

Introduction

The Shire of Capel (the Shire) is committed to ensuring the continued delivery of services to the community. To support this commitment, the Shire must ensure that assets used to support service delivery are reviewed on a regular basis in line with the Asset Management Framework, and disposed of appropriately when they reach their end of life.

Purpose

To ensure the disposal of assets surplus to Council requirements are carried out in a compliant manner that promotes best value for money, accountability, sustainability, fairness, and transparency while avoiding any conflicts of interest, whether real or perceived.

This policy does not apply to the sale of land (refer to the *Local Government Act (1995) s.3.59* Commercial Enterprises by Local Governments).

Definitions

Asset – items of property that the Shire has a whole or part interest in. This includes fleet, plant, and various equipment but excludes land and money.

Disposal - to sell, lease or otherwise dispose of, whether absolutely or not.

Requesting Officer – a Shire of Capel officer raising a request to dispose of assets.

Policy statement

1. Decision to Dispose of an Asset

Before any asset is disposed of, it must be assessed under the Disposal Assets - Management Procedure, to determine that it is appropriate for disposal. In addition to determining the estimated monetary value of the asset, requesting officers must also consider the following criteria for determining whether assets may be suitable for disposal:

- a. No longer required (short and long-term review);
- b. Unserviceable or beyond economic repair;
- c. Technologically obsolete;
- d. Operationally inefficient to continue using it;
- e. Surplus to any current or immediately foreseeable needs;
- f. Part of an asset replacement program;
- g. Confiscated, impounded or uncollected goods;
- h. Contains any confidential or personal information;
- i. Contains any Intellectual Property owned by a third party;

- j. Contains any Shire of Capel identifying marks or emblems that could be used for fraudulent purposes; and/or
- k. Contains any environmentally sensitive or hazardous material.

In deciding and recommending an asset for disposal, requesting officers should always remember to consult with other departments within the Shire to identify and review any potential needs that may exist.

2. Methods of Asset Disposal

The disposal method chosen must be appropriate to the value, nature, quantity, and location of the goods through fair and effective competition to the greatest extent possible. Negotiated assets sales and internal expressions of interest for sales of assets to Shire officers and Councillors will not be allowed. Shire officers and Councillors can however participate in a public disposal process as members of the community.

The disposal process must be compliant with the *Local Government Act 1995* and the *Local Government (Functions and General) 1996*. Under this legislation the following methods of disposal are available:

- a. Sale to the highest bidder at Public Auction; or
- b. Sale to the person who at Public Tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender; or
- c. The local government gives prior public notice of the proposed disposal. The notice must;
 - Describe the property concerned,
 - Give details of the proposed disposition, as outlined in section 3.58 (4) of the *Local Government Act 1995*, and
 - Invite submissions regarding the proposed disposal date specified in the notice, being a date not less than 2 weeks after notice is first given, and
 - Consideration is given to all submissions received by the due date, and its decision and reasons are recorded in the minutes of the meeting at which the decision was made.
- d. Trade-in as a part of the Council approved Asset Replacement Program; or
- e. Council may use its discretion to donate surplus assets to individual community groups and/or community sporting bodies, for the purpose of enhancing community facilities and services within the Shire of Capel; or
- f. For assets that are estimated to hold no monetary value, and after exhausting all of the methods above, they may be destroyed/scrapped with every effort made to recycle materials and avoid contributing to land fill where possible.

3. Obtaining Approval for the Disposal of Assets

The requesting officer must complete a Disposal of Assets request form and, dependent on the estimated monetary value, attain approval from the relevant officer. For further information on this process, please refer to the Disposal of Assets - Management Procedure.

4. Asset Register

All asset disposal decisions, including the reasons for the action taken, are to be recorded in the Shire’s Asset Register. The Finance team must also be notified of all disposals to ensure the relevant accounting records are updated.

5. Authority to Dispose of Assets

The following delegations outline the authority to dispose of Shire assets:

- a. Delegation 1.2.10 Sale of Impounded/Seized/Confiscated vehicles, animals or goods;
- b. Delegation 1.2.28 Surplus Equipment; and
- c. Delegation 1.2.29 Timber Disposal.

Application

This policy applies to the disposal of all assets made on behalf of the Shire of Capel.

Department:	Community and Corporate Services	Next review:	February 2026
Reviewer:	Director Community and Corporate Services	Legislation:	<i>Local Government Act 1995, s3.47 & s3.58</i>
Adopted:	Minute OC/2024/40, 28.02.2024	Delegation:	1.2.10, 1.2.28 & 1.2.29
Amended:		Risk:	Medium
Policy ref #:	Disposal of Assets	Version:	1