

Policy Type	Corporate
Function	Financial Management
Policy Owner	Manager Financial Services
Policy Contact	Financial Management Coordinator
Effective Date	8 July 2025

## Purpose

The purpose of this policy is to provide unambiguous and transparent direction for the disposal of surplus or obsolete assets, having regard to the sound contracting principles in Section 104 of the *Local Government Act 2009* namely:

- a) Value for money; and
- b) Open and effective competition; and
- c) The development of competitive local business and industry; and
- d) Environmental protection; and
- e) Ethical behaviour and fair dealing.

## Scope

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

For the avoidance of doubt this policy does not apply to 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 is aligned to the principle of supporting a circular economy as opposed to a linear economy.

## Policy Statement

Council is committed to the open, transparent and systematic disposal of Council's assets which have reached the end of their useful life, have become obsolete, are no longer required due to changes in operational requirements, or are otherwise surplus to Council's needs.

At all times, surplus assets or materials should be disposed of in a manner that maximises returns whilst ensuring open and effective competition. Waste reduction is also a consideration.

Items of historical or cultural significance should be given special regard, adhering to relevant guidelines and regulations.

### **Assets (excluding Land) with a Carrying Amount of Less Than \$5,000 (Ex GST)**

The accepted means of disposal under this category are:

- External quotation.
- Public auction.
- Donation to a community organisation.
- Disposal via landfill.
- Recycling via a sale at the Council Resale Shop

**Assets (excluding Land) with a Carrying Amount of Greater Than \$5,000 (Ex GST)**

The accepted means of disposal under this category as per Section 227 and Section 236 of the *Local Government Regulations 2012* are:

- Public Tender.
- Public Auction.
- Trade-in.
- Disposal to another government agency; or disposal to a community organisation.

Noting Section 236 (2) of the *Local Government Regulation 2012* prescribes a local government disposing of a valuable non-current asset only if, before the disposal, the local government has decided, by resolution, that an exception may apply to the local government on the disposal of a valuable non-current asset other than by tender or auction.

**Land Assets**

Land owned by Council may only be sold by a resolution of council. The resolution should include the method of disposal to be utilised. Noting Section 236 (3) of the *Local Government Regulation 2012* prescribes that the sale of land must be at the market value of the land including improvements unless the disposal is to a government agency or community organisation.

**Conflict of Interests**

Officers involved in the disposal of Council assets must ensure that any conflicts of interest are identified and managed in accordance with Council's adopted Conflicts of Interest for Workers Policy, the Code of Conduct for Workers and the Code of Conduct for Councillors.

**Exceptions**

None identified.

**Risk Management**

This policy helps to address risks associated with the disposal of Council assets including misappropriation or unethical disposal of assets, poor financial returns on obsolete or surplus assets, and adverse environmental impacts due to poor disposal methods or lack of recycling processes.

**Legislation**

*Local Government Act 2009*

*Local Government Regulation 2012*

*Australian Accounting Standards and Interpretations*

*Electrical Safety Regulations 2013*

**Definitions and Abbreviations**

<b>Asset</b>	A resource controlled by council.
<b>Asset Disposal</b>	A process where Council divests itself of an asset in a systematic and authorised manner as directed by this policy.
<b>Carrying Amount</b>	The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

<b>Circular Economy</b>	An economic system based on the reuse and regeneration of materials or products.
<b>Community Organisation</b>	As defined in the <i>Local Government Regulation 2012</i> : (a) An entity that carries on activities for a public purpose; or (b) Another entity whose primary object is not directed at making a profit.
<b>Linear Economy</b>	A system where a product is bought, used and thrown away.
<b>Obsolete Assets</b>	Is an asset that is no longer useful, efficient, or fit for purpose due to technological advancements, wear and tear, damage, or changes in operational requirements.
<b>Surplus Materials</b>	Materials and items of plant and equipment that have not been capitalised as an asset but have been expensed by Council and may still have a residual value that may be achieved if disposed of by Council.

## Related Documents

Reference Number	Document Title
FIN-OSD-0004	Asset Disposal Operational Standard

## Document History and Version Control

<b>Title of Document</b>	Asset Disposal Policy
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