

FMA

Financial Management Act 2016

Disposals

Better Practice Guidelines

Title: Procurement Better Practice Guidelines (Disposals)

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Contact:

Department of Treasury and Finance

Procurement, Risk and Contract Management Branch

GPO Box 147

Hobart, Tasmania, 7001

Australia

Telephone: (03) 6166 4229

Email: purchasing@treasury.tas.gov.au

Website: www.purchasing.tas.gov.au

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Background

The *Financial Management Act 2016* provides for the management of the public finances of Tasmania in an economical, efficient and effective manner consistent with contemporary accounting standards and financial practices.

Treasurer's Instructions are issued under section 51 of the Financial Management Act in respect of the principles, practices and procedures to be observed in the financial management of all agencies.

Better Practice Guidelines are intended to assist Accountable Authorities and responsible officers with their financial management responsibilities, including disposal of Crown assets. These Guidelines should be read in conjunction with the Treasurer's Instructions.

This *Better Practice Guideline* provides information to assist in understanding Treasurer's Instruction D-1, which sets out the principles and policies that apply when disposing of Crown assets.

International Procurement Obligations

Tasmanian Government agencies are required to comply with procurement obligations set out in a number of international agreements. The *International Procurement Obligations* publication, available on the Purchasing website, sets out the mandatory requirements that relate to procurements covered by the international agreements. Please note that the *International Procurement Obligations* should be read in conjunction with the Treasurer's Instructions and *Better Practice Guidelines*, as they impose additional requirements agencies need to be aware of when undertaking covered procurements.

Disposals

Disposal of assets generally

Treasurer's Instruction D-1 *Disposals* applies.

Individual agencies are generally responsible for their own disposals. There are some exceptions, such as motor vehicles managed by the Government's Fleet Manager and real property.

Information on requirements for Strategic Asset management and access to sale proceeds is available in Treasurer's Instruction B-1 *Budget Management* and the associated *Better Practice Guidelines*.

Disposal decisions in all cases should be able to withstand public scrutiny.

Disposal of surplus real property

Other than as set out in Treasurer's Instruction D-1, clauses 1.3 and 1.4, agencies should refer disposals of surplus real property to the Department of Treasury and Finance.

Disposal of non-real property assets

Motor Vehicles not managed by the Government's Fleet Manager

When undertaking disposal of motor vehicles not managed by the Government's Fleet Manager, it is recommended that consultation with the Government's Fleet Manager on a suitable disposal method be undertaken.

Non-real property assets with an estimated disposal value of more than \$10 000

If a disposal method other than the standard methods set out in Treasurer's Instruction D-1, clause 1.10, would result in disposal at a price lower than the market value, the disposal is considered a grant. In effect, it provides assistance by way of a resource to an organisation or individual. In such circumstances, the disposal process must be consistent with Treasurer's Instruction FC-12 *Grant Management*.

Disposal of other assets

Material of state significance is to be dealt with in accordance with the requirements of section 16 of the *Tasmanian Museum and Art Gallery Act 2017*. Information on this requirement, a definition of Agency and Head of Agency for the purposes of that legislation, and how the Tasmanian Museum and Art Gallery Board will deal with notices, is set out in that Act.

Disposal of material from the collections of the Tasmanian Museum and Art Gallery is to be undertaken in accordance with the requirements set out in the *Tasmanian Museum and Art Gallery Act 2017*.

