



TOWN OF
VICTORIA PARK



**Consultation with Vic Park Centre
for the Arts, Harold Hawthorne
Community Centre and Connect Vic Park,
2018**



**WE'RE OPEN
VIC PARK**

1. Context

The Town recognises that a thriving and strong community includes diverse sporting and recreational groups, cultural and community service organisations and social enterprises, which support and contribute to the quality of life of individuals and the community as a whole.

In recognition of the above, the Town provides a range of community funding programs to not-for-profit organisations, community groups and eligible parties, which are currently managed under numerous policies.

2. Background

The Town currently provides operating subsidies to not-for-profit organisations. To provide a transparent framework for financial assistance to eligible parties, the Town is reviewing its Operating Subsidy funding program (aligned to **Civic Leadership 6: *Finances are managed appropriately, sustainable and transparently for the benefit of the community***)

2.1 Why is the Operating Subsidy program being reviewed?

The Town does not have a formal Operating Subsidy Program in place. As such the Town is currently reviewing how operating subsidies are assessed and allocated, to ensure a transparent and consistent practice in the future. This is important as the Town has a responsibility to ensure that finances are managed appropriately, sustainably and transparently for the benefit of the community.

At a National and State level there is a transition towards outcomes based commissioning and reporting. This means that organisations which apply for, or receive government funds, need to demonstrate the individual and/or community 'outcomes' they are achieving. The Town is aligning to this approach so we can demonstrate how eligible parties are using rate payer's funds for the benefit of the community.

2. Stakeholder Engagement

Version 1 of the draft operating subsidy policy was informed by various stakeholders including, other Local Government Authorities, WALGA, Victoria Park Centre for the Arts (VPCA), Harold Hawthorne Community Centre (HHCC) and Connect Victoria Park (CVP).

On 11 September 2018, 1pm- 2.30pm Manager Community hosted a round table meeting with VPCA, HHC and Connect Victoria Park, to review the draft original Operating Subsidy Policy.

Q. Should it be an Operating Subsidy or Service Delivery Subsidy?

An Operating Subsidy would support the purpose of the organisation, which is critical. Service delivery is the output of the organisation, and is project/ program/ service specific.

A Service Delivery Subsidy would be limiting to only supporting services, such as a project or initiative. i.e 5 x yoga or 6 x counselling service.

Recommendation: To be an Operating Subsidy

Q. Are the Objectives clear?

Yes- however an organisation can be sustainable, whilst receiving grants and sponsorship. It is not necessarily possible for organisations to be 100% financially independent.

Organisations have cost disease. Thus, the amount of resources required to do something will always remain the same, however costs will increase with CPI.

Q. Are the aims clear?

Yes.

Recommendation: There should be a consistent application of the Operating Subsidy. Consistency relates to the application of the policy, management practice, reporting requirements.

Is the eligibility criteria clear?

Yes.

Recommendation: The applying party must be established and solvent. The Town should not fund 'start-ups' through the Operating Subsidy. Instead, the Town can redirect start-ups to innovation funds/ programs.

Q. Should this statement apply? Demonstrated effort by the applicant to increase financial sustainability and efficiencies;

Recommendation: Change wording to; Demonstrated sound financial management, including demonstrated effort to increase financial sustainability and practices, and demonstrated capacity to report and acquit.

To be eligible to qualify for a large amount of ratepayers funds, there needs to be a high expectation by the Town on acquittals. This aligns to Cl6 for organisations to make the most of the money they are given. Thus, it is important that organisations can actually report and acquit.

Q. Should social enterprises be eligible?

Yes

Q. Is the ineligibility criteria clear?

Yes

Recommendation: Rateable premises....the notion of having to work from a rateable premise in the

Town is difficult, as we work in age of mobile technology, hot desking etc. It should be a requirement for an Organisation to be operating in the Town. They could be based elsewhere, but operating within the Town. There has to be direct benefit for our community for the use of ratepayers funds. For example, Manner Inc operating from a rateable premise however delivered services outside of the Town. Must specify that services take place in Town.

Q. Should this statement apply? The applicant is ineligible if they are seeking a subsidy to top-up a direct support or service delivery program, which is funded through Commonwealth or State Government funding, with the exclusion of crisis support services.

Very robust conversation with no firm recommendation due to the complexity of funding constraints.

There is an argument that commonwealth and state funding is insufficient. The Operating funding is high level and supports the organisation to operate. However, the Town should not be responsible to top up Fed or State funding, which is insufficient. Or should it be, if the service is being delivered within the Town and benefiting local residents?

Q. Should the Operating Subsidy cover utility services, insurance, rent, capital work items, pest control, or maintenance works?

Recommendation:

The following items should be covered by the Operating Subsidy;

- Utilities, insurance other than building, rent, rate subsidy

The following items should be excluded;

- Capital works, pest control, maintenance etc. these items should be managed in the lease or separately.

Q. Is there a need by the broader community for Operating Subsidies?

Yes, as the current funding environment for community services, sporting groups etc, is tight, and Organisations are struggling.

Q. Should the Town advertise the Operating Subsidy when funds may not be available, or already tied up in funding agreements with existing not-for-profits?

This raises the question of equitability. If the Town does not advertised the program, how is it equitable? It could be advertised locally through Life in the Park, and rolled out at the same time as Community grants, sponsorship etc.

Q. Should Admin administer the Operating Subsidy program, based on Policy and Management Practice approval by Council? This would negate the need to go to OCM.

Yes

Recommendation: That there would need be an approved Policy and management practice which

is applied by a panel of qualified Administration staff.

Q. Do you support 4 year funding agreements, with annual acquittal process, to allow for sufficient funding security?

Yes

Recommendation: The four year funding agreements would allow for funding security, whilst at the same time it is understood that it would be subject to funding availability, as per annual budget allocation/ approval by Council.

Q. Should CPI (all Groups) apply, and should it be aligned to the March quarter?

Yes- CPI should apply.

Recommendation: It doesn't necessarily need to be the March Quarter as quarters are so varied. There needs to be the ability to apply for a funding variation, even if you have a four-year funding contract. i.e if you were hit with an unexpected cost? Is there a better measure than CIP all groups? Wages are an issue.

Q. Should the option to decrease funding annually by a discretionary amount to incrementally reduce financial reliance, be applied? What would the impact be?

This is very problematic for a variety of reasons.

Is the decrease due to non-delivery? As such would this only apply to a start-up.

An operating subsidy is in recognition of certain services in the Town, which have value and are deemed at a cheaper cost than the Town could deliver. For this to occur they need to be supported without fear of funding being decreased. At the same time there is a criteria to demonstrate responsible financial management.

Q. Should an organisation in receipt of an Operating subsidy be eligible for a Grant or sponsorship? Yes

Q. Should the operating subsidy be managed separately to the lease and licence agreement?

Yes

Recommendation: to sort out the leasing/ licensing policy and management practice ASAP to align to Cl6 and ensure a consistent framework.

Q. How should the rollout of this new policy be managed, once adopted? For example are existing organisations exempt from having to apply if they are already reporting and acquitting?

Yes.

Recommendation: The current reporting framework and template used to report to Community Development Committee is great, and should be maintained/ incorporated into the management practice.

Meeting ceased at 2.30pm.

The draft Policy was amended based upon feedback.

