

# LIVERPOOL PLAINS SHIRE COUNCIL

## POLICY REGISTER

Policy No. 1.12

**POLICY TITLE:** **DISPOSAL OF SURPLUS EQUIPMENT/SCRAP AND LOW VALUE ASSETS**

**File Reference No:** A.48  
**Date Adopted:** 17<sup>th</sup> July 2002  
**Minute No:** 7989  
**Last Updated:** 28<sup>th</sup> May 2014

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### History of Policy Review

Version	Adoption Date	Minute No	Details of Review
1	17 <sup>th</sup> July 2002	7989	New Policy
2	28 <sup>th</sup> May 2014	928	Policy Review

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### OBJECTIVES

To ensure that Liverpool Plains Shire Council's disposal of "Surplus Equipment/Scrap and Low Value Assets" is conducted in a cost effective, ethical, accountable and professional manner that:

1. Realises the residual or fair value of surplus assets.
2. Provides equal opportunity to the general public to submit a proposal for the purchase of such items.
3. Reduces employee exposure to possible corrupt practices in the disposal of assets.

**POLICY TITLE:                   DISPOSAL OF SURPLUS EQUIPMENT/    Policy No. 1.12  
SCRAP AND LOW VALUE ASSETS**

**POLICY STATEMENT**

It is the policy of Liverpool Plains Shire Council to ensure the disposal of surplus equipment/scrap and low value assets is conducted in a best practice manner that provides for the correct and ethical disposal of such assets.

Council and Council Committees when disposing of assets shall comply with the requirements of the Local Government Act 1993 (in particular section 55), the Local Government General Regulation and this policy.

**NOTE:**       Because of the sometimes low economic value of many assets such as “scrap” the disposal process can be treated as unimportant. The underestimation of asset values by an employee may result in its improper disposal, and hence may be seen as an act of misconduct.

It is important that Council actively and regularly communicates to staff that all assets purchased by the organisation, or materials associated with a purchase remain the property of Council and shall be disposed of in accordance with the disposals procedure.

**DELEGATION**

That the General Manager be responsible for authorising the disposal of “Surplus Equipment/Scrap and Low Value Assets” in accordance with section 377 of the Local Government Act 1993 (general power of the Council to delegate).

**PROCEDURE FOR THE DISPOSAL OF SURPLUS EQUIPMENT/SCRAP  
AND LOW VALUE ASSETS**

**1. DETERMINING THE METHOD OF DISPOSAL**

Department Directors or Managers shall be responsible for the cost benefit analysis evaluation and disposal of selected items in accordance with the following methods:

- Trade-in where supplier offers fair value for item.
- Relocation to another project or job.(redistribution of cost required).
- Relocation to another department within the organisation.
- Use as spare parts (where practical).
- Recycling (Commercially or in-house).
- Dumping (where items have no economic value or are environmentally undesirable)
- Invitation of public quotations or public auction (Registering and securing as surplus item)

**POLICY TITLE: DISPOSAL OF SURPLUS EQUIPMENT/ Policy No. 1.12  
SCRAP AND LOW VALUE ASSETS**

**NOTE:** All items disposed of must be reported to the General Manager and then entered into the Disposals register.

**2. RECORDING AND SECURING OF USED AND SURPLUS ITEMS**

All materials other than designated inventory items that are deemed to be surplus assets shall be returned to the Purchasing Officer for credit transfer and recording in Councils "Surplus Items Register" (SIR). The record is to be countersigned by the Returning Officer (Ganger/Supervisor).

Department Directors or Managers shall notify the General Manager in writing of all other surplus equipment or assets of low value that are to be disposed of in accordance with this policy. These items must also be recorded in the (SIR).

The Director of Works shall be responsible for the assessment of surplus inventory items and will report such items to the General Manager.

Those inventory items then deemed to be surplus to Council's requirements shall be physically removed from the store and placed in the "Surplus Items" location. All stock transfers must be issued and accordingly recorded in the SIR.

The Purchasing Officer is responsible for the safe storage and custody of all items registered for disposal.

All items marked for disposal shall be sorted accordingly to ensure that valuable items are not mixed with, or are contaminated by, assets of a lower value.

**3. INVITATION OF PUBLIC QUOTATIONS / PUBLIC AUCTION**

As the policy deals with the disposal of low value assets staff should observe the following quotations procedure:

<b>ESTIMATED VALUE</b>	<b>REQUIREMENT</b>
\$0 to \$1000	At the discretion of the General Manager.
\$1001 to \$5,000	Minimum 2 quotations
\$5,001 to \$150,000	Minimum 3 quotations
Greater than \$150,000	In accordance with Tender Procedure

**3.1 VALUATION AND APPROVAL**

To ensure maximum net return of materials the Purchasing Officer will arrange for the valuation of surplus items, by either independent assessment or estimation by experienced persons. Values are to be recorded in the SIR.

The Chief Financial Officer shall provide the General Manager with a list of all surplus items recorded for disposal. The General Manager will determine if a disposal sale is necessary and the appropriate disposal method.

**POLICY TITLE:                   DISPOSAL OF SURPLUS EQUIPMENT/    Policy No. 1.12**  
**SCRAP AND LOW VALUE ASSETS**

The Chief Financial Officer shall co-ordinate the disposal sale.

**3.2    PUBLIC NOTICE**

Council shall give 28 days notice of a disposal sale and the advertisement shall include the following information:

- Method of disposal (Public Quotations or Auction).
- Date of Auction or Closing date for quotations.
- Major items for disposal.
- Inspection date and time.
- Location of items.
- Agents.
- Council contact.

**RECORDING OF DISPOSALS**

All disposals must be accounted for with sales written back to the appropriate asset ledgers and sale results recorded in the SIR. The Chief Financial Officer shall report to the General Manager and Council on the outcome of the sale.