



ASSET DISPOSAL POLICY

Policy Number	68	Doc. ID	302382
Policy Type:	Financial		
Head of Power:	Asset Management Plan <i>Local Government Act 2009, s 104</i> <i>Local Government Regulation, 224</i>		
Approval Authority	Council		
Responsible Officer	Chief Executive Officer		
Previous Approval Date	Nil		
Policy Version Number	1		
Resolution	Minute No. 2024.07.31-SM-21		
Review:	23 June 2024	Council Meeting	
Next Review:	June 2026		

1. INTENT

The purpose of this policy is to provide a systematic and accountable method for the disposal of surplus assets and to ensure the process is transparent and complies with council's Code of Conduct, particularly with respect to conflict of interest.

For the avoidance of doubt this policy does not apply to the sale of Saleyard operational items and the sale of services or the sale of any item detailed in Council's Fees and Charges Register.

These are not classed as current or non-current assets for the purposes of this policy only.

This policy applies to all of council and its business teams. This policy applies to council employees, contractors and volunteers in the disposal of assets and items surplus to council requirements.

2. COMMENCEMENT OF POLICY

This Policy will commence on adoption and it replaces all other asset disposal policies of Council (whether written or not).

4. HUMAN RIGHTS COMMITMENT

Council has considered the human rights protected under the *Human Rights Act 2019* (Qld) (the Act) when adopting and/or amending this policy. When applying this policy, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

5. DEFINITIONS

To assist in interpretation, the following definitions shall apply:

WORD / TERM	DEFINITION
Act	Means the <i>Local Government Act 2009</i> .
As is where is	Means the sale of items, plant or equipment is to be sold in the current condition with no remedial works to fix or relocate.
Community Organisation as per the <i>Local Government Regulation 2012</i> (as amended)	Means: <ul style="list-style-type: none"> • An entity that carries or activities for a public purpose; or • Another entity whose primary objective is not directed at making a profit.
Council	Refers to Diamantina Shire Council.
Current Asset	Means of value less than the limit set for non-current assets.
Executive Leadership Team	Means the Chief Executive Officer, Chief Operating Officer and Directors of Council.
Interest in land	Means those leases of council land that are lodged with the Titles Office.
Regulation	Means the <i>Local Government Regulation 2012</i> .
Surplus Requirements	Means when the asset 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, and the asset may only be disposed of as scrap.
Valuable Non-Current Asset	Means: <ul style="list-style-type: none"> • land; or plant or equipment with a value of \$5,000 and over; and • for another type of asset with a value of \$10,000 and over.

6. POLICY

6.1 CONTEXT

This policy applies to Council employees in managing Council's assets.

6.2 POLICY STATEMENT

Council is strongly committed to recognising its non-current assets in accordance with Australian Accounting Standards to ensure Council's financial statements accurately reflect Council's asset position at the end of each financial year.

7. STANDARDS

7.1 SPECIFIC AND STANDARD

Council assets will be disposed of in a responsible and accountable manner, taking into consideration the following principles:

- achieves value for money
- promotes fair and effective competition
- considers any potential benefit to the community
- considers any impact on the environment; and
- ensures open and transparent behaviour.

7.2 DISPOSAL DECISION

Prior to the disposal of council assets surplus to requirements, approval must be sought from the Chief Executive Officer (CEO) or the CEO's delegate.

7.3 DISPOSAL OF VALUABLE NON-CURRENT ASSETS OR AN INTEREST IN LAND

Disposal must be undertaken in accordance with Chapter 6, Part 3 of the *Local Government Regulation 2012* (LG Regulation) for disposal of non-current assets.

7.4 DONATION OR SALE TO A COMMUNITY ORGANISATION

The recipient (community organisation as defined in the LG Regulation) must be aware of the item's condition, must indemnify council of any future repairs and maintenance, and accept the condition on an as is and where basis, and must absorb any costs associated with the disposal. The disposal may be by donation or by a predetermined price set by the CEO or the CEO's delegate.

7.5 DISPOSAL OF CURRENT ASSET - QUOTATION OR TENDER/AUCTION

7.5.1 Disposal of a current asset may be by quotation, tender/auction or offering the current asset for sale if that process is more efficient or provides an increased return to council from the sale of current assets. See section 7.6 below for the offering for sale process. If section 7.6 is not the preferred method of disposal of a current asset, the following disposal methods are applicable:-

Apparent Value of Current Asset	Disposal Method
<\$5,000	two quotes
between \$5,000 and up to \$10,000 (but not a valuable non-current asset)	three quotes
>\$10,000	tender or auction

7.5.2 The tender or auction must be undertaken in accordance with the applicable provisions of the Chapter 6, Part 3 of the LG Regulation for disposal of non-current assets.

7.6 DISPOSAL OF CURRENT ASSET - OFFERING FOR SALE

At the discretion of the CEO, as an alternative to section 7.5, disposal of a current asset may be made by offering the asset for sale at a predetermined price set by the CEO or the CEO's delegate. The method of offering the asset for sale must follow the procedure for disposal of assets.

7.7 BUYERS RISK

Irrespective of the disposal method applied, all prospective buyers must be advised in writing that items are disposed of, with any faults, at the buyer's risk (as is where is). Buyers are to rely on their own investigations regarding the condition and workability of the items and council will not be responsible for any repairs or maintenance of the asset.

7.8 TRADE-IN

The item may be traded for another asset as required by council. The trade-in process must be undertaken in accordance with this policy.

7.9 DUMPING

The method of dumping must not be environmentally unsound, hazardous or wasteful. Dumping must offer the most cost-effective solution to council. The disposal 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 in writing.

7.10 DOCUMENT AND DECLARATIONS

The relevant Executive Leadership Team member or their delegate is to ensure:

- a) the disposal methodology is fully documented, and all documentation is filed under the appropriate disposal file in council's record keeping system; and
- b) any conflict of interest issues, perceived or otherwise, in relation to the chosen means or disposal or with employees involved in the disposal process should be declared and registered in accordance with council's code of conduct.

7.11 CONFLICT OF INTEREST

The officer responsible for the disposal of any council assets and the relevant Executive Leadership Team Manager must ensure that no conflict of interest occurs in or as a result of the asset disposal process.

8.0. RELATED POLICIES, LEGISLATION AND DOCUMENTS

Local Government Act 2009 (Qld) – s. 104

Local Government Regulation 2012 (Qld) Chapter 6, Part 3

Australian Accounting Standards Board:

- AASB 13 Fair Value
- AASB 116 Property Plant and Equipment
- AASB 136 Impairment of Assets
- AASB 138 Intangible Assets
- AASB 1051 Land under Roads
- AASB 1041 Revaluation of Non
- Current Assets

9.0 VERSION INFORMATION

PREVIOUS VERSION NUMBER	ADOPTED/APPROVED DATE
Nil	

10. DOCUMENT CONTROL

Only Council can approve amendments to this document by resolution of a Council Meeting, with the exception of administrative amendments which can be approved by the relevant ELT member. Any requests to change the content of this document must be forwarded to the Director Corporate Services.