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|  | CENTRAL HIGHLANDS REGIONAL COUNCIL POLICY | |
| | Asset Disposal | POLICY REF NO CHRCP: 0001 |

1.0 Policy Purpose

- 1.1 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.
- 1.2 This policy applies to all of council and its business units.
- 1.3 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.
- 1.4 This policy applies to council employees, contractors and volunteers in the disposal of assets and items surplus to council requirements.

2.0 Policy Statement

- 2.1 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.

3.0 Disposal Decision

- 3.1 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.

4.0 Disposal of Valuable Non-current Assets or an Interest in Land

- 4.1 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.

5.0 Donation or Sale to a Community Organisation

- 5.1 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.

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6.0 Quotation or Tender/Auction

6.1 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.

| Apparent Value | Disposal Method |
|---|-----------------|
| < \$5,000 | two quotes |
| > \$5,000 and up to \$10,000 (but not a valuable non-current asset) | three quotes |

6.2 The tender or auction must be undertaken in accordance with the provisions of the LG Regulation. Quotations and tender/auction processes.

7.0 Offering for Sale

7.1 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.

8.0 Buyers Risk

8.1 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.

9.0 Trade-In

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

10.0 Dumping

10.1 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.

11.0 Document and Declarations

11.1 The relevant General Manager 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.

12.0 Conflict of Interest

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

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13.0 Definitions

| TERM | DEFINITION |
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| Act | means the <i>Local Government Act 2009</i> (as amended). |
| As is where is | means the sale of items, plant or equipment is to be sold in the current condition with no remediable works to fix or relocate. |
| Community Organisation as per the Local Government Regulation 2012 (as amended) | means: <ul style="list-style-type: none"> • an entity that carries on activities for a public purpose; or • another entity whose primary objective is not directed at making a profit. |
| Council | refers to Central Highlands Regional Council |
| Current Asset | means of a value less than the limit set for non-current assets. |
| Interest in land | means those leases of council land that are lodged with the Titles Office. |
| Regulation | means the <i>Local Government Regulation 2012 (as amended)</i> . |
| Surplus to 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. |

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| Strategic Link | Asset Management Plan s 104, Local Government Act 2009 (Qld) s 224, Local Government Regulation 2012 (Qld) |
| Category | Council Assets & Maintenance |
| Lead Business Unit | Asset Management |
| Public Consultation | No |
| Adoption Date | 25 May 2022 |
| Next Review Due | |
| Document Number | 903541 |
| Record Keeping | ECM, Vine and Council Website |
| Related Documents | Disposal of Assets Procedure |

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