



DISPOSAL OF ASSETS POLICY

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1. OBJECTIVE

The objective of the policy is to provide a consistent methodology and outline the principles applied for the disposal of surplus assets.

2. PRINCIPLES

The City is committed to the responsible management of its assets and to deliver services that meets community expectations of time, quality, and value for money.

The City of Karratha's infrastructure and assets are utilised to deliver a variety of services in line with the Strategic Community Plan and within agreed levels of service desired by the community. Continued optimisation of City assets will contribute to the long term financial sustainability of the organisation and ensure that community expectation and demand is achieved in the most cost effective manner.

The Council will make these decisions through the annual planning and budget process.

The City's assets include land and buildings, furniture and equipment, plant and equipment, roads, footpaths, parks and open space, drainage, aerodrome and artwork/sculptures which represents a substantial investment in supporting the local economy, community well-being and environmental management.

2.1 Decision to Dispose

Disposal Guidelines

- Where appropriate, involve and consult relevant business units and the community before disposal, as outlined in Policy CE8 – Significant Decision Making.
- Reference is made to the City's Asset Management Strategy and Asset Management Plan with a cost benefit analysis undertaken outlining the current performance of the asset.
- The City will comply with section 3.58 of the *Local Government Act 1995* and Delegation of Authority 19 – Disposal of Property and the Asset Management Policy, Strategy and Plans TE4.
- Consideration is to be given to the 'whole of life' cost for all new assets and for any major renewal or upgrade and ensure these costs are incorporated into the City's Long Term Financial Plan.
- Ensure asset information is accurate and up to date allowing for informed decision making to occur.
- Items of historical or cultural significance are to be considered.
- Dangerous goods and / or building materials (i.e. asbestos) are to be disposed of in an authorised manner in line with relevant guidelines and regulations.
- The officer responsible for the disposal of any City asset must ensure that no conflict of interest occurs in or as a result of the asset disposal process, and must disclose any actual or perceived conflict of interest that may arise in the performance of their duties.
- The recommendation to dispose of an asset is reported to Council prior to disposal.
- Scheduled disposals are to be included in Corporate Business Plan and Annual Budget.

2.2 Asset Management Strategy and Plans

The Asset Management Strategy and Plans will align with the Asset Management and Disposal of Assets Policies ~~and be reviewed annually~~. The Asset Management Strategy and Plans will establish for each Asset Category:

- Levels of Service
- Future Demand
- Risk Management
- Life Cycle Management Plan
- Financial Projections
- Asset Management Practices
- Performance Monitoring and Improvement Plan

3. CONSEQUENCES

This policy represents the formal policy and expected standards of the City of Karratha. Appropriate approvals need to be obtained prior to any deviation from the policy. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the City.

4. ROLES AND RESPONSIBILITIES

CUSTODIAN	OFFICER RESPONSIBLE FOR IMPLEMENTATION
Manager Financial Services/CFO	Asset Management Co-ordinator
	<u>Asset Accountant</u>

5. REFERENCES TO RELATED DOCUMENTS

Include any informing Guidelines, Procedural documents and forms.

- *Local Government Act 1995*
- City of Karratha - Annual Budget
- City of Karratha - Annual Report
- ~~City of Karratha - Long Term Financial Plan 2012-2022~~
- City of Karratha - Asset Management Strategy and Plans
- City of Karratha - Plant and Fleet Asset Management Plan
- City of Karratha - Policy CF01 – Accounting – Local Government Accounting Directions
- ~~City of Karratha - Policy TE04 – Asset Management~~ Policy, Strategy and Plans
- City of Karratha - Policy CE08 – Significant Decision Making
- City of Karratha - Delegated Authorities Register
- City of Karratha - Depot Form 54

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This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.