



BUSINESS PAPER

EXTRAORDINARY MEETING OF COUNCIL

To be held at 5:00pm on

Monday 11 May 2020

Council Chambers, Level 10,
Council Administration Building, 41 Burelli Street, Wollongong

Order of Business

- 1 Opening Meeting
- 2 Acknowledgement of Traditional Owners
- 3 Civic Prayer
- 4 Apologies and Applications for Leave of Absence by Councillors
- 5 Conflicts of Interest
- 6 Public Access Forum
- 7 Call of the Agenda
- 8 Lord Mayoral Minute
- 9 Reports to Council
- 10 Notices of Motions(s)
- 11 Notice of Rescission Motion
- 12 Urgent Items
- 13 Confidential Business
- 14 Conclusion of Meeting

Members

Lord Mayor –
Councillor Gordon Bradbery AM (Chair)
Deputy Lord Mayor –
Councillor Tania Brown
Councillor Ann Martin
Councillor Cameron Walters
Councillor Cath Blakey
Councillor David Brown
Councillor Dom Figliomeni
Councillor Janice Kershaw
Councillor Jenelle Rimmer
Councillor John Dorahy
Councillor Leigh Colacino
Councillor Mithra Cox

QUORUM – 7 MEMBERS TO BE PRESENT

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ITEM 1

DRAFT REVISED DELIVERY PROGRAM 2018-2022 OPERATIONAL PLAN 2020-2021 AND BUDGET FOR PUBLIC EXHIBITION

As part of Council's strategic planning cycle, a draft revised Delivery Program 2018–2022 and Operational Plan 2020-2021 has been prepared, which outlines the actions Council proposes to undertake to deliver on Our Wollongong 2028 goals. Council's draft Operational and Capital Budget, Revenue Policy, Fees and Charges and Infrastructure Delivery Program, also form part of the suite of documents. As part of these revisions, the Delivery Program has been extended by one year to align with the extended term of elected Councillors following the New South Wales Government's decision to postpone local government elections for 12 months, with the intention elections will be held in September 2021. These Plans have been prepared in the context of the COVID-19 pandemic and propose a range of measures to support our community during this unprecedented time.

This report seeks Council's endorsement of the draft Delivery Program 2018–2022 (as amended) and Operational Plan 2020–2021 (including attachments) to be placed on public exhibition.

RECOMMENDATIONS

- 1 Council endorse the draft revised Delivery Program 2018–2022 and Operational Plan and suite of documents to be placed on exhibition from 13 May to 9 June 2020.
- 2 Following public exhibition, a revised Delivery Program 2018–2022 and Operational Plan 2020-2021, be presented to Council for adoption.
- 3 Council write to the NSW Government requesting:
 - a Funding assistance for those ratepayers experiencing financial hardship as a result of COVID-19, similar to the assistance package offered to bushfire affected councils in February 2020.
 - b Suspension of the Planning Reform Fee (Plan First Levy) which is a component of our Development Application fees for a period of at least 12 months.
- 4 Council add to the resolution of 6 April 2020, to allow the extension of the deferred payment period for the fourth Rates and Annual Charges instalment from 31 August 2020 to 30 September 2020. Council approves:
 - a Extension of the interest free period to 30 September 2020.
 - b Continuation of the cessation of legal recovery, otherwise required under Council's Debt Recovery and Hardship Assistance Policy, to outstanding accounts until 30 September 2020 while continuing to issue all annual, instalment and revised reminder notices to keep ratepayers informed.
- 5 Council approve a payment arrangement for all ratepayers who have not been able to pay their fourth Rates & Annual Charges instalment for 2019–2020, which will allow that outstanding instalment to spread equally over each of the four instalments for 2020–2021. This will ensure a double instalment payment is not required by 30 September 2020.
- 6 Council approve an extension of waiver for late payment fees on Sundry Debtors greater than 60 days until 30 September 2020.
- 7 Council approve the following transfers from internally restricted cash to fund COVID-19 related impacts:
 - a \$4 million from Strategic Projects Restricted Asset
 - b \$5 million from Property Investment Fund Restricted Asset.
- 8 Council revise the approved usage of the City Parking Strategy restricted asset to redirect the net revenue from parking meters in the City centre to enhanced City centre activation and marketing initiatives that support regional and local economic recovery from COVID-19.

REPORT AUTHORISATIONS

Report of: Brian Jenkins, Chief Financial Officer
Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

- 1 Draft Revised Delivery Program 2018-2022 Operational Plan 2020-2021 *(Under Separate Cover)*
- 2 Draft Operational and Capital Budget 2020-2021 - 2022-2023 *(Under Separate Cover)*
- 3 Draft Infrastructure Delivery Program 2020-2021 - 2023-2024 *(Under Separate Cover)*
- 4 Draft Revenue Policy, Fees and Charges 2020-2021 *(Under Separate Cover)*

BACKGROUND

In June 2018, Council adopted Our Wollongong 2028 suite of forward strategic plans that included the Community Strategic Plan, Resourcing Strategy, Delivery Program 2018–2021 and Operational Plan 2018–2019.

In accordance with the Local Government Act, Council is required to review its Delivery Program each year, prepare the Operational Plan for the following year, and adopt it by 30 June (currently extended to 31 July for 2020-2021).

The Delivery Program outlines the actions Council will undertake to work towards delivery of the community goals included in Our Wollongong 2028 Community Strategic Plan.

During the development of these Plans, the World has changed. Our community is faced with a global health and economic challenge of COVID-19 and one that is impacting both individuals and our City collectively.

In response to COVID-19, the NSW State Government passed legislation to extend the term of the current elected Council for an additional year. In order to align with this change of Term, Council has extended the Delivery Program for an additional year to 2021–2022.

While the existing Delivery Program already included projects and services for 2021–2022, Council has added additional focus to consider the ongoing impacts of COVID-19. Council's workforce remains fully engaged to deliver on our promise to provide important services and projects to the community. A community-oriented, risk-based approach has been applied to the delivery of our services at this time. Some services have been modified and will continue to respond to updated advice and measures and scalable plans are in place to ensure community needs and expectations continue to be met where possible.

Following a comprehensive review process and considering the impacts of COVID-19, a revised draft Delivery Program 2018–2022 and draft Operational Plan 2020–2021 has been developed. This is year three of a now four-year Delivery Program. The draft also identifies actions (deliverables) which may be impacted in response to Covid-19. While these are not removed from the Plan, it is important for the community to be aware that changes may be experienced in how the service or project will be delivered.

Our Wollongong 2028: Draft Delivery Program 2018–2022 and Operational Plan 2020–2021

Council's Community Strategic Plan (Wollongong 2028) is a whole of community plan, in which all levels of government, business and educational institutions have an important role. It sets the long-term direction for Wollongong with six community goals relating to our economic, environmental, social, cultural, health and transportation development and sustainability.

The Delivery Program and Operational Plan outlines the projects and services Council will deliver to work towards achieving these goals and the Council Strategic Priorities set by our elected representatives.

COVID-19 Assistance Package

Council plays an important role in the community and recognises this is a difficult time for both individuals and organisations. A key part of this Plan is to ensure our community is supported throughout

this challenging time. This draft Delivery Program and Operational Plan include a range of measures to respond to these challenges. Support includes:

- *Rates Relief Program* – this program already provides residential and business ratepayers who believe they are not in a position to pay their fourth quarter instalment (due in May 2020), the ability to defer rate payments without additional interest charged until 31 August 2020. This report includes a recommendation to extend this period to 30 September 2020. A recommendation proposing to spread the deferred fourth instalment across 2020-2021 to ensure a double instalment is not due in September 2020 is also included in this report.
- *Price freeze on 2020-2021 Annual Charges and Fees and Charges* – no price increases will be applied on user fees and charges and, importantly, the annual Domestic Waste Management and Stormwater charges.
- *Primary inspection fees for food premises, personal grooming businesses and boarding houses* will be waived during 2020-2021.
- *Deployment of Creative Wollongong Quick Response Grants*. This program provides financial assistance to eligible individual artists or arts organisations who have been impacted by cancellations and/or lost opportunities due to COVID-19.
- *Critical investment in information technology, Wi-Fi and security* to support our new ways of working and increased communication capability across public buildings and areas.
- *A proposal to increase investment in City centre activation and marketing activities* to support economic recovery. Wollongong is the regional and economic engine room of the Illawarra region. To support local and regional economic recovery, Council is proposing to redirect net revenues from the City's parking meters to this initiative. Over the next four years, this will deliver additional investment in our region of over \$2.3 million.

In addition to these measures, this report includes a recommendation for Council to lobby the NSW Government for additional, direct financial assistance for affected ratepayers and the suspension of the Planning Reform Fee (Plan First Levy) which is a component of our Development Application fees to support development. Council will also continue to explore options to provide financial assistance to ratepayers experiencing financial hardship.

Council is also committing an additional injection of \$3.2 million into its capital works program from its Strategic Projects Reserve, that has been created through better than budgeted results in prior years.

Council's Infrastructure Delivery Program will be implemented as planned, representing an investment of over \$800 million over the next four years in the maintenance, operation and construction of infrastructure across the Local Government Area. Council's annual investment in infrastructure is significant and will continue to provide employment opportunities to local contractors, suppliers and businesses.

Draft Operating and Capital Budget 2020-2021 to 2022-2023

In April 2017, Council adopted its current Financial Strategy that recognised it had reached its target of financial sustainability and committed to maintain that position. Since that time, Council has continued to build on its financial strength, exceeded its expectations in some areas and was planning for continued improvement in operations and the levels of service provided to our community. The preparation of the draft Budget 2020-2021 has been influenced by uncertainty due to the impacts of COVID-19, which will draw down on Council's resources and future capacity. Despite this, Council's sound financial position has provided the flexibility to respond to this unprecedented global health and economic challenge.

Council's finances will be impacted by COVID-19 measures and the restrictions introduced by various levels of government to control the spread of the virus. This is particularly evident in the closure of services, reduction in gathering in public places and social distancing requirements. Council has developed new ways to operate and deliver services, while maintaining the health and wellbeing of our people.

There is a high degree of uncertainty in terms of the depth of impacts and duration of COVID-19 and this Plan includes two new critical assumptions that underpin the estimates. These estimates are at a point in time and Council undertakes a continuous budget process, to ensure both short and long term estimates are revised at least on a quarterly basis throughout the year.

The most significant assumption is the current level of restrictions and operating requirements will not deteriorate and social distancing requirements will not progress to the next level. Estimates and forecasts are based on current restrictions as they relate to Council business, having substantial impacts for a period of time in to 2020-2021. The estimates include a sustained period of recovery throughout the year, resulting in an estimated 37.5% net revenue impact on affected services.

Based on the above assumptions, the estimated loss of net revenue over the current period to the end of this financial year and through 2020–2021 is in the order of \$16 million. The proposed strategy to manage this loss in the first instance is to absorb immediate shortfalls through Council's reserves for unexpected loss (Available Funds \$5.1 million) and funds it holds for future investment (Strategic Projects \$4 million and Property Investment \$5 million). In addition, Council would commit to an improvement program that improves the net result over time.

Draft Infrastructure Delivery Program 2020-2021 to 2023-2024

Council is committed to the economic recovery of COVID-19 through its investment and leadership in programs and works during 2020–2021 and beyond. Council's investment in infrastructure is significant, and includes footpaths, cycleways, community buildings, pools, roads and stormwater pipes to support the delivery of a diverse range of valued community services. While this draft Infrastructure Delivery Program proposes a range of new projects, Council's core responsibility of ensuring the ongoing replacement and maintenance of our existing infrastructure has been secured. As the community confronts a global health and economic challenge of the COVID-19 pandemic, Council is proposing an infrastructure investment of over \$800 million across the Local Government Area. It represents a commitment to our local economy and construction sector during this difficult time and will provide employment opportunities to local contractors, suppliers and businesses. These projects will provide spaces, places and facilities for both our current and future communities.

Over the next four years, we will provide a significant investment in new footpaths and cycleways across the City, commencing work on new stages of the Grand Pacific Walk and construction of the first stage of the Cringila Hills Masterplan. We are also continuing to plan for major new facilities, including new libraries and community centres at Warrawong and Helensburgh and upgrading the Beaton Park Leisure Centre.

Draft Revenue Policy, Fees and Charges 2020–2021

Council's draft Revenue Policy, Fees and Charges 2020-2021 considers how it should collect income and use that income to fairly fund its many services to the community based on current and future need. There are a number of sources of income available for Council, mainly rates, as well as 'user pays' for services and facilities and income from commercial endeavours.

Like many businesses, Council will see losses in income through its commercial businesses such as tourist parks, commercial properties, leisure centres as well as a loss in facilities income as our residents remain at home or in essential work. Council has a key role in frontline service delivery including waste collection, road upgrades, development assessment, animal control, planning, maintenance of the public domain including the foreshore, parks and open spaces amongst others. At the same time, Council has a leadership role to support our community through this time. This includes limiting additional financial impacts where possible.

Council has reviewed its draft Revenue Policy, Fees and Charges with the aim of minimising further financial impacts on the community. Without prior knowledge of the crisis and in a continually changing environment, Council has been proactive in making decisions to support the community, its workforce, and, where possible, its services. For the financial year 2020–2021, Council is proposing no price increases to all existing fees and charges and, therefore, will not pass on CPI increases to the

community. This includes no increases to the annual domestic waste and stormwater management charges.

Council will also continue to apply the Debt Recovery and Hardship Assistance Policy to waive or reduce fees and charges under Section 610E of the Local Government Act 1993 under specific circumstances relating to COVID-19. Under the Act, councils may choose to apply such a waiver or reduction, for example, in cases where a business has seen significantly reduced income as a result of COVID-19. In accordance with these provisions, Council is proposing to waive public health inspection fees for food premises (first annual inspection) and personal grooming businesses (beauticians, tattooists, piercings). A waiver will also be extended to boarding house inspections to support affordable housing outcomes. However, charges will apply for second annual food inspections, inspections resulting from complaints or poor performance and Council will continue to issue notices for breaches.

PROPOSAL

It is proposed Council endorse the draft Delivery Program 2018–2022 and Operational Plan 2020–2021, including attachments, for public exhibition during the period 13 May – 9 June 2020. Following the exhibition period, any submissions received will be reported to Council, together with the revised suite of documents, for adoption.

CONSULTATION AND COMMUNICATION

Executive, Senior Managers and officers have been provided opportunity to comment and shape the development of the revised Delivery Program 2018–2022 and draft Operational Plan for 2020–2021. Councillors provided extensive input during strategic planning workshops held in December 2019 and March 2020 and have been engaged during the finalisation of these drafts.

These documents are proposed to be placed on public exhibition between 13 May and 9 June 2020.

Following exhibition, any submissions received, together with any proposed amendments to the draft Plans, will be presented to Council, with a view to adopting a final suite of documents at the Ordinary Council Meeting of 29 June 2020.

PLANNING AND POLICY IMPACT

This report relates to the commitments of Council as contained within the Strategic Management Plans:

This report contributes to the Our Wollongong 2028 Goal 4 *“We are connected and engaged community”*.

Specifically, Objective 4.1 *“Residents are able to have their say through increased community opportunities and take an active role in decisions that affect our city.”* and 4.4 *“Our local Council has the trust of the community”*

It delivers on core business activities as detailed in the Corporate Strategy Service Plan 2019–2020.

FINANCIAL IMPLICATIONS

Based on revised financial and operating assumptions in response to COVID-19, actions that have been announced, and others proposed by Council through this draft Operating Plan, the estimated loss of net revenue during this current financial year and through to 2020–2021 is estimated at approximately \$16 million. For the portion relating to 2020–2021, this represents a 37.5% reduction in net revenues from affected services.

While Council's short-term budget position will be substantially impacted, the medium to long-term budget position remains sound with Council able to achieve and maintain results that are within the targets outlined in Council's Financial Strategy.

Full financial details of the draft revised Delivery Program 2018–2022 and Operational Plan 2020–2021 are included in attachment 1 – Operational and Capital Budget 2020–2021.

CONCLUSION

A revised draft Delivery Program 2018–2022 and Operational Plan 2020–2021 has been prepared which outlines the actions Council will undertake to deliver on Our Wollongong 2028 while responding to the global health and economic challenge of the COVID-19 pandemic. Together, these documents set a clear policy and planning direction for Council in future decision making and provides a range of measures to support the community during this challenging time. An opportunity will be provided for the community to provide feedback on these draft documents from 13 May to 9 June 2020, prior to adoption. Council is requested to endorse the draft plans to be placed on public exhibition.