

Blue Mountains Mayoral Relief Fund

Terms of Reference

Background

In response to the 2013 bush fires in the Blue Mountains a Mayoral Relief Fund was established by the Blue Mountains City Council (BMCC) to manage donations and payments directly to affected residents. This Fund was an event specific fund for two years.

In 2015, a perpetual Mayoral Relief Fund was proposed to be ready in response to natural disasters impacting the community.

At the Ordinary Meeting of 27 January 2015, a motion was moved:

- 1. That the Council agrees to establish a perpetual Mayoral Relief Fund for State declared natural disasters and make application to Australian Tax Office; and*
- 2. That the Council receives a further report to the 21 April 2015 Council meeting, detailing the outcome of an application to the Australian Tax Office for Deductible Gift Recipient status for the fund, providing suggested fund rules and the governance structure.*

This motion was carried unanimously.

At the Ordinary Meeting of 21 April 2015, a motion was moved:

- 1. That the Council notes the endorsement by the Australian Tax Office of Deductible Gift Recipient status for a perpetual Mayoral Relief Fund; and*
- 2. That the Council notes the approval by the Australian Tax Office of proposed Mayoral Relief Fund rules and the governance structure.*

This motion was carried unanimously.

The endorsement by the Australian Taxation Office was based upon the Public Fund Rules submitted by BMCC. A copy is attached as Annexure A.

The perpetual fund is still valid, endorsed by the ATO for Deductible Gift Recipient status and able to be initiated under the approved Public Fund Rules. Under clause 15 of The Fund rules, following a State Declared Natural Disaster, the CEO and Mayor will convene the Mayoral Relief Fund Committee. A Declaration of a State Declared Natural Disaster was declared on 31 August 2019 and was continued from that date. On 16 December 2019, the Mayor and the Acting CEO activated the process to convene the Mayoral Relief Fund Committee.

Composition

Under clause 15 of the Public Rules, the fund is to be managed by a majority of “responsible and respected community members who will have a high degree of trust within the general community”. The committee members nominated and accepted are:

- Kerry Bartlett (MP)
- Bob Debus (AM)
- Rosemary Dillon (CEO, BMCC)
- Joan Domicelj (AM)
- Phil Koperberg (AO),
- Mary Waterford (AM)

These terms of reference were endorsed by the committee and they unanimously voted Phil Koperberg as Committee Chair at the first meeting on 23 January 2020.

The Mayor and the CEO of the BMCC are delegated to, by agreement, from time to time, change the members of the Committee and / or add additional members.

Purpose, Role and Functions

The Committee has been established to oversee the operations related to the distribution of funds from the Mayoral Relief Fund. The role of the Committee is to set rules and criteria for the making of payments from the Relief Fund, subject to the Public Rules. The Committee will guide, account for, and report on the disbursement of funds from the Relief Fund.

The criteria for assistance will be confirmed by the Committee at its earliest convenience. In developing the criteria the Committee should have regard to the Public Fund Rules endorsed by the Australian Taxation Office. Clause 1 of the Public Rules defines the intent of the Fund as having the *‘sole aim of providing funding to assist residents who are in necessitous circumstances (financial necessity), as a result of a State Declared Natural Disaster’*.

Consider how other Local, State and Commonwealth disaster relief funds and other support are targeted, and complement but not duplicate that support:

- a) Ensure all disbursements are made in accordance with the taxation law, including the purposes of public benevolent institutions;
- b) Consider an appropriate balance between disbursements to individuals, families and communities;
- c) Ensure that appropriate disbursements are anticipated and made to meet urgent and immediate needs; short-term needs; medium-term needs, and long-term needs;
- d) Ensure there is rapid disbursement of emergency payments;
- e) Ensure the criteria take account of the extent of loss suffered by individuals, families and communities;
- f) Ensure there is appropriate community involvement in decision-making where funds are used to assist communities; and
- g) Ensure that systems are in place so that no recipient of funds gains an undue financial advantage from donated money.

The Committee will be supported by and work with BMCC to ensure that disbursement methods are effective, swift, flexible and responsive.

The Committee will consider as appropriate the disbursement of funds through, BMCC or other organisations using any method which it deems appropriate.

The Committee may consult the Australian Tax Office in relation to the allocation of monies from the Relief Fund, so as to ensure that, where possible and appropriate, advice is obtained from the ATO about, so far as practicable, ensuring the appropriate tax status of types of gifts from the Relief Fund.

Resolutions and Meetings

The Committee may conduct meetings and make decisions in the manner it thinks fit. However, it will endeavour to do so by consensus. Any disputed resolutions will be decided jointly by the Mayor and the CEO.

Delegation

The Committee may delegate any of its functions and power to a sub-committee constituted by, as a minimum:

- a) the Chair or their nominee; and

b) at least one other representative of the Committee.

The exercise of delegated powers by a sub-committee must be by consensus and may be subject to any limitations or requirements of the Committee.

Reporting

BMCC may, from time to time, direct the Committee to provide to it, reports and other information as specified in the direction.

The Committee will provide an initial 3 month public report and subsequent reports at 6 and 12 monthly milestones or as otherwise agreed by the Committee or as directed by BMCC.

Probity

BMCC will appoint an independent auditor for all Relief Fund monies received by it in the Relief Fund will make this audit available to the Committee.

General

In addition to the above reports, as directed by BMCC, the Committee will produce a final overall report of its activities and the disbursement of the Relief Fund.

The Committee will oversee the winding up of the Relief Fund in consultation with the BMCC, within two years after a Declared Natural Disaster and will endeavour to ensure that any funds remaining in the Relief Fund at this time are fully disbursed in accordance with the Relief Fund Intent and the status of the Relief Fund as an ADRF.

These Terms of Reference may, from time to time, be amended by agreement by the Committee.

The tenure of the Committee will be reviewed at 3 monthly intervals from the first meeting of the Committee.

Annexure A – Public Fund Rules

Clause 1: Blue Mountains City Council (BMCC) has established the Blue Mountains Mayoral Relief Fund (the Fund) to accept donations from members of the public, with the sole aim of providing funding to assist residents who are in necessitous circumstances (financial necessity), as a result of a State Declared Natural Disaster.

Clause 2: The Fund will distribute funds only for the short-term relief of residents who are in financial hardship as a direct result of a State Declared Natural Disaster.

Clause 3: The Fund aims to provide a “one stop shop” where members of the general public can donate money to assist victims of Blue Mountains State Declared Natural Disaster, while ensuring that all monies donated are used solely to assist residents who have suffered financial hardship as a direct result of a State Declared Natural Disaster.

Clause 4: All funds received will be allocated by one or more of the following methods:

4.1 By Council through the Fund Advisory Committee directly to those residents adversely affected by the State Declared Natural Disaster via specific grant or program. Residents in necessitous circumstances must complete an application for the Fund Advisory Committee to determine whether their circumstances meet the financial hardship criteria for payment of a grant or inclusion in a program; or

4.2 Contributed to community groups providing a support service/relief for persons in necessitous circumstances as a result of a State Declared Natural Disaster.

Clause 5: All funds donated to these charities (or allocated directly by the Council) can only be used to assist victims of a State Declared Natural Disaster.

Clause 6: The public will be invited to contribute to the fund immediately following a State Declared Natural Disaster.

Clause 7: Upon activation following a State Declared Natural Disaster, the Advisory Committee will operate for a period of up to two years for any single natural disaster or sequence of disasters. Donations and distributions for each fund activation will be accounted for as a distinct fund. Any funds not distributed at the end of a two year activation period will remain in the fund to assist residents in the event of a future State Declared Natural Disaster.

Clause 8: The Fund will utilise the Blue Mountains City Council Trust Fund bank account to manage all funds received.

Account Name: Blue Mountains City Council Trust Fund

BSB : 082-656

Account Number: 46 179 2573

Means of payment allowed will include cash, cheques and credit cards that will be processed at Council offices and National Australia Bank branches, as well as bank transfers via the internet and the telephone.

Clause 9: Council will set up a trust fund within its general ledger and manage all funds received through this trust.

Clause 10: The fund will operate as a non-profit fund. All fund earnings will be returned to the fund. The Council will not use any funds donated for any administration or other non- charitable purposes, and all funds donated will only be used for the purposes as detailed in Clauses 3 and 4 above.

Clause 11: If the fund is wound up or if the endorsement of the fund as a deductible gift recipient for the operation of the fund is revoked, any surplus assets of the gift fund remaining after the payment of liabilities attributable to it, shall be transferred to a fund, authority or institution to which income tax deductible gifts can be made.

Clause 12: The Fund will have a gift fund that will be used to accept the donations. The gift fund operates through the separate bank account and the trust accounts set up by the Council. Donations and distributions for each fund activation will be accounted for as a distinct fund.

Clause 13: Reconciliations and accounts will be prepared for the Fund on a monthly basis to ensure that all monies are correctly accounted for and used for the purposes detailed in these public fund rules, and detailed statements will be prepared when the fund is wound up.

Clause 14: Receipts will be issued in the name of the Blue Mountains Mayoral Relief Fund.

Clause 15: The fund will be managed by a majority of responsible and respected community members who will have a high degree of trust within the general community. Following a State Declared Natural Disaster, the General Manager and Mayor will convene the Committee. If the fund is activated, the Committee will identify the residents in greatest need for financial assistance in a transparent and fair manner to directly help our affected residents recover from a State Declared Natural Disaster.

The governance structure of the Blue Mountains Mayoral Relief Fund Advisory Committee will include four highly prominent local citizens and the General Manager. The General manager will determine the process for selecting the Committee members. The committee has the ability to co-opt additional members.

The Committee will operate for a term of up to two years following a State Declared Natural Disaster. In the event of a sequence of natural disasters, the Advisory Committee will determine the scope of the natural disasters covered by the fund's activation.

Clause 16: The ATO will be notified of any changes to the fund rules within twenty one days.

Annexure B – Secretariat Support Structure

Blue Mountains City Council will act as the Committee Secretariat and undertake the following activities on behalf of the Committee:

- Fund Administration
- Communication and Marketing
- Administrative Support

The manner in which this will be resourced and structured is as follows:

