

Cessnock City Council Rates Subsidy Policy

Date Adopted: 28 November 2022 Revision: 3

1. POLICY OBJECTIVES

1.1. The objectives of the policy are to:

- 1.1.1. Provide Council with an equitable, transparent and accountable framework for the determination and allocation of Council's Rates Subsidy to community organisations.
- 1.1.2. Establish how the administration practices of Council's Rates Subsidy to community organisations can support Council's Community Strategic Plan and Operational Plan in an efficient, effective and ethical manner.
- 1.1.3. Establish a governing framework for the determination and administration of requests for the grant of a Rates Subsidy to community organisations under section 356 of the Act whilst ensuring consistency, equity, transparency and financial sustainability in order to maximise benefit to the community of the Cessnock Local Government Area (**LGA**).
- 1.1.4. Ensure that the administration of the Rates Subsidy follows best-practice principles as defined in clause 4.
- 1.1.5. Recognise the value and benefits of services and activities organised and provided by community organisations.
- 1.1.6. Assist community organisations in the provision and delivery of community services, by granting applicants financial assistance.

1.2. These objectives are especially important as the decision-making power under the Act concerning subsidy related matters rests solely with the elected Council and cannot be delegated under [section 377](#)(q) of the Act.

2. POLICY SCOPE

- 2.1. This policy applies to all Rates Subsidy-related matters dealt with by the elected Council under [section 356](#) of the Act, and is independent from the regular procurement of goods, works and services.
- 2.2. This policy applies to all aspects of the determination and administration of the Rates Subsidy function, including application processes, application assessment, decision-making, monitoring and support services.
- 2.3. This policy does not apply to any statutory requirement Council is required to comply with in regards to rating legislation under the Act, the Regulation or the Rating and Revenue Raising Guidelines as published by Office of Local Government.

3. POLICY STATEMENT

- 3.1. The Rates Subsidy provided to a successful Applicant will be up to 50% waiver of charges from the general rates component. The total value of all Rates Subsidies granted by Council will be capped at the value of the annual budget allocation.
- 3.2. Financial support in the form of a Rates Subsidy may be provided by Council to not-for-profit community organisations to support the provision of a range of activities or services that:
- 3.2.1. Respond to an identified community need and provide community benefit, and/or,
 - 3.2.2. Are in accordance with key objectives identified in Council's Community Strategic Plan,
 - 3.2.3. Council will only provide a Rates Subsidy under this policy if it is satisfied that the Applicant satisfies the criteria for the grant of a Rates Subsidy as set out in this policy.

4. PRINCIPLES FOR THE GRANT OF A RATES SUBSIDY

- 4.1. The following principles are specific to the provision of a Rates Subsidy by Council. These principles must be considered by Council staff when assessing and administering all Rates Subsidy applications:
- 4.1.1. The applicant is an incorporated not-for-profit community organisation.
 - 4.1.2. The applicant is located and provides its service/activities within the boundaries of the Council LGA and/or principally services the Council LGA.
 - 4.1.3. The applicant is the organisation liable for the payment of rates to Council in accordance with [section 560](#) of the Act.
 - 4.1.4. The applicant must demonstrate that its values are compatible with Council's values, by way of providing Council with a mission statement, a charter or other documentation demonstrating such compatibility.
 - 4.1.5. If approved, the Rates Subsidy is granted for a single financial year only, with an annual application process being required under this policy.
 - 4.1.6. The applicant is to provide Council with all requested supporting documentation in relation to the application for a Rates Subsidy made under this policy.
 - 4.1.7. The applicant does not have any outstanding debts to Council.
 - 4.1.8. The applicant is responsibly-managed, and can provide accurate financial information to Council demonstrating its financial viability.
 - 4.1.9. The applicant holds appropriate insurance cover for the property for which it is requesting a rates subsidy.
 - 4.1.10. There must be no real or apparent conflict between the objectives of the policy and the mission of the applicant and Council.
 - 4.1.11. The availability of the Rates Subsidy to eligible applicants is to be publicised in various forms of media.
 - 4.1.12. Every recommendation relating to the determination of a Rates Subsidy application made by Council officers is to be based on the consistent application of established criteria.

4.1.13. All actual or perceived, whether existing or past, conflict of interests must be reported and handled in accordance with Council's Code of Conduct.

5. APPLICATION PROCESS

- 5.1. By **15 March** each year, an application for subsidy for the next financial year must be lodged with Council.
- 5.2. By **30 April** each year, Council will determine subsidies to be provided for the next financial year, so as to allow for inclusion in Council's Revenue Policy as part of the Operational Plan.
- 5.3. Council will formally notify each Applicant of the outcome in writing by **1 June** each year.

6. RESPONSIBILITIES

Compliance, monitoring and review

- 6.1. The General Manager is responsible for the implementation of, and compliance with, this policy.
- 6.2. The Chief Finance Officer is responsible for the review of this policy within three (3) years of adoption. This policy may be amended from time to time and any amendments to this policy must be by way of Council resolution.
- 6.3. The operation of this policy, including claims made under the policy, are subject to review by Council's Internal Auditor and may be included in Council's audit program.

Reporting

- 6.4. Present all Rates Subsidy applications before the elected Council for determination annually, each financial year.

Records management

- 6.5. Staff must maintain all records relevant to administering this policy in accordance with Council's Records Management Policy.

7. POLICY DEFINITIONS

Act	means the <i>Local Government Act 1993 (NSW)</i>
Ad Valorem Amount	<p>means per section 498 of the Act:</p> <p>(1) <i>The ad valorem amount of a rate is an amount in the dollar determined for a specified year by the council and expressed to apply—</i></p> <p>(a) <i>in the case of an ordinary rate—to the land value of all rateable land in the council's area within the category or sub-category of the ordinary rate, or</i></p> <p>(b) <i>in the case of a special rate—to the land value of all rateable land in the council's area or such of that rateable land as is specified by the council in accordance with section 538.</i></p> <p>(2) <i>The ad valorem amount of a rate is to be levied on the land value of rateable land, except as provided by this or any other Act.</i></p> <p>(3) <i>An ad valorem amount specified for a parcel of land may not differ from an ad valorem amount specified for any other parcel of land within the same</i></p>

	<p><i>category or subcategory unless—</i></p> <p><i>(a) the land values of the parcels were last determined by reference to different base dates, and</i></p> <p><i>(b) the Minister approves the different ad valorem amounts.</i></p>
Applicant	means a Community or Not-for-profit Organisation which deliver benefits within the Cessnock LGA, including economic, cultural, recreational and environmental benefits.
Base Amount	<p>means per section 499 of the Act:</p> <p><i>(1) A council may, in a resolution making a rate, specify a base amount of the rate, or a base amount for a category or sub-category of an ordinary rate.</i></p> <p><i>(2) The base amounts so specified may be the same or different amounts.</i></p> <p><i>(3) The appropriate base amount so specified is to form part of the rate levied on each separate parcel of rateable land subject to the rate.</i></p> <p><i>(4) A base amount specified for a parcel of land may not differ from a base amount specified for any other parcel of land within the same category or subcategory unless—</i></p> <p><i>(a) the land values of the parcels were last determined by reference to different base dates, and</i></p> <p><i>(b) the Minister approves the different base amounts.</i></p>
Council	means Cessnock City Council.
Community Organisation	means all voluntary community groups, service organisations, community services, sporting groups, arts organisations, heritage societies and other organisations that come under the definition of “not-for-profit”.
Not-for-profit	means a non-government group or organisation that is not operating for the profit or gain of its individual members, whether those gains would be direct or indirect.
Rates Subsidy	means the waiver of charges from the general rates component as charged on the annual rates assessment. This waiver of charges only applies to the Base Amount and Ad Valorem amount.
Regulation	means the <i>Local Government (General) Regulation 2021</i> (NSW).

8. POLICY ADMINISTRATION

Business Group	Corporate and Community Services
Responsible Officer	Chief Finance Officer
Associated Procedure (if any, reference document(s) number(s))	NIL
Policy Review Date	Three years from date of adoption unless legislated otherwise
File Number / Document Number	DOC2019/031552
Relevant Legislation (reference specific sections)	Sections 356 , 377 & 560 <i>Local Government Act 1993 (NSW)</i>
Relevant desired outcome or objectives as per Council's Delivery Program	Objective 5.3 – Ensuring Council is accountable and responsive to the community.
Related Policies / Protocols / Procedures / Documents (reference document numbers)	<ul style="list-style-type: none"> Records Management Policy (DOC2019/038769) Community Sponsorship & Fee Waiving Policy (DOC2018/040583) Revenue Policy Operational Plan Code of Conduct Rating and Revenue Raising Guidelines as published by Office of Local Government

9. POLICY AUTHORISATIONS

No.	Authorised Function	Authorised Business Unit / Role(s)
	Receive and assess applications for Rates Subsidy financial assistance to community organisations.	Chief Finance Officer Finance Operations and Administration Coordinator Team Leader Revenue

10. POLICY HISTORY

Revision	Date Approved / Authority	Description Of Changes
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1	17 June 2017 / CC41/2017	Policy reviewed
2	17 April 2019 / CC23/2019	Councillor request for policy review, changes to reflect a fairer and equitable process for the provision of rates subsidy.
3	19 October 2022/ CC82/2022	Policy reviewed to consider proposed amendments following the scheduled Policy review timeline. This Policy will ensure that Council remains fair, reasonable and transparent when dealing with the ratepayers of the Local Government Area (LGA).