

# GRANTS AND SUBSIDIES – POLICY – Programs –

## Section 356 Rental Subsidies

### Policy

Council will, in accordance with a resolution, contribute money or otherwise grant financial assistance to persons for the purpose of exercising Council's functions, in accordance with section 356 of the Local Government Act.

The rental subsidy (section 356 contribution) that may be provided to:

- 1) A community service organisation which occupies a Council building or property (tenant) will be determined in accordance with the principles in this policy document.
- 2) A medical practitioner in Merriwa or Murrurundi for assistance to either rental accommodation for either living or business purposes.

### Objective

To define in general terms:

- the basis for any rental subsidy that may be provided to a tenant or medical practitioner; and
- the responsibilities (including financial) of community service organisations (CSOs) which tenant a Council building or property and the form of assistance to medical practitioners working in Merriwa or Murrurundi.

### Procedure/Practice

#### 1) Community Service Organisations

Council acknowledges the partnership between it and the various community service organisations within the Shire and Upper Hunter which assist Council to achieve its mission to "... enhance the well being of the community ..."

Council may, in accordance with a resolution of Council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions (s356 Local Government Act 1993). However, Council must bear in mind that it is the custodian and trustee of public assets and that it must effectively account for and manage the assets for which it is responsible (s8 Local Government Act 1993).

The General Manager will refer to:

- Table 1 below, to determine the most appropriate category for the community service organisation; and
- Table 2 below, when preparing a lease document for the community service organisation.

The lease document will be based on the net commercial rent.

#### 2) Medical Practitioners

Council acknowledges from time to time financial assistance is required to attract new medical practitioners to the smaller townships of Merriwa and Murrurundi. Council will provide financial assistance to new medical practitioners in the form of:

- a) Financial assistance to rental accommodation for up to twelve (12) months for medical practitioners residing in Merriwa or Murrurundi up to a value of \$100 per week; or
- b) Financial assistance to premise rental for up to twelve (12) months for medical practitioners practices within Merriwa or Murrurundi up to a value of \$100 per week.

Each application will be reviewed on a case by case basis.

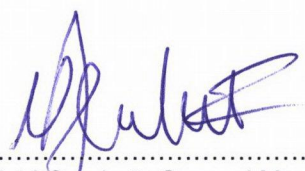
**References**

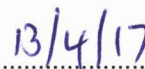
- 1. Office of Local Government circular to councils 06 – 32, 18 May 2006 “Provision of Financial Assistance under section 356 of the Local Government Act - Developing A Financial Assistance Policy”.
- 2. Local Government Act 1993 section 356 Can a council financially assist others?
  - (1) A council 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 Delivery Program 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.
- 3. Council’s Vision, Mission and Charter (refer to the current Delivery Program and Operational Plan)
- 4. Related policy: **GRANTS AND SUBSIDIES – POLICY - PROGRAMS – Section 356 General**
- 5. This policy was adopted by Council at its meeting on 27 February 2017. It replaces a policy of the same title, adopted on 24 November 2014

TRIM INT-21006/08, INT-1957/13

**Review Date**

October 2020, by the Manager Community Services.

Authorised by:   
 Waid Crockett, General Manager

  
 Date

**Table 1: Categories of Community Service Organisations**

	Category 1	Category 2	Category 3	Category 4
Level of funding from State or Federal Govt	Nil	Wages only; little or no running costs	Fully funded (80-100%) for operating costs	For profit private venture
Income generating ability	Fundraising only source of income	No growth funding available. Fundraising only source of income. No fee for service.	Some growth funding opportunities. Moderate to high ability to raise extra funds beyond fundraising, including fee for service.	Business venture with associated risks
Financial or in-kind support from Council	Heavy reliance on support	Some reliance on support	little to no reliance on support	none
Geographic area covered	L.G.A. or smaller	L.G.A. or smaller	Sub-regional	various
Target population	specific group eg., cancer support	broad cross-section, including the disadvantaged	defined target in the region, including the disadvantaged	various

**Table 2: Lease Document to include the following Responsibilities of Tenant**

	Category 1	Category 2	Category 3	Category 4
Rates	Council	Council	Council	Tenant
Water usage	Council	By negotiation	By negotiation	Tenant
Electricity	By negotiation	By negotiation	Tenant	Tenant
Telephone	Tenant	Tenant	Tenant	Tenant
Insurance – contents	Tenant	Tenant	Tenant	Tenant
Insurance – building	Council	Council	Council	Tenant
Insurance - public liability (property)	Council	Council	Council	Tenant
Maintenance – major (eg painting, floor resurfacing, roofing, air-con.)	Council	Council	Council	Tenant
Maintenance – minor (eg tap washers, light bulbs, damage)	Tenant	Tenant	Tenant	Tenant
Maintenance – grounds	By negotiation	By negotiation	By negotiation	Tenant
Cleaning minor (eg vacuum floor)	Tenant	Tenant	Tenant	Tenant
Cleaning major (eg carpets)	Council	By negotiation	Tenant	Tenant
Rental arrangement	Nil rent	Contribution	Reduced rent	Commercial rent
Subsidy	95%	85%	50%	0%