



AGENDA

CORPORATE SERVICES AND FINANCE COMMITTEE MEETING

9 February 2016

6.00pm

City of Albany Council Chambers

**CITY OF ALBANY
COMMUNITY STRATEGIC PLAN (ALBANY 2023)**

VISION

Western Australia's most sought after and unique regional city to live, work and visit.

VALUES

All Councillors, Staff and Volunteers at the City of Albany will be...

Focused: on community outcomes

This means we will listen and pay attention to our community. We will consult widely and set clear direction for action. We will do what we say we will do to ensure that if it's good for Albany, we get it done.

United: by working and learning together

This means we will work as a team, sharing knowledge and skills. We will build strong relationships internally and externally through effective communication. We will support people to help them reach their full potential by encouraging loyalty, trust, innovation and high performance.

Accountable: for our actions

This means we will act professionally using resources responsibly; (people, skills and physical assets as well as money). We will be fair and consistent when allocating these resources and look for opportunities to work jointly with other directorates and with our partners. We will commit to a culture of continuous improvement.

Proud: of our people and our community

This means we will earn respect and build trust between ourselves, and the residents of Albany through the honesty of what we say and do and in what we achieve together. We will be transparent in our decision making and committed to serving the diverse needs of the community while recognising we can't be all things to all people.

TERMS OF REFERENCE

(1) Function:

The Corporate Services and Finance Committee will monitor and comment on the financial health and strategies of Council and will be responsible for the delivery of the following Civic Leadership Objectives contained in the City of Albany Strategic Plan:

- (a) To establish and maintain sound governance structures;
- (b) To provide strong, accountable leadership supported by a skilled and professional workforce;
- (c) To engage effectively with our community.

(2) It will achieve this by:

- (a) Monitoring and commenting on the financial health and strategies of Council;
- (b) Developing policies and strategies;
- (c) Establishing ways to measure progress;
- (d) Receiving progress reports;
- (e) Considering officer advice;
- (f) Debating topical issues;
- (g) Providing advice on effective ways to engage and report progress to the Community; and
- (h) Making recommendations to Council.

(3) Chairperson: *Councillor Elect*

(4) Membership: *Mayor Wellington, Councillor Goode, Councillor Stocks, Councillor Mulcahy, Councillor Hollingworth, Councillor Shanhun, Councillor Hammond, Councillor Terry, Councillor Dowling, Councillor Price, Councillor Smith*

(5) Meeting Schedule: 2ND Tuesday of the Month

(6) Meeting Location: Council Chambers

(7) Executive Officer: Executive Director Corporate Services

(8) Delegated Authority: None

TABLE OF CONTENTS

| | Details | Pg# |
|--------|--|-----|
| 1. | DECLARATION OF OPENING | 4 |
| 2. | PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS | 4 |
| 3. | RECORD OF APOLOGIES AND LEAVE OF ABSENCE | 4 |
| 4. | DISCLOSURES OF INTEREST | 5 |
| 5. | RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE | 5 |
| 6. | PUBLIC QUESTION TIME | 5 |
| 7. | PETITIONS AND DEPUTATIONS | 5 |
| 8. | CONFIRMATION OF MINUTES | 5 |
| 9. | PRESENTATIONS | 5 |
| 10. | UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS | 5 |
| 11. | MINUTES AND RECOMMENDATIONS OF COMMITTEES | |
| | Corporate Services and Finance Committee | |
| CSF217 | FINANCIAL ACTIVITY STATEMENT – DECEMBER 2015 | 6 |
| CSF218 | LIST OF ACCOUNTS FOR PAYMENT – DECEMBER 2015 /JANUARY 2016 | 8 |
| CSF219 | DELEGATED AUTHORITY REPORTS – NOVEMBER 2015 TO JANUARY 2016 | 10 |
| CSF220 | TENDERS QUARTERLY REPORTS – OCTOBER TO DECEMBER 2015 | 12 |
| CSF221 | NEW COMMUNITY LEASE – RAINBOW COAST NEIGHBOURHOOD CENTRE INC – COMMUNITY GARDEN – PORTION OF RESERVE 25356 | 14 |
| CSF222 | RATING SUBSIDY POLICY – SPORTING & COMMUNITY GROUPS | 20 |
| 12. | NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF COUNCIL | 24 |
| 13. | MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN | 24 |
| 14. | REPORTS OF CITY OFFICERS | 24 |
| 15. | MEETING CLOSED TO PUBLIC | 24 |
| 16. | CLOSURE | 24 |

1. DECLARATION OF OPENING

2. PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS

“Heavenly Father, we thank you for the peace and beauty of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”

“We would like to acknowledge the Noongar people who are the Traditional Custodians of the Land.

We would also like to pay respect to Elders both past and present”.

3. RECORD OF APOLOGIES AND LEAVE OF ABSENCE

Mayor

D Wellington

Councillors:

Member

A Goode JP (Deputy Chair)

Member

P Terry

Member

S Smith

Member

B Hollingworth

Member

J Shanahun

Member

R Hammond

Member

J Price

Member

N Mulcahy

Member

C Dowling

Staff:

Chief Executive Officer

A Sharpe

Executive Director Corporate Services

M Cole

Manager of Finance

D Olde

Meeting Secretary

H Bell

Apologies:

Member

G Stocks (Chair)

4. DISCLOSURES OF INTEREST

| Name | Committee/Report Item Number | Nature of Interest |
|-------------|---|---------------------------|
| | | |

5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

6. PUBLIC QUESTION TIME

7. PETITIONS AND DEPUTATIONS

8. CONFIRMATION OF MINUTES

DRAFT MOTION

THAT the minutes of the Corporate Services and Finance Meeting held on 8 December 2015, as previously distributed, be CONFIRMED as a true and accurate record of proceedings.

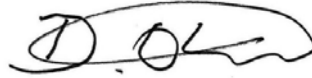
9. PRESENTATIONS

10. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS

CSF217: FINANCIAL ACTIVITY STATEMENT – DECEMBER 2015

Attachment : Financial Activity Statement
Responsible Officer : Manager of Finance (D Olde)

Responsible Officer's Signature:



CSF217: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Financial Activity Statement for the period ending 31 December 2015.

BACKGROUND

1. The Statement of Financial Activity for the period ending 31 December 2015 has been prepared and is attached.
2. In addition to the statutory requirement to provide Council with a Statement of Financial Activity, the City provides Council with a monthly investment summary to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the Investment of Surplus Funds Policy.

DISCUSSION

3. In accordance with section 34(1) of the *Local Government (Financial Management) Regulations 1996*, the City of Albany is required to prepare each month a Statement of Financial Activity reporting on the revenue and expenditure of the local authority.
4. The requirement for local governments to produce a Statement of Financial Activity was gazetted in March 2005 to provide elected members with a greater insight in relation to the ongoing financial performance of the local government.
5. Additionally, each year a local government is to adopt a percentage or value to be used in Statements of Financial Activity for reporting material variances. Variations in excess of \$50,000 are reported to Council.
6. These financial statements are still subject to further yearend adjustments and have not been audited by the appointed auditor.

“Please note that rounding errors may occur when whole numbers are used, as they are in the reports that follow. The ‘errors’ may be \$1 or \$2 when adding sets of numbers. This does not mean that the underlying figures are incorrect.”

STATUTORY IMPLICATIONS

- 7. Section 34 of the *Local Government (Financial Management) Regulations 1996* provides:
 - I. A local government is to prepare each month a statement of financial activity reporting on the source and application of funds, as set out in the annual budget under regulation 22 (1)(d), for that month in the following detail –
 - a. annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);
 - b. budget estimates to the end of the month to which the statement relates;
 - c. actual amounts of expenditure, revenue and income to the end of the month to which the statement relate
 - d. material variances between the comparable amounts referred to in paragraphs (b) and (c); and
 - e. the net current assets at the end of the month to which the statement relates.
 - II. Each statement of financial activity is to be accompanied by documents containing –
 - a. an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
 - b. an explanation of each of the material variances referred to in sub regulation (1)(d); and
 - c. such other supporting information as is considered relevant by the local government.
 - III. The information in a statement of financial activity may be shown –
 - a. according to nature and type classification;
 - b. by program; or
 - c. by business unit
 - IV. A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be –
 - a. presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
 - b. recorded in the minutes of the meeting at which it is presented.

FINANCIAL IMPLICATIONS

- 8. Expenditure for the period ending 31 December 2015 has been incurred in accordance with the 2015/16 proposed budget parameters. Details of any budget variation in excess of \$50,000 (year to date) follow. There are no other known events which may result in a material non recoverable financial loss or financial loss arising from an uninsured event.

POLICY IMPLICATIONS

- 9. The City's 2015/16 Annual Budget provides a set of parameters that guides the City's financial practices.
- 10. The Investment of Surplus Funds Policy stipulates that the status and performance of the investment portfolio is to be reported monthly to Council.

| | |
|-----------------------------------|----------------------|
| File Number (Name of Ward) | FM.FIR.2 - All Wards |
|-----------------------------------|----------------------|

CSF218: LIST OF ACCOUNTS FOR PAYMENT – JANUARY 2016

Proponent : City of Albany
Attachments : List of Accounts for Payment
Report Prepared by : Financial Accountant (S Beech)
Responsible Officer : Manager of Finance (D Olde)

Responsible Officer's Signature:



RECOMMENDATION

CSF218: RESPONSIBLE OFFICER RECOMMENDATION

That Council received the list of accounts authorised for payment under delegated authority to the Chief Executive Officer for the period ending 15 JANUARY 2016 totalling \$14,113,612.53.

BACKGROUND

1. Council has delegated to the Chief Executive Officer the exercise of its power to make payments from the City's municipal and trust funds. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the Chief Executive Officer is to be provided to Council.

DISCUSSION

2. The table below summarises the payments drawn from the municipal fund for the period ending 15 January 2016. Please refer to the Attachment to this report.

| | |
|---------------------------|-------------------------------|
| Municipal Fund | |
| Trust | \$439,811.87 |
| Credit Cards | \$30,195.66 |
| Payroll | \$2,369,666.88 |
| Cheques | \$279,867.13 |
| Electronic Funds Transfer | \$10,994,070.99 |
| TOTAL | <u>\$14,113,612.53</u> |

3. As at 15 January 2016, the total outstanding creditors, stands at \$9,580.11 and made up as follows:-

| | |
|--------------|--------------------------|
| Current | \$10,626.51 |
| 30 Days | \$460.82 |
| 60 Days | \$-297.00 |
| 90 Days | \$-1,210.22 |
| TOTAL | <u>\$9,580.11</u> |

Cancelled cheques: 30870 – lost in post, 30847 incorrect entry, corrected and replaced with cheque 30912, 30907 – incorrect creditor, 30913 – paid with Petty Cash, 30974 – incorrect spelling, replaced with 30987, 30821 – paid with credit card, 30677 – no longer required.

STATUTORY IMPLICATIONS

4. Regulation 12(1)(a) of the *Local Government (Financial Management) Regulations 1996*, provides that payment may only be made from the municipal fund or a trust fund if the Local Government has delegated this function to the Chief Executive Officer or alternatively authorises payment in advance.
5. The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.
6. Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides that if the function of authorising payments is delegated to the Chief Executive Officer, then a list of payments must be presented to Council and recorded in the minutes.

POLICY IMPLICATIONS

7. Expenditure for the period to 15 January 2016 has been incurred in accordance with the 2015/2016 budget parameters.

FINANCIAL IMPLICATIONS

8. Expenditure for the period to 15 January 2016 has been incurred in accordance with the 2015/2016 budget parameters.

SUMMARY CONCLUSION

9. That list of accounts have been authorised for payment under delegated authority.
10. It is requested that any questions on specific payments are submitted to the Executive Director Corporate Services by 4pm of the day prior to the scheduled meeting time. All answers to submitted questions will be provided at the Committee meeting. This allows a detailed response to be given to the Committee in a timely manner.

| | | |
|-----------------------------------|---|----------------------|
| File Number (Name of Ward) | : | FM.FIR.2 - All Wards |
|-----------------------------------|---|----------------------|

CSF219: DELEGATED AUTHORITY REPORTS

Proponent : City of Albany
Attachments : Executed Document and Common Seal Report
Report Prepared by : Personal Assistant to the ED Corporate Services (H Bell)
Responsible Officer : Chief Executive Officer (A Sharpe)

Responsible Officer's Signature:



RECOMMENDATION

CSF219: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Delegated Authority Reports 16 November 2015 to 15 January 2016.

CSF220: QUARTERLY REPORT – TENDERS AWARDED – OCTOBER TO DECEMBER 2015

Proponent : City of Albany
Attachments : Quarterly Report – Tenders Awarded – October to December 2015
Report Prepared by : Procurement Officer (H Hutchinson)
Responsible Officer : Manager of Finance (D Olde)

Responsible Officer's Signature:



RECOMMENDATION

CSF220: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Quarterly Report – Tenders Awarded – October to December 2015.

CSF221: NEW COMMUNITY LEASE – RAINBOW COAST NEIGHBOURHOOD CENTRE INC – COMMUNITY GARDEN – PORTION OF RESERVE 25356

Land Description : Portion of Crown Reserve 25356 Lot 6685 on Plan 7210, the subject of Certificate of Title Volume LR3082 Folio 459, Lockyer

Proponent : Rainbow Coast Neighbourhood Centre Inc.

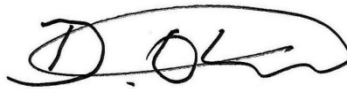
Owner : Crown

Attachment Map showing proposed community garden (provided by Rainbow Coast Neighbourhood Centre)

Report Prepared by : Team Leader Property and Leasing (T Catherall)

Responsible Officer : Manager of Finance (D Olde)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014-2018:
 - a. **Key Theme:** Civic Leadership
 - b. **Strategic Objective:** 5.1 To establish and maintain sound business and governance structures.
 - c. **Strategic Initiative:** 5.1.2 Develop informed and transparent decision making processes that meet our legal obligations.

Maps and Diagrams:



IN BRIEF

- Council is requested to consider a new lease to the Rainbow Coast Neighbourhood Centre (RCNC) for the development of a community garden. The proposed lease area is a 3500m² portion of Reserve 25356 located at Lot 6685, 2-16 Clifton Street, Lockyer.
- The RCNC community garden, currently situated on Sanford Road, needs to move to a new location as their existing lease on privately owned land is due to expire in April this year. The lease is not being renewed as the land is to be sold.
- RCNC will develop the proposed lease area, at no cost to Council.
- The new lease will reflect the standard terms applied to City community leases.
- The recommendation proposes that Council approve the new lease.

RECOMMENDATION

CSF221: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council APPROVE a new lease with the Rainbow Coast Neighbourhood Centre over portion of Reserve 25356 located on Lot 6685, 2-16 Clifton Street, Lockyer, subject to:

- a) Lease purpose being “Community garden and associated activities” and in accordance with the Management Order for the reserve.**
- b) Lease area being approximately 3500m² to be confirmed by survey.**
- c) Lease rent being a peppercorn rental of \$10 plus GST per annum.**
- d) Lease term being 10 years commencing as soon as practicable.**
- e) All costs associated with the development and ongoing operations of the lease area being payable by the lessee.**
- f) All costs associated with the preparation, execution and completion of the lease being payable by the lessee.**
- g) Pursuant to Section 18 of the *Lands Administration Act 1997*, the Minister for Lands consent being obtained.**
- h) Lease being consistent with Council Policy – Property Management (Leases and Licences).**

BACKGROUND

2. ‘C’ Class Crown Reserve 25356 is under Management Order (H639959) issued to the City of Albany with the power to lease, sub-lease or licence for the purpose of “Recreation” for any term not exceeding 21 years subject to the consent of the Minister for Lands.
3. Crown Reserve 25356 has an area of approximately 1.98 hectares and is located on Clifton Street, Lockyer. The reserve adjoins the Mount Lockyer Primary School oval.
4. In June 2015 the City received a request from the Rainbow Coast Neighbourhood Centre (RCNC) for a new site for their community garden. Their existing lease on privately owned land on Sanford Road is due to expire in April this year and is not being renewed as the land is being sold.

5. The City's working group for community requests (land or venues) assessed the request and identified three possible locations:
 - (i) Lot 6685, 2-16 Clifton Street Park, Lockyer (below Mount Lockyer Primary School);
 - (ii) Mokare Park, Mokare/Burville Street, Spencer Park (undeveloped section); and
 - (iii) Townsend Street, Lockyer (owned by Uniting Care West/Juniper and is open to community groups being involved in the future development of the site).
6. The two parks were identified as being under-utilised and a community garden was considered a good fit for both the Lockyer and Spencer Park communities. Leasing areas of these parks would have the potential to reduce the City's maintenance of these sites and increased use of these parks would enhance the areas.
7. After site visits and further investigations, the portion of land within Reserve 25356, commonly referred to as Clifton Street Park, Lockyer was considered the most suitable by RCNC, City officers and the Department of Lands.
8. RCNC lodged a development application for a community based garden/education/events and community kitchen. The development will include:
 - A transportable building with gazebo and added veranda;
 - Garden sheds, nursery, hothouse, water tanks and garden beds;
 - On site effluent disposal through a septic and absorption bed system;
 - On site management of storm water;
 - Parking areas, including wheel chair access; and
 - Fencing.
9. RCNC received conditional development approval (P2150521) on 16 December 2015. This notes in particular, no commercial activities are permitted from the site, unless otherwise agreed prior in writing by the City and a building permit must be obtained.
10. Next step in the process for RCNC is to apply for a lease to secure tenure of the land to undertake community garden activities.

DISCUSSION

11. The Rainbow Coast Neighbourhood Centre Inc. is a not for profit organisation that provides community support to local families, individuals and community groups.
12. Establishing a community garden in Lockyer will be an excellent fit for the community. The location is adjacent to the new child and parent centre, the Mount Lockyer Primary School and nearby Parklands School.
13. RCNC propose to relocate the existing transportable building (floor area of approximately 72m²) and construct an open community garden on the reserve. The building will serve as the centre of community and education programs provided by RCNC.
14. RCNC activities will include communal gardening, private use plot holdings, workshops and education programs, monthly produce swaps, seedling productions and after school activities.
15. RCNC has already established contact with the Mount Lockyer Primary School on possible collaboration with their education programs.

16. Additionally, recent consultation with the Lockyer community as part of the Community Development Team's 'Neighbourhood Hubs' project identified a community garden as a priority for residents.
17. Should Council approve a new lease, it is recommended a special development clause be included within the lease that requires the commencement of development (the subject of Development Application P2150521) within 6 months and that the development must be completed within 2 years from the commencement date of the lease. Should this condition not be met by RCNC then the City reserves the right to terminate the lease. This condition will ensure the leased land is developed and utilised as approved.
18. Is it noted that RCNC has been a tenant at Lotteries House since 2005, providing community managed services. RCNC consistently satisfies all lease conditions.
19. The proposed new lease will be in line with the Council Property Management (Leases & Licences) Policy and will be consistent with the standard terms applied to the City's community leases.

GOVERNMENT & PUBLIC CONSULTATION

20. The Department of Lands has been consulted and provided in principle approval to the proposed lease. Minister for Lands consent will be sought for the proposed lease, as it is a requirement of Section 18 of the *Land Administration Act 1997* that the Minister for Land's consent is obtained.
21. Section 3.58 of the *Local Government Act 1995* outlines the requirements for the disposal of property, including leased/licensed land and buildings. The Act requires the following:
 - a. A local government must give local public notice of the proposed lease/licence inviting submissions from the public, for a period of two weeks.
 - b. Any submissions are to be considered by Council and their decision with regard to those submissions, to be recorded in the minutes.
 - c. A local government can then proceed with the lease/licence.
22. Section 30 of the *Local Government (Functions and General) Regulations 1996* defines the dispositions to which the advertising requirements of Section 3.58 of the Act do not apply. Section 30 (2) (b) (i & ii) states that Section 3.58 of the Act is exempt if:
 - (b) The land is disposed of to a body, whether incorporated or not –
 - (i) The object of which are charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature, and
 - (ii) The members of which are not entitled or permitted to receive any pecuniary from the body's transactions,
23. The Rainbow Coast Neighbourhood Centre is a not-for-profit charitable organisation and therefore exempt from the advertising requirements of Section 3.58 of the *Local Government Act 1995*.

STATUTORY IMPLICATIONS

- 24. Section 18 the *Land Administration Act 1997* states that a person shall not assign, sell, transfer or otherwise deal with interests on Crown land or create or grant an interest in Crown land without the prior approval in writing of the Minister for Lands.
- 25. As this is Crown land, under Management Order held by the City, the Minister’s consent will be sought.
- 26. Section 3.58 of the *Local Government Act 1995* defines the requirements for the disposal of property, including leased/licensed land and buildings including advertising requirements.
- 27. The *Aboriginal Heritage Act 1972* applies to any place or object of importance to persons of Aboriginal descent and Section 17 of this Act makes it an offence to destroy, damage or alter in any way an Aboriginal site or object. This Act applies to known and unknown sites.
- 28. The City’s Aboriginal Heritage Risk Management process has been observed for this proposed development and it was considered by the Noongar Consultation Committee held on 8 December 2015. No concerns were raised and no requirements have been sought.

POLICY IMPLICATIONS

- 29. Council adopted a revised Property Management – Leases and Licences Policy in September 2012.
- 30. The Policy aims to ensure that all requests for leases and licences will be treated in a fair and equitable manner using open and accountable methodology and in line with statutory procedures.
- 31. The recommendation is consistent with Council Policy Property Management (Leases and Licences).

RISK IDENTIFICATION & MITIGATION

- 32. The risk identification and categorisation relies on the City’s Enterprise Risk Management Framework.

| Risk | Likelihood | Consequence | Risk Rating | Mitigation |
|---|-----------------|-----------------|---------------|---|
| <i>Reputation: A new lease is not approved – RCNC will need to find an alternate location should they wish to continue community garden activities.</i> | <i>Unlikely</i> | <i>Moderate</i> | <i>Medium</i> | <i>Seek to negotiate terms to Council satisfaction.</i> |

FINANCIAL IMPLICATIONS

- 33. All costs associated with the development, execution and completion of the lease documentation will be met by RCNC.
- 34. All costs associated with the development and ongoing operations of the lease area will be met by RCNC.
- 35. The new lease peppercorn rental of \$10 plus GST per annum will be directed to Income – Other Leases COA account 1190430.

LEGAL IMPLICATIONS

- 36. The Deed of Lease with enforceable will be prepared by City’s lawyers, at the lessee expense.

ENVIRONMENTAL CONSIDERATIONS

- 37. This crown reserve has been cleared and is developed as a local park. There are number of trees on site, majority of which will be retained. There are no other environmental considerations associated with the proposal.

ALTERNATE OPTIONS

- 38. Council may:
 - a. Approve the lease; or
 - b. Decline the lease.
- 39. Should Council decline the lease, RCNC will need to find an alternative location if they wish to continue community garden activities.

SUMMARY CONCLUSION

- 40. The Clifton Street Park was identified as being under-utilised and the proposed RCNC community garden use would be beneficial for the Lockyer community. Further, it would satisfy the Lockyer residents priority as identified in the Community Development Team’s “Neighbourhood Hubs” project.
- 41. The proposed lease will facilitate the relocation of the RCNC community garden from its current location in Sanford Road direct to Clifton Street Park, Lockyer in order to allow community garden activities to continue.
- 42. It is recommended that the proposed new lease to RCNC for a 10 year term be supported.

| | | |
|-----------------------------------|---|---|
| Consulted References | : | <ul style="list-style-type: none"> • Council Policy – Property Management (Leases and Licences) • <i>Local Government Act 1995</i> • <i>Land Administration Act 1997</i> |
| File Number (Name of Ward) | : | PRO405, A122775 (Vancouver Ward) |
| Previous Reference | : | No previous references |


CSF222: RATING SUBSIDY POLICY – SPORTING & COMMUNITY GROUPS

Business Entity Name : City of Albany
Attachments :

- List of current subsidy recipients.
- Draft Council Policy: Rating Subsidy – Sporting and Community Organisations
- Additional policy examples.

Report Prepared by : Manager Finance (D. Olde)
Responsible Officer : Manager Finance (D. Olde)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014-2018:
 - a. **Key Theme:** 5. Civic Leadership
 - b. **Strategic Objective:** 5.1. To establish and maintain sound business and governance structures.
 - c. **Strategic Initiative:** Nil

In Brief:

- Consider adoption of the Rating Subsidy – Sporting and Community Organisations policy position.

RECOMMENDATION

CSF222: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council ADOPT the Rating Subsidy – Sporting and Community Organisations Policy.

BACKGROUND

2. For a number of years, the City has offered a subsidy on rates for a select group of sporting and community organisations.
3. No legislative requirement exists requiring any subsidy to be offered, unlike the exemption claimed by charitable organisations.

DISCUSSION

4. No policy or formal program currently exists for the allocation of rating subsidies.
5. A program has existed for a number of years giving rating subsidies to community and sporting groups. The origins of this program are unclear. In the past, this subsidy has been part of various community financial assistance programs. Regardless of the precise nature of any program, a rating subsidy has been given to various organisations since 1999.

6. A draft Council policy position has been drafted for Council consideration for the purpose of:
 - a. transparency and accountability; and
 - b. for providing an opportunity to eligible organisations to receive the subsidy.
7. The policy outlines the type of organisations that would be considered eligible to receive a rates subsidy; and the evidence that may be required to make an informed and transparent assessment.
8. No waiver or subsidy will be applied to any other charges, including, but not limited to, electricity, water, waste charges or Emergency Services Levy.
9. To ensure that Council is fully informed on the total cost of the subsidy an estimate of the subsidy and the list of recipients will be presented for endorsement and approval as part of the budget approval process.
10. This policy will be effective from 1 July 2016.
11. For the 2015/16 subsidy, item CSF195 was endorsed at the Ordinary Council meeting held on 22 September 2015.
12. A table of current recipients is listed in the attachments.
13. All organisations currently receiving a rating subsidy will be requested to submit information as detailed in the policy. This will allow an assessment to be made on the eligibility to receive the subsidy.
14. A desktop review indicates it is highly unlikely that any organisation currently receiving this rating subsidy would be ruled ineligible under the proposed policy. However, this will need to be verified and confirmed once the supporting evidence has been provided and reviewed by City officers.
15. If an organisation that is currently receiving the subsidy is found to not satisfy the criteria, a phasing in period will apply until no subsidy is allowed. This phasing in will be over a number of years, as detailed in the table below:

| Financial Year | Subsidy offered |
|-----------------------|------------------------|
| 2016/17 | 75% |
| 2017/18 | 50% |
| 2018/19 | 25% |
| 2019/20 | Nil |

Table 1

16. By phasing out the subsidy over a number of years, any impacted organisation will have time to adjust budgets and financial impact.
17. A review of a number of other local governments was done to determine if a standard approach is being taken.
18. This review was done by searching for policy documents on various council websites, emailing and phoning other officers, and from this research it became evident that no consistent approach has been taken across the sector. If any trend is evident, it would be rural and regional councils tend to waive rates, while metropolitan councils tend to not give any subsidy. However, as can be seen in the following points, exceptions to this do exist.
19. The City of Kalgoorlie-Boulder (policy attached) has a Rates Exemption Policy, which includes not-for-profit groups promoting a community or sporting activity.

20. The Shire of Denmark attempted to seek exemption on 29 properties from the Minister. Not all groups received exemption, however the Shire resolved to waiver rates on the non-exempt properties. No information is attached, as this decision spanned a number of council meetings, and information is contained in meeting minutes.
21. The City of Gosnells has a policy on when consideration would be given to waiver rates based on certain criteria for a certain time period.
22. The City of Stirling has a specific policy applying to an “A” Class reserve, on which the Mt Lawley Golf Club is situated. This waives the rates due on this property.
23. The Shire of Esperance policy COR 004: Building and property leases classifies City owned land and property into a number of different classifications, and the payment of rates for each property. Category (iii) Specific Sports Facilities do not pay rates, as confirmed with a Shire officer.
24. The City of Bunbury has community lease policy. No rating subsidy is offered, regardless of the organisation size or type, on either City owned and managed land, or freehold land.
25. The City of Fremantle has a policy (SC45) dealing with leases to not-for-profit organisations of council owned properties. Discussions with a City of Fremantle officer indicated that as a general rule no rating subsidy is offered, but exceptions are made at the discretion of officers. However, the number of properties impacted is minimal, in the order of 15-20. Discussions with the officer indicated that one other metropolitan council offers no subsidy to any community or sporting group, while a third council is the opposite, waiving almost all fees, charges and rates to almost every community and sporting group.
26. Two other regional councils had no set policy, however, historical practise was for rates to be waived at the discretion of the CEO or Executive. Indications from officers are that most, if not all, groups receive this waiver or subsidy.

GOVERNMENT & PUBLIC CONSULTATION

27. All of the organisations currently receiving the subsidy will be contacted upon policy endorsement. Rates for the 2016/17 year will not be raised until August 2016, and not due until mid to late September 2016. By adopting this policy in early 2016, City officers will have at least six months to contact and work with the various organisations to address the eligibility criteria.

STATUTORY IMPLICATIONS

28. The *Local Government Act 1995* does not provide a definition of what constitutes a charitable purpose, or for a public purpose.
29. Using case law precedence, each local government has the responsibility to assess and decide on applications from organisations seeking an exemption from paying rates. No application has been found from these organisations requesting exemption, and the case law precedence would indicate that the organisations listed would not be eligible for this exemption.

POLICY IMPLICATIONS

30. No policy currently exists. Adoption of this policy will ensure transparency and accountability is established.

RISK IDENTIFICATION & MITIGATION

31. The risk identification and categorisation relies on the City's Enterprise Risk Management Framework.

| Risk | Likelihood | Consequence | Risk Analysis | Mitigation |
|--|------------|-------------|---------------|--|
| Community & Organisational Operations. Failure to adopt the policy leaves some uncertainty amongst community organisations and City officers regarding eligibility and amount of subsidy. | Possible | Minor | Medium | Support the officer's recommendation and adopt the policy. |
| Reputation. Failure to adopt the policy may result in some dissatisfaction within sporting & community groups not currently receiving any subsidy. | Possible | Minor | Medium | Support the officer's recommendation and adopt the policy. |

FINANCIAL IMPLICATIONS

32. The total value of the subsidy for 2015/16 was in the order of \$200,000. It is anticipated that this amount will change in line with the annual change in rates.
33. A number of these groups lease land from the City, and pay a lease or licence fee for the use of City owned or managed assets. Any lease or licence fee is covered by *Council Policy: Property Management (Leases and Licences)*.

ALTERNATE OPTIONS

34. That no rating subsidy policy for sporting and community organisations is adopted.

SUMMARY CONCLUSION

35. For a number of years, a number of sporting and community groups have been receiving a rating subsidy with no policy framework in place.
36. To address this, it is recommended that Council resolve to adopt the proposed policy position attached.

| | | |
|-----------------------------------|---|--|
| Consulted References | : | <ul style="list-style-type: none"> Local Government Act 1995 Council Property: Property Management (Leases and Licences) |
| File Number (Name of Ward) | : | Nil (All wards) |
| Previous Reference | : | OCM 22/09/2015 Resolution CSF195 |

- 12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF COUNCIL**
- 13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 14. REPORTS OF CITY OFFICERS**
- 15. MEETING CLOSED TO THE PUBLIC**

- 16. CLOSURE**