

Policy

Title: Grants and Benefits Disclosure

Category: Corporate Governance

Date Last Adopted: 7 March 2016

1. Objectives

1. To articulate the Council's interpretation of grants and benefits for the purposes of disclosure within the Annual Report under Section 77 of the *Local Government Act 1993* (S77 LGA).
2. This Policy only applies to S77 LGA. There may be other legislative requirements to be considered when assessing grants and benefits.
3. To address the relevant transactions of the Council that meet the definition of the disclosure.
4. To identify the delegations for approval of 'benefits'.
5. To identify the methodology of disclosing amounts in aggregate or individually, and the basis for determining the value of the benefits provided.

2. Background

An internal audit of the grants and benefits approval and reporting processes in accordance with S77 LGA has been undertaken by the Council's internal auditors as part of the 2013/2014 internal audit program.

The findings from the audit have resulted in a recommendation to develop a formal policy in relation to 'grants and benefits' and disclosure requirements in accordance with S77 LGA.

3. Definition of Grant and Benefit

A "grant" is to give a sum of money to a person or organisation for a specified purpose.

A "benefit" is to provide goods and services free of charge or at reduced rates to people or organisations for which they would otherwise be liable to pay.



4. Policy

This policy interprets the grants and benefits transactions within the Council; identifies the transaction types which meet the definition for disclosure in accordance with S77 LGA; and determines the requirements and process for disclosing grants and benefits within the Council's Annual Report.

5. Classifications of Grants and Benefits

Grants and benefits are provided to organisations which undertake activities and programs that strongly align with the Council's Strategic Framework – Hobart 2025, the City of Hobart Strategic Plan 2014-2019 as well as other relevant City of Hobart strategies.

The Council provides the following classifications of grants and benefits:

1. Reduced fees or charges

A full or partial reduction in fees or charges imposed by the Council pursuant to Section 205 of the *Local Government Act 1993*, which are published in the Council's Annual Fees and Charges Booklet, for the use of recreational, community or other Council owned facilities or services.

2. In-kind assistance

The provision of a Council service, including staff and/or equipment at nil or reduced charge.

3. Reduced rates

A full or partial reduction in rates including:

- (i) Pensioner rate remissions (net of reimbursements provided by the State Government and associated bodies).
- (ii) Remissions of rates pursuant to Section 129 of the *Local Government Act 1993*.
- (iii) Rate rebates.

4. Charitable Donations and Gifts

A donation or gift is given as cash with no expectation of receiving a benefit.



5. Sponsorship/Investment

Any sponsorship/investment provided either as cash or in-kind is considered a grant. There are three types of sponsorship/investment – Economic, Cultural, and Festivals and Events (including sporting events).

Funds are provided as a grant or benefit for which the Council receives recognition for the contribution and the community receives a benefit from these contributions.

In these circumstances, the Council has a strong interest or may be an active partner in the activity for which the sponsorship/investment is given, and/or the activity is strongly aligned with a Council Strategy, such as the Economic Development Strategy or the Creative Hobart Cultural Strategy.

4.1 Economic

Assistance to organisations that endeavour to build a strong economic foundation through increased activity in the City that is aligned with the *Economic Development Strategy* or any transactions entered into under the Major Developments Assistance Incentives/Policy (7.06.02) which are captured by S77 LGA.

Such assistance may take the form of reduced fees and charges and/or reduced rates as outlined above.

4.2 Cultural

Assistance to support key cultural institutions in the City of Hobart in the delivery of programs and activities that promote the distinctive character of the city and enhance the city's vibrancy and closely align with the Council's Creative Hobart Cultural Strategy.

4.3 Festivals and Events

Assistance to support major and community festival and event (including sporting) programs and activities which present the greatest opportunity to leverage quantifiable economic, visitor, city promotional, cultural and community outcomes that align with the Council's strategic objectives to enhance City vibrancy and build healthy communities.

6. Community Grants

Assistance through the provision of cash grants to support programs and activities in support of community participation and valuing diversity to support a safe, friendly and compassionate society.



7. Environmental and Climate Change Grants

Assistance through the provision of cash grants or rebates to increase environmental awareness and in supporting ratepayers and organisations to minimise the effects of environmental damage and climate change.

8. Heritage and Conservation Grants

Cash grants for small to medium scale works, heritage studies and conservation plans, education projects on heritage listed places to protect the built heritage and history of the City.

9. Interest Free Loans

Interest which would normally have been payable on interest free loans provided to eligible social enterprises who have a social mission under the Council's Interest Free Loans program.

A combination of the above classifications of grants and benefits may be used at any one time.

6. Delegations for approval

All grants and benefits are approved in accordance with the Council's Delegations Register (Financial Delegations), Council Committee's Terms of Reference and Council Policy Manual.

7. Disclosure of all Grants and Benefits

1. Section 72 of the *Local Government Act 1993*, sets out the mandated requirements for the material to be included in the Annual Report. S77 LGA provides an additional requirement, which is the documenting of individual particulars of each grant or benefit given by the Council being reported in the Annual Report.
2. S77 LGA does not require the disclosure of Council decisions of a commercial nature or the disclosure of reduced rents on Council owned properties.
3. For the purposes of S77 LGA, the following grants and benefits will be disclosed in the Annual Report:
 - (i) Reduced fees and charges;
 - (ii) Established monetary value of in-kind assistance;
 - (iii) Reduced rates;
 - (iv) Charitable donations and gifts;
 - (v) Sponsorship/Investment;



- (vi) Community grants;
 - (vii) Environmental and Climate Change grants;
 - (viii) Heritage and Conservation grants;
 - (ix) Interest free loans; and
 - (x) Reduced Rentals.
4. All grants and benefits requiring disclosure under S77 LGA will be reported on an individual basis in the Annual Report except for the following classifications:
- (i) Reduced fees and charges for Council halls, sports fields, and parks up to an individual value of \$500;
 - (ii) Pensioner rate remissions (net expenditure);
 - (iii) Rate rebates up to an individual value of \$600; and
 - (iv) Ex-Aldermen's entitlements.

which will be aggregated for each individual classification, except where approved under the Major Developments Assistance/Incentives Policy and captured by S77 LGA.

8. Financial treatment:

Accounting treatment of grants and benefits will be undertaken in accordance with the *Audit Act 2008*, and associated standards and requirements issued by the Australian Account Standards Board.

All grants and benefits will be captured and recorded in the financial management system and will be recorded as a total benefit. The total benefit will include cash and in-kind assistance.

9. Legislation, Terminology and References:

Relevant legislation and Council's procedures that should be referred to when interpreting this policy are:

Local Government Act 1993, specifically Sections 72, 77, 129 and 205

Procedures for grants and benefits as contained within the Council's Integrated Management System

Delegations Register

Policy Manual



Responsible Officer:	Director Corporate Services
Policy first adopted by the Council:	
History	
Amended by Council	21/9/2015
Amended by Council	7/3/2016
Next Review Date:	March 2017
