

# Policy

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**Title:** Grants and Benefits Disclosure

**Category:** Corporate Governance

**Date Last Adopted:** 23 November 2020

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## 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. Definition of Grant and Benefit

A "grant" is defined as non-repayable funds or products that are disbursed from one party (grant maker) to a recipient (grant seeker). All support provided through the City of Hobart Grants Program, be it cash or in-kind is referred to as a "grant" and recognised as an actual cost.

A "benefit" is either pecuniary or non-pecuniary, that is provided to people or organisations for which they would otherwise be liable to pay. This often includes goods or services provided free of charge or at reduced rates or cash contributions given to organisations in the form of charity donations or sponsorship.

## 3. 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.

## 4. Classifications of Grants and Benefits

Grants and benefits are provided to organisations which undertake activities and programs that strongly align with the Council's Vision, the City of Hobart Capital City Strategic Plan 2019-2029 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

A sponsorship is a commercial arrangement in which the City of Hobart provides a contribution of money or in-kind support for a specified benefit such as brand exposure or naming rights.

Assistance of a sponsorship is provided to support large scale commercial events or activities that are considered high profile. As a result, these sponsorships must have the potential for the City of Hobart to benefit from significant promotional leverage, economic benefits, improved visitation and enrichment to the community. Sponsorships will be with well-established proven projects.

### 6. 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. Currently the City of Hobart provides grants supporting Community, Creative, Christmas, Event, Marketing and Urban Sustainability programs.



## 7. 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.

## 5. 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.

## 6. 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;
  - (vi) Community grants;
  - (vii) Heritage and Conservation grants; and
  - (viii) 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 which will be aggregated for each individual classification and captured by S77 LGA;
  - (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;
  - (iv) Rate remissions granted for an individual property/tenancy under the City of Hobart Financial Hardship Assistance Policy up to a total value of \$4,000.



## 7. Financial treatment:

The accounting treatment of grants and benefits will be in accordance with Accounting Standards and other pronouncements issued by the Australian Account Standards Board.

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

## 8. 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

Policy titled *Application for Grants – City of Hobart Grants Program*

Policy titled *Inbound Requests for Sponsorship*

<b>Responsible Officer:</b>	Director City Governance
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