

DSS4	DONATIONS AND GRANTS POLICY
FILE: 3	COPY LA11801, LA8084, LA21015,
	LA5310, LA11231, LA7110 & LA10295 MLB

SUMMARY:

Reporting on an updated policy and procedures for Council donations and grants.



Council at its meetings of the 9th August and 13th September 2005 considered reports on the review of the Donations, Grants and Subsidies Policy C21:7. A copy of the latter report is attached at [\(Appendix D\)](#).

At Council's meeting of the 13th September 2005 it was resolved:

"That this matter be deferred until next meeting and that clarification be sought on the donations listed in the report"

To assist clarification, the granting of donations is governed by Section 356 of the Local Government Act as follows:

"356 Can a council financially assist others?"

- (1) A council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.*
- (2) A proposed recipient who acts for private gain is not ineligible to be granted financial assistance but must not receive any benefit under this section until at least 28 days' public notice of the council's proposal to pass the necessary resolution has been given.*
- (3) However, public notice is not required if:*
 - (a) the financial assistance is part of a specific program, and*
 - (b) the program's details have been included in the council's draft management plan for the year in which the financial assistance is proposed to be given, and*
 - (c) the program's proposed budget for that year does not exceed 5 per cent of the council's proposed income from the ordinary rates levied for that year, and*

(d) the program applies uniformly to all persons within the council's area or to a significant group of persons within the area.

(4) Public notice is also not required if the financial assistance is part of a program for graffiti removal work.

Note. *Sections 67A and 67B of the Act deal with graffiti removal work."*

Attached at [Appendix E](#) is a detailed list of all donations made by Kempsey Shire Council, including whether they are granted as a donation by a resolution of Council, the funding allocation source and additional information.

Council has different funding sources for donations that include subsidies, donation votes, direct budget line item donations or community based donations which are used to pay Council's business units for materials, equipment etc for which community groups would otherwise be charged.

It should also be noted that whilst all the donations have been listed, not all donations have been paid out regularly over the years. Donations are only paid when requested by the various groups.

In addition to the comments provided in the table further information is provided for the following donations:

Gladstone Reserve & Racecourse Trust

This trust manages a crown land recreation reserve on the former Racecourse at Gladstone.

Councils Policy sets out that Council will make a donation of 50% of the General, Business or Farmland Rate whichever is applicable to the property. For the 2005/2006 financial year this amounts to \$678.20. The figure doesn't include Water, Sewerage or Garbage charges.

Council commenced donations to the Gladstone Reserve & Racecourse Trust prior to 1986.

WARWICK PARK RACECOURSE TRUST

This trust manages the crown land racecourse at North Street, Kempsey.

Councils Policy sets out that Council will make a donation of 50% of the General, Business or Farmland Rate whichever is applicable to the property. For the 2005/2006 financial year this amounts to \$879.10. The figure doesn't include Water, Sewerage or Garbage charges.

Council commenced donations to the Warwick Park Racecourse Trust prior to 1986.

Kempsey Rifle Range (Macleay Valley Regional Shooting Complex).

The Macleay Valley Regional Shooting Complex Inc manages the crown land reserve off Crescent Head Road

Councils Policy sets out that Council will make a donation of 50% of the General, Business or Farmland Rate whichever is applicable to the property. For the 2005/2006 financial year this amounts to \$1131.13. The figure doesn't include Water, Sewerage or Garbage charges.

Council received the request from the Shooting Club in July 2002 for the provision of rate relief, which was subject to an additional report in September 2002 where it was resolved:

"That Council make a donation to Macleay Regional Shooting Complex Inc based upon the monetary differential between the business and lower Residential Non-Urban rate i.e. \$734 for the 2002/03 year and that the percentage be 50% for ongoing donations in ensuing years."

STUARTS POINT PRE-SCHOOL

The Stuarts Point Pre-School is situated adjacent to the Stuarts Point sports fields on crown land for which Council has care, control and management. The section of crown land for which the pre-school is located was leased out on the 1st March 1991. This lease is due to expire on the 28th March 2007.

At the time that the lease was negotiated with the Stuarts Point Pre-School, it was a requirement under the then State Government guidelines (for leasing of reserves) that a market rental figure set by the Valuer General must be used. An allowance is made in the form of a rebate for any 'public benefit' up to a maximum of two thirds of the market rent. As such, the current subsidy rate was set. The current subsidy is \$388.35 for 2005/2006 financial year.

As this lease is due to expire on the 28th March 2007 the existing arrangements should continue for the present. If a new lease of the area is to be sought than any subsidy / rate relief should be negotiated at that time.

Lower Macleay Pre-School (Smithtown)

The Lower Macleay Pre-School Inc is the owner of property situated at 51 Belmore Street, Smithtown.

In March 1993 the Pre-School sought to have rate relief as it is a Non-for-Profit entity. This was granted with a donation of 100% of

the General, Business or Farmland Rate whichever is applicable to the property. For the 2005/2006 financial year this amounts to \$427.84. The figure doesn't include Water, Sewerage or Garbage charges.

Upper Macleay Pre-School (Willawarrin)

In 1988 the Upper Macleay Pre-School acquired a building in Main Street, Willawarrin for which Council provided an interest free loan.

Council also provided a subsidy to the Pre-School in accordance with Section 358(2) of the 1919 Local Government Act, which is a rebate of 100% of the Business rate.

For the 2005/2006 financial year this amounts to \$151.51. The figure does not include Water, Sewerage or Garbage charges.

SOUTH WEST ROCKS SURF LIFE SAVING CLUB

The South West Rocks Surf Life Saving Club receives a donation from Council, which is administered in different forms. These include 100% donation towards rates and charges, which for 2005/2006 financial year amounts to \$1,704.35. They then receive a further \$2,500 cash donation to assist the club with its operational expenses.

It should be noted that in the 2004/2005 financial year, prior to the introduction of the Sewer Pricing Structure, the rates and charges (and hence Council's donation) for the South West Rocks Surf Life Saving Club was \$5,653.93.

Attached at [\(Appendix F\)](#) is the revised draft Donations, Grants and Subsidies Policy that is recommended.

Those donations that have not been sought for adoption in the past two years have been deleted from the list.

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *Social*

The revised policy will ensure a consistent, open and equitable approach to the distribution of Council's donation budget whilst endeavouring to ensure that local community needs can be addressed on a priority basis.

A reduction in the level of donations by Council to service groups may impact on the ability of these groups to continue providing services / benefits to the community.

- *Economic (Financial)*

There are no immediate economic implications as all costs are included in Council's budget.

- *Policy or Statutory*

Adoption of the revised policy would result in a change to the current policy.

- *Director's Review*

Council may wish to add or delete any of the organisations listed within the draft Policy before adopting the Policy.

RECOMMENDATION:

That the revised Policy C21:7 Donations and Grants and Subsidies be adopted.