



Policy

45 DISPOSAL POLICY

File Reference No:

Strategic Outcome: Good government

Date of Adoption: 20/04/2016

Date for Review: 17/04/2019

Responsible Officer: Enterprise and Risk Manager

1. POLICY STATEMENT

Berrigan Shire Council, as identified in its Procurement and Disposal Policy adopted in 2013, has a responsibility to ensure that its disposal decisions are made in an ethical, transparent, accountable and effective manner.

This policy forms part of the Council's Procurement and Disposal Framework and should be read in conjunction with the policies and procedures that form that framework.

2. PURPOSE

The purpose of this policy is to ensure the Council has in place an open, fair, transparent and accountable process in the disposal of Council's surplus assets, whilst obtaining best value for money and avoiding any conflicts of interest, whether real or perceived.

3. SCOPE

This policy covers the disposal of all Council owned assets including but not limited to: plant, equipment, materials and stock items; office equipment and furniture; IT hardware; real estate (surplus land and buildings) and Council infrastructure.

This policy does not apply to the sale of land through subdivisions, or the sale of property for overdue rates.

This policy applies to all Councillors and staff, including volunteers of Berrigan Shire Council.

4. OBJECTIVE



Policy

This policy is developed to assist the Council with Delivery Plan Objective 2.2.2:

Council operations support ethical, transparent and accountable corporate governance

5. DEFINITIONS

Asset: An asset for the purpose of this policy is a resource controlled by Council as a result of past events and from which future economic benefits are expected to flow to the Council, e.g. surplus land, motor vehicles, plant and equipment, furniture, etc.

Asset Disposal: Asset Disposal is the process whereby Council divests itself of any asset in an organised, transparent and authorised manner.

Best Value: is whereby Council obtains the best possible return for the goods it sells in financial, social, economic and environmental terms.

Council Officer: Any person authorised by the Council to purchase goods or services or dispose of goods on behalf of the Council. This includes employees, volunteers, Councillors and other agents acting on behalf of the Council.

Surplus or Scrap Materials: This relates to surplus goods, materials or scrap material. This could include sand, gravel, soil, chemicals, paint, turf, hardware items, pavers, pipe, cables, timber (including wood from felled trees), pipe fittings, scrap metals, steel posts, brass, street signs, water meters, tool boxes.

Write-off Asset: A write off is a reduction in the recorded amount of an asset. A write off occurs upon the realization of the reduced or zero value of an asset.

6. POLICY IMPLEMENTATION

6.1. Reasons

A decision to dispose of a Council owned asset may be based on one or more of the following:

- No longer required;
- Unserviceable or beyond economic repair;
- Technologically obsolete and operationally inefficient;
- Non-compliant with occupational health and safety standards;
- Surplus to current or immediately foreseeable needs;
- Optimum time for maximum return;
- Or part of an asset replacement program.

6.2. Approval



Policy

Approval to commence the disposal process including the method of disposal, must be obtained from the General Manager (or delegate) or Council where appropriate.

6.3. Methods

Methods of disposal will be dependent upon the type of asset and the value of the asset.

6.3.1. Public Auction

Public auction maximises the opportunity for public participation in the disposal process and is the appropriate method when:

- i) There is public demand for the items;
- ii) Alternative disposal methods are unlikely to realise higher revenue; or
- iii) The costs associated with the auction can be justified in relation to the expected revenue from the sale.

6.3.2. On-line Auctions

On-line auctions are used where there is perceived demand for an item. This is only used in instances where the value of the item exceeds fifty dollars.

6.3.3. Trade-in

Trading-in goods can be an efficient means of disposal, and a convenient way to upgrade equipment such as plant. However, trade-in prices do not always provide the best return. Any decision to trade-in goods must be based on a clear analysis of the benefits of the trade-in as opposed to separate sale/auction of the goods.

6.3.4. Direct sale or transfer of land

Subject to resolution of Council, land may be disposed of via direct sale when no other method is considered appropriate, for example, when only one potentially suitable purchaser is identified.

6.3.5. Disposing of and writing off the value of the goods (recycling or destruction)

An asset may be disposed of and/or destroyed, and the value of an asset may be written off if it is deemed:

- i) To have no value;
- ii) To be unsafe or non-compliant to applicable standards;
- iii) To be unserviceable or beyond economical repair; or
- iv) That the disposal cost is higher than the likely return.

Where a recommendation to dispose of an asset to landfill or write off an asset is made, the relevant Manager will provide the General Manager with the assessment criteria used to determine that the asset has no potential to realise a return for



Policy

Council and will detail the method of destruction and name of the officer who will be charged with the responsibility of ensuring the asset is destroyed.

Dumping/recycling or destroying of assets shall be undertaken after consideration of the environmental issues so that any hazardous substances shall be assessed to ensure safe disposal.

6.4 Surplus or Scrap Materials

As a general guide, employees are to return from the work site surplus goods/materials or scrap materials. These items must be placed in the relevant compound, stock piles, bins or left on vehicles to be used on the next project. However, there are circumstances where it is not cost effective to return the surplus goods/materials or scrap materials back to the depot, then the most appropriate method of disposal of these low value assets, shall be at the discretion of the Director or Manager.

6.4.1 Surplus Fill

Fill materials which are surplus following Council activities such as excavation, and/or road construction are utilized elsewhere within Council activities or on Council owned properties, wherever possible. Where this is not possible, surplus fill is returned to stockpile sites or disposed of to landfill due to no value. Surplus fill is not disposed of via private sale arrangements.

6.5 Recordkeeping

For accounting and integrity purposes, adequate records of the disposal process must be maintained, including:

- Authority to dispose
- Value of asset
- Method of disposal
- Purchaser – if appropriate
- Proceeds of sale

7. RELATED POLICIES OR STRATEGIES

7.1. Legislation

- *Local Government Act 1993*
- *Local Government Act 1993*
- *Local Government Regulation 1994*

Council policies and guidelines

- Berrigan Shire 2023 – Community Strategic Plan
- Berrigan Shire Council Local Environmental Plan



Policy

- Berrigan Shire Council Risk Management Policy and Framework
- Berrigan Shire Council Code of Conduct
- Berrigan Shire Council Resourcing Strategy
- Berrigan Shire Procurement and Disposal Policy
- Berrigan Shire Fraud Control Policy