



# Gladstone Regional Council

## Council Policy

Title	ASSET DISPOSAL
Policy Number	P-2016-15
Responsible Directorate	OFFICE OF THE CHIEF FINANCIAL OFFICER
Responsible Officer	FINANCE AND RISK COORDINATOR
Date of Adoption	21 JUNE 2016
Resolution Number	FCGC/16/0021 (Finance & Corporate Governance Committee - 13/06/2016) G/16/2824 (General Meeting - 21/06/2016)
Date Review Due	21 JUNE 2019

### 1.0 PURPOSE:

To set out how Council will dispose of its assets and materials surplus to Council's needs in a manner that

- achieves value for money;
- promotes fair and effective competition to the greatest possible extent;
- considers any potential benefit to the community; and
- is compliant with the requirements of the Act and Regulation.

### 2.0 SCOPE:

This policy applies to all disposals of all Assets or Surplus Materials by Council.

### 3.0 RELATED LEGISLATION:

- Local Government Act 2009
- Local Government Regulation 2012

### 4.0 RELATED DOCUMENTS:

- Council's Asset Disposal Manual

### 5.0 DEFINITIONS:

To assist in interpretation of this policy the following definitions apply:

- **"Act"** - means the Local Government Act 2009.
- **"Asset"**: means a resource controlled by Council as a result of past events and from which future economic benefits are expected to flow to Council e.g. motor vehicles, plant and equipment, furniture.
- **"CEO"** means the Chief Executive Officer of Council as appointed under the Act.
- **"Council Employees"** means persons employed by Council under the Act.
- **"Regulation"** - means the Local Government Regulation 2012.
- **"Surplus Materials"** means materials and items of plant and equipment that are not an Asset of Council that have been expensed by Council but may still have a residual value that may be achieved if disposed of by Council (e.g. scrap and low value assets).

## 6.0 POLICY STATEMENT:

### 6.1 Approval to dispose required

Prior to any disposal action commencing approval must be sought for the commencement of the disposal action.

The CEO provides delegated authorities to relevant Council Employees who may, in addition to Council and the CEO approve the disposal of an Asset or Surplus Materials.

Approval must be sought from the Council, CEO or the relevant Council Employees with delegated authority (generally a manager or director of Council) for permission to proceed with the disposal and the disposal methodology to be utilised (which must be compliant with this policy).

The approval must be documented on the Asset Disposal Form or via an email or memo (from the appropriate Manager, Director or the CEO).

### 6.2 Determining if Asset or Surplus Material are suitable for disposal

Before any disposal is considered reference should be made to Council's Asset Disposal Manual which provides further guidance and direction on the appropriate procedures to be followed.

Some common criteria for determining that the assets may be suitable for disposal include:

- No longer required
- Unable to be used elsewhere
- Unserviceable or beyond economic repair
- Cost of continued repairs and maintenance
- Technologically obsolete
- Availability of substitute assets
- Operationally inefficient
- Surplus to current or immediately foreseeable needs

- Waste products
- Deteriorated or perishable
- Part of an asset replacement plan.

### **6.3 Disposal of computer equipment or any other device storing data**

It is a requirement that when disposing any type of computer equipment or any device storing Council data or containing Council software programs (e.g. hard drives, usb drives, photocopiers, etc.) that the Council information and any software licenced to Council is confirmed as being permanently removed prior to disposal.

### **6.4 Disposal of Valuable Non-Current Assets**

Under Section 224(6) of the Regulation a "valuable non-current asset" is:

- (a) land; or
- (b) another non-current asset that has an apparent value that is equal to or more than a limit set by the local government.

Section 224(7) of the Regulation states that:

*"A limit set by the local government under subsection (6)(b) cannot be more than the following amount -*

- (a) *for plant or equipment - \$5000 ;*
- (b) *for another type of non-current asset - \$10,000."*

For the purpose of section 224(6)(b) Council has set the limits as follows:

- plant or equipment - \$5,000; and
- for another type of non-current asset - \$10,000.<sup>1</sup>

Except as set out in 6.5 below, a tender or auction is required if Council wishes to dispose of land (including an interest in land) or dispose of other non-current asset (other than land) with an apparent value equal to or above the limit set by Council pursuant to section 246(b)(b) of the Regulation.

Valuable non-current Assets that were previously offered for sale by tender or auction but were not sold may be subsequently sold by way other than tender or auction if the sale amount is for more than the highest tender or auction bid that was received.

### **6.5 Disposal of Valuable Non-Current asset other than by tender or auction**

Section 236 of the Regulation, provides for some circumstances where Council may dispose of a valuable non-current asset other than by tender or auction.

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<sup>1</sup> Note by virtue of the definition, "land" is not included as "another type of non-current asset"

Tenders or auctions are not required where the disposal is to:

- the State; or
- a government entity; or
- a local government owned corporation; or
- another local government; or
- a community organisation; or
- another Australian government, an entity of another Australian government or a local government of another State or a Territory.; or
- Land would be exempt if the land would not be rateable land after the disposal or if the land is disposed of to a person whose restored enjoyment of the land is consistent with Aboriginal tradition or Island custom. (Refer to Section 236(c) of the Regulation).

#### **6.6 Assets below Limit set by Council under section 224(6)(b) of the Regulation**

Assets that are not valuable non-current assets (i.e. are less than the limit set by Council in clause 6.4 of this policy) and Surplus Materials (except where they are disposed of in such quantity where their combined value may constitute a valuable non-current asset - \$10,000 or more) are not required to be disposed of by a public auction or tender process, however, in order to be accountable and transparent, it is recommended that all reasonable methods of disposal be assessed to ensure the method of disposal approved complies with the objectives of this policy<sup>2</sup>.

#### **6.7 Donation of Assets**

Assets can only be donated to another organisation if that organisation can:

- Provide evidence of its status as a community not for profit organisation (i.e. registered under the Associations Incorporations Act 1994 or, where registered under the Corporations Act is a registered charity);
- Provide written acknowledgment of receipt of the asset;
- Acknowledge that Council will not be responsible for any repair or maintenance of the asset;
- Take responsibility for the timely removal of the asset and any associated costs that arise from the asset's removal; and
- Adhere to Council's disposal policy and procedures.

#### **6.8 Date of Application of Policy**

This policy applies for the financial year ended 30<sup>th</sup> June, 2014 and subsequent financial years until otherwise amended or revoked.

#### **7.0 ATTACHMENTS:**

Asset Disposal Form

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<sup>2</sup> Note: land" is never subject to this provision as Land is always a valuable non-current asset.

**8.0 REVIEW TRIGGER:**

This policy will be reviewed when any of the following occur:

1. The related legislation/documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council
3. Periodic Review - 3 years from date of adoption.

<b>TABLE OF AMENDMENTS</b>		
Originally Adopted	19/7/211	G/5.7.1
Amendment 1	5 November 2013	G/13/1777
Amendment 2	21 June 2016	G/16/2824 FCGC/16/0021 (13/6/2016)
Amendment 2	<INSERT DATE COUNCIL MEETING>	<INSERT RESOLUTION NUMBER>

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**STUART RANDLE**  
**CHIEF EXECUTIVE OFFICER**

**ASSET DISPOSAL FORM**

THIS FORM IS REQUIRED FOR AUDIT PURPOSES AND MUST BE COMPLETED WITH THE NECESSARY AUTHORISATIONS **PRIOR TO DISPOSAL** OF AN ASSET (including Assets not recorded on Financial Services Asset Register). See Asset Disposal Manual for more information.

Directorate: ..... Business Unit: .....

Description of Asset: .....

Asset Register No: ..... Serial No: .....

Reason for Disposal:.....

Name of Applicant: ..... Contact Phone Number: .....

Signature: ..... Date: .....

*(Note: You must get authorisation before you dispose of any asset)*

**(A) Manager/Director/Chief Executive Officer** (Agree to Dispose of above Asset)

Method of Disposal:.....

Comments :.....

Name:.....Signature:.....Date:.....

**(B) Disposal of Asset** (To be completed after disposal has been completed)

**Disposal Action Taken:**.....

Name:.....

Signature:..... Date:.....

Ref. No:..... Amount \$.....

Confirm Computer Related Equipment has GRC related programs wiped from the hard drive. (Initial) .....

(Please return completed form to Principal Accountant – Assets to keep on File for Audit Purposes)

**(C) Assets Officer** (Confirmed, consistent with policy, registered, account code checked)

Name:.....Signature:.....Date:.....

Comments:.....