

Asset Disposal Policy

Number:	Admin.P011
Responsible Manager:	Executive Manager Infrastructure, Works and Projects
Head Policy:	N/A
Legislation:	Local Government Act 2009 Local Government Regulation 2012

1. Purpose

This policy provides the process for disposal of assets.

2. Definitions

Current Asset means of 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Scrap means an asset no longer functions, is obsolete (legally out of date), or has been deemed non-compliant by Workplace Health and Safety regulations, or the asset or surplus material may only be disposed of as scrap.

Non-Current Asset means:

land; or

plant or equipment with a value of \$5,000 and over

for another type of asset with a value of \$10,000 and over

3. Policy Statement

3.1. All Council 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.

3.2. Council officers with disposal delegations or responsibility for disposing of Council assets must comply with this policy. It is the responsibility of these Council officers to understand the meaning and intent of this policy.

4. Factors for Disposing Assets

4.1. Assets may be deemed surplus and require disposal due to a range of factors including:

- a) The item is deemed to be obsolete owing to advances in technology; or
- b) The item is damaged or faulty and is uneconomical to repair; or
- c) The asset was originally of high value, but has diminished in value over time with use; or
- d) Derecognition due to initial error in recording as an asset.

5. Methods of Disposal

The Chief Executive Officer will decide how to dispose of the item, having due regard for:

- a) value for money
- b) probity
- c) accountability
- d) community benefit
- e) the environment

5.1. In order to choose the appropriate disposal method, an analysis of net disposal return should be conducted and sustainability impacts and options should be considered. Any method of disposal should be in accordance with probity principles, ensuring the process is fair, open and competitive.

5.2. Disposal of surplus assets may be by either:

- a) Public auction, (advertised on Community Notice Boards and or in local press (for example the Cape York News))
- b) Inviting public offers, (through requesting Expressions of Interest advertised on Community Notice Boards and or in local press (for example the Cape York News)) and assessed by a panel of three staff members. The assessment factors must be agreed prior to Expressions of Interest being requested.
- c) Private treaty: sale to another government department or agency, or an approved non-government organisation; or
- d) Trade in
- e) Recycling
- f) Waste/dumping

6. Major Assets Disposal Procedures

6.1. Major Assets are land and other non-current assets that are capitalised in the Council's fixed asset register, that have an apparent value that is equal to or more than \$5,000.

6.2. Major Assets shall only be disposed of in accordance with either:

- a) Council's annual asset disposal plan and the adopted annual budget
- b) or a specific Council resolution

7. Minor Assets (Portable and Attractive Items) Disposal Procedures

7.1. Minor Assets are items that are capital in nature, between the value of \$500 and \$5,000. Minor assets generally are not capitalised in Council's fixed asset register because they have not met the capitalisation threshold, however there may be instances where a major asset has a written down value of less than \$5,000 which would then make the disposal "minor" in nature.

a) Minor assets can be disposed through approval by the CEO.

8. Responsibilities

8.1. Councillors and staff must ensure that disposal of assets is undertaken ethically, honestly and with fairness to all participants ensuring that they do not participate in any action, which may be deemed to be improper or fraudulent or constitute a conflict of interest.

8.2. Councillors must take steps to avoid, resolve or disclose conflicts of interest.

8.3. In accordance with Section 244 of the *Local Government Act 1993* a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees –

a) must disclose the interest to the meeting; and

b) must not be present at or take part in the meeting while the issue is being voted on.

8.4. Pursuant to Section 247 *Local Government Act 1993*, councillors are obliged to keep the CEO up to date with any interests held, for the purposed of recording in the register of interests.

8.5. Section 250 of the *Local Government Act 1993* requires that a local government councillor must not make improper use of information acquired as a councillor to gain, directly or indirectly, a financial advantage for themselves or someone else or to harm the local government.

8.6. Section 246A describes the steps to be taken if a councillor has a conflict of interest in an issue if there is a conflict between the councillor's private interest and the honest performance of the councillor's role of serving the public interest.

8.7. In accordance with Section 1142 of the *Local Government Act 1993*:

a) an employee of Council who has a material personal interest in an issue to be, or being, dealt with by the employee in the course of the employee's duties:

i. must immediately inform the Chief Executive Officer in writing of the interest; and

ii. must not deal with, or further deal with, the issue except under the Chief Executive Officer written directions.

9. Related Parties

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.

10. Review

This policy is to remain in force until otherwise determined by Council.

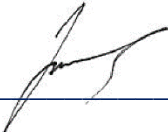
11. Resolution

Adopted by Council on the 16 August 2017, commenced on 16 August 2017.

12. Approval

This policy was duly authorised by Council as the Kowanyama Aboriginal Shire Council 16 August 2017 and shall hereby supersede any previous policies of the same intent.

Chief Executive Officer, Fabian Williams



Date

16/08/2017