



<b>Approved:</b>	<b>August 2022</b>
<b>Review by:</b>	<b>August 2025</b>
<b>Related Documents:</b>	<b>Asset Management Policy 2020</b> <b>Delegations Manual 2021</b> <b>Disposal of Property Policy 2022</b> <b>Fraud and Detection Policy</b> <b>Health and Safety Manual</b> <b>Procurement Policy 2016</b> <b>Sale of Property Policy 2021</b>
<b>Related Process:</b>	<b>Recording Asset Movement</b>
<b>Relevant Legislation:</b>	<b>Commerce Act 1986</b> <b>Consumer Guarantees Act 1993</b> <b>Fair Trading Act 1986</b> <b>Health and Safety at Work Act 2015</b> <b>Local Government Act 2002</b> <b>Public Audit Act 2001</b>

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<b>Purpose</b>	To provide a clear framework for how Council assets will be identified for disposal and to outline steps to dispose of the asset.
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<b>Scope</b>	This policy applies to a Council owned asset (as defined in this policy) which has been identified for disposal.
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<b>Principles</b>	<p><b>Sustainability:</b> Council will increasingly include sustainability as part of its core thought practices as it looks to develop new assets and, in the review, and disposal of an existing asset.</p>
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**Transparency:** Council asset disposal transactions will be conducted in an open and transparent manner, within reasonable commercial confidentiality constraints and using consistent (public) criteria, to maintain public confidence in the expenditure of funds.

**Monitoring and Review:** Council's assets will be regularly reviewed. The Council will monitor the levels of use of its assets to inform its reviews.

**Maximise value:** Council will approach asset reviews and disposals by considering, and seeking to maximise, both social and financial benefit.

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<b>Policies</b>	<b>1. Asset review</b>
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The purpose of a review will be to identify assets that are recommended for disposal by a Council Executive Manager. Any recommendations for disposal will consider:

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**1.1 Cost:** the cost of retaining the asset including the costs of maintenance associated with the asset, as well as the costs of any upgrades required to make it fit for purpose;

**1.2 Utilisation:** the level of utilisation of the asset, including the extent to which it is used for its intended purpose;

**1.3 Availability:** the availability of other suitable assets for the same purpose;

**1.4 Council documents:** any related and/or relevant Council strategies, policies, plans, and processes.

## **2. Asset disposal**

The decision to dispose of an asset must come from a manager responsible for the asset. Written authorisation to dispose of the asset must be obtained from the relevant Council Executive Manager prior to disposal.

All assets will be disposed of in a safe way that minimises any risk of harm to employees in accordance with manufacturers guidelines, industry standards and any related and/or relevant legislation, Council strategy, policies, plans, and processes.

Recommended methods of disposal include consideration of opportunities for repurposing, recycling, sale, gifting, transfer to another Council team, retirement and finally disposing to waste. Disposal methods are detailed in the following sections of this policy:

**2.1 Repurposing:** consideration should be given as to whether the asset can be used for another valid purpose, determined by the relevant manager.

**2.2 Recycling:** if the asset has no reuse, consideration should be given as to whether the asset or parts of the asset can be recycled.

**2.3 Estimated value:** prior to selling the asset, find examples of like items being sold in similar circumstances by other sellers.

**2.4 Sale:** the estimated value of an asset must be determined before it is sold.

**2.4.1** If the estimated value of the asset is \$100 or less, then it may be listed on Hurunui District Council's TradeMe account for sale as an auction to the public.

**2.4.2** If the estimated value of the asset is between \$100 and \$5000, then it may be listed on Hurunui District Council's TradeMe account for sale as an auction to the public. The reserve should be confirmed with the relevant Council Executive Manager, prior to listing.

**2.4.3** Assets over \$5000 estimated value may be sold via online public auction. However, in some circumstances the asset may be disposed of in other ways determined by the relevant Council Executive Manager and authorised by the Chief Executive Officer.

**2.4.4** When administrative costs of the asset sale outweigh the estimated value of the asset being sold, it may be offered to employees of Hurunui District Council at the discretion of the relevant Council Executive Manager and authorised by the Chief Executive Officer.

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**2.5 Gifting:** will be considered where:

- 2.5.1** There is no financial benefit to the Council in keeping the asset.
- 2.5.2** The asset serves, or can be used to serve, a community function or is valued by the community.
- 2.5.3** The asset would be used for the benefit of the community.
- 2.5.4** There is demonstrable interest in the asset being retained by community members.

**2.6 Transfer:** managers may transfer asset ownership internally, which includes Council Community Boards, when the value of the asset is less than \$1000. Assets over a value of \$1000 may be transferred at the discretion of the relevant Council Executive Manager.

**2.7 Retirement:** an asset is counted as retired when it is permanently removed from service. Asset retirement can occur in processes such as a sale to another party or disposal due to obsolescence (for example rusted, aging signage no longer legible).

**2.8 Disposal to waste:** as a last resort an asset will be dispatched to landfill or incineration (for example a worn-out, broken pipe or broken chain from a chainsaw that cannot be repurposed).

**3. Recording asset movement** provides for an accurate account of profit or loss in the Council's financial statements. Managers must record the disposal, transfer, or write-off, of the assets they are responsible for in the Council's asset register.

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## Definitions

**Asset:** an item, thing or entity that has potential or actual value to Hurunui District Council. For the purposes of this policy an asset does not include land, buildings, structures, or fleet vehicles.

**Council Executive Manager:** a member of the Chief Executive's senior management team, which includes the Chief Strategy and Community Officer, Chief Financial Officer, and Chief Operations Officer.

**Community Boards:** carry out functions and exercise those powers given to them by Hurunui District Council.

**Disposal:** includes the repurposing, recycling, sale, gifting, transfer to another Council team, retirement and dispatch to landfill or incineration, of any Council owned asset as defined in this policy.

**Employees:** all permanent, fixed-term, casual and voluntary staff who work for Hurunui District Council.

**Manager:** a member of staff responsible for administering or controlling a part of the Council's organisation.

**Write off:** refers to the removal of the asset from the Council's asset register at zero value.

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END OF POLICY