



STATUTORY POLICY

Disposal of Current Assets



MAPOON ABORIGINAL SHIRE COUNCIL
1 Main Street Mapoon, Qld 4874

Disposal of Current Assets Policy

Policy Purpose

This policy provides the process for sale of current assets.

Scope

Current assets are defined as plant, equipment and other items with an individual value of less than the amounts set out in the definition of valuable non-current assets.

Related Policies and Legislation

Local Government Act 2009
Local Government Regulation 2012
Related Party Disclosure Policy

Definitions

Current Asset means of a value less than the limit set for non-current assets.

Interest in land means the leases of Council land that are lodged with the Titles Office.

Surplus to Requirements means when the asset (or material) 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Scrap means an asset no longer functions, is obsolete (legally out of date), or has been deemed non-compliant by Workplace Health and Safety regulations, or the asset or surplus material may only be disposed of as scrap.

Valuable Non-Current Asset means

- (a) land; or
- (b) plant or equipment with a value of \$5,000 and over
- (c) for another type of asset with a value of \$10,000 and over

Policy Statement

All Council disposals must be carried out in compliance with this policy and any other requirements in the Local Government Act 2009 and the Local Government Regulation 2012.

Council officers with disposal delegations or responsibility for disposing of Council assets must comply with this policy. It is the responsibility of these Council officers to understand the meaning and intent of this policy.

Preparation for Disposal

Prior to the disposal of assets or material surplus to Council requirements (or deemed to be scrap) the employee disposing of the asset or material shall ensure:

- no confidential information will be released with the disposal; and
- the condition of the asset (or item) is clearly understood by any recipient.

Disposal Methodology

The method of disposal selected from the policy should ensure probity issues are addressed and value for money is received from the disposal process.

Valuable non-current Assets, Land and an Interest in Land.

Items deemed valuable non-current assets, land and an interest in land (those leases that are lodged with the Titles Office) will be disposed of in accordance with the Local Government Regulation.

Exceptions to the requirement to dispose of by Auction or Tender may be undertaken when in accordance that regulation.

Current Assets, Spoil, Scrap and Materials

Items deemed current assets, spoil, scrap and materials, shall be disposed of in accordance with the following methodologies:

1. Donation or sale to a community organisation. The recipient must be aware of the item's condition, must indemnify Council, and must absorb any costs associated with the disposal. The CEO or delegate of the CEO may determine the sale price.
2. Tender or Auction process set out in the Local Government Regulation.
3. Traded-In The item may be traded for another asset as required by Council. The process of trade-in must be in accordance with the Local Government Regulation.
4. Sale for a Set Price. The CEO or delegate of the CEO may determine the sale price.
5. Ask for offers from the community.
6. Sale to scrap merchant.
7. Dumping must not be environmentally unsound, hazardous or wasteful. Dumping must offer the most cost effective solution to Council. The 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.

Sale of any Council asset or an interest in an asset to key management personnel or relatives of key management personnel must be recorded in the related parties note in the annual financial statements.