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## DISPOSAL POLICY

### APPROVALS

<b>POLICY NUMBER</b>	CORP-POL-123	<b>DOC.ID</b>	4754127
<b>CATEGORY</b>	Statutory		
<b>POLICY OWNER</b>	Contracts and Procurement		
<b>APPROVAL DATE</b>	27 April 2021	<b>RESOLUTION NUMBER</b>	7220

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## OBJECTIVE

This policy establishes the principles that shall govern the disposal of materials, equipment and assets that are surplus, redundant, have reached the end of their useful life, are at the point of optimal return or otherwise no longer required by Isaac Regional Council. These principles shall ensure disposals are conducted with consideration of transparency, fairness, ethics, optimised returns, and social and environmental aspects.

All disposal activity and transactions shall comply with the *Local Government Act 2009*, the *Local Government Regulation 2012*, and this Disposal Policy.

## SCOPE

This policy applies to all disposal activities undertaken by Isaac Regional Council and is binding upon the Council and its officers, temporary employees, contactors and consultants whilst engaged by the Council.

## DEFINITIONS

TERM / ACRONYM	MEANING
Asset	A physical item of value.
Asset Disposal Coordinator	Relevant Council Officer presiding over the disposal process
Council / IRC	Isaac Regional Council
Disposal	The physical removal and/or financial expiry of the asset. This includes sale, abandonment, removal and asset register expiry of the asset.
End of useful life	The point where the asset has become no longer financially viable to repair or has become obsolete.
Low Value Non-Current Asset	Items for disposal that are not classified as a Valuable Non-Current Asset.
Market Value	The estimated value of the asset on the open market.
Valuable Non-Current Asset	Land of any value, or another non-current asset (including Fleet, Plant or Equipment) of Market Value greater than \$5000.
PCRG	Procurement Compliance Review Group. A Committee of internally appointed representatives within Council to oversee procurement policy compliance.
Fleet, Plant and Equipment	Vehicles, plant, machinery and apparatus that are recorded on the Asset register at cost and depreciated over their useful life.
Residual Value	Asset value according to the depreciation schedule of the Asset register.
Scrapping	Disposal to a supplier at scrap value based on the raw material of the item sold.

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Surplus to Requirements

Items that are no longer required at a location due to changes in circumstances.

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## POLICY STATEMENT

### COUNCIL'S / MANAGEMENT'S POSITION

Isaac Regional Council is committed to ensuring a transparent, fair and equitable process in its disposal of non-current assets, plant, equipment and materials that are no longer of use for Council purposes.

### GUIDING PRINCIPLES

Council's fundamental objective when disposing Valuable Non-Current Assets, plant, equipment and materials is to derive the most value to Council while complying with all regulatory requirements.

This policy is guided by the processes below and applied in the following order:

- Auction or Tender

Council shall dispose of Valuable Non-current Assets via Auction or Tender in accordance with the *Local Government Regulations 2012*. All other items flagged for disposal (with the exception of Council branded marketing items) shall be sold via public auction, for fairness, transparency and the confidence of the general public.

- Trade-in

In accordance with the *Local Government Regulations 2012 s236(d)*; Fleet, Plant and Equipment may be disposed by way of trade-in as part of a contract for the supply for replacement items.

- Donations

With consideration of other policies, items that are of benefit to the community or have value from a cultural or heritage aspect, may be donated to an organisation as approved by CEO as Council Delegate if unsold via Auction.

- Scrapping

Items unable to be sold via Auction or Tender may be disposed through a scrap dealer for scrap value if appropriate.

- Abandonment - Waste

Items of no market value which have exhausted all previous avenues are to be disposed at a Council approved Waste Management Facility.

**Note:** *Gifts to employees is not permitted. This includes items destined for the Waste Management Facility.*

## RESPONSIBILITIES AND APPROVALS

The Asset Disposal Coordinator shall be responsible for ensuring Assets are disposed of in line with this Policy and the Asset Disposal Guidelines.

Disposal of assets shall align with the Strategic Asset Management Plan, relevant guidelines and policies.

A Disposal Authority is required for the consideration of the approvers with the appropriate delegated authority. An asset may not be disposed without this signed authority.

The Disposal Authority shall include justification for the disposal of the asset. Justification will include one or more of the following criteria;

- Decommissioned and no longer required
- Surplus to current or immediately foreseeable needs
- Technologically obsolete
- Operationally inefficient
- Part of an asset replacement program
- Past useful life
- Deteriorated, Unserviceable or beyond economic repair
- Contains any environmentally sensitive or hazardous material.
- Other criteria as approved by CEO

## RISKS AND COMPLIANCE

In determining the value of the asset for the purpose of identifying a Valuable Non-Current Asset, an estimate of the realisable value if offered to the open market shall be used. The value is not to be based on the Residual Value (if any) within Council's Financial Asset Register.

Items offered for sale by Auction or Tender shall be on an "as-is, where is" basis.

Once an item has been disposed, the item shall be removed from the Financial Asset Register and the Insurance Register (if applicable).

Council will no longer maintain any risk or right pertaining to the asset having transferred all responsibility to the assuming party. Transference of title and risk is subject to any applicable terms and conditions.

Disposed items sold via Auction or Tender shall not be released until the cleared funds are received into either the Council account or the account of Council's appointed agent.

Council shall ensure that items that are to be disposed to a Waste Management Facility shall be done in compliance with WHS and Environmental legislation and practices.

The Procurement Compliance Review Group (PCRG) are responsible for auditing disposal events.

## EXCEPTIONS

Any exception to policy shall require the approval of the CEO.

## AUTHORISATIONS

- Disposal of Valuable Non-Current Assets are to be verified by the Strategic Asset Manager and require the approval of the CEO as per Council to CEO Delegations of Authority.
- Disposal of Low Value Non-Current Assets are to be verified by the Department Manager responsible and approved by the Strategic Asset Manager.

## LEGISLATIONS AND RELATED GUIDELINES

- *Local Government Act 2009*
- *Competition and Consumer Act 2010*
- *Public Sector Ethics Act 1994*
- *Integrity Act 2009*
- *Local Government Regulations 2012*
- *Work Health and Safety Act 2011 (QLD)*
- *The Environment Protection and Biodiversity Conservation Act 1999*
- *Australian Standards*

## REFERENCES

ID	NAME
CORP-GDS-196	Asset Disposal Guideline
STAT-POL-052	Asset Management Policy
N/A	Council to CEO Delegations Register
CORP-FRM-426	Disposal Authority Form
CORP-POL-076	Fraud and Corruption Control Policy
PECS-058	Isaac Regional Library Service Original Materials Collection Policy
CORP-POL-034	Motor Vehicle Policy
CORP-TOR-008	Procurement Compliance Review Group Terms of Reference
CORP-MISC-118	Strategic Asset Management Plan