

**RECOMMENDATIONS ON  
FAIR USE OF COUNCIL FACILITIES**

Policy Panel submission to the City of Canada Bay Council

25<sup>th</sup> August, 2014

## **Opening Statement**

The volunteers of the Policy Panel wish to express their thanks to the Council of the City of Canada Bay and the New Democracy Foundation for the opportunity to consider the use of 22 council-owned facilities and provide recommendations for a subsidised lease policy on the basis of fairness, value and transparency.

## **Remit**

The Council of the City of Canada Bay tasked the Policy Panel to make recommendations about how Council can get the best use from community facilities provided to certain not for profit organisations, and what level of rental subsidies should be offered for these council-owned facilities.

## **Opening statement**

Community facilities play an important role in the cohesiveness of the Canada Bay community. They provide places where people from a range of ages, backgrounds and interests can learn, grow, recreate, interact, and be supported. They are the focus of socially sustainable communities.

Fee subsidies have been used to assist parents to provide care for their children while the parents work, but the importance of providing learning development to children early in their lives is now beyond question. Children who enjoy equitable access to high-quality early education are likely to perform better at school, achieve higher professional or vocational qualifications, and make a better economic and social contribution to society. Children who miss out on early childhood learning, development and education opportunities are less likely to perform as well.

Additionally, good communities take care of the less privileged: the aged who have previously contributed to the building of the community and have a lot to share with the next generation, and those with disabilities.

However, cognisant of the difficulties faced by councils in the sustainable management of their financial position whilst dealing with the pressures of providing better and more cost-effective services to the community, the Policy Panel has sought to make recommendations on how Council can get the best use from these community facilities. These recommendations are based on fairness, value and transparency, whilst disregarding any government provided child care benefit or

child care rebate, Federal or New South Wales government grants, donations or fund raising activities.

The City of Canada Bay's revenue policy determines the combination of rates, charges, fees and fines needed to fund the services it provides to the community. Rates are based on the land value determined by the Department of Lands but the Independent Pricing and Regulatory Tribunal sets a rate-peg on the annual increase, which was limited to 3.6% for 2012-13. The Policy Panel has therefore sought to make recommendations that are also economically viable for the community.

**Thank you**

**City of Canada Bay Policy Panel**

## **Definitions**

Organisation means a not for profit or community interest group.

Community means mainly, but not exclusively, inhabitants of the City of Canada Bay Local Government Area.

Not for profit (NFP) means a not for profit organisation such as a charity or incorporated association providing goods or services. Any surplus of income over expenditure is applied solely for the purpose of improving the activities of the users and improving goods or services it provides.

Community interest group (CIG) means an organisation which may be an incorporated association which facilitates persons coming together for the purpose of sharing, fostering, promoting a common interest which may be social, cultural, recreational, educational or a hobby. It is a not for profit organisation. Any surplus income over expenditure is applied to further the objectives of the CIG. No part of any surplus income over expenditure is paid to office bearers or members of the organisation.

## **Executive Summary**

Over a seven month period, the Policy Panel undertook an extensive research and evaluation process, which included submissions and presentations from organisations involved in the provision of early childhood-related services of various kinds, and organisations based around a community service or interest.

The Policy Panel arrived at a supermajority agreement (more than 80% of panelists) in order to submit the following recommendations for consideration by Council.

The Policy Panel seeks to provide fair, equitable, transparent, consistent and objective recommendations for determining whether community interest groups, run on a 'not for profit' basis, should be afforded subsidised leasing arrangements, and if so to what extent.

These recommendations are founded on encouraging the optimal use of council facilities by community interest groups which provide various services for the community of Canada Bay and seeks to recognise the value of these services to the community by providing a partly, or almost fully subsidised lease.

This policy will apply to a range of community interest groups including early education and child health care services, social, hobby and pastime groups, special needs, and senior citizens groups.

## Eligibility Criteria

In determining whether to grant an organisation the right to occupy a property under the control of Council, Council must firstly conclude on reasonable grounds:

- (a) The organisation benefits or enhances the health, wellbeing, life or lifestyle of
  - (i) the community or
  - (ii) a significant sector of the community or
  - (iii) a disadvantaged section of the community;

or
- (b) There are compelling philanthropic or humanitarian reasons for allowing the organisation to occupy the premises;

and
- (c) The activities of the organisation reflect creditably on Council and the community.
- (d) The premises are suitable for the activities of the organisation.
- (e) The use and occupation of the premises enable the organisation to conduct its activities and provide its goods or services.

## **RECOMMENDATIONS**

### **Recommendation One**

There should be a five year scaled transitional period (as per the City of Ryde example) between the date of the new policy being established and the existing leaseholders changing to the new policy. As existing leases expire they will transition to the new model, or for those currently without a lease, with a five year transition to full assessed rent being paid.

### **Recommendation Two**

Leases are limited to five years.

### **Recommendation Three**

Funding models should be taken into account in rent calculations.

### **Recommendation Four**

Community benefit should be a determining factor in rents.

### **Recommendation Five**

Historical capital works contributions from the past 10 years before the first lease (under the new policy) commences should be taken into account.

### **Recommendation Six**

There is an opportunity for organisations or Council to trigger a review if the organisation's funding model changes.

### **Recommendation Seven**

Subsidies are to be applied to the market rent of each property, using the matrix below.

### **Recommendation Eight**

Council should use the City of Ryde's policy example to set the levels at which scores are calculated using the City of Ryde weightings except for the capital investment item, which should have a reduced weighting.

## SUBSIDY SCALE

TENANT GROUPS BASED ON CAPACITY TO CONTRIBUTE AND COMMUNITY BENEFIT	TENANT CONTRIBUTES	COUNCIL SUBSIDIES	MAINTENANCE UNDERTAKEN BY TENANT	OPERATIONAL COSTS UNDERTAKEN BY TENANT
<b>Category 1</b> Small, volunteer groups with no recurrent and little project funding	5%	95%	0% (additional subsidy)	100%
<b>Category 2</b> Small organisations with paid staff. Recurrent funding but with little capacity to raise additional funding through fees	20%	80%	100%	100%
<b>Category 3</b> Medium-sized organisation with recurrent funding and capacity to raise additional funding through fund-raising, grants, investments etc.	40%	60%	100%	100%
<b>Category 4</b> Medium-sized organisations delivering services over 2 LGAs or more with recurrent funding and capacity to raise significant additional funding	60%	40%	100%	100%
<b>Category 5</b> Large, state-wide organisations with recurrent funding and substantial capacity to raise significant additional funding.	80%	20%	100%	100%
<b>Category 6</b> Organisations with greater capacity to pay through commercial avenues or fees at or above market value.	Fee to be negotiated (not less than 80%)	Not more than 20%	100%	100%



## ASSESSMENT TOOL

<b>CAPACITY TO CONTRIBUTE</b>				
Government funding p.a., direct to service	Up to \$100,000 8 points	Up to \$200,000 6 points	Up to \$350,000 4 points	\$350,000 + 1 point
Fundraising p.a.	Up to \$50,000 8 points	Up to \$150,000 6 points	Up to \$300,000 4 points	\$300,000 + 1 point
Fees p.a.	Limited or no ability to charge fees 8 points	Fees are dependent on clients' ability to pay 6 points	Has ability to charge fees 2 points	Charges at market rate 1 point
Assets	Up to \$75,000 8 points	Up to \$150,000 6 points	Up to \$300,000 4 points	\$300,000 + 1 point
Funding sources (including tied grants)	No funding 8 points	1 to 3 sources 3 points	4 to 8 sources 2 points	More than 8 sources or more 1 point
<b>CAPITAL INVESTMENT</b>				
Capital investment (excluding tied grants)	\$300,000 + 8 points	\$200,000 - \$300,000 6 points	\$100,000 - \$200,000 4 points	\$0 = \$100,000 2 points
<b>COMMUNITY BENEFIT</b>				
Service coverage	Canada Bay only 4 points	2 LGAs 3 points	More than 2 LGAs 2 points	State-wide 1 point
Client base in Canada Bay	Above 90% 8 points	Above 75% 6 points	Above 60% 4 points	59% or less 2 points
Partnerships between NGOs, Council & Government	4 partnerships 4 points	3 partnerships 3 points	2 partnerships 2 points	1 partnership 1 point
Nature of service	Service is unique in Canada Bay 4 points	Services is one of a limited number of providers in Canada Bay 3 points	Service is one of many service providers in Canada Bay 2 points	Service is one of many service providers in Canada Bay and surrounds 1 point
Accessibility – clients from CALD and ATSI backgrounds or with disabilities	Above 35% 8 points	Above 25% 6 points	Above 15% 4 points	Under 15% 2 points
Accessibility – clients with low income	20%+ 4 points	15%+ 3 points	10%+ 2 points	Under 10% 1 point
Staff	Less than 10% EFT are paid staff 4 points	Less than 20 paid staff 3 points	Less than 50 paid staff 2 points	50+ paid staff 1 point

Note: assessment is specific to the site at which the organisation operates (within the LGA).

## **Salient Facts and Assumptions to Support Recommendations**

### *Key Facts*

In 2011, the estimated population of the City of Canada Bay was 79,905 and was forecast to grow by 20.3% to 96,116 in 2031 where 56% of the population lived in medium or high-density accommodation.

The median age of residents was 37 and median household income was \$1,817 per week. 29% of households were paying a mortgage on their home and 32% of households were renting where the median rent was \$480 per week.

32% of households comprised couples with children. 6.9% of the population was under the age of 5, 5.3% between the age of 5 and 9, and 4.7% between 10 and 14. 1,236 children, or 1.6%, of the population was attending pre-school.

45.2% of the population did not state they had any qualifications, 12.6% of the population had a vocational qualification, 9.7% had a diploma or advanced diploma, and 32% of the population had a bachelor degree or higher. 6% of the population was attending university.

34.6% of the population had reached retirement age (65).

3.9% of the population needed assistance with core activities where 10% of those aged between 70 and 74 needed assistance, 19.4% of those aged 75 to 79, 29.2% of those aged 80 to 84, and 49.9% of those aged over 85. 10.6% of the population provided unpaid assistance to the aged and disabled.

64.1% of the population was employed with 8.2% of the population engaged in education and training, and 10.2% in health care and social assistance. 4% of the population registered as unemployed.

15% of the population engaged in some form of volunteer work.

The 2011 SEIFA index of disadvantage was 1067.

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1. Australian Bureau of Statistics 2011 City of Canada Bay Census Results compiled by .id the population experts
  2. City of Canada Bay Population, Age and Household Projections 2011-2031 prepared by .id the population experts, April 2011