

2.10 ASSET DISPOSAL POLICY

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Policy Responsibility	Finance Manager		

Document History

Version	Date Amended	Details Comments e.g. Resolution Number
	February 2019	19/02/2019/016

OBJECTIVE

This Policy aims to ensure that the process for the sale and disposal of land and other assets is considered, fair and transparent to ensure Council obtains the best outcomes and price.

BACKGROUND

Section 182(1) of the Local Government Act 2008 provides that, “Subject to the Minister's guidelines, a Council may deal with or dispose of property of which the Council is the owner.”

POLICY STATEMENT

Legislative Requirements

Section 182(1) of the Local Government Act gives Council the power to deal with and dispose of property subject to the Minister’s guidelines.

Ministerial Guideline 7 – Disposal of Property describes the authority to dispose of property, methods to be used, considerations and application of proceeds from sale of assets.

Method to be Used

Goods excess to Council requirements must be disposed of in accordance with the delegated authority and policy.

Generally, Council will sell or dispose of excess goods through the following methods:

1. Direct sale- advertisement for sale;
2. Open quotation by advertising locally or broadly;
3. Disposing of the goods at an open Auction;
4. Selected Tender following an open Expression of Interest;
5. Open Tender;
6. Trade-in;
7. Or other means determined by Council; or

8. Where the goods are considered unsaleable and of little residual value, by a means determined by the CEO.

Disposal to Employees

Goods will not be disposed to any employee of Council unless the disposal has been publicly advertised and, in the Council's opinion, the offer from the employee is the most advantageous to Council.

All other guidelines for the disposal of goods are to be complied with.

Authority to Dispose Property

Decision for sale or disposal of real property must be made by Council resolution unless Council has delegated this authority. Council may delegate authority to dispose property under Section 32 of the *Local Government Act*.

The following positions have delegated authority for approval to dispose of property in excess of Council's requirements:

Position	Disposal Limit
CEO	<p>To dispose of equipment, stores or other property of Council which is obsolete, worn out or of no further use.</p> <p>To determine which items of plant, machinery and vehicles are to be offered as trade-ins or for sale.</p> <p>To dispose of plant that is surplus to Council's requirements and to determine appropriate method of disposal.</p>

Approval of asset disposals other than shown in the above table must be made by Council resolution unless delegated authority has been given.

Proceeds from Sale of Assets

Proceeds from sale of assets should be applied to the purposes approved under Council policy. Consideration should be given to:

- ☑ Funding agreement conditions, if the original asset was purchased using grant funding;
- ☑ The reduction of any debt associated with the asset acquisition or upgrade since the original purchase or construction;
- ☑ To offset the cost of replacement assets required for operations arising from identified asset sale; or
- ☑ To a specific Reserve if appropriate or to the Asset Replacement Reserve

Legislation

Section 182(1) of the Local Government Act and Ministerial Guideline 7 – Disposal of Property.

Implementation and delegation

This Policy is to be implemented by the Finance Manager with the assistance of the CEO.

Evaluation and review

This Policy should be reviewed on a minimum every 4 years and updated with changes in legislation.