

NUMBER: STRAT0051 / CCS

ACT: LOCAL GOVERNMENT ACT 2009
LOCAL GOVERNMENT REGULATION 2012

POLICY TITLE: ASSET DISPOSAL POLICY

1. PURPOSE AND SCOPE

- 1.1 The purpose of this policy is to set the framework for the disposal of surplus assets and materials in a way that meets the sound contracting principles which are:
- 1.1.1 Value for money;
 - 1.1.2 Open and effective competition;
 - 1.1.3 The development of competitive local business and industry;
 - 1.1.4 Environmental protection; and
 - 1.1.5 Ethical behaviour and fair dealing.

2. COMMENCEMENT OF POLICY

- 2.1 This Policy will commence from 18 July 2018. It replaces all other policies relating to Disposal of Assets.

3. APPLICATION OF POLICY

- 3.1 The policy applies to:
- 3.1.1 all current and non-current assets and items surplus to Council's requirements; and
 - 3.1.2 all employees and contractors of Council.

4. DEFINITIONS

TERM	DEFINITION
Council	Charters Towers Regional Council
CEO	Chief Executive Officer
Valuable non-current assets	(a) Land (all values) (b) Plant and equipment with a value of \$5,000 or over (c) For another type of asset with a value of \$10,000 and over Values are exclusive of GST
Current Asset	An asset with a value of less than the limit set for non-current assets
Interest in Land	Leases of Council land that are lodged with the Titles Office
Surplus to requirements	When the asset (or materials) is functioning (or in use) and has economic benefit but is no longer used in Council's operations or where the asset is used but the cost of utilising the asset is greater than the economic benefit of ownership.
Scrap	Asset no longer functions, is obsolete, has been deemed non-compliant with Work Health and Safety requirements or the asset or material can only be disposed of as scrap.

5. POLICY PROVISIONS

5.1 Disposal Delegations

The Council delegates the CEO the authority to dispose of items by contract on behalf of the Council. The disposal delegation provided to the CEO can be referenced in the Delegations Register.

The CEO may delegate within any limits set by the Council disposal delegations to employee positions. The disposal delegation provided to the employee positions can be referenced in the Delegations Register.

5.2 Approval to Dispose of Assets

All employees will seek approval from the CEO or an officer delegated by the CEO prior to the disposal of a Council asset (or material) surplus to Council requirements. This approval shall include the methodology by which the asset (or material) will be disposed.

5.3 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:

5.3.1 no confidential information will be released with the disposal; and

5.3.2 the condition of the asset (or item) is clearly understood by any recipient.

5.4 Disposal Methodology

5.4.1 Council cannot enter into a valuable non-current asset contract as per Section 236 of the *Local Government Regulation 2012* unless it first:

- i. Invites written tenders for the contract under this policy.
- ii. Offers the non-current asset for sale by auction.

5.4.2 Exceptions for valuable non-current asset contracts

5.4.2.1 Council may dispose of valuable non-current assets other than by tender or auction if either:

- (a) The valuable non-current assets was previously offered for sale by tender or auction and was not sold; or
- (b) The valuable non-current asset is disposed of to:
 - (i) a government agency; or
 - (ii) a community organisation

The recipient (community organisation or Council) must be aware of the item's condition, must indemnify the Council, and must absorb any costs associated with the disposal. A donation to a community organisation would be subject to Council's Community Grants Policy and reported in the annual report.

(c) For the disposal of land or an interest in land if:

- (i) The land will not be rateable land after the disposal; or
- (ii) The land is disposed of to a person whose restored enjoyment of the land is consistent with Aboriginal tradition or Island custom; or
- (iii) The disposal is for the purpose of renewing the lease of land to the existing tenant of the land; or
- (iv) The land is disposed of to a person who owns adjoining land if:
 - a. The land is not suitable to be offered for disposal by tender or auction for a particular reason, including, for example, the size of the land or the existence of particular infrastructure on the land;
 - b. There is not another person who owns other adjoining land who wishes to acquire the land;

- c. It is in the public interest to dispose of the land without a tender or auction; and
- d. The disposal is otherwise in accordance with sound contracting principles; or
- (v) All or some of the consideration for the disposal is consideration other than money, for example, other land given in exchange for the disposal, if either:
 - a. It is in the public interest to dispose of the land without a tender or auction; or
 - b. The disposal is otherwise in accordance with sound contracting principles; or
- (vi) The disposal is for the purpose of a lease for a telecommunication tower; or
- (vii) The disposal is of an interest in land that is used as an airport or for related purposes if:
 - a. It is in the public interest to dispose of the interest in land without a tender or auction; and
 - b. The disposal is otherwise in accordance with sound contracting principles; or
- (d) for the disposal of a valuable non-current asset, other than land, by way of a trade-in for the supply of goods or services to the local government:
 - (i) the supply is, or is to be, made under this part; and
 - (ii) the disposal is, or is to be, part of the contract for the supply; or
- (e) for the disposal of a valuable non-current asset by the grant of a lease - the grant of the lease has been previously offered by tender or auction, but a lease has not been entered into; or
- (f) the Minister exempts the local government from complying with Section 227 of the *Local Government Regulation 2012*.

5.4.2.2 An exception mentioned in subsection 5.4.2.1(a) to (d) applies to a local government disposing of a valuable non-current asset only if, before the disposal, the local government has decided, by resolution, that the exception may apply to the local government on the disposal of a valuable non-current asset other than by tender or auction.

5.4.2.3 A local government may only dispose of land or an interest in land under this section if the consideration for the disposal would be equal to, or more than, the market value of the land or the interest in land, including the market value of any improvements on the land. This does not apply if the land or interest is disposed of in accordance with 5.4.2.1(a), 5.4.2.1(c)(ii) or 5.4.2.1(f) above.

5.4.2.4 For subsection 5.4.2.3, a written report about the market value of land or an interest in land from a valuer registered under the *Valuers Registration Act 1992* who is not an employee of the local government is evidence of the market value of the land or the interest in land.

5.4.2.5 An exemption under 5.4.2.1(f) may be given subject to conditions.

5.4.3 Dumping

Dumping must only be used if it offers the most cost effective solution to Council. The site of the dumping must be an approved waste disposal facility or if disposal is contracted out, the contractor must utilise an approved waste disposal facility and indemnify Council against any losses associated with the dumping. Dumping must not be used if deemed environmentally unsound, hazardous or wasteful.

6. POLICY REVIEW

The policy is to be reviewed whenever legislation changes, OR every two years if no changes have been required to be enacted, at the direction of the Chief Executive Officer.

Variations

The Council reserves the right to vary, replace or terminate this policy from time to time.

Associated Documents

- Procurement Policy
- Procurement Procedures

Official Use Only:

POLICY VERSION AND REVISION INFORMATION

Policy Authorised by: Aaron Johansson	Original issue: 23 July 2018
Title: Chief Executive Officer	
Policy Maintained by: Marnie Taylor	Current version: 1
Title: Director Corporate & Customer Services	
Review date: 18 July 2020	

CEO Signature:

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DIRECTIVE TO P&C:

Key Stakeholders identified and engaged within this development process	(Names/Sections here):

Distribution & Dissemination of approved:

Policy / ~~Administrative Directive~~ / ~~Procedural Guidelines~~ / Other:

Process	Stakeholders identified	Date completed
Email		
Notices		
Noticeboards		
P&C Newsletter		
Corporate Newsletter		
Payslips		
Section/Toolbox meetings		
Other: Intranet & Website	Staff and Community	

Signed (for and on behalf of P&C):

Date:

Recorded/evidence in Document Management System (ECM): 1196775