

Please note: These minutes are yet to be confirmed as a true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE SPECIAL COUNCIL MEETING HELD ON 1 APRIL 2020

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MINUTES

MINUTES OF A SPECIAL MEETING OF THE BUSSELTON CITY COUNCIL HELD IN THE WONNERUP COMMITTEE ROOM, CITY OF BUSSELTON ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, AND VIA ELECTRONIC MEANS ON 1 APRIL 2020 AT 5.00PM.

1. DECLARATION OF OPENING ACKNOWLEDGEMENT OF COUNTRY / ACKNOWLEDGEMENT OF VISITORS / DISCLAIMER / NOTICE OF RECORDING OF PROCEEDINGS

The Presiding Member opened the meeting at 5.23pm.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley Mayor
(*Wonnerup Committee Room*)

Members:

Cr Kelly Hick Deputy Mayor
Cr Sue Riccelli
Cr Ross Paine
Cr Kate Cox
Cr Paul Carter
Cr Phill Cronin
Cr Jo Barrett-Lennard
Cr Lyndon Miles
(*All Councillors via remote attendance*)

Officers:

Mr Mike Archer, Chief Executive Officer
Mr Oliver Darby, Director, Engineering and Works Services (remote attendance)
Mr Paul Needham, Director, Planning and Development Services (remote attendance)
Mrs Naomi Searle, Director, Community and Commercial Services
Mr Tony Nottle, Director, Finance and Corporate Services (remote attendance)
Ms Sarah Pierson, Manager, Governance and Corporate Services
Mrs Emma Heys, Governance Coordinator

Apologies:

Nil

Approved Leave of Absence:

Nil

Media:

Nil

Public:

Nil

3. ANNOUNCEMENTS WITHOUT DISCUSSION

Announcements by the Presiding Member

Nil

4. FINANCE AND CORPORATE SERVICES REPORT

4.1 CITY OF BUSSELTON RESPONSE TO COVID-19 CRISIS

STRATEGIC GOAL	6. LEADERSHIP Visionary, collaborative, accountable
STRATEGIC OBJECTIVE	6.1 Governance systems, process and practices are responsible, ethical and transparent.
SUBJECT INDEX	
BUSINESS UNIT	Finance and Corporate Services
REPORTING OFFICER	Director Finance and Corporate Services - Tony Nottle
AUTHORISING OFFICER	Chief Executive Officer - Mike Archer
NATURE OF DECISION	Executive: substantial direction setting, including adopting strategies, plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships, reviewing committee recommendations
VOTING REQUIREMENT	Absolute Majority
ATTACHMENTS	Attachment A Letter dated 31 March 2020 from Hon David Templeman MLA regarding Local Government Response to COVID-19 Attachment B WALGA Draft Template COVID-19 Financial Hardship Policy (Hardship Policy) Attachment C City of Busselton COVID-19 Actions and Communications Summary as at 31 March 2020 Attachment D Instrument of Delegation DA 1-14 Power to Defer, Grant Discounts, Waive or Write-Off Debts

COUNCIL DECISION AND OFFICER RECOMMENDATION

C2004/104 Moved Councillor P Cronin, seconded Councillor P Carter

That the Council agree to:

1. Endorse the Economic and Community Response Measures in the following areas as outlined in this report for the intervening period until there is a reduction of the effects of the COVID-19 Crisis:
 - (a) Rates and rating initiatives;
 - (b) Commercial leases;
 - (c) Community leases;
 - (d) Community Self-supporting loans
 - (e) Procurement;
 - (f) Priority payments;
 - (g) Building Applications;
 - (h) Planning Applications;
 - (i) Library initiatives;
 - (j) Community initiatives;
 - (k) Geographe Leisure and Naturaliste Community Centres initiatives; and
 - (l) Economic development initiatives.
2. Endorse the following principles to guide the Chief Executive Officer when preparing the 2020/21 Annual Budget:

- (a) Not increasing rates for the 2020/21 financial year;
 - (b) Introduction of weekly, fortnightly and monthly payment options for rates payments;
 - (c) Reviewing salaries and wages growth;
 - (d) Reviewing of capital works program of non-essential priority works;
 - (e) Reducing interest and payment charges to rates billing and collection;
 - (f) Relaxing terms and conditions on payment arrangements on a case by case basis;
 - (g) Assuming a significant reduction in revenue from fees and charges;
 - (h) Assuming an increase in the non-payment of rates;
 - (i) Consideration of service level requirements and its impact on operational expenditure;
 - (j) Consideration of new borrowings to assist with capital works and liquidity;
 - (k) Consideration of revised 20/21 Community Bids funding package;
 - (l) Consideration of a revised 2020/21 marketing and events sponsorship package
 - (m) Consideration of the repurposing of the unallocated and unspent funds from the 2019/20 marketing and events budgets generated through the Industrial and Commercial Differential Rate;
 - (n) Consideration of the utilisation of the City's existing cash reserves for business continuity; and
 - (o) Seeking to apply for Federal and State Government grants that may provide opportunities for employment creation and capital/operating works funding.
3. Endorse the Western Australian Local Government Association Draft COVID-19 Financial Hardship Policy as attached as a guide for its decisions in response to the COVID-19 Crisis and authorize the CEO to develop and put in place a City of Busselton COVID-19 Financial Hardship Policy;
 4. Delegate authority to the Chief Executive Officer to apply, manage, enact and use their discretion in accordance with the City of Busselton COVID-19 Financial Hardship Policy; and
 5. Amend Delegation DA1-14 "Power to Defer, Grant Discounts, Waive or Write-off Debts" (as per *Attachment D*) tracked version, for the remainder of the 2019/2020 financial year.

CARRIED 9/0

CARRIED BY ABSOLUTE MAJORITY

EXECUTIVE SUMMARY

The COVID-19 pandemic has had a significant impact on the world, national and local economy. Already within the City of Busselton, residents, businesses and employers are significantly impacted by the closures and social distancing measures in place.

Council is requested to consider a support package to complement both the State and Federal support package, and to also provide some parameters around the preparation of the City's Draft 2020/21 Annual Budget.

BACKGROUND

The COVID-19 Pandemic has had a significant impact on the world economy as the measures implemented to stop the spread of the virus have resulted in closures of businesses, community facilities and recreational areas. As such, a large number of job losses, significant financial hardship on business and uncertainty around the future have hit the local economy hard. In recognition of the impact that the COVID-19 pandemic is having, there has been a number of economic stimulus packages announced by both Federal and State Governments to assist individuals and business.

These packages were developed for the purpose of protecting individual income, job retention and business support.

The Federal Government announced its first Economic Stimulus package on 12 March 2020 of \$17.6b which focused on:

- Cash payments to welfare recipients (\$750);
- Payments for businesses to retain apprentices in work through wage subsidies (up to \$21k);
- Up to \$25k available for small businesses to assist with cash flow;
- Asset write off threshold increased to \$150k to encourage investment; and
- Businesses to be able to access a new \$1b fund.

In response to the Federal Government's package on the 16 March 2020, the Premier of Western Australia, the Hon Mark McGowan announced a complimentary \$607M package specifically for Western Australians. These included:

- \$402 million to freeze household fees and charges until at least July 1, 2021;
- Freeze will apply to entire 'household basket', including electricity, water, motor vehicle charges, emergency services levy and public transport fares;
- Energy Assistance Payment (EAP) doubled to \$600 to support vulnerable Western Australians, including pensioners;
- \$114 million in additional measures to support small businesses;
- Small businesses that pay payroll tax will receive a one-off grant of \$17,500;
- \$1 million payroll tax threshold brought forward by six months to July 1, 2020; and
- Businesses impacted by COVID-19 can defer payroll tax payments until July 21, 2020.

Since these announcements, the COVID-19 pandemic has continued to wreak havoc on the national and local economies. Additional stimulus packages were announced by the Prime Minister, Scott Morrison as follows:

22 March 2020

\$66b Package focusing on:

- Eligible not-for-profits and small businesses will receive a tax-free, cash payment of between \$20,000 and \$100,000; and
- Guarantee unsecured loans of up to \$250,000.

29 March 2020

\$1.1b Package focusing on:

- Expanded Medicare and health services around telehealth and GP incentives - \$669M;
- Domestic violence support - \$150M;
- Mental health support - \$74M; and
- Emergency relief support for vulnerable Australians - \$200M.

30 March 2020

\$130b JobKeeper Payment Scheme

- Eligible businesses for a period of up to 6 months; and
- \$1,500 per employee stood down per eligible employee (means tested).

31 March 2020

The following day the State Government once again announced an additional stimulus package valued at over \$1b which consisted of:

- Additional relief for households for utilities assistance, and removing disconnection processes for struggling households;
- \$502M for small business to reduce electricity bills, license fees and payroll tax relief (additional); and
- \$500M additional allocation to frontline health service delivery and additional industry support.

It was also announced that the State Budget would be deferred until 8 October 2020 so that the State Government can focus on its COVID-19 response.

On 30 March 2020, the Office of the Auditor General wrote to local government CEO's to advise that they will be freezing their audit costs for the 2020/21 financial year.

In addition to the Federal and State packages, the local government industry has also been investigating ways of assisting their residents and ratepayers to deal with the economic and community fallout from the COVID-19 pandemic. The City of Busselton Councillors and Senior Management Group (SMG) have also generally discussed a stimulus or assistance package that will assist our local residents and ratepayers during this time. Any local stimulus or assistance package would need to be complementary to the State and Federal packages.

As such, WALGA held a special meeting on the 27th March and moved the following resolution:

That WALGA:

1. *Notes the significant contribution of Local Governments in supporting their communities through the COVID-19 pandemic from a financial, economic, community and social perspective.*
2. *Requests each Local Government give consideration to the following suite of actions, for Local Governments with the capacity to do so, to provide a coordinated and consistent response to the COVID-19 pandemic:*
 - a. *Consider not increasing rates for the 2020-21 financial year;*

- b. Adoption of the WALGA template rates hardship policy by Local Governments that do not currently have a policy;*
 - c. Consider rate relief options to support small businesses affected by the COVID-19 pandemic;*
 - d. Review fees and charges considering whether fees can be reduced, waived or deferred during the COVID-19 pandemic;*
 - e. Bring forward capital works and infrastructure spending with aggressive application of reserves and borrowing;*
 - f. Prioritise Local Government spending with businesses and contractors located within the Local Government;*
 - g. Implement business friendly payment terms to support business cash flow;*
 - h. Consider supporting Community sporting and cultural groups by either establishing grant programs or waiving fees and charges; and*
 - i. Redeploy staff affected by facility closures to tasks that support the community.*
- 3. Notes the State Government is urgently drafting legislative and regulatory amendments to support the actions outlined in point 2 above.*
- 4. Notes the advocacy for the following:*
 - a. An increase in Local Government borrowing capacity beyond current Western Australian Treasury Corporation borrowing limits;*
 - b. Suspension of the Western Australian Treasury Corporation's borrowing guarantee charge of 0.7 percent on top of the loan interest rate for the 2020-2021 financial year;*
 - c. No increase to street lighting and utility tariffs in 2020-2021;*
 - d. Deferral of revaluations for the 2020-2021 financial year;*
 - e. Request the Office of the Auditor General to cease performance audits for the 2020-2021 financial year; and*
 - f. Freezing of the waste levy for the 2020-2021 financial year.*

On the 31 March 2020, the Minister for Local Government the Hon David Templeman wrote to the Mayor (Attachment A) and stated, amongst other things, the following:

"I strongly encourage local governments to look at their capacity, be innovative and consider what measures and workplace arrangements can be put in place to provide security to your staff as the State Government has done."

The City has already sent notification to all staff on the 19th March outlining the following in relation to security of their roles as follows:

"...In order to provide some income security to staff, especially those most at risk of having to take periods of unpaid leave, the following will apply from now until 30 April 2020 (to be reviewed prior to that):

- *Full time and part time employees who:*
 - *contract COVID-19; or*
 - *are required to self-isolate due to the governments mandated requirements; or*
 - *are required to look after children due to school closures;*

and are unable to work from home will, upon exhausting their sick leave entitlements, be provided with 5 days of special income retention pay.

- *Beyond this people will need to use accrued annual or long service leave balances. Consideration will also be provided for people to go into negative annual leave as required up to 5 days...*

The City has also provided a period of security for its longer term casual staff at facilities which have closed.

Additionally, the Minister also stated:

"I am asking all local governments to outline what measures they have put in place to date to assist their communities and staff. I would like this information to be sent to Minister.Templeman@dpc.wa.gov.au by close of business, Thursday 2 April 2020."

The Minister also clarified that the State had already announced that it will not be increasing the Waste Levy (does not apply to the City of Busselton). A final decision on the freezing of electricity and street lighting tariffs, land valuation charges/costs and borrowing fees is still to be considered. In response to the Minister, City staff have already been preparing a number of proposed measures to assist the community.

City of Busselton staff are also in the process of preparing the draft 2020/21 budget. It is clear that the COVID-19 impact will have a significant adverse effect on both the 2019/20 financial performance as well as the assumptions and increment factors normally used to prepare the City's annual budget. To address these matters, City staff are also proposing some general principles and guidance from Council to assist with the budget preparation.

While Council is not being asked to adopt a budget or make firm commitments at this time, general guidance to assist with its development is sought.

OFFICER COMMENT

To address the hardship and community concern around the pandemic it is clear that all levels of government need to work together for the best outcome for the community. This has been highlighted particularly by the State Government by encouraging the local government industry to "help where they can" and to ease the burden on households. It is also extremely important that the City assist in the community and social wellbeing of our residents and ratepayers.

The Western Australian Local Government Association (WALGA) have developed a draft policy to guide local governments to assist them in dealing with hardship cases as a result of COVID-19. The draft policy as provided in the attachments represents a sound base for the City to develop its own policy.

For the City of Busselton, our local economy is extremely reliant on outside visitors for the tourism and hospitality industry. A large number of the community's workforce are casual due to the nature of these dominant industries. Therefore individual's cash flow and the ability to pay debts such as City rates and charges could be affected.

Federal and State Government packages are being announced on almost a daily basis. The landscape in this space is changing rapidly. What is not clear at this point in time, is whether some of the initiatives proposed by the City would end up duplicating the State and Federal Government initiatives. Therefore, any local package would need to be adaptable and on a case by case basis. These packages may also result in less impact on the City's revenue streams than first expected.

WALGA Template COVID-19 Financial Hardship Policy (Hardship Policy)

A copy of the Hardship Policy is provided in the attachments to this report (*Attachment B*). The Policy outlines specific criteria around the evidence that may be required to prove financial hardship such as (but not limited to):

- Recent unemployment or under-employment;
- Sickness or recovery from sickness;
- Low income or loss of income; and
- Unanticipated circumstances such as caring for and supporting extended family.

The policy also encourages local governments to reserve the right to consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

The measures indicated further in this report have been guided by this template policy. It is recommended that Council endorse the draft template as its guide to develop its own policy.

It is also recommended that to effectively implement any measures in a timely manner around the Hardship Policy, that a delegation to the CEO be endorsed.

Economic and Community Response Package

Before considering the measures, it is important that any activity, measure or package attempt to, as far as possible:

- compliment Federal, State and other local government emergency responses;
- be proportionate to the degree of the economic shock and the impact on the local economy;
- can be adjusted if/when required;
- be simple and straight forward to understand and implement;
- use existing delivery mechanisms, wherever possible;
- be temporary and accompanied by a fiscal exit strategy; and
- be mindful of the City's existing financial and physical capacity.

Many measures may in fact be a cost to the City, and others may be a relaxing of internal controls and procedures to reduce compliance burdens and to get projects on the ground where possible. The following is proposed to be considered as a City response for the remainder of the financial year:

Area of Assistance	Detail
Job Security	<ul style="list-style-type: none"> • Up to 5 days special income security leave provided if employee doesn't have sufficient personal leave balances available if required to self-isolate.

Rates and Rating Initiative	<ul style="list-style-type: none"> Freezing of any interest or fees and charges associated with outstanding rates for the period from April – June 2020 in accordance with the Hardship Policy. Halting any debt recovery action on outstanding rates on a case by case basis if affected by COVID-19. Consider all rate relief options to support small businesses affected by the COVID-19 pandemic.
Commercial Leases with the City of Busselton	<ul style="list-style-type: none"> Waive payment of commercial lease fees for those businesses required to be closed to the public or severely affected by the COVID-19 crisis on a case by case basis until 30 June 2020.
Community Leases and Building Assistance	<ul style="list-style-type: none"> Waiving of lease fees for community organisations required to close/cease operating until 30 June 2020 on a case by case basis. Waiving of utilities reimbursements provided community group is not eligible for State subsidies or assistance.
Community Self Supporting Loan Assistance	<ul style="list-style-type: none"> Freezing interest and principle payments to community groups who currently have a self supporting loan with the City of Busselton on a case by case basis until 30 June.
Express Procurement for local business	<ul style="list-style-type: none"> Streamlined procurement processes to improve timeliness of orders issued to complete priority works. Priority payment within 14 days from certification. Increased focus and consideration of priority being placed on local procurement where possible to stimulate the local economy Early release of contractors bonds and deposits on a case by case basis.
Priority Payments	<ul style="list-style-type: none"> Express priority payment to businesses of no more than 14 days from certification on invoices.
Planning Applications	<ul style="list-style-type: none"> Where risks to safety, the environment or amenity are not considered significant, applying greater discretion on basic applications to speed up approvals process and relaxing requirements to provide supporting information, where it is difficult to provide that information.
Library Services	<ul style="list-style-type: none"> Increased provision of online services for e-books. Increased telephone and online support to assist members to access online resources. Increased online information for local history studies with progressive digitisation of physical materials and promotion of how to access.
Community Services	<ul style="list-style-type: none"> Development and provision of a continuity plan template to all critical service providers with offers of assistance to complete. Contact with all community groups and sporting clubs listed in the 'My Community Directory' to assess impact, needs and continuity planning assistance.

	<ul style="list-style-type: none"> • Providing staff to replace volunteer reductions for organisations such as St Mary's Relief Food Kitchen, Uniting Church food relief kitchen and shop and increase service provision and reach as needed. • Donating existing food stock as required from Youth Services stores to assist St Mary's Kitchen. • Distribution of a "Can I Help?" flyer for distribution with Dunsborough Community fact sheet and broader circulation throughout City through newspaper cut out and social media. • Assessment, and delayed launch, of the City's 2020/21 community bids program to refocus on recovery initiatives with a social and economic stimulus in the 20/21 financial year.
Geographe Leisure Centre / Naturaliste Community Centre	<ul style="list-style-type: none"> • Suspension of all memberships. • Balance credit to 'Learn to Swim' participants. • Development of online fitness programs.
Economic Development	<ul style="list-style-type: none"> • Regular contact with businesses and industries representatives with information and resources. • Ongoing dialogue with businesses and industries to assess the impact and current challenge their business/industry is facing. • Ongoing promotion of 'buy local' campaigns. • Assessment of a small grants program for businesses to assist immediately including online, digital messaging, search engine optimisation, digital marketing, etc. • Assessment of the City's marketing and events sponsorship program to encompass broader economic development and recovery initiatives including small grants programs, events, regional marketing. • Prioritise Local Government spending with businesses and contractors located within the Local Government.
Busselton Jetty Tourist Park	<ul style="list-style-type: none"> • Relaxation of booking refund policy. • Cancellation of non-essential bookings.

The impact of these proposals suggested above will be apparent in the 2019/20 financial year. Some of these are both financial and non-financial. It is likely that these measures, along with some ratepayers' inability to pay any other debts outstanding, depending on their circumstance, will have a significant impact on the City's end of year position.

Leadership and Community Messaging

The City Councillors and staff and been both responsive and proactive in relation to the COVID-19 Crisis on a local and regional level. To date:

- The City has followed Government directives as issued to close public facilities such as recreation centres and libraries etc. A list of measures and communications already provided to date is provided in the attachments to this report (*Attachment C*). In most cases the City had recognised the risks and already acted ahead of the stated closure deadlines.

- The Mayor and City staff have continued to post on social media, Bay to Bay and Community news boards, providing positive and reassuring messages that the City is doing what we can to keep the Local Community safe and informed, without being alarmist.
- The City has acted quickly in response to displaced or stranded persons and visitors to see they are rehoused or directed to appropriate accommodation (mainly Caravan Parks) throughout the district via our Rangers on the front line and social messaging.
- The City, via all its teams, are liaising across the spectrum of Community groups and organisations to ensure support and offering of assistance. For example, the City has offered the Busselton Hospital, (in the event of shortages of PPE cleaning products), access to our stocks available.
- The Mayor, CEO and the SMG remains well informed and interact with regional organisations on current trends in high level meetings via zoom conferencing, at a State and Interstate Level including WALGA, District Emergency Management Committee, Professional Networks, Local Police and Emergency organisations.
- The SMG are ensuring that decision making is well informed, considered and a measured approach in the current uncertain times, and “no irrational or knee jerk” decisions are being made. This allows us to be flexible in our decisions to address the community’s needs.
- City Management is now focused on providing essential services or responding to emergency and community safety events (i.e. Bridge arson, etc.). Minor matters that are not critical are being placed on hold for now.

Local Government Staffing

The City’s staff are a high priority during this crisis. The CEO and the organisation has responded quickly to allay fears as much as possible. In addition:

- SMG have been in regular meetings to address staffing matters and the issue of working remotely. The City will be in a position, by 6 April 2020, to have the vast majority of our indoor staff working remotely or from home. A new VPN system to provide extra capacity has been built internally by the City’s IT team. In times ahead staff may need to be redeployed (to areas such as meals on wheels etc.) to assist Volunteer and Community groups. This is being considered on a case by case basis.
- The City is currently not eligible for the Job Keeper Federal Government subsidy however this may change due to local government advocacy. Consideration has been given to the continuance of employment (if the need arises) via the use of existing employment benefits such as Annual Leave, Long Service Leave and allowing flexible use of these entitlements e.g. half pay/double time. The Minister for Local Government has requested/almost directed Local Governments to continue to employ staff. In the absence of future revenues (again if this occurs), this may cause liquidity problems for the City going forward.
- Apart from Casual staff at City’s leisure centres and other facilities, all staff of a permanent status are still employed and working.

Governance

Council may need to consider postponing and cancelling Committees, Council Meetings, Briefing Sessions and expanding the CEO’s delegated decision making powers to enable the City to maintain business continuity. In relation to the supply of funding to support continuance of operations, the

Mayors executive powers under Section 6.8 of the Local Government Act whereby expenditure is authorised by the Mayor in emergencies, will need to occur if the epidemic intensifies.

Recommendations 4 and 5 of this report suggest a delegation to the CEO to establish a COVID-19 Financial Hardship Policy and enact it, as well as increasing existing thresholds for outstanding debts on a case by case basis.

City of Busselton Annual Budget 2020/21

City staff have already significantly progressed the preparation of the Draft 2020/21 Annual Budget (20/21 Budget). In addition the draft Long Term Financial Plan (LTFP) has undergone a major review over the past 6 – 12 months. Council took part in 3 workshops in relation to the LTFP.

A final draft was due to be presented to Council in April, however since the development of COVID-19 this has meant that the draft plan needs to be revisited at a point in time where there is more certainty about the current and future economic environment. This may or may not include a complete review of the allocation of the forward funding for programs such as the Sport and Recreation Facilities Plan.

However, this will be a matter for Council to determine at a later time.

Based on the fact that the Minister for Local Government has requested local governments to review their existing annual budgets, the local government industry has moved as a collective to encourage all local governments to consider certain measures in their 20/21 Annual Budgets. Some of the matters currently under consideration in order for the City to balance a budget include:

- Not increasing rates for the 2020/21 financial year;
- Reviewing salaries and wages growth;
- Reducing interest and payment charges to rates billing and collection;
- Introducing weekly, fortnightly and monthly payment options for rates payments;
- Relaxing terms and conditions on payment arrangements on a case by case basis;
- Assuming a significant reduction in revenue from fees and charges;
- Assuming an increase in the non-payment of rates;
- Consideration of service level requirements and its impact on operational expenditure;
- Consideration of new borrowings to assist with capital works and liquidity;
- Consideration of revised Community Bids package;
- Consideration of the utilisation of the City's existing cash reserves for business continuity; and
- Seeking to apply for Federal and State Government grants that may provide opportunities for employment creation and capital/operating works funding.

Should Council be comfortable with these initiatives for the 20/21 budget, City staff will begin modelling the budget around these parameters. Nothing prevents the Council to be able to review its budget should the COVID-19 crisis diminish or worsen from being able to review its 20/21 budget at any point in time and make further adjustments either positive or negative.

The current assumptions for the 20/21 budget are depicted in the table below:

Nature or Type	Description	2020-21 Year 1
Revenue Drivers		
Rates	Proposed rate increases	0.00%
Operating grants, subsidies and contributions	Expected grant percentage increases	2.00%
Fees and charges	Maintained at fixed percentage across years	0.00%
Interest on investments ¹	Adjusted according to low interest rate environment	1.00%
Other revenue	Tied to Fees & Charges	0.00%
Expenditure Drivers		
Consumer Price Index	Based on WA Consumer Price Index	2.00%
Employee costs	Based on National Wage Price Index	0.00%
Materials and contracts	Aligns with Local Government Cost Index	2.00%
Utility charges (electricity, gas, water etc.)	Reflects forecast of energy price increases	3.00%
Insurance expenses	Subject to claims and unforeseen events	0.00%
Interest on borrowings	Pertains to the Performing Arts/Convention Centre loan	2.20%
Interest on borrowings	Pertains to all other loans	1.00%
Other expenditure	Tied to WA CPI Forecasts	0.00%

As stated above, while these adjusted assumptions will be used to develop a balanced budget scenario, we should remain open to reviewing these as things change.

In addition to these specific parameters when compiling the 20/21 Budget, there is a need for advocacy on an industry level through the appropriate channels. It is also suggested that the Mayor and the CEO advocate to both WALGA and the State Government the following key initiatives to assist local government to enable them to be able to pass on any savings such as:

- Reduction in the Loan Guarantee Fee (GF) currently paid by local governments to the WA Treasury Corporation (WATC) on current borrowings;
- Freeze on loan repayments to the WATC for 3 – 6 months;
- Freezing street lighting and utilities for local governments; and
- Postponing all UV and GRV valuations from Land Valuation Services.

These items have now all been raised with the Minister by WALGA and a decision and further consideration of these measures is currently pending.

Statutory Environment

Section 6.8 of the Local Government Act 1995 (the Act) relates to expenditure not included in an annual budget. Expenditure can be approved by the Mayor in emergency situations.

Section 5.42 of the Act allows Council to delegate some of its powers to the CEO provided they are not duties that are limited within the Act that are deemed “not delegable”.

Relevant Plans and Policies

The City does not have a current COVID-19 Financial Hardship Policy. This report recommends endorsing the WALGA template document as a guide to development of a City Policy.

Financial Implications

Below is a table of estimated costs for initiatives outlined above that have a potential impact on the City’s current financial position:

Area of Assistance	Estimated Impact (Worst Case Scenario)
Job Security Initiative	Potentially up to \$180,000 depending on utilisation. This would be funded via reserve
Rates and Rating Initiative	\$51,000
Commercial Leases with the City of Busselton	Potentially up to \$100,000 depending on case by case basis and State/Federal Government assistance
Community Leases and Building Assistance	Up to \$10,000 depending on case by case basis and State/Federal Government assistance
Express Procurement for local business	No financial impact
Priority Payments	No financial impact
Building Applications	No financial impact
Planning Applications	No financial impact
Library Services	No financial impact
Community Services	No financial impact – covered within existing budget operating costs
Geographe Leisure Centre / Naturaliste Community Centre	Approximately \$160k of reduced revenue, however extent of impact is unknown
Economic Development	No financial impact – covered within existing budget operating costs
Busselton Jetty Tourist Park	Potentially up to \$420,000 of reduced revenue, however extent of impact is unknown (Mostly reserve balance impact)

The financial implications in relation to the City's 20/21 budget will be further explored in future budget briefings and information sessions for Council as the budget is developed.

It is important to note that just a freeze on the proposed 2020/21 rates alone will see a potential loss of \$1.57M in rates revenue.

Stakeholder Consultation

A number of these initiatives have already been communicated to the public and the staff due to the closures of the Libraries and Recreation Centres. These additional initiatives will also need to be communicated to the public and the organisation. An outline of communications and actions taken is provided in the attachments.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

The following risk have been identified:

Current Financial Position of the City of Busselton adversely affected			
Risk Category	Risk Consequence	Likelihood of Consequence	Risk Level
Financial	Moderate	Likely	High
Reputation	Moderate	Likely	Medium
Operational	Major	Likely	High

Options

As an alternative to the proposed recommendation, the Council could choose to amend the measures proposed by adding or removing initiatives to assist the community throughout the COVID-19 crisis.

CONCLUSION

This report provides Council with an overview of the measures proposed for the remainder of the 2019/20 financial year to assist with the COVID-19 crisis in our community. The report also outlines some parameters and seeks Councils direction on the development of the 2020/21 budget process in light of the COVID-19 Crisis. Council is also able to consider further measures at a later date.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Officers will commence the actions immediately following Councils resolution



Hon David Templeman MLA
Minister for Local Government; Heritage; Culture & the Arts

Our Ref: 66-11953

LOCAL GOVERNMENT RESPONSE TO COVID-19

To Local Government Mayors, Presidents and Commissioners

Local governments have a critical role to play in responding to COVID-19, and eventually how their communities recover from this crisis.

I note that some local governments, such as Shire of Mundaring and City of Swan, quickly implemented additional leave for staff impacted by COVID-19. Others have implemented community care plans and packages such as City of Bayswater and Shire of Augusta-Margaret River. City of Perth has detailed a Relief and Rebound Plan, and the City of Rockingham has frozen rates, to name a few. I thank those local governments who are stepping up.

Both the Premier and I acknowledge there are currently a range of measures being progressed by the State Government in order to assist you during this time.

Drafting of financial, regulatory and governance considerations are taking place. Cabinet will need to make the final decision with regards to electricity and street lighting tariffs and Land Valuations as well as borrowing fees. I can assure that we too are working as fast as we can on these measures.

Minister Dawson has made a commitment to not increase waste levy fees for the year 2020/21.

I strongly encourage local governments to look at their capacity, be innovative and consider what measures and workplace arrangements can be put in place to provide security to your staff as the State Government has done.

I am asking all local governments to outline what measures they have put in place to date to assist their communities and staff. I would like this information to be sent to Minister.Templeman@dpc.wa.gov.au by close of business, **Thursday 2 April 2020**.

-2-

I am sure you are all aware of the State Council of WA Local Government Association endorsing the following on Friday 27 March 2020:

- Consider not increasing rates for the 2020-21 financial year.
- Adoption of the WALGA template rates hardship policy by Local Governments that do not currently have a policy.
- Consider rate relief options to support small businesses affected by the COVID-19 pandemic.
- Review fees and charges considering whether fees can be reduced, waived or deferred during the COVID-19 pandemic.
- Bring forward capital works and infrastructure spending with aggressive application of reserves and borrowing.
- Prioritise Local Government spending with businesses and contractors located within the Local Government.
- Implement business friendly payment terms to support business cash flow.
- Consider supporting Community sporting and cultural groups by either establishing grant programs or waiving fees and charges.
- Redeploy staff affected by facility closures to tasks that support the community.

The State Government has committed \$766 million to tackle the significant social and economic impact from the COVID-19. In addition the Federal Government announced as of yesterday a \$130 billion JobKeeper payment to help keep Australians in jobs. This brings the Commonwealth total to \$319 billion. Our State and Federal Governments are continuing to work with you and look for opportunities to lessen the impacts of COVID-19 on ratepayers, businesses and employees.

The Premier and I have sent a very clear message to local governments across Western Australia, now is the time to step up, and demonstrate that you understand the challenges that households are facing in your communities.

I look forward to your continued support and leadership during this time.

Yours sincerely



HON DAVID TEMPLEMAN MLA
**MINISTER FOR LOCAL GOVERNMENT;
HERITAGE; CULTURE AND THE ARTS**

31 MAR 2020

Template COVID-19 Financial Hardship Policy



WALGA Note: WALGA provides this template policy as a **guide** for Local Governments. This template policy provides suggested wording only and Local Governments should review this policy content and consider, develop and implement policy suitable to their operational requirements.

COVID-

Remember: Policy implementation is given effect through appropriate induction, ongoing training and operational procedures that evidence Council Members and Employees have been made aware of and are accountable for their obligations and responsibilities.

Policy Objective

To give effect to our commitment to support the whole community to meet the unprecedented challenges arising from the COVID19 pandemic, the <<Shire/ Town / City of XXX>> recognises that these challenges will result in financial hardship for our ratepayers.

This Policy is intended to ensure that we offer fair, equitable, consistent and dignified support to ratepayers suffering hardship, while treating all members of the community with respect and understanding at this difficult time.

Policy Scope

This policy applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Rates and service charges levied for the 2020/21 financial year.

It is a reasonable community expectation, as we deal with the effects of the pandemic that those with the capacity to pay rates will continue to do so. For this reason the Policy is not intended to provide rate relief to ratepayers who are not able to evidence financial hardship and the statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply.

Policy Statement

1 Payment difficulties, hardship and vulnerability¹

Payment difficulties, or short term financial hardship, occur where a change in a person's circumstances result in an inability to pay a rates or service charge debt.

Financial hardship occurs where a person is unable to pay rates and service charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. The <<Shire/ Town / City of XXX>> recognises the likelihood that COVID19 will increase the occurrence of payment difficulties, financial hardship and vulnerability in our community. This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc.

¹ Adapted from the Ombudsman Western Australia publication, **Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance:** <http://www.ombudsman.wa.gov.au/>

Template – COVID-19 Financial Hardship Policy



2 Anticipated Financial Hardship due to COVID19

We recognise that many ratepayers are already experiencing financial hardship due to COVID-19. We respect and anticipate the probability that additional financial difficulties will arise when their rates are received.

We will write to ratepayers at the time their account falls into arrears, to advise them of the terms of this policy and encourage eligible ratepayers to apply for hardship consideration. Where possible and appropriate, we will also provide contact information for a recognised financial counsellor and/or other relevant support services.

3 Financial Hardship Criteria

While evidence of hardship will be required, we recognise that not all circumstances are alike. We will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- Recent unemployment or under-employment
- Sickness or recovery from sickness
- Low income or loss of income
- Unanticipated circumstances such as caring for and supporting extended family

Ratepayers are encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment proposal. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying our statutory responsibilities.

4 Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the Act are of an agreed frequency and amount. These arrangements will consider the following:

- That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable;
- The ratepayer will be responsible for informing the <<Shire/ Town / City of XXX>> of any change in circumstance that jeopardises the agreed payment schedule.

In the case of severe financial hardship, we reserve the right to consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

5 Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension or waiver of interest charges. Applications will be assessed on a case by case basis.

Template – COVID-19 Financial Hardship Policy



6 Deferment of Rates

Deferment of rates may apply for ratepayers who have a Pensioner Card, State Concession Card or Seniors Card and Commonwealth Seniors Health Care Card registered on their property. The deferred rates balance:

- remains as a debt on the property until paid;
- becomes payable in full upon the passing of the pensioner or if the property is sold or if the pensioner ceases to reside in the property;
- may be paid at any time, BUT the concession will not apply when the rates debt is subsequently paid (deferral forfeits the right to any concession entitlement); and
- does not incur penalty interest charges.

7 Debt recovery

We will suspend our debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. Where a debtor is unable to make payments in accordance with the agreed payment plan and the debtor advises us and makes an alternative plan before defaulting on the 3rd due payment, then we will continue to suspend debt recovery processes.

Where a ratepayer has not reasonably adhered to the agreed payment plan, then for any Rates and Service Charge debts that remain outstanding on 1 July 2021, we will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of the 2021/2022 financial year.

Rates and service charge debts that remain outstanding at the end of the 2021/22 financial year, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

8 Review

We will establish a mechanism for review of decisions made under this policy, and advise the applicant of their right to seek review and the procedure to be followed.

9 Communication and Confidentiality

We will maintain confidential communications at all times and we undertake to communicate with a nominated support person or other third party at your request.

We will advise ratepayers of this policy and its application, when communicating in any format (i.e. verbal or written) with a ratepayer that has an outstanding rates or service charge debt.

We recognise that applicants for hardship consideration are experiencing additional stressors, and may have complex needs. We will provide additional time to respond to communication and will communicate in alternative formats where appropriate. We will ensure all communication with applicants is clear and respectful.

Document Control Box			
Document Responsibilities:			
Owner:	[insert Position Title]	Owner Business Unit:	[insert Unit Title]
Reviewer:	[insert Position Title]	Decision Maker:	Council
Compliance Requirements:			

Template – COVID-19 Financial Hardship Policy



Legislation:		Local Government Act 1995 Local Government (Financial Management) Regulations 1996					
Other:							
Organisational:							
Document Management:							
Risk Rating:	[low / med / high]	Review Frequency:	[annaul / biennial / triennial]	Next Due:	[20##]	Records Ref:	[CP####]
Version #	Decision Reference:	Synopsis:					
1.	[decision date / TRIM Ref]	[brief description of the adoption / changes approved]					
2.							

City of Busselton Action and Communications

AS at 31 March 2020

The City has been very proactive in responding to the COVID-19 Pandemic. The following measures to reduce the risk of infection and ensure the ongoing delivery of essential services have been put in place. Further measures may be required as the situation develops.

- All events have been cancelled until further notice.
- City employees are following the STAY AT HOME instruction – most are now working from home where possible.
- The City Administration Building is closed to the public. Customers are encouraged to use the City's online services or telephone 97810 444.
- Geographe Leisure Centre (GLC), ArtGeo Cultural Complex, the Youth and Community Activities Building (YCAB); Naturaliste Community Centre (NCC) and the Busselton and Dunsborough Libraries are all closed until further notice.
- Tourist operations on the Busselton Jetty have temporarily ceased.
- All bookings at the Busselton Jetty Tourist Park have been cancelled other than permanent residents and on compassionate grounds.
- Cleaning regimes have been increased and some low-use public ablutions closed so resources can be redirected to cleaning high-use ablutions.
- Increased messaging around key health messages has been installed at foreshores and boat ramps.
- Physical attendance at Council Meetings is cancelled for members of the public. Arrangements are in place to address Council remotely and Council meetings can be viewed on You Tube. <https://www.busselton.wa.gov.au/Council/Meetings/Council-Meetings>
- Public water fountains and barbecue facilities are disconnected to stop the spread of infection and dissuade gatherings.
- Public Playgrounds are closed.
- The Busselton and Dunsborough Waste Facilities are open at the moment but payment is by EFTPS only.

COMMUNICATIONS

- Quick Link on website established with links to official information and dynamic FAQ's.
- 30 x Social Media Posts relating COVID-19
- 6 x COVID-19 specific Media Releases put out 4 March (all on the web)
- 9 x Mayor's Video Messaging Published via social media
- COVID-19 Focused Bay to Bay message (published 31 March)
- Mayor's Message and updates in weekly Wednesday Paper since 25 March
- Key health messages on VMS board on Causeway Road and Magic Info board since 17 March
- Special 2 page spread in the Friday paper aimed at business support and essential safety information
- Signage in place across the municipality re social distancing, official closures (signage)

DA 1 – 14	Power to Defer, Grant Discounts, Waive or Write-Off Debts
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POWER / DUTY ASSIGNED TO	Local Government
POWER TO DELEGATE	<i>Local Government Act 1995</i> s.5.42 Delegation of some powers or duties to CEO s.5.43 Limitations on delegations to CEO
DELEGATED TO	Chief Executive Officer
POWER / DUTY DELEGATED	<i>Local Government Act 1995</i> s.6.12(1)(b), s.6.12(1)(c), s6.12(3)
FUNCTION	s.6.12 Power to defer, grant discounts, waive or write off debts
CONDITIONS	Any waiver of granting of concession shall only be up to \$2500050,000 and considered solely on its merits; and any debt write-off approved shall be less than \$1500050,000 if it is more than 12 months old or less than \$200 if it is between 90 days and 12 months old.
POLICY	Nil
REFERENCE DOCUMENTS	Nil

RECORD KEEPING	ECM – GOVN001 'Authorised Delegation of Power/Authority'	
VERIFICATION	Initial Council Resolution C0806/188	Recent Council Resolution C1808/150
RECENT ALTERATIONS	June 2011	
PREVIOUS DELEGATION REFERENCE	LG6B – Power to Defer, Grant Discounts, Waive or Write-off Debts	

5. CLOSURE

The Presiding Member closed the meeting at 5.42pm

THESE MINUTES CONSISTING OF PAGES 1 TO 26 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 22 APRIL 2020.

DATE: _____ PRESIDING MEMBER: _____