FIN04 Disposal of Assets

Policy Title	Disposal of Assets	**Policy Number**	FIN04
Status	Endorsed	**Category**	Financial
Endorsement Date	29th September 2026	**Resolution**	14.01.09.26
Version	3		

Background

The Belyuen Community Government Council will dispose of council assets. This Policy aims to ensure that the process for the sale and disposal of land and other assets is considered, fair and transparent to ensure the Council obtains the best outcomes and price.

Policy Objectives

To provide a framework consistent with legislative requirements that provides clear guidelines relating to the sale or disposal of assets or materials surplus to the operational needs of Belyuen Community Government Council.

Scope

This policy covers all assets owned by the Belyuen Community Government Council. It does not cover who is delegated to dispose of assets; this is covered in the delegations register.

Legislative References

- Section 267(1) *Local government Act 2019 (Section 182(1) of the Local Government Act 2008)*
- Local Government Regulations
- Guideline 4

Definitions

An **Asset** is a resource controlled by the council from which future economic benefits are expected to flow to the entity for more than 12 months. Assets include tangible items like property, plant and equipment and intangible assets like software.

A **Major Asset** is an asset with an asset value of $10,000 or more excluding GST.

Policy

This Policy aims to ensure that the process for the sale and disposal of Council assets is considered fair and transparent to ensure Council obtains the best outcomes and price.

Writing off Assets

An asset may be written off in the following circumstances:

- an asset is lost or unaccountable (for example arising from stock-take)
- theft of an asset
- the asset had become unserviceable
- the asset has become obsolete; or
- the asset has been condemned.

The CEO will report to the police any loss or damage caused by fraud, theft or misappropriation or criminal activity when the loss is:

- a loss of money that exceeds $500
- loss or damage to an asset or assets that exceeds $2,000.

Where an item is written off, the CEO will certify that all efforts have been made to locate or recover the item and/or appropriate investigation has been conducted into the viability of the asset. If the loss is the result of fraud, theft or misappropriation or criminal activity, the CEO will also provide the Council with information on improvements to the internal controls to avoid further losses.

Method of sale and disposal of assets

Where a major asset is no longer required by the Council (surplus to operational requirements), the council will, in the first instance, attempt to dispose of the item through a public auction or tender.

Other assets that are surplus to operational requirements may be disposed of through:

a) public auction
b) direct sale by advertising the asset for sale through a public notice displayed prominently on community noticeboards and, subject to the economic value of the asset, in a local newspaper
c) seeking quotations for the sale of the asset
d) seeking tenders, whether open (to the public) or selected (to a group of persons, companies, or organisations); or
e) any other method deemed appropriate that confers a community benefit.

The following will be considered when selecting the method of disposal:

- Potential to obtain best price;
- Number of known potential purchasers;
- Current and possible preferred future use of the asset;
- Opportunity to promote local economic growth and development;
- Total estimated value of the sale;

- Delegation limits taking into consideration accountability, responsibility, operational efficiency, and urgency of the sale;
- Compliance with statutory and other obligations.

Disposal to Employees and Councillors

Goods will not be disposed of to any employee, an elected or appointed member of Council unless the disposal has been publicly advertised and, in the Council's opinion, the offer from the employee is the most advantageous to Council. All other guidelines for the disposal of goods are to be complied with.

Proceeds from Sale of Assets

Proceeds from the sale of assets should be applied to a particular purpose:

- Reduction of any debt associated with the asset acquisition or upgrade since the original purchase or construction
- Offset of cost of replacement assets required for operations arising from the asset sale
- Specific Reserve Fund or asset replacement reserve
- Another specific purpose as determined by Council resolution.

Register

All disposal or sale of Assets will be recorded in the council's Asset Disposal Register (which forms part of the council's Asset Register).

Document Control

Policy Owner	BCGC
Endorsed by	BCGC
Date approved	28 September 2020
Revisions	30 May 2023, 29 Sept 2026
Amendments	
Next revision due	Sept 2029