



POLICY TITLE:	DISPOSAL OF ASSETS
POLICY NUMBER:	LC31
CATEGORY:	Organisational Directive
CLASSIFICATION:	ADMINISTRATION
STRATEGIC PLAN REFERENCE:	5. Effective Council Management
CORPORATE GOVERNANCE AND PERFORMANCE :Provide systems of council governance and service delivery that are financially sustainable, accountable, equitable and efficient	
STATUS:	Council Resolution

Date Approved:	10/10/2012	Approved By:	CEO	Date for review:	March 2016
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PURPOSE:

Pursuant to section 32 of the Act and section 7 of the Ministerial Guidelines delegation has been given to the CEO per resolution PA12/CAM/011 dated 10 April 2012 to dispose of Council assets "**with the exception of land**".

This policy provides direction to staff for the disposal of Council assets "**with the exception of land**".

ORGANISATIONAL SCOPE:

Sustainable financial management within our mission

POLICY STATEMENT:

A. Disposal of vehicles and major plant shall be by:

- (a) Trade in on new items;
- (b) Auction, independent of new purchase;
- (c) Sale by tender.

Vehicle disposal/replacement schedule

- i) Sedans and Station wagons 40,000km or 2 years (which ever comes first)
- ii) 2x4 Utilities 40,000km or 2 years (which ever comes first)
- iii) 4x4 Vehicles 70,000km or 3 years (which ever comes first)

To maximise trade in values and thus minimise maintenance costs.

Plant disposal/replacement schedule

All plant will be accessed when reaching 6,000 hours as to it operational capacity trade in value

The proceeds from such disposals shall be offset against the annual plant replacement budget.

- B. Disposal of assets of value other than vehicles and major plant, shall be by:
- (a) Trade in on new items;
 - (b) Auction, independent of new purchase;
 - (c) Sale by tender.

Information Technology Hardware. For operational hardware that is replaced due to age, beyond economic repair or upgrade with no faults, the disposal values are:

- (i) For the first year – the current value of the model from the supplier less 25% (75%)
- (ii) Between one and two years, less 45% of current value. If the item is still covered by warranty (i.e. 2 year warranty) then add 5% extra to the final amount.
- (iii) Between two and three years, 20% of current value
- (iv) After three years, nominal fee of \$50.
- (v) Damaged units would be valued separately

Office furniture and equipment is replaced in a needs basis and also on a the need to meet on going ergonomic, work health and technological requirements.

The proceeds from disposal under this clause shall normally be applied to the General Revenue of Council unless offset against a replacement asset item acquired within the same Financial Year.

Internal consultation shall occur to ascertain if any other internal use exists for the asset prior to disposal. Any internal requirement will take precedence over disposal.

Where assets are to be disposed of the CEO is required to approve of the disposal in writing prior to any disposal action being undertaken.

With the approval of the CEO selected items may be disposed of by other means in the best financial interest of Council

Where the value of items is negligible CEO may approve of the disposal of items in an appropriate manner or undertake a limited informal tender process either internally or externally to the organisation

LEGISLATIVE REQUIREMENTS

Local Government Act and Regulations plus the Ministerial Guidelines as amended.

REVISION DATE

This policy is to be revised at the first meeting after the next Local Government elections.

REFERENCES:

Policy Number:	LC31
Policy Owner:	Corporate Services
Endorsed by:	CEO
Final Approval:	10/10/2012
Date Approved:	11/10/2012
Revision Date:	March 2016
Amendments:	
Related Policies:	
Related Publications:	

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