

REPORT

CORONAVIRUS (COVID-19) COMMUNITY AND LOCAL BUSINESS SUPPORT PACKAGE - REGIONAL

Meeting / Session: 1 GOVERNANCE
Reference: A19846513 : 24 March 2020 - Refer Supporting Information A19849715, A19848759, & A19848127
Responsible Officer: GC, Chief Executive Officer

Executive Summary

The Coronavirus (COVID-19) has been declared a pandemic by the World Health Organisation (WHO). Worldwide there are over 350,000 cases of COVID-19 with a current mortality rate of over 4%. The Prime Minister, the Hon Scott Morrison MP, has assembled the National Cabinet of State and Territory First Ministers to respond to this pandemic based on expert health advice from the federal and state Chief Health Officers.

Initially, Federal and State Governments announced a range of public health measures eg. social distancing and self-isolation in order to slow the spread of COVID-19. Further exceptional measures were announced on 20 and 24 March 2020 including limiting people attendance at indoor and outdoor events, banning all non-essential domestic and international travel, closing the international border and the indefinite closure of businesses, venues and services in the community.

These public health measures have had a significant impact on the economy with many businesses closing or significantly reducing their trading hours. This has resulted in large numbers of people becoming unemployed and experiencing financial hardship both nationally, and across the Moreton Bay Region.

On 23 March 2020, a modified House of Representatives passed Bills for a national stimulus package worth \$83.6 billion. The State Government on 24 March 2020 announced a further stimulus package of \$4 billion in addition to existing measures.

Council has been recalled during the caretaker period to consider an immediate and urgent support package worth over \$15 million to boost the regional economy and support residents, community groups and businesses suffering financial hardship. It is envisaged that Council's initiatives will complement packages announced by the State and Federal Government.

This report outlines the stimulus measures that Moreton Bay Regional Council can take to support the community during this unprecedented disaster.

OFFICER'S RECOMMENDATION

1. That Council endorses the **COVID-19 Community and Local Business Support Package** as outlined in the attached report in order to provide relief to residents, community organisations and local businesses within the Moreton Bay Region experiencing financial hardship due to the coronavirus (COVID-19), and to stimulate the local economy in the region.
2. That Council adopts the policy appearing as Supporting Information #1 to this report and titled "Financial Hardship Policy (Coronavirus COVID-19)" (Hardship Policy).
3. That pursuant to section 122(1)(b) of the Local Government Regulation 2012 (Regulation), council grants a rebate of rates and charges for eligible ratepayers within the eligible ratepayer categories, for those periods, identified in the Hardship Policy.
4. That pursuant to section 122(4) of the Regulation Council delegates to the Chief Executive Officer the right to determine the eligibility of ratepayers for the rates and charges concession mentioned in recommendation 3 above.
5. That Community Grants Policy (No.2150-030) is amended by the addition of:
 - i. COVID-19 Community Infrastructure Revitalisation Grant
 - ii. COVID-19 Community Organisation Hardship and Assistance Grant

6. That pursuant to section 195 of the Regulation Council adopts the Community Grants Policy as amended and appearing as Supporting Information #2 to this report (Amended Grants Policy).
7. That pursuant to section 257 of the *Local Government Act 2009* Council delegates to the Chief Executive Officer the power **under section 194 of the Local Government Regulation 2012** to:
 - a. determine whether council is satisfied a grant will be used for a purpose that is in the public interest; and
 - b. determine whether the community organisation meets the criteria stated in the Amended Grants Policy; and
 - c. give a grant consistent with the Amended Grants Policy;
8. That the Chief Executive Officer be authorised to take all action reasonably required to give effect to COVID-19 Community and Local Business Support Package.
9. That Council notes the list of Council's facility closures as appearing Supporting Information #3.

REPORT DETAIL

1. Background

The World Health Organisation (WHO) has announced that COVID-19 is a pandemic. Across the world there have been more than 354,000 confirmed cases with more than 16,000 deaths. As at 3pm on 24 March 2020, there have been 2,136 confirmed cases of COVID-19 in Australia. The rate of transmission is rapid with 427 new cases since 3:00pm on 23 March 2020 (397 in Queensland).

The unprecedented nature of this pandemic has led to the formation of the National Cabinet consisting of the Prime Minister and State and Territory First Ministers who have made decisions around closures of national borders, travel, indoor and outdoor gatherings, venues to stop the spread of the virus. The National Cabinet was last formed in World War II. Furthermore, consistent with the Federal Government's requirements for venue closures, Council has closed the facilities listed in Supporting Documentation #3.

The local, national and global economies are facing an unprecedented downturn. All levels of government have a role to play in stimulating the economy and assisting those who are experiencing financial hardship.

2. Explanation of Item

To follow are the components of council's proposed **COVID-19 Community and Local Business Support Package**.

Rebate on Council Rates

Council's 2019-20 quarter four rates are due to be issued in early April. Quarterly rating revenue is approximately \$80 million and is a significant component of council's cash flow which is used to deliver its community services.

However, Council acknowledges the financial hardship faced by many members of the community as a result of COVID-19. It is proposed that council undertake the following in recognition of this financial hardship:

- Delay the issuing of rates by two to three weeks;
- Suspend rates collection activities for a period of at least 3 months; and
- Adopt the **Council Rates and Charges - Financial Hardship Policy (Coronavirus COVID-19)** (Refer to Supporting Information #1).

This new Policy outlines that owner-occupiers eligible for the Federal Government's Coronavirus Supplement are eligible for a rates remission of \$100 in each of the April - June rating period and July - September rating period (only applies once per property).

It is anticipated that this initiative will cost approximately \$7 million.

In addition, other property owners experiencing financial hardship can apply to utilise council's existing repayment plan option to pay off their rates, and

Community Grants – COVID-19 Community Response and Recovery Program

Council's Policy 2150-030 - Community Grants has been modified to enable the provision of grants to support community organisations in their endeavours to respond and recover from the impacts of COVID-19. In addition to the community benefits envisaged, these grants will also aim to provide stimulus to the Moreton Bay Region economy through the engagement of local suppliers and contractors (Refer to Supporting Information #2).

The following grants will be provided under the COVID-19 Community Response and Recovery Program:

- Community Infrastructure Revitalisation Grant:
 - This grant aims to provide opportunities for eligible community organisations to revitalise their existing community facilities, in preparation for their return to standard operating conditions, all while stimulating the local economy.

- Community Organisation Hardship and Assistance Grant
 - This grant aims to provide 'quick response' financial assistance to eligible community organisations that are either: experiencing financial hardship as a result of COVID-19 related service disruptions; seeking to establish alternate service delivery models for business continuity; or seeking to provide support services to vulnerable residents impacted by COVID-19.

This initiative will cost \$5 million.

Asset Maintenance Program

There is a large amount of asset maintenance work including defect rectification that could be brought forward immediately in order to stimulate the local economy. Approximately \$2 million worth of work will be brought forward over the next two quarters and preference will be given to local suppliers in completing this work.

This initiative will cost \$2 million.

Food Licencing Fees

A pro-rata refund will be provided to local restaurants and cafes for up to six months to provide relief to those businesses who have had to cease operations or change to takeaway offerings only.

This initiative will cost approximately \$500,000.

Community and Commercial Leases

There are a range of community and commercial leases that will be assessed on a case by case basis.

Accounts Payable

Council has commenced undertaking two payment runs per week to local businesses and suppliers and has doubled the payment terms for contractors and tradespersons who use council services from 30 days to 60 days in order to increase cash flow in the community.

3. Strategic Implications

3.1 Legislative / Legal Implications

Rebate on Council rates

The local government may make a resolution under s122 of the *Local Government Act 2009* about rates concessions before the local government levies the rates or charges. The concession may be granted only to the ratepayers whom the local government is satisfied are eligible for the concession. The resolution may include conditions for granting the concession to the class of ratepayers.

A delegation to the CEO exists for decisions to be made about whether a ratepayer is eligible for the concession once the concession type is adopted by Council.

Community Grants – COVID-19 Community Response and Recovery Program

In accordance with sections 194 and 195 of the *Local Government Act 2009*, in order to award community grants a local government must prepare and adopt a policy about local government grants to community organisations (a community grants policy), which includes the criteria for a community organisation to be eligible for a grant from the local government. The recommendation in this report will amend, as required, the existing policy to accommodate the new community grants mentioned in this report.

3.2 Corporate Plan / Operational Plan

Strengthening Communities: Strong local governance - strong leadership and governance.

3.3 Policy Implications

As outlined above.

- 3.4 Risk Management Implications
Council is currently finalising a business continuity plan for the COVID-19 pandemic as a sub-plan of its corporate business continuity plan.
- 3.5 Delegated Authority Implications
As outlined above.
- 3.6 Financial Implications
The stimulus and support initiatives will impact upon the current financial year and the forthcoming 2020/21 Budget. Financial modelling undertaken indicates Council will remain within its long-term financial sustainability parameters.
- 3.7 Economic Benefit Implications
As outlined above.
- 3.8 Environmental Implications Nil identified
- 3.9 Social Implications
As outlined above.
- 3.10 Consultation / Communication
Relevant Directors and Managers has been consulted in the development of this report.