purchaser and that East Waste will not be responsible for the asset in any respect following the sale.

4.2.4. Minor Plant, Stock and Equipment: Register of Interest

- 4.2.4.1. The sale and/or disposal of any assets valued below East Waste's capitalisation threshold will be disposed of at the direction of the General Manager after taking into consideration what method will likely result in the most favourable financial return to East Waste.
- 4.2.4.2. The Independent Commission Against Corruption (ICAC) recommends that invitations to bid for the purchase of any surplus public assets should not be limited to employees or to members of the Board or the Constituent Councils. Members of the public must also be allowed to compete for the purchase.
- 4.2.4.3. If the above process does not yield a preferable result as indicated, a random draw will be conducted at the reserve price, and no further correspondence entered.

4.3. Unsolicited Proposals to East Waste for the sale or disposal of land or other assets.

In the event that an unsolicited proposal for the purchase of an asset is received; it should be directed to East Waste's General Manager in the first instance. The proposal should then follow the sale and disposal principles in Clause 4.2 of this Policy.

5. Legislation

Local Government Act 1999

6. Related Documents

Eastern Waste Management Authority Charter
East Waste Annual Business Plan and Budget
East Waste Long Term Financial Plan
Procurement Policy.

7. Review

This Disposal and Sale of Assets Policy shall be reviewed within three (3) years of issued date or more frequently if legislation or organisational needs change.

 Signed _____ Acting General Manager Date <u>02</u> / <u>05</u> / <u>2025</u>	 Signed _____ Chair East Waste Board Date 02/05/2025
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8. Document History

Version No:	Issue Date:	Description of Change:
1.0	April 2018	New Document (superseded Sale and Disposal of Land and other Major Assets
2.0	June 2022	As per Agenda Item 7.4 East Waste Board Meeting held 25 June 2020. Endorsed by Board,
3.0	May 2022	Minor amendments.
4.0	May 2025	Full review; aligned with LGA Model Policy.