

POL 0024: Asset Disposal

Purpose

To ensure that assets surplus to Council's needs are disposed of in an appropriate manner.

Scope

This policy was created to provide guidance to all Shire employees to ensure that disposal of any Council property is disposed appropriately and within the Council's objectives.

Definitions

Assets: any property owned by Council

Obsolescence: outdated and no longer used

Practice

The following principles apply to disposal of assets -

1. Assets surplus to Council's needs are disposed promptly
2. That Council achieves the best value for money
3. Ensure that transparency and accountability is achieved

This policy does not apply to sale of land, refer to *Local Government Act 1995 s.3.59* Commercial Enterprises by Local Governments

Reasons for Disposal

1. Obsolescence
2. Operationally inefficient
3. Uneconomical to repair
4. Surplus to current and foreseeable future needs
5. Non-compliance with occupational health and safety standards
6. Technologically obsolete
7. Part of an asset replacement plan
8. Unsustainable costs associated with the retaining of goods such as storage, insurance, security and management
9. Confiscated, impounded or uncollected goods

Preparing assets for Disposal

Prior to disposal a check must be carried out to ensure assets do not contain -

1. Additional items not intended for sale
2. Confidential documents
3. Documents on Council letterhead which may be used for fraudulent purposes
4. Council owned software

5. Hazardous materials
6. Any Shire of Esperance identifying mark if practical and/or possible

Methods of Disposal of Assets

The method of disposal chosen must be appropriate to the value, nature, quantity, location and any grant conditions made at purchase time of the assets. One of the following methods are to be utilised -

1. \$0 - \$500 internal estimated value of assets
 - a. Donation to a registered charity or community group
 - b. Destruction to landfill
 - c. CEO discretion
 - d. Manager/Coordinator discretion for sale of stock purchased for resale. Recommended retail price (RRP) to be considered
2. \$501 - \$19,999 internal estimated value of assets
 - a. Trade-in
 - b. Auction (including on-line auction)
 - c. Advertised for sale
 - d. Minimum of two quotes to be obtained from different parties
 - e. Public tender
 - f. CEO discretion
3. >\$20,000
 - a. Refer to Delegated Authority Register 1.12 Disposing of Property
 - b. Refer to Local Government Act 1995 s.3.58 - Disposing of Property

Authority to Dispose of Assets

1. Refer to Delegated Authority Register 1.12 Disposing of Property
2. CEO has delegated authority to dispose of assets <\$20,000

Record Keeping

If a person is exercising a delegated power of duty, r.19 of the *Local Government (Administration) Regulations 1996* requires records be kept relating to the exercise of the power or discharge of the duty. The written record is to contain -

1. how the person exercised the power or discharged the duty; and
2. when the person exercised the power or discharged the duty; and
3. the persons or classes of persons, other than council or committee members or employees of the local government, directly affected by the exercise of the power or the discharge of the duty.

(Note: All amounts are GST exclusive)

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Document Information

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| Responsible Position | Manager Financial Services |
| Risk Rating | Medium |

Referencing Documents

- *Local Government Act 1995*

Revision History

| Date | Version | CM Reference | Reason for Change | Resolution # | Next Review |
|----------|---------|--------------|-------------------------------|--------------|-------------|
| Jan 2020 | 1 | D20/1092 | New policy | O0120-013 | Jan 2022 |
| Feb 2022 | 2 | D20/1092[v2] | Biennial review, no change | O0222-033 | Feb 2024 |
| Dec 2023 | 3 | D20/1092[v3] | Include scope and definitions | O1223-203 | Dec 2025 |