



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **LGACOM601A Acquire and dispose of assets**

**Release 2**

## LGACOM601A Acquire and dispose of assets

### Modification History

LGACOM601A Release 2: Layout adjusted. Range Statement edited.  
LGACOM601A Release 1: Primary release.

### Unit Descriptor

This unit covers planning for and undertaking the acquisition of new assets and disposal of surplus assets.

### Application of the Unit

This unit supports the attainment of skills and knowledge required for competent workplace performance in councils of all sizes. Knowledge of the legislation and regulations within which councils must operate is essential. The unique nature of councils, as a tier of government directed by elected members and reflecting the needs of local communities, must be appropriately reflected.

### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

Not applicable.

### Employability Skills Information

This unit contains employability skills.

### Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a Unit of Competency

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<p><b>1. Plan to introduce new assets</b></p>	<p>1.1. Clear need for <i>asset</i> is demonstrated based on strategic or customer requirements.</p> <p>1.2. Alternative options are identified.</p> <p>1.3. Level of service in relation to demand, reliability, quality and life span of asset is assessed.</p> <p>1.4. All <i>costs relating to life cycle</i> of the asset are predicted.</p> <p>1.5. Planning strategies clearly identify how life cycle costs are to be funded.</p> <p>1.6. Performance of assets and probability of failure for aggregated and individual assets are predicted.</p> <p>1.7. Planning decisions are analysed for <i>cost options</i>.</p>
<p><b>2. Conduct project evaluation</b></p>	<p>2.1. Costs for new service or service levels are compared with alternative options to enable selection of option that best satisfies need.</p> <p>2.2. Costs for new services or service levels are assessed as justifiable in terms of benefits.</p>
<p><b>3. Determine acquisition and supply strategy</b></p>	<p>3.1. <i>Acquisition</i> and supply strategy is determined to clearly define key asset deliverables.</p>
<p><b>4. Collect asset information for management system</b></p>	<p>4.1. Commissioning lists are completed and life cycle condition monitoring and maintenance programs are set up.</p> <p>4.2. Asset management systems are implemented.</p> <p>4.3. All documentation recording <i>relevant details</i> on the asset is collected.</p>
<p><b>5. Plan for disposal of surplus assets</b></p>	<p>5.1. Current condition and ultimate failure mode of asset are confirmed.</p> <p>5.2. Availability of asset/components for disposal is assessed in terms of current usage, potential usage and availability of alternative service options.</p> <p>5.3. Book value and accumulated depreciation of asset are identified to enable profit/loss on disposal to be calculated.</p> <p>5.4. <i>Barriers to disposal of asset</i> are identified.</p> <p>5.5. <i>Methods of disposal</i> are identified and assessed against organisational and legislative requirements and costs.</p>
<p><b>6. Dispose of assets</b></p>	<p>6.1. Assets are disposed of in line with legislative requirements.</p> <p>6.2. Disposal of assets is conducted in line with council's renewal and replacement <i>policies</i>.</p>

## **Required Skills and Knowledge**

This describes the essential skills and knowledge and their level, required for this unit

### **Required Skills**

- planning
- analysing
- assessing
- decision making
- evaluating
- completing documentation

### **Required Knowledge**

- financial functions of asset register
- council policy
- legislative requirements of acquisition and disposal
- compensation legislation
- state or territory environmental planning and assessment acts
- local government legislation and other relevant legislation
- strategies, policies and procedures on sustainable practice
- asset management software

## Evidence Guide

### Overview of assessment requirements

A person who demonstrates competency in this unit will be able to perform the outcomes described in the Elements to the required performance level detailed in the Performance Criteria. The knowledge and skill requirements described in the Range Statement must also be demonstrated. For example, knowledge of the legislative framework and safe work practices that underpin the performance of the unit are also required to be demonstrated.

### Critical aspects of evidence to be considered

Demonstration of need for asset and consideration of full range of alternatives.

- Costing to include all life cycle costs.
- Collection of asset information and implementation of asset management systems.
- Adequate planning for disposal of assets.
- Disposal of assets in line with all requirements, including relevant environmental and sustainability practices.

### Context of assessment

On the job or in a simulated work environment.

### Relationship to other units (prerequisite or co-requisite units)

Prerequisite units: nil.

To enable holistic assessment this unit may be assessed with other units that form part of the job role in particular:

- LGAGOVA614B Monitor and maintain quality of asset management system

### Method of assessment

The following assessment methods are suggested:

- observation of the learner performing a range of workplace tasks over sufficient time to demonstrate handling of a range of contingencies
- written and/or oral questioning to assess knowledge and understanding
- completion of workplace documentation
- third-party reports from experienced practitioners
- completion of self-paced learning materials including personal reflection and feedback from trainer, coach or supervisor.

### Evidence required for demonstration of consistent performance

Evidence will need to be gathered over time across a range of variables depending on council work flow and planning cycle as long as the critical aspects of evidence can be demonstrated. Assessment is best demonstrated by submission of a documented strategy outlining the steps involved in asset acquisition and disposal.

**Resource implications**

Access to a workplace or simulated case study on purchase and disposal. In off-the-job situations students must have access to:

- relevant data on asset costs
- relevant legislation
- council policies
- asset management software

## Range Statement

The Range Statement relates to the Unit of Competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording in the Performance Criteria is detailed below.

<b><i>Assets</i></b> may include:	<ul style="list-style-type: none"> <li>• all non-current structures or items of plant or equipment that provide service potential or future economic benefit</li> </ul>
<b><i>Life cycle costs</i></b> may include:	<ul style="list-style-type: none"> <li>• development</li> <li>• design</li> <li>• purchase and/or construction</li> <li>• operation</li> <li>• maintenance</li> <li>• disposal</li> </ul>
<b><i>Cost options</i></b> may include:	<ul style="list-style-type: none"> <li>• adjust level of service</li> <li>• change maintenance regime</li> <li>• reduce demand or growth in demand to avoid capacity failure</li> </ul>
<b><i>Asset acquisition/creation</i></b> may include:	<ul style="list-style-type: none"> <li>• the provision of, or improvement to, an asset where the outlay can reasonably be expected to provide benefits beyond the year of outlay</li> </ul>
<b><i>Relevant details to be documented</i></b> may include:	<ul style="list-style-type: none"> <li>• cost of asset</li> <li>• projected life cycle costs</li> </ul>
<b><i>Barriers to disposal of assets</i></b> may include:	<ul style="list-style-type: none"> <li>• legal</li> <li>• physical</li> <li>• environmental</li> <li>• social</li> <li>• heritage</li> </ul>
<b><i>Methods of disposal</i></b> may include:	<ul style="list-style-type: none"> <li>• sale</li> <li>• donation</li> <li>• exchange</li> <li>• cannibalism of products/assets</li> </ul>
<b><i>Council policies relating to disposal</i></b> may include:	<ul style="list-style-type: none"> <li>• environmental</li> <li>• sustainability</li> <li>• heritage</li> </ul>

## Unit Sector(s)

Administration