

## 1 Policy History

Revision No.	Council Meeting Date	Minute No.	Adoption Date
1	17/10/1995	816	17/10/1995
2	21/03/2000	171	21/03/2000
3	14/01/2003	25	14/01/2003
4	14/03/2006	92	14/03/2006
5	11/05/2010	0142	11/05/2010
6	27/01/2015	15/005	27/01/2015
7	13/02/2018	18/046	16/03/2018
8	14/06/2022	22/151	15/07/2022

## 2 Policy Objective

- To encourage a degree of self-help in the provision of community and sporting facilities.
- To quantify the level of assistance and the terms and conditions under which the Council will provide advances to community organisations and sporting bodies.

## 3 Policy Statement

### 3.1 General

Council will consider and where appropriate, provide loans to community organisations and sporting bodies for capital works to meet cultural, recreational, and sporting needs in the area of the Griffith City Council that are linked to Social, Community and Cultural Plans when:

- a) the Council is satisfied that there is a need for the facility in the community,
- b) the organisation concerned is able to demonstrate that it has the financial capacity to make repayment of the loan and meet any operating costs and ongoing maintenance that may result from the works,
- c) the improvements are to be constructed on land owned by or vested in the Council, and
- d) where the improvements are to be constructed on freehold land by a non-profit community or sporting body Council may advance monies in the way of loans subject to it determining commercial interest rate or otherwise with the proviso that guarantors are to be nominated for repayment of such outstanding monies in the event of default or commercial return occurring in that organisational body's operations.

### **3.2 Terms and Conditions of Loan**

- 3.2.1 The applicant must be a properly constituted committee, preferably an incorporated body.
- 3.2.2 The Council will advance funds up to a maximum of 75% of the estimated cost of the project. The applicant organisation is required to have on hand funds equal to a minimum of 25% of the estimated cost prior to any advance being made.

The total cost of the project is to include all documentation costs, application fees and necessary certifications. The applicant's contribution towards the cost of the project may include in-kind assistance such as voluntary labour and/or donated materials. The value of in kind contributions is to be determined by the Council.

- 3.2.3 The organisation is to provide documentary evidence that it has the capacity to meet the loan repayments and any operating costs and ongoing maintenance resulting from the works.

Such documentary evidence is to include audited financial statements (where these are required to be prepared) for the three year period immediately prior to the advance being made, and the annual submission of audited financial statements during the term of the loan.

- 3.2.4 The security required for the loan is to be determined by the Council on an individual merits basis. In determining the security required, the Council will take into consideration such matters as the status of the committee (incorporated or not), the length of its existence, the purpose of the loan, any previous loan repayment history that the organisation may produce and the eventual ownership of the facility and the land on which it is to be constructed.
- 3.2.5 The loan shall be repaid by equal six-monthly instalments over a maximum term of ten (10) years.
- 3.2.6 The loan shall be interest free; however, penalty interest at the rate applicable at the time on overdue rates may be applied on a daily basis to any instalment not met by the due date.
- 3.2.7 The total principal outstanding shall be due and recoverable should any instalment remain unpaid two (2) months after its due date.
- 3.2.8 Any facility constructed on Council owned or controlled land shall remain the property of the Griffith City Council.

- 3.2.9 Advances shall be made progressively by the Council subject to the submission of claims by the organisation with documentary evidence that the expenditure has been incurred, or by way of providing a valid tax invoice in the name of Council that details the goods or services directly related to the purpose of the loan.

### **3.3 Determination of Applications**

When the Council is determining an application or prioritising a number of applications, preference shall be given to the following loans:

- a) for capital improvements on land owned or vested in the Griffith City Council;
- b) where the facility will be freely accessible by all sectors of the community;
- c) where the facility is satisfying a need that has been previously identified in the community;
- d) where the facility is in accordance with the social plan or a sporting or recreational strategy adopted by the Griffith City Council;
- e) where the facility is designed for multi-use purposes;
- f) where the repayment term is five (5) years or less;
- g) where the applicant is also contributing to the total cost of the project;
- h) where previous dealings between the parties have demonstrated a capacity and a propensity to honour the repayment commitment;
- i) where the applicant is an incorporated body appropriate insurance cover indemnifying the Council and reflecting the liabilities of that incorporated body has to be secured,
- j) where the applicant has prepared and submitted an appropriate management plan for the proposed facility, and/or
- k) where the capital improvements are on land under freehold title Council may advance a loan and appropriate interest arrangements to a non-profit community organisation or sporting body provided guarantors are nominated for the total repayment of all outstanding monies owing/interest payments upon default or change in operation which achieves a commercial return to that organisation or body.

### **3.3 Limits to Advances**

3.3.1 No additional loans shall be made while ever the total amount owing to the Council for loans to sporting and community organisations exceeds \$400,000;

3.3.2 The maximum amount to be advanced for any one project is \$100,000, and

3.3.3 The maximum amount to owe by any individual organisation shall not exceed \$100,000.

Notwithstanding points 1-3 above which are to be used as guidelines, Council can review and approve each case on its merits.

### **3.5 Other Assistance**

When the applicant is unable to meet the terms and conditions of this policy, the Council may (depending on the perceived community benefit of the project) advance loan monies at commercial or reduced commercial rates. Such a loan is to be subject to such security and other requirements as determined by Council.

## **4 Definitions**

None

## **5 Exceptions**

None

## **6 Legislation**

None

## **7 Related Documents**

None

## **8 Directorate**

Business, Cultural and Financial Services