

Asset Disposal (Built Infrastructure) Policy

Approving authority	University Council
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Document URL	http://policies.griffith.edu.au/pdf/Asset Disposal Built Infrastructure Policy.pdf
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Description	The University's Asset Disposal Plan is approved by University Council and sets out the basis on which an asset can be disposed.

Related documents

[Assets Policy](#)

[Treasury Policy](#)

[State Procurement Policy](#)

[Purchasing Policy](#)

[Losses Policy](#)

[Notification for Borrowing University Equipment Form](#)

[Security Incident Report Form](#)

[Asset Disposal Application Form](#)

[Financial Management Practice Manual - Asset Procedures](#)

[Management of Space in the University Policy](#)

[\[Objectives\]](#) [\[Scope\]](#) [\[Rationale for Disposing of an Asset\]](#) [\[Asset Disposal Alternatives\]](#) [\[Planning for Asset Disposal\]](#)

1. OBJECTIVES

The objective of the Asset Disposal Plan is to ensure that assets are only disposed of where they meet identified criteria for disposal and that appropriate planning and approval is undertaken prior to any Asset disposal.

2. SCOPE

The Asset Disposal Plan applies to all capital "built" assets including buildings, building services and plant, and the infrastructure necessary to support these assets on all campuses of the University. A capital asset is a tangible asset which, in the course of normal operation, would not be consumed in a single accounting period (financial year).

3. RATIONALE FOR DISPOSING OF AN ASSET

An Asset may be disposed of for the following reasons:

- Reached the end of its useful life;
- Surplus to requirements;

- Under-utilised;
- Not fit for purpose;
- Unserviceable;
- Does not meet legislative requirements;
- Shortage of future available building sites on campus;
- Non-core business.

3.1 Reached the end of its useful life

Where an asset has a Functionality Condition Index of 20%, that is, the cost to bring it to its "as built" standard is 80% of the Asset Replacement Cost the University will consider disposal of the Asset.

3.2 Surplus to requirements

Where the Space Planning Model, or an Academic Group or Element identifies an Asset as surplus to requirements a report is to be provided (by the Academic Group, Element or Campus Life) to the Vice President (Corporate Services) identifying the basis on which the Asset is surplus to requirements and recommending what action be taken i.e. transfer the space/asset to another Group/Element, or asset disposal.

3.3 Under-utilised

Groups and Elements are assigned space in accordance with the Management of Space in the University Policy. Utilisation of existing Assets is currently measured through occupancy and utilisation data and research outputs.

Where Assets are identified as under-utilised:

- Less than 20% of the building offices are fully occupied, and
- Occupancy data on Teaching/Learning space within the building indicates less than 10% utilisation, AND/OR
- Research outputs of dedicated research space do not meet KPI's.

The University will consider repurposing or disposal of the Asset.

3.4 Not fit for purpose

The 'not fit for purpose' criteria for an Asset is determined by its functionality, that is whether the Asset meets the service delivery needs of the University.

Where an Asset has a single use, such as, a specific research building and the research for whatever reason ceases, consideration will be given to disposal where:

- The Asset cannot be used by any other form of research conducted within the university;
- It is not cost-effective to repurpose for another use.

As most University buildings are mixed mode, that is, they house a mix of offices, teaching and learning space or research space consideration to Asset disposal will only be considered where:

- more than 80% of the buildings is deemed 'not fit for purpose';
- the overall cost of repurposing the 'not fit for purpose' space is equal to or greater than 80% of the Asset Replacement Cost of the building.

3.5 Unserviceable

Where an Asset is not able to be maintained in accordance with all mandatory standards and manufacturers recommendations such that the building is deemed unsafe and or uninhabitable the Asset will be considered for disposal.

3.6 Does not meet legislative requirements

Where an Asset fails to meet a legislative requirement and the cost to remedy the legislative requirement is more than 80% of the Asset replacement cost of the building then the Asset will be considered for disposal.

3.7 Shortage of future available building sites on campus

In the event that the predicted growth for a campus indicates that the current landholding and remaining future building sites are insufficient to meet growth, consideration will be given to the disposal of buildings where it is deemed appropriate and feasible to construct a building of higher density.

3.8 Non-Core Business

Where assets are currently used to provide services that are considered non-core business consideration may be given to disposal where:

- There is a financial benefit to the university, and
- Disposal still enable the services to be provided to the University.

4. ASSET DISPOSAL ALTERNATIVES

Where a decision is made to dispose of an Asset a number of alternatives exist. These are:

Assets on University Campuses:

- demolish;
- reallocate asset to another Group/Element, or
- lease surplus capacity.

Assets not held on University Campuses:

- sale by public auction;
- tender;
- transfer the asset to another entity;
- write-off;
- demolish;
- reallocate asset to another program within the entity, or
- lease surplus capacity.

The decision as to which method of disposal is most appropriate will be determined largely by:

- the reason for disposing of the asset;
- the location of the Asset;
- the zoning/designation of the land on which the building is located;
- Any Contract/Agreement related to the Asset;
- the cost-benefit to be gained through disposal, and
- synergies gained through disposal.

5. PLANNING FOR ASSET DISPOSAL

When an Asset is considered for disposal the Offices of Campus Life (CLF) and Finance will be responsible under the direction of the Vice President (Corporate Services) for the preparation of an Asset Disposal Report. The Asset Disposal Report will incorporate where applicable the following:

- rationale for disposal;
- option(s) for disposal;
- costing and evaluation of disposal alternatives;

- Independent valuations, Condition Assessments, Review/Assessment of any Commercial Offers;
- Due Diligence reports appropriate to the transaction under consideration including compliance with legislative requirements.

The Finance, Resources and Risk Committee has the delegated authority to approve Asset Disposal Reports in relation to assets with net book values of less than \$5 million.

Asset Disposal Reports in relation to assets with net book values of \$5 million or more will be submitted to Council for approval on the recommendation of the Finance, Resources and Risk Committee.