



2.10 Asset Disposal Policy

Council Resolution:	2022/12/20/011
Date to take effect:	21/12/2022
Legislative reference:	<i>Local Government Act 2019</i> <i>Local Government (General) Regulations 2021</i> <i>Ministerial Guideline 4: Assets</i> <i>Australian Accounting Standards</i>
Review Date:	December 2026

1. Purpose

This policy aims to ensure that the process for the write-off, sale and disposal of land and other assets is considered, fair and transparent to ensure council obtains the best value for money for Coomalie Shire.

2. Principles

Coomalie Community Government Council recognises that assets exist to provide services and value to the community and this recognition underpins Council's Asset Management Plans and practices.

Council's Asset Disposal practices follow the accounting treatment set out in AASB140 (Investment Property) and AASB116 (Property, Plant & Equipment), as well as the *Local Government Act 2019* and *Ministerial Guideline 4: Assets*. Asset de-recognition occurs on disposal or when no future economic benefit is expected from an asset.

3. Policy Statement

3.1 Reasons for Disposal

Any sale or disposal of assets should be consistent with Council's strategic plans. When considering options for the sale and disposal of assets, Council will look for opportunities to advance the objectives of the Council's Strategic Plan.

Council may dispose of assets due to renewal programs in line with asset management plans, the long-term financial plan and annual budgets.

3.2 Methods of Disposal

3.2.1 Methods of disposal must be in accordance with *Ministerial Guideline 4: Assets*, delegated authority and policy. Council's approved methods of disposal are:

- a) Public auction;
- b) Seeking public tenders;
- c) Direct sale by advertising the asset for sale through a public notice or in a local newspaper;
- d) Seeking quotations for the sale of the asset;
- e) Trade-in;
- f) A method that will provide a community benefit in the process;

g) A method that is otherwise required under law.

3.2.2 The following matters must be considered when choosing a method of disposal:

- a) The current and possible preferred use of the asset;
- b) The total estimated value of the asset;
- c) The potential for Council to obtain the best price for the asset;
- d) The number of known potential purchasers of the asset;
- e) The existence of local purchasers for the asset;
- f) The opportunity to promote local economic growth and development;
- g) Appropriate delegation limits to achieve accountability, responsibility, operational efficiency and considering the urgency of the sale;
- h) Compliance with legislative requirements and any other council obligations.

3.3 Authority to Dispose

3.3.1 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 40 of the *Local Government Act 2019*.

3.3.2 The Chief Executive Officer has delegated authority for approval to:

- a) Dispose of equipment, stores or other property of Council which is obsolete, worn out or of no further use.
- b) Determine which items of plant, machinery and vehicles are to be offered as trade-ins or for sale.
- c) Dispose of plant that is surplus to Council's requirements and to determine an appropriate method of disposal.

3.3.3 Approval of asset disposals other than in circumstances listed above must be made by Council resolution unless delegated authority has been given.

3.4 Proceeds from Sale of Assets

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

- a) Funding agreement conditions, if the original asset was purchased using grant funding;
- b) The reduction of any debt associated with the asset acquisition or upgrade since the original purchase or construction;
- c) Offsetting the cost of replacement asset required for operations arising from identified asset sale; and
- d) Specific Reserve funds if appropriate or to the Asset Replacement Reserve.

4. Other Relevant Matters

4.1 References and Related Legislation

- 4.1.1 *Local Government Act 2019*
- 4.1.2 *Local Government (General) Regulations 2021*
- 4.1.3 *Ministerial Guideline 4: Assets*
- 4.1.4 Australian Accounting Standards

4.2 Associated Documents

- 4.2.1 Coomalie Community Government Council Shire Plan
- 4.2.2 Coomalie Community Government Council Long Term Financial Plan
- 4.2.3 Coomalie Community Government Council Asset Management Plans
- 4.2.3 Coomalie Community Government Council Policy 2.10 Asset Management Policy

DOCUMENT HISTORY 2.10 Asset Disposal Policy		
Date Adopted:	20/05/2014	Council Resolution 20/05/2014/017
Amended:	19/02/2019	Council Resolution 19/02/2019/016
Amended:	20/12/2022	Council Resolution 2022/12/20/011 Update to be in line with <i>Local Government Act 2019</i>
Amended:		