
AP011 – Asset Disposal

1. Intention

To ensure that services delivered by the Shire of Waroona continue to be sustainably delivered. This will be achieved by ensuring that the Infrastructure Assets used to support the service delivery continue to function to the level of service determined by Council and assets not required are disposed of appropriately.

To provide compliance with the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996*. It will also provide clear direction as to how Council, as custodians of community assets, will manage those assets within an Asset Management Framework.

2. Scope

This policy applies to Elected Members and employees of the Shire of Waroona.

3. Statement

To achieve the policy objective, the Shire of Waroona is committed to ensuring that Asset Management is recognised as a major corporate function within Council, and that employees are committed to supporting the function in line with this policy.

The aim of this policy to:

- Ensure the community is not funding assets surplus to its requirements enabling funding to be re-allocated to other assets.
- Provide a systematic and transparent method for the disposal of surplus assets.
- Ensure that best value for money is achieved.
- Promote fair and effective competition to the greatest possible extent.

The Shire is committed to making informed decisions in relation to its assets. In making informed decisions in relation to the disposal of assets, the Shire will consider the following key principles:

- Need for the asset (short and long term);
- Legislative requirements;
- Opportunities for rationalisation;
- Future liability including ultimate retention/disposal; and
- Opportunities for using other existing assets

3.1 Disposal Outline

A “good” is of value to Council; only in so much as it continues to cost effectively supports the delivery of the Council’s services. Goods that are no longer needed should be disposed of promptly. The “disposal” must achieve best value for money such that Council obtains the best possible return for the goods it sells if the asset is saleable.

3.2 Operationally Inefficient

Assets to be disposed of will be those which Council determines are operationally inefficient, these assets are:

- Surplus to current or immediately foreseeable needs

- Part of an asset replacement plan
- Unsustainable due to costs associated with the retaining of goods, such as storage, insurance, security and management of surplus assets.

3.3 Method of Disposal

The disposal method chosen must be appropriate to the value, nature, quantity and location of the goods, and to promote fair and effective competition to the greatest extent possible. Negotiated assets sales and internal expressions of interest for sales of asset to employee will not be allowed. Employee, can however participate in a public disposal process as members of the community.

The disposal process must be compliant with the *Local Government Act 1995* and the *Local Government (Functions and General) Regulations 1996*. To help achieve these objectives the following methods are to be utilised:

1. Destruction / Land filling – where items are of no value.
2. Sale to the highest bidder at Public Auction; or
3. Sale to the person who at Public Tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender; or
4. The local government gives prior public notice of the proposed disposal. The notice must;
 - Describe the property concerned,
 - Give details of the proposal, as outlined in section 3.58 (4) of the *Local Government Act 1995*, and
 - Invite submissions regarding the proposed disposal date specified in the notice, being a date not less than 2 weeks after notice is first given, and
 - Consideration is given to all submissions received by the due date, and its decision and reasons are recorded in the minutes of the meeting at which the decision was made; or
5. Council may use its discretion to donate surplus assets to individual community groups and/or community sporting bodies, for the purpose of enhancing community facilities and services within the Shire of Waroona.

3.4 Other Factors in the Disposal Process

There are factors apart from the monetary value of the goods that can affect the choice of disposal method, including:

- The market available for the goods
- Time considerations
- Council resources required to manage the disposal
- The costs associated with the different disposal methods, i.e. administration and transport cost to Council
- The size, portability and number of goods

In any event, the methods of disposal and reasons should be documented and filed according to the monetary value of the goods in question. Irrespective of the disposal method, it is essential that all prospective buyers are advised in writing that items are disposed of, with any faults and at the buyer's risk. Buyers are to rely on their own enquiries regarding the condition and workability of the items.

3.5 Obtaining Approval for Disposal

Having chosen the most appropriate method of disposal, the council officer must seek approval from the appropriate Director or manager for permission to proceed with the disposal. This must be in writing via an appropriate email or memo. Regardless of the method of disposal, probity must be maintained and any changes to the disposal process, terms and conditions must be communicated to all potential participating parties.

3.6 Asset Register

For all disposals, irrespective of whether the goods are written off, the asset registers must reflect the relevant details and the accounting records must be adjusted. This can be done through the Finance Section and such advice should be in writing.

4. Legislative and Strategic Context

The *Local Government Act 1995* and the associated subsidiary legislation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed as required.

6. Associated Documents

Nil.

Division		Administration			
Policy Number		AP011			
Contact Officer		Manager Corporate Services			
Related Legislation		Local Government Act 1995 Local Government (Functions and General) Regulations 1996			
Related Shire Documents		Nil			
Risk Rating	Low	Review Frequency	As required	Next Review	When required
Date Adopted		22/11/2011		OCM11/11/146	

Amendments		
Date	Details of Amendment	Reference
18/12/2018	Updated as part of major review.	OCM18/12/126
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071
Previous Policies		
CORP018 – Asset Management Disposal 1.32 – Asset Management Disposal Policy		