

DISPOSAL OF ASSETS POLICY

SCOPE

All Council asset disposals must be carried out in compliance with this policy and any other requirements in the Local Government Act 2009 and the Local Government Regulation 2012.

LEGISLATION

Local Government Act 2009
Local Government Regulation 2012

OBJECTIVE

To ensure there is appropriate governance processes established for the disposal of current assets.

DEFINITIONS

Council	means Banana Shire Council
Current Asset	means an item with a value less than the limit set for non-current assets
Interest in Land	means the leases of Council land that are lodged with the Titles Office
Surplus to Requirements	means when the asset (or material) is functioning (or in use) and has economic benefit, but has no application in Council operations, or where the asset has no economic benefit (its use incurs more cost than benefit derived)
Scrap	means an asset no longer functions, is obsolete (legally out of date), or has been deemed non-compliant by Workplace Health and Safety regulations, or the asset or surplus material may only be disposed of as scrap
Valuable Non-Current Asset	(see section 224(7)&(8) Local Government Regulation 2012) means <ul style="list-style-type: none"> (a) land; or (b) plant or equipment with a value of \$5,000 and over (c) for another type of asset with a value of \$10,000 and over

Note: The thresholds for Valuable Non-Current Asset for disposal are different than the thresholds for recognition on the asset register.

All items, plant, equipment and infrastructure assets that fall below these thresholds are deemed current assets for the purpose of this policy. It is the value of the assets at the point they become surplus to requirements that is used for the application of this policy.

POLICY

Only those Council officers that have a disposal delegation and a responsibility for disposals may undertake the process of asset disposal. All Council asset disposals must comply with this policy.

1. Preparation for Disposal

Prior to the disposal of assets or materials surplus to Council requirements (or deemed to be scrap) the employee disposing of the asset or material shall ensure:

- no confidential information will be released with the disposal; and
- the condition of the asset (or item) is clearly understood by any recipient

2. Disposal Methodology

The method of disposal selected from the policy should ensure probity issues are addressed and value for money is received from the disposal process.

3. Valuable Non-current Assets, Land and an Interest in Land

Items deemed valuable non-current assets, land and an interest in land (those leases that are lodged with the Titles Office) will be disposed of in accordance with the Local Government Regulation.

Exceptions to the requirement to dispose of by auction or tender may be undertaken in accordance with that regulation.

4. Current Assets, Scrap, Spoil and Materials

Items deemed current assets, scrap, spoil and materials, shall be disposed of in accordance with the following methodology options:

- a) Donation or sale to a community organisation
The recipient must be aware of the item's condition, must indemnify Council, and must absorb any costs associated with the disposal. The CEO or delegate of the CEO may determine the sale price.
- b) Tender or Auction process set out in the Local Government Regulation.
- c) Traded-In
The item may be traded for another asset as required by Council. The process of trade-in must be in accordance with the Local Government Regulation.
- d) Sale for a Set Price
The CEO or delegate of the CEO may determine the sale price.

e) Dumping

Must not be environmentally unsound, hazardous or wasteful. Dumping must offer the most cost effective solution to Council. The site must be approved by an appropriate supervisor or manager. The owner of the site must approve the dumping and also indemnify Council against any losses associated with the dumping.

f) Sale by price offered by purchaser

This option particularly applies to scrap metals where the scrap merchant offers fixed prices for quantities of scrap i.e. by kilogram or tonne. Price to be approved by the CEO.

Sale of any Council asset or an interest in an asset to key management personnel or relatives of key management personnel must be recorded in the related parties note in the annual financial statements.

Delegations in respect to policies are set out in the Council's delegations register.

PROCEDURE

Procedures as approved and issued by the Chief Executive Officer, and subject to further revision, amendment and issue under the authority of the Chief Executive Officer.

CERTIFICATION



CHIEF EXECUTIVE OFFICER
BANANA SHIRE COUNCIL



DATE