

ITEM 1 COVID-19 ASSISTANCE FOR THE COMMUNITY AND BUSINESS

The ongoing COVID-19 pandemic and associated public health measures to contain the virus continues to present significant social and economic challenges for our community.

Council provided a COVID-19 Assistance Package in 2020-2021 to support our community and businesses. With the continued effect of the pandemic evident across our community Council is proposing a range of assistance measures for impacted ratepayers, businesses, community organisations, creative community and tenants of Council owned properties. This report presents a package of recommended community support measures for Council consideration and means to review effectiveness and provide the opportunities for consideration of further support and assistance.

RECOMMENDATION

- 1 Note the range of COVID-19 assistance measures that Council currently has in place, as detailed in this report.
- 2 Council endorse the additional COVID-19 Assistance Package for Community and Business that focuses on those who experience disadvantage and hardship in the community across the entire Wollongong LGA as follows:
 - a Interest on overdue rates and charges on current 2021-2022 rates be set to 0% for the period to 31 July to 30 November 2021, and then revert to the current charge of 6% for the remainder of the year. Interest on overdue rates and charges prior to 2021-2022 remain at 6% for the financial year.
 - b Cease legal debt recovery on 2021-2022 rates otherwise required under Council's Debt Recovery and Hardship Assistance Policy until 30 November 2021 while continuing to issue all annual, instalment and revised reminder notices to keep ratepayers informed.
 - c Consideration of requests for deferred payment arrangements for all ratepayers experiencing financial difficulty due to COVID-19 impacts under its Debt Recovery and Hardship Assistance Policy for the 2021-2022 financial year.
 - d Provide assistance to the community by waiving casual parking fees in targeted off-street parking locations until 31 December 2021.
 - e Provide support to sporting groups by waiving fees relating to the provision of sporting facilities for training and competition for the period of 1 July 2021 to 31 December 2021 subject to application and meeting identified criteria
 - f Provide support to fitness trainers, swim schools and surf schools by waiving fees for the period of 1 July 2021 to 31 December 2021.
 - g Licensees of community facilities allocated under Council's Allocation of Community Facilities to Community Groups Policy and 355 Committees of Council be provided with the opportunity to apply for financial support for payment of essential outgoings, up to a maximum of \$5,000 per licence, for the 2020-2021 financial year. Provision of assistance to be subject to application and based on an analysis of each applicant's financial capacity.
 - h Approve the waiver of outdoor dining fees for the period of 1 July 2021 to 30 June 2022 to support outdoor dining and economic recovery for hospitality businesses within the Local Government Area. Outdoor dining licence holders will still be required to pay the required amount for a Bond.
 - i Provide support to its commercial tenants by adhering to the Regulations introduced on 14 July 2021 and, in addition, providing rental waivers and deferrals to eligible tenants for the period of 1 July 2021 to 31 December 2021.
 - j Approve the waiver of the first annual inspection and administration fees for food premises and personal grooming businesses for the period of 1 July 2021 to 30 June 2022.
 - k Approve an allocation of \$200,000 in financial assistance through the provision of small grants to local not-for-profit organisations for the provision of emergency food supply and general care packages for residents experiencing hardship.
 - l Approve an allocation of \$60,000 in financial assistance through the provision of a Quick Response Grants Program for Community Programs.
 - m A program of assistance, including a buy local campaign, extended outdoor dining initiatives and support for creative industries.
- 3 Council approve a reduction in the revenue budget of \$1,020,000 and an increase in the expenditure budget of \$940,000 (net variation \$1,960,000 [unfavourable]), to fund the proposed additions to the package of assistance for the community and business in response to the impacts of COVID-19.

The additional \$1,960,000 be funded by a transfer from the Strategic Projects Restricted Asset.

- 4 Council develop and deploy an appropriate communications package and community awareness campaign to promote the COVID-19 Assistance Package.
- 5 The General Manager regularly evaluate the effectiveness and community impact of the assistance package on a monthly basis and report findings to Council via future Quarterly Review Statements, to assist Council with oversight of the program.

REPORT AUTHORISATIONS

Authorised by: Greg Doyle, General Manager

ATTACHMENTS

- 1 Eligibility Requirements for Impacted Lessees

BACKGROUND

COVID-19: March 2020 – June 2021

The impact of COVID-19 was immediate for the community and business. Off the back of the threat of bushfires (December 2019/January 2020) and floods (February 2020) the impact of COVID-19 has been significant both financially and socially. The continuous changes to restrictions associated with the NSW Government response to COVID-19 has also had indiscriminate effect on communities and businesses throughout our Local Government Area. Council has partnered with government (Federal and State), a range of agencies, peak organisations, community groups, associations and local communities to provide support and focus on those experiencing disadvantage and hardship. Council provided a specific COVID-19 Assistance Package to community and business in 2020-2021 which included a range of measures to immediately and directly assist. Council was not devoid of the impact of COVID-19 either, with many services and functions requiring change or adjustment resulting in an impact to budget. Council's financial strategy served us well and we are in a position to continue with another round of COVID-19 Assistance to the Community and Business

COVID-19 Context – July 2021

The COVID-19 Pandemic has continued to impact local communities and business and throughout this time Council has continued to provide a range of assistance and support and enhanced its services where necessary. In response to the public health risk of COVID-19, the NSW Government implemented public health orders impacting the Greater Sydney Region, including the Wollongong LGA. Restrictions relating to gathering, movement and non-essential business were imposed from 2 July 2021. Restrictions were extended on 28 July 2021 and are now in place until 28 August 2021.

Stay at home orders and reductions in economic activity as a result continue to impact the Wollongong community including individuals and businesses. It is therefore considered appropriate for Council to demonstrate civic leadership and contribute targeted areas of support to the community.

PROPOSED PROGRAM OF SUPPORT

Council's overall COVID-19 response and community assistance measures comprise of additional and enhanced support as presented in this report, as well as a suite of funded programs currently in place.

Existing Support Measures

During 2020-2021, Council deployed a specific COVID-19 Assistance Package to support community and business. Additionally, Council's 2021-2022 Budget contained a range of initiatives in response to COVID-19 that are underway or in planning. Together, these initiatives include:

- **CBD Outdoor Dining Incentives** – providing practical and financial assistance for CBD businesses to establish outdoor dining areas;

- **Investible New Business Development Program** – to provide support to local businesses with navigating these challenging times;
- **Supporting local suppliers** – fast tracking payments to Council suppliers for goods and services to inject money back into the economy more quickly;
- **Strengthening Local Procurement** – through doubling the local content weighting for tenders from 5% to 10%;
- **Accelerated Assessment Program** – for significant local employment generating development applications;
- **Enhanced CBD Marketing and activation;**
- **Endorsing the Wollongong CBD Night Time Economy Policy** – to provide clarity to local operators regarding permissible trading hours in the CBD;
- **Live Music Industry Support Program;**
- **Improving our places and spaces** – by enhancing service provision for City cleansing and amenity throughout high usage sites, in response to the unprecedented demand on our local public places and spaces;
- **Enhanced waste services** – free garden waste and recycling drop offs throughout the LGA;
- **Implementation of the Food Organics Garden Organics (FOGO) program;**
- **Continued the Small Business Planning Team Service** – to deliver an improved application service for new small businesses which is supported by a range of guidance material;
- **Preparing an employment and industrial lands study;**
- **Preparation of an LGA-Wide Retail Centres study;**
- **Providing a voice for our community** – advocating for major projects and pieces of infrastructure, including Wollongong Harbour and significant State infrastructure.

Additional Support Proposed

Rates Relief Program – Freeze interest and recovery action on overdue rates and charges that relate to the current year rates

Council has issued its 2021-2022 rates in late July based on the adopted Revenue Policy and legislative requirements. Council's instalment due dates are fixed by legislation through the Local Government Act. While it is not possible to change the due dates for rates compared to last year, where there was legislative change, the consequences for ratepayers of non-payment by those dates can be varied by Council resolution.

Council currently has fixed a penalty interest charge on overdue Rates and Charges of 6% per annum, charged daily for all overdue amounts, that can be varied to help achieve this.

Under the legislation, a ratepayer can pay their rates in full before 31 August or elect to pay by their first instalment on the same day with further instalments due on 30 November, 28 February, and 31 May.

At the close of 2020-2021, there was \$12.2M representing the overdue amount of 9006 ratepayers, which is consistent with prior years outstanding amounts. These overdue amounts are generally not considered to have a direct correlation to the impacts of COVID-19. While many COVID-19 impacted ratepayers may have also had to defer payments last year, Council's budget did not include expected charges for these additional ratepayers.

It is proposed Council provide a targeted response to the current crisis with a freeze on interest on overdue amounts which relate to current year rates. The freeze would be supplemented by a cessation of recovery action on those accounts, which effectively provides an option for those ratepayers who are unable to meet their rates obligations within the legislatively imposed deadlines to defer payment without penalty. While Council has flexibility in determining the length of this support period, it is recommended

this option be made available to our ratepayers until 30 November 2021, to align with the payment of the second instalment.

Should Council decide to adopt this position, there would be an appropriate communication and promotion that would also encourage those who have the capacity to pay and who have not been directly impacted by COVID-19 to continue to make their rates payments as normal.

Council's Debt Recovery and Hardship Assistance Policy

In addition to freezing interest charges and recovery action on current accounts, Council will continue to provide support to others who are suffering financial hardship through the Debt Recovery and Hardship Assistance Policy.

This policy is used to directly assist Council's ratepayers who are unable to meet their payment obligations. Council Debt Recovery and Hardship Committee (staff committee as required by Policy) have assisted 24 ratepayers in the last six months by allowing extensions and payment arrangements suitable to the ratepayer without impacting longer-term sustainability of the ratepayer. Council can also provide referral to Illawarra Legal Centre for ratepayers who do have longer term financial difficulty.

Council's Debt Recovery and Hardship Assistance Policy currently provides support primarily for assistance to ratepayers for their *primary* place of residence.

It is proposed this support be extended to *other residences* and *business rates* to ensure all those impacted by COVID-19 can be considered under the policy. The Policy allows consideration, based on financial hardship, to enter payment arrangements and deferment of rates for extended periods beyond one year. This may be necessary and appropriate for some ratepayers due to the current COVID-19 crisis. While this provision would be applied for the full 2021-2022 rating year, it is anticipated changes to the Policy provisions would become more relevant as the extended interest free period ends (recommended November 2021) when some ratepayers may require longer term arrangements.

It is considered application by the ratepayer and consideration by the Hardship Committee is the best measure for the longer-term arrangements requirements that are envisaged. This support would complement the assistance proposed to eligible businesses with deferring lease payments for Council tenants.

Waiver of Casual Off-Street Parking Fees

To support business recovery in the CBD and reduce cost of living pressures for residents, it is proposed Council waive casual off-street parking fees at select 2-hour locations, including the Pioneer Hall Church Street Car Park for the period 31 August 2021 to 31 December 2021.

Supporting our Local Sporting Groups – Waiver of Training and Competition Fees

In response to the Public Health Order, all sporting codes' training and competitions were suspended. Council recognises the lost fundraising opportunities to individual clubs, such as canteen takings on competition days. It is recognised most sports clubs have a small volunteer base and operate on slim margins.

A wide range of sporting codes use Council's 220 individual sports grounds for competition and training at 65 locations across the city. Due to COVID-19 restrictions, the community is unable to fully utilise Council's assets to deliver services.

Building on support provided in 2020-21, it is proposed Council waive all of training and competition fees from 1 July 2021 to 31 December 2021. This support will provide direct financial assistance to our local sporting groups, promote healthy community outcomes and also encourage COVID-Safe activities such as outdoor pursuits

Support for Fitness Trainers; Swim Schools and Surf Schools

Current COVID-19 restrictions have impacted these licensees, through limits on customer numbers, reduced visitation, restrictions on movement or through the closure of facilities.

It is proposed fees be waived for these categories of licence for the period 1 July 2021 to 31 December 2021. In an effort to support alternative revenue streams for impacted coaches/trainers and to encourage healthy and safe exercise options for the community. This will become increasingly important after current restrictions are lifted and COVID-Safe activities and behaviours encouraged.

Supporting Community Facilities Licensees – Financial Assistance for Essential Outgoings

Council has licensed the management and operation of 29 of its community centres, halls, community hubs and areas within community centres, to 28 not for profit community organisations. This is managed under the Allocation of Community Facilities to Community Groups Policy. In addition, Bulli Senior Citizens Centre is managed by Bulli Senior Citizens Association is a 355 Committee of Council.

While community facilities licensees pay a minimal licence fee, they bear the full expense of utilities, cleaning, security, waste removal and other activities associated with operation of their facility.

In response to the recent Public Health Order, with the exception for the delivery of essential services, community facilities have been closed and are not available for hire.

Council recognises most community facility licensee organisations are small, local and operate on very limited margins. In the absence of revenue from hire of venue, these organisations have no alternative revenue to fund essential expenses such as connection levies and maintenance.

To support community facilities licensees, it is proposed Council again provide financial assistance for payment of essential outgoings, up to a maximum of \$5,000 for the 2021-2022 financial year. Provision of assistance would be subject to application on the part of licensees for assistance and based on an analysis of each applicant's financial position and capacity.

Supporting Our Local Economy – Deployment of Buy Local Campaign

Wollongong is the regional capital and engine of economic growth for the Illawarra region. To support economic recovery and stimulate local economic activity, it is proposed Council fund the development of a buy local campaign.

The proposed program will launch in October to coincide with NSW Small Business month for a three-month period until 31 December 2021. The program will aim to encourage consumers to think about their purchasing habits, in partnership with local business groups and chambers of commerce.

Supporting Hospitality Businesses – Waiver of Outdoor Dining Fees

Hospitality businesses have been significantly impacted by the suite of COVID-19 restrictions currently in place. It is also acknowledged hospitality businesses were also impacted from COVID-19 restrictions imposed during 2020.

Stay at home orders restricting movement and gathering and the limitations on non-essential retail, has inevitably led to severe reductions in turnover for many businesses, particularly those reliant on discretionary consumer spending.

To support business recovery and encourage COVID-Safe operations such as outdoor dining in a post-restriction environment, it is proposed Council waive annual application and licence fees for outdoor dining applicants from 1 July 2021 – 30 June 2022. Under this proposal, the requirement for applicants to pay a bond will remain in place. This builds upon Council's assistance offered during the 2020 COVID-19 lockdown, which was well received at the time by local businesses.

Extending Outdoor Dining Incentives to Our Suburbs

In addition to the proposed waiver of outdoor dining fees and the Wollongong CBD Outdoor Dining Incentive Program, it is proposed to establish an incentive program for suburbs across the LGA. The program provides practical and financial assistance for business to set up outdoor dining areas.

Supporting Council's Tenants – Rent Waivers and Deferrals

As a major local landlord, Council recognises the need to share the economic impacts from COVID-19 restrictions between lessors and tenants. The aim of this support is also to maximise the number of

businesses that can resume operation when public health orders are lifted.

Current State of Play for Landlords and Tenants

On 28 March 2021, the *Retail and Other Commercial Leases (COVID-19) Regulations 2020* expired. This meant obligations on lessors to provide statutory relief and protections afforded to retail and commercial tenants ended.

Since restrictions were introduced impacting the Greater Sydney area (including Wollongong) in 2021, the NSW Government introduced updated legislation (*Retail and Other Commercial Leases (COVID-19) Regulation 2021*) to protect lessees. The objective of these regulations are to limit the exercise of certain rights by a lessor under retail and other commercial leases for a breach of the lease if:

- a The lessee is a business that qualifies for certain grants due to the impact of the COVID-19 pandemic; and
- b The breach is a prescribed breach that occurs between 13 July 2021 and 20 August 2021.

The Regulations require the lessor to apply alternative dispute resolution for prescribed breaches and prohibits a number of actions including but not limited to eviction, right of re-entry, damages, charging interest on unpaid rental or termination prior to undertaking mediation.

Following the introduction of the 2020 Regulations, Council implemented an online application process for our tenants to apply for rental relief. This assisted with tracking and documenting applications, ensuring required documentation from tenants was provided upfront and accelerated the application process.

Support Provided to Date

To date, Council has processed 55 applications for assistance. This has resulted in \$122K of rent being waived and \$122K of rent deferred. A number of tenants did not qualify due to not meeting the requisite criteria set by the Regulations: of a minimum 30% downturn in revenue and; eligibility for JobKeeper.

In addition to the waivers and deferrals, rental reviews have been frozen and Council did not undertake any prescribed action relating to breaches within the pandemic period.

The legislative requirement to provide rental assistance ceased on 28 March 2021. Council has continued to accept applications relating to assistance for the period of 24 April 2020 and 28 March 2021.

Proposed Support for 2021

Beyond requirements imposed by the Regulations, it is proposed Council will provide financial assistance to our tenants by providing rental deferrals and waivers in line with the loss of turnover suffered by tenants for the 1 July 2021 to 31 December 2021 period, subject to meeting eligibility criteria. Details of eligibility requirements for impacted lessees are included in Attachment 1 of this report.

Supporting Our Business Community – Food and Personal Grooming Inspection & Administration Fees Waiver

Food premises and personal grooming businesses are being directly impacted by the current suite of COVID-19 restrictions in place. This category includes a wide range of businesses including cafes, restaurants, beauticians, tattooists and body piercing service providers.

To support these businesses, it is proposed public health inspection fees for food premises (first annual inspection and administration) and personal grooming businesses be waived for the 2021-2022 financial year.

This level of support introduced by Council as part of last year's COVID-19, was well received by the business community and demonstrated considerable benefit to recipients.

Council officers will continue to complete annual inspections to ensure businesses are operating safely and compliantly and any breaches or reinspection will attract the applicable fines or fees.

Supporting Our Local Creative Industries

Small business owners in the creative sector have been significantly impacted by COVID-19 since the pandemic emerged in 2020. In response, a program to provide meaningful employment and/or business development opportunities is proposed.

It is also acknowledged the events industry has also been severely impacted by COVID-19 with events planned, booked, rescheduled and cancelled over the past 12-18 months. To support local event producers and organisers with the delivery of events within the Wollongong LGA when restrictions are lifted, an additional funding stream is proposed.

The proposed program includes:

- a Quick response grants (\$60,000);
- b Events re-emergence (\$200,000);
- c Arts professional mentorship program (\$60,000);
- d Artist-in-residences (\$120,000);

Supporting Local Not-for-Profits – Emergency Food and Care Support for Residents

Council is acutely aware of the extremely difficult and uncertain times our residents are facing. Emergency support organisations across the local government area are experiencing an unprecedented demand in requests for assistance either in terms of emergency food provision or general care packages.

To support the outstanding work of the existing local not-for profits providing emergency services, it is proposed two funding streams are established to provide quick response grants for the delivery of:

- a Emergency food provision (\$100,000)
- b Emergency care packages (\$100,000)

The program is proposed to run until 30 June 2022, with four rounds open to eligible not-for-profit providers.

Financial assistance will be enhanced by the provision of a coordinated community information service to deliver information and referral to community members unsure of how to navigate the service network and available supports.

Providing a Voice for our Community

Council has strong relationships with many of our local stakeholders, including other levels of government and will continue to work closely and tactically to advocate for our community's interests during these unprecedented times. To support the community, Council will lobby both State and Federal Government levels for direct financial assistance.

Council provide additional and enhanced assistance to the community through the following programs in recognition of the ongoing COVID-19 situation:

- 1 Freeze on interest charges for current year overdue rates and cessation of recovery action;
- 2 Extension of the Debt Recovery and Hardship Assistance Policy to all ratepayers;
- 3 Waiver of targeted off-street parking fees;
- 4 Fee support to sporting groups and community facility licensees;
- 5 Waiver of fitness trainer, swim school and surf school licences;
- 6 Deployment of a buy local campaign;
- 7 Outdoor Dining Fee waiver and extended outdoor dining incentives;

- 8 Rental support to Council’s lessees and licensees;
- 9 Waiver of inspection and administration fees for food premises and personal grooming;
- 10 Support for the creatives sector including events;
- 11 Emergency support for residents

CONSULTATION AND COMMUNICATION

Consultation has been undertaken with:

- Councillors;
- Executive Management Committee

Consultation in relation to outdoor dining in the Local Government Area has been undertaken with Business Illawarra.

Advice and information have been obtained from the Office of Local Government along with the NSW Small Business Commission.

An appropriate community awareness campaign and communication package will be developed and deployed to promote Council’s COVID-19 community and business assistance measures.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Wollongong 2022 goal ‘*We have an innovative and sustainable economy*’. It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2022	Operational Plan 2021-2022
Strategy	4 Year Action	Annual Deliverables
2.1.3 Cross sector initiatives are coordinated and implemented to increase and attract business investment, supporting small businesses and encouraging jobs growth	2.1.3.1 Support regional activities and partnerships that promote business investment and jobs growth	Work with other levels of government and the business community to respond to COVID-19 impacts on the economy
4.2.1 Support residents, businesses and visitors to be actively involved in diverse community activities helping to connect neighbourhoods	4.2.1.2 Support community participation in community activities	Review and initiate opportunities and projects to support the Wollongong community specifically in response to COVID-19

SUSTAINABILITY IMPLICATIONS

Providing financial assistance through the mechanisms in this report will aim to support the recovery of the local economy.

FINANCIAL IMPLICATIONS

Council has made a significant contribution to a range of existing measures that have been included in this proposal.

The program of support proposed has an estimated additional total budget impact of \$1,960,000, which is proposed to be funded from Council’s Strategic Projects Restricted Asset. Funds available in this restriction have been made available by better than budgeted performance in prior years. Elsewhere tonight Council is considering further enhancement to these funds from the 2020-2021 financial year, some of which was created by better than budget expectations on COVID-19 implications in the past year.

Performance of many of Council’s operations, particularly Tourist Parks, Property Management, Russell Vale Golf Course, and Car Parking fees performed well ahead of expectation as Wollongong bounced

back ahead of expectations in the middle of 2020. Unfortunately, the prospects for 2021-2022 are anticipated to be more closely aligned to where we had predicted last year. While this package of support does not include the potential impacts to Council's operations both income and expenditure it is anticipated that funds available in the Strategic Projects Restricted Asset will be required to manage those impacts sustainably. Full consideration of those impacts is being assessed and will be managed through the Budget Review process on an ongoing basis throughout the year and initially at the September Quarterly Review.

The budget adjustment required to accommodate the new, enhanced measures in this package is a decrease to Income (User Fees and Charges) of \$1,020,000 and additional Expenditure budget (Materials, Contracts and Other) of \$940,000 (net movement \$1,960,000)

CONCLUSION

The NSW Government recently announced a range of financial support to businesses or not-for-profit organisations impacted by the current COVID-19 restrictions and stay-at-home orders.

Council is proposing financial assistance to rate payers, businesses and community groups in a number of ways to supplement the Federal and State Government initiatives.

The way Council delivers services has been reviewed in response to the changing needs of the community and will continue to focus on ways to support the community at this time.

It is recommended Council endorse the proposed comprehensive COVID-19 assistance package as presented in this report.

Attachment 1 – Eligibility Requirements for Impacted Lessees

To be eligible for Council assistance, tenants are required to be an Impacted Lessee.

A lessee is impacted if it meets the criteria A, B and C below.

Levels of Support Available Depending on Eligibility			
Support Available for Impacted Lessees who meet the Eligibility Criteria A and B only			
A	A tenant is an Impacted Lessee if they qualify for one of the following grants:	✓	If lessees can demonstrate that they qualify for both (A) and (B), the Regulations in relation to Prescribed Action will apply.
1	Micro-Business COVID-19 Support Grant		
	Or;		
2	COVID-19 NSW Business Grant		
	Or;		
3	<i>JobSaver</i> Grant		
B	The turnover of the lessee was less than \$50M	✓	
Support Available for Impacted Lessees who meet the Eligibility Criteria A, B and C			
C	The lessee can demonstrate a loss of turnover of 30% or greater for the period of 1 July 2021 to 30 December 2021.	✓	If a tenant can demonstrate eligibility for item (c) in addition to (a) and (b), they will be eligible to apply for a rental waiver and rental deferral as per the detail below this table.

Support Available for Impacted Lessees who meet the Eligibility Criteria A, B and C

Lessees who can demonstrate they qualify for item (c) in addition to (a) and (b) above, are eligible to apply for a rental waiver and rental deferral. This will be applied as follows:

- 1 50% applied as a waiver of rent equivalent to the percentage loss in turnover;
- 2 50% applied as a deferral of rent equivalent to the percentage loss in turnover to be paid back in equal instalments over the remaining term of the lease (or 12 months as applicable).