



EXTRAORDINARY COUNCIL MEETING

Tuesday 14 April 2020

**To be held remotely.
See website for details.**

7:30pm

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This allows our community greater access to Council proceedings, decisions and debate.

Extraordinary Meeting of Council Meeting

Agenda

Tuesday 14 April 2020

7:30pm

Apologies: For the non-attendance of Councillors

Declaration of Interests:

Special Reports:

Deputy Chief Executive Officer (1)	pg 4
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Special Reports to the Deputy Chief Executive Officer**Tuesday 14 April 2020**

20ESP001	Financial Hardship Assistance Measures
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Key focus area	8. Organisational support
Objective	8.1 Financial management
File	F2011/04983 - D09661306
Author	Revenue and Debt Coordinator - Jane Steiger
Responsible manager	Chief Financial Officer - Dwight Graham

Executive Summary

In response to COVID-19 and the anticipated resulting financial hardship, two actions have been identified that can directly offset costs. Increasing the number and types of ratepayers who may need financial assistance under Council's Financial Hardship Assistance Policy (Policy) to include businesses and landlords is one action and waiving the surcharge on credit card payments is the second action.

Recommendation

Council:

- A. rescinds the existing Financial Hardship Assistance Policy (version 1) (Attachment 1),
- B. adopts the revised Financial Hardship Assistance Policy (version 2) (Attachment 2), and
- C. endorses waiving the surcharge fees on credit card payments for the period commencing on 15 April 2020 and concluding on 14 July 2020, with this period to be extended by one month by the CEO on no more three occasions, if the CEO determines Council's over-the-counter payment options will continue to be unavailable to customers after 14 July 2020.

Discussion

The Financial Hardship Assistance Policy was adopted by Council at its Ordinary Meeting on 9 December 2019.

The Policy outlines the methodology for the treatment of ratepayers experiencing genuine financial hardship based on the Office of Local Government's Debt Management and Hardship Guidelines. This policy provides for the type of assistance available and the assessment criteria to access the assistance.

The present Policy applies only to owner/occupiers living in residential properties.

This report recommends extending the scope of the Policy to owners of businesses and rental properties. This takes into consideration the number of businesses and landlords who will be impacted financially as a result of the COVID-19 pandemic and the economic fallout.

As part of the response to the COVID-19 pandemic, Council's Administration building closed to customers on 26 March 2020, resulting in the cessation of face-to-face customer service. This means customers are no longer able to attend the Customer Service Centre to make payments in cash. Customers who make payments in cash avoid incurring the surcharge fee attached to credit card payments. The surcharge (0.6% of each transaction) recoups the merchant fee, which Council is charged by banks. While there are a number of other options, some customers still prefer to pay over the counter in cash. With Council's Administration building closed, this will not be possible. It is therefore proposed that Council not charge this surcharge while the Administration building is closed.

Assessment of options

The revisions to the Financial Hardship Assistance Policy broadens the scope of the policy to include landlords and business owners. These changes ensure debt management procedures can be put in place immediately to handle the increasing number of ratepayers in financial hardship as a result of COVID-19. If the Policy is not amended, the current inequity between owner/occupiers, and business owners and landlords would continue. In this situation, it is best that the Policy has a consistent application.

Council's financial payments system cannot selectively waive the credit card surcharge for some customers. Therefore, either all customers are charged the fee or no customers are charged the fee. Given the impact on the cash paying customers, who are often pensioners, it is felt that applying the waiver to all payers is the most appropriate course of action.

Community engagement and internal consultation

Council staff have already seen an increase in the number of rates enquiries asking how Council will be able to assist businesses and owners of rental properties as a result of COVID-19.

The changes to the policy will allow Council staff to provide the assistance to extend payment options and waive interest charges for ratepayers in genuine financial hardship.

The Head of Customer Experience has recommended the waiving of the credit card surcharge.

Key considerations

Economic impacts	This action, along with NSW and Australian government initiatives, will assist businesses to survive the economic downturn. In some cases, it will assist businesses to achieve the hibernation advocated by the Australian Government.
Environment	None.
Community	The Financial Hardship Policy supports the community by giving some relief to those ratepayers who are in genuine financial hardship and offering ratepayers flexible payment options, while the waiving of the credit card surcharge will allow those who pay by credit card to do so without additional cost.

Civic leadership	The recommended action aligns Council actions with those of the NSW and Australian Governments.
Financial	<p>Waiving interest charges will result in some loss of revenue. Given the economic uncertainty, the amount is very difficult to estimate. However, if 25% of ratepayers were to be overdue on rates for six months, then the estimated lost interest revenue would be \$133,000 (\$36,000 in the current financial year and \$97,000 in 2020-21).</p> <p>The waiving of the credit card surcharge is estimated to reduce revenue to Council by approximately \$20,000 to \$25,000 (in the current financial year) if the fee is waived for three months and \$40,000 to \$50,000 (half in the current financial year and half in the 2020-21 financial year) if the surcharge is waived for six months.</p>
Infrastructure	None.
Risk and insurance	The adoption of the changes to this policy and the waiving of the credit card surcharge reduce the risk of inconsistent treatment of ratepayers experiencing genuine hardship in relation to the collection and payment of rates and other debts.

Legislative and policy considerations

Financial Hardship Assistance Policy

Debt Recovery Policy

Attachments

- | | | |
|----|---|-----------|
| 1. | DRAFT - Financial Hardship Relief Policy - Version 1 with track changes | D09670259 |
| 2. | DRAFT - Financial Hardship Assistance Policy - version 2 | D09668020 |

Financial Hardship Assistance - Council Policy

Version 1 - 9 December 2019



Council Policy

Financial Hardship Assistance

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Lake Macquarie City Council

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Policy

1 Scope

Council recognises there are cases of genuine financial hardship, where customers find it difficult to meet their commitments to pay rates, charges and other fees.

This policy will provide assistance to customers who meet the eligibility criteria outlined in this policy.

2 Objectives

The objectives of the Financial Hardship Assistance policy are:

- To assist those customers who are experiencing genuine financial hardship and respond with respect and compassion.
- To provide a framework that is ethical, transparent, compliant with legal obligations, open and accountable when determining financial hardship applications.
- To provide assistance to enable customers to enter into arrangements for periodical payment outside the statutory due dates in cases of hardship or other exceptional circumstances.
- To comply with the provisions of *Local Government Act 1993* (the Act), The Debt Management and Hardship Guidelines issued from Office of Local Government, November 2018 and other relevant legislation in relation to the waiving or reduction of rates and charges, including interest, due to financial hardship.

3 Policy Statement

Council is committed to providing appropriate support for customers who may be experiencing genuine financial hardship due to the payment of Rates and Charges, and other fees and as a result, may need assistance to meet their payment responsibilities.

This policy establishes financial assistance that may be provided, pursuant to provisions within section 564 and 567 of the Act, which state:

564 Agreement as to periodical payment of rates and charges

- (1) A council may accept payment of rates and charges due and payable by a person in accordance with an agreement made with the person.
- (2) The council may write off or reduce interest accrued on rates or charges if the person complies with the agreement.

567 Writing off of accrued interest

The council may write off accrued interest on rates or charges payable by a person if, in its opinion:

- (a) the person was unable to pay the rates or charges when they became due and payable for reasons beyond the person's control, or
- (b) the person is unable to pay the accrued interest for reasons beyond the person's control, or
- (c) payment of the accrued interest would cause the person hardship.

Council will apply the same principles (sections 564 and 567 above) to other overdue fees and charges.

3.1 Hardship Assistance

The Act permits Council to exercise the following assistance to ratepayers and debtors:

- Periodical payment arrangements for overdue rates and charges under Section 564.

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- Writing off or reducing interest accrued on rates and/or charges under Section 564 and 567.
- Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from a general revaluation of land in the Local Government Area under Section 601.
- Waiving or reducing rates, charges and interest of eligible pensioners under Section 575 and 582.
- Council will apply the principles of sections 564 & 567 of the Act to other overdue fees and charges.

In order for Council to determine eligibility for financial hardship assistance, applicants are required to complete Council's Financial Hardship Application form.

Council will assess eligibility based on the information provided on the form and may request documented proof or further information from the customer in order to make the determination.

Supporting documentation confirming genuine financial hardship from a recognised financial counsellor or financial planner would assist in Council's determination. All information provided will be treated as confidential in accordance with Council's Privacy Management Plan.

Council can provide customers with suggested support services which provide financial counselling to assist in resolution of debt issues through free, tailored expert advice.

Council may negotiate a formal regular periodical payment agreement with a customer eligible for financial hardship assistance in accordance with section 564(1) of the Act.

The agreement will require that rates, charges and other debts owed to Council are paid as soon as possible whilst considering the applicant's current and estimated future repayment capabilities. The preferred method of payment will be via a direct debit payment plan, however, Council will accept other available methods.

When assessing applications for Hardship Relief (including the waiver of interest charges) the following circumstances are to be considered, but not limited to:

- Is the applicant the owner or part owner of the property.
- Is the property categorised as residential or farmland or business for rating purposes.
- Has the customer previously had a good payment record.
- Does the applicant own another property.
- Are there circumstances beyond the customers control which have resulted in the outstanding debt.
- Prolonged or serious illness of the customer, or the immediate family of the customer, the loss of employment, death in the family, separation, divorce or other family crisis, natural disasters or other extraordinary circumstances which have led to the Rates and Charges or other debts owed to Council becoming overdue.
- Has the applicant been referred to an accredited financial counsellor, welfare agency or legal assistance service,
- Council may refuse an application where a customer has defaulted on payment arrangements more than twice within the last 12 month period.

Deleted: and it is their principal place of abode.

3.2 Hardship Rates Assistance Due to Valuation changes

Under Section 601 of the Act, any ratepayer who incurs a rate increase following a new valuation of land may apply to Council for rate relief in the first year the valuation is used for rating purposes, if the new rate payable causes the ratepayer to suffer substantial hardship.

Applications for hardship relief under section 601 of the Act will be considered on an individual basis in accordance with the criteria for hardship relief under Financial Hardship Assistance. Forms are available on Council's website.

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If applications are approved under section 601 of the Act, Council will reduce the rates levied in the current year by 50% of the difference between the current year rates and the rates levied in the previous year multiplied by the maximum permissible rate increase for the current year.

3.3 Rates Assistance to Eligible Pensioners

For the purpose of this policy an eligible pensioner is a person in receipt of a pension, benefit or allowance under Chapter 2 of the *Commonwealth Social Security Act 1991* or a service pension under Part 3 of the *Veterans' Entitlement Act 1986* of the Commonwealth and who is entitled to a Commonwealth Pensioner Concession Card - as prescribed in Clause 134 of the Local Government (General) Regulation 2005 (NSW).

A mandatory rebate of Rates and Charges (includes Domestic Waste Management) to the maximum amount determined by Section 575 of the Local Government Act will apply for eligible pensioners under the provisions of the Act.

If a ratepayer is an eligible pensioner, currently receiving a pension rebate on the property considered to be their sole or principal place of abode and is then required to enter an aged care facility for health or care reasons, the pension rebate will continue to apply for a period of 12 months providing the property is not being rented or occupied.

As provided by Section 577 of Act, Council may grant a rate concession where an eligible pensioner, not the owner of the property, has a life interest in the property and is responsible for payment of rates. Council requires confirmation in writing from a legal representative with a copy of the will of a deceased estate, copy of the Certificate of Title if the life tenancy is registered or relevant documentation to validate a life tenancy agreement.

Pensioner rebate concessions will be applicable only in the year the application is made and the rating year immediately preceding it.

3.4 Deferring payment of Rates - Eligible Pensioners

Aged pensioners who satisfy the eligibility criteria may make application to defer the payment of rates, allowing them to accrue as a charge on the land, to be paid upon the death of the pensioner or the sale of the property, or if the pensioner ceases to occupy the property as his/her principal place of abode.

Deferment will only apply to the general rates on the property. The pensioner will be expected to pay the annual domestic waste service charge, On-site Sewage Management Charge or Hunter Valley Catchment charge each year, if the service is available to the property.

The criteria used to determine eligibility will include:

- The applicant must be in receipt of an age pension (Centrelink or DVA) in relation to the property
- The property must be used for residential purpose
- The property must be the pensioners principle place of abode
- The property must be a single dwelling house or a residential strata unit
- The applicant must be approved under Council's Financial Hardship Assistance Policy

Council will continue to provide an annual rates and charges notice each year showing outstanding rates and charges and quarterly instalment notices as per the provisions of the Act. In addition, Council will make contact with the pensioner each year to confirm that the eligibility criteria is still current.

Interest charges accrue in respect of deferred rates and charges at the rate determined under the Local Government Act. No deferred rates, charges or interest are to be written off under this Section of the policy.

If any of the events listed below occur the Agreement to Defer Rates and Charges will become null and void and the amount of outstanding Rates and Charges will become due and payable. Recovery action will be instigated to recover the outstanding Rates and Charges, as per Councils Debt Recovery Policy:

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- there is a change of ownership of the property;
- any of the eligible pensioners listed as owners of the property cease to occupy the property as their principle place of abode, (except in the situation where the pensioner is in a care facility on a temporary basis being a period less than 12 months)
- The property is being leased for a rental income;
- any of the pensioners listed as owners of the property are no longer eligible for a concession;
 - the rates and charges outstanding on the property exceed nineteen years from the date they became due and payable.

Section 712 of the Act states;

"712 (1) Proceedings for the recovery of a rate or charge may be commenced at any time within 20 years from the date when the rate or charge became due and payable."

Due to the constraints in section 712, Council will require that the ratepayer commences payment of any outstanding rates and charges on the property, such that their total debt to council does not exceed nineteen years from the date they became due and payable. Should the ratepayer be unable to adhere to any of the above, Council will commence legal action in order to recover all outstanding rates and charges on the property.

Interest will continue to accrue on all outstanding rates and charges in accordance with the provisions of the Act.

All applications to Defer Rates & Charges must be approved by the CEO or a delegated officer.

3.5 Privacy

In accordance with the Council's Privacy Management Plan, personal information collected as a consequence of this policy will only be used for the purpose of assessing eligibility under the Policy and will not be used for another purpose or disclosed to any other person unless we are required by law to do so or authorised to do so by the person to whom that personal information relates.

Financial Hardship Assistance - Council Policy

Version 1 - 9 December 2019

Controlled Document Information

Authorisation Details

Folder No:	F2011/04983	TRIM Record No:	D09460186
Audience:	External - LMCC Ratepayers, Council staff, Customers experiencing financial hardship, Pensioners		
Department:	Financial Services		
Officer:	Coordinator Revenue and Debt - Jane Steiger		
Review Timeframe:	4 years	Next Scheduled Review Date:	9 December 2023
Max < 4 years			
Authorisation:	Adopted by Council - 9 December 2019		
Authorisation - Council Adoption Date:	9 December 2019		

Related Document Information, Standards & References

Related Legislation:	Local Government Act 1993; Section 564, 566, 567 & 712 Office of Local Government Debt Management and Hardship Guidelines – November 2018	(Relationship/Context)
Related Policies (Council & Internal):	Debt Recovery Policy	(Relationship/Context)
Related Procedures, Guidelines, Forms, WHS Modules/PCD's, Risk Assessments, Work Method Statements:	(Document Name)	(Relationship/Context)
Standards COP's & Other References	(Standard, COP or Other References)	(Relationship/Context)

Definitions

Term / Abbreviation	Definition
The Act	Local Government Act 1993

Consultation (update for each version created)

Key Departments, Teams, Positions, Meetings:	Revenue & Debt Management Coordinator, Chief Financial Officer, Executive, Connected Communities Portfolio Committee
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Version History

Version No	Date Changed	Modified By	Details and Comments
1	29/10/2019	Jane Steiger	New Document to replace Payment Assistance Policy in line with Office of Local Government guidelines.

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Council Policy

Financial Hardship Assistance

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- The property is being leased for a rental income;
- any of the pensioners listed as owners of the property are no longer eligible for a concession;
 - the rates and charges outstanding on the property exceed nineteen years from the date they became due and payable.

Section 712 of the Act states;

"712 (1) Proceedings for the recovery of a rate or charge may be commenced at any time within 20 years from the date when the rate or charge became due and payable."

Due to the constraints in section 712, Council will require that the ratepayer commences payment of any outstanding rates and charges on the property, such that their total debt to council does not exceed nineteen years from the date they became due and payable. Should the ratepayer be unable to adhere to any of the above, Council will commence legal action in order to recover all outstanding rates and charges on the property.

Interest will continue to accrue on all outstanding rates and charges in accordance with the provisions of the Act.

All applications to Defer Rates & Charges must be approved by the CEO or a delegated officer.

3.5 Privacy

In accordance with the Council's Privacy Management Plan, personal information collected as a consequence of this policy will only be used for the purpose of assessing eligibility under the Policy and will not be used for another purpose or disclosed to any other person unless we are required by law to do so or authorised to do so by the person to whom that personal information relates.

Controlled Document Information

Authorisation Details

Folder No:	F2011/04983	TRIM Record No:	D09663019 D09460186
Audience:	External - LMCC Ratepayers, Council staff, Customers experiencing financial hardship, Pensioners		
Department:	Financial Services		
Officer:	Coordinator Revenue and Debt - Jane Steiger		
Review Timeframe:	4 years	Next Scheduled Review Date:	9 December 2023
Max < 4 years			
Authorisation:	Adopted by Council - 9 December 2019		
Authorisation - Council Adoption Date:	9 December 2019		

Related Document Information, Standards & References

Related Legislation:	Local Government Act 1993; Section 564,566,567&712 Office of Local Government Debt Management and Hardship Guidelines – November 2018	(Relationship/Context)
Related Policies (Council & Internal):	Debt Recovery Policy	(Relationship/Context)
Related Procedures, Guidelines, Forms, WHS Modules/PCD's, Risk Assessments, Work Method Statements:	(Document Name)	(Relationship/Context)
Standards COP's & Other References	(Standard, COP or Other References)	(Relationship/Context)

Definitions

Term / Abbreviation	Definition
The Act	Local Government Act 1993

Consultation (update for each version created)

Key Departments, Teams, Positions, Meetings:	Revenue & Debt Management Coordinator, Chief Financial Officer, Executive, Connected Communities Portfolio Committee
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Version History

Version No	Date Changed	Modified By	Details and Comments
1	29/10/2019	Jane Steiger	New Document to replace Payment Assistance Policy in line with Office of Local Government guidelines.
2	14 April 2020	Jane Steiger	Broadened scope to include businesses and landlords

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Special Reports to the Director of Organisational Services**Tuesday 14 April 2020**

20ESP002	Proposed Rent Support Program
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Key focus area	4. Diverse economy
Objective	4.2 We have an adaptable and diverse economy
File	F2020/00567 - D09670350
Author	Manager Property & Business Development - David Antcliff
Responsible manager	Manager Property & Business Development - David Antcliff

Executive Summary

As a result of the current COVID-19 situation, it is apparent that many tenants of Council owned buildings will experience significant financial stress due to compulsory close downs and changes to social practices.

Council, in its role as Landlord, has developed a relief package focusing on rental relief scaled to proportionally support tenants of Council, based on need. In summary, it is proposed that up to 100% of rent payable be waived for a period of up to 6 months.

Recommendation

Council supports the proportional rental support program outlined in this report, including:

- A. provision of a scaled commercial rent relief program from 0 to 100% relief for a period of up-to 6 months commencing 1 April 2020,
- B. provision of a residential rent relief program being a 50% relief to tenants financially impacted by COVID-19 and who are ineligible for the Job Keeper payment or similar programs for a period of up to 6 months commencing 1 April 2020,
- C. public notification as required under Section 356 of the Local Government Act of the proposed rent relief package for a period of 28 days,
- D. following public notification, the proposal be presented to Council for endorsement and backdated implementation, and
- E. make Attachments 1 and 2 to this report confidential as they deal with commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i) of the LGA 1993), Council closes the meeting, in accordance with Clause 10.1(d)(i).

Discussion

The COVID-19 pandemic has necessitated the implementation of health and economic incident management plans across all levels of government within Australia and internationally.

Current Federal initiatives include:

Job Keeper Payment: If turnover has been reduced because of COVID-19. Following registration by the eligible business, the Government will provide \$1,500 per fortnight per eligible employee for a maximum of 6 months.

Instant asset write-off: Under normal circumstances, individual assets less than \$30,000 are eligible for the instant asset write off. The Government has lifted this threshold to \$150,000 for assets that are either installed or ready for first use by 30 June 2020.

Backing Business Investment: A time-limited 15 month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term, by accelerating depreciation deductions. Businesses with a turnover of less than \$500 million will be able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost.

Small to Medium Enterprises (SME) Guarantee: This will provide businesses with funding to meet immediate cash flow needs, by further enhancing lenders' willingness and ability to provide credit. Businesses with a turnover of up to \$50 million will be eligible to receive these loans.

Tax Support: The Australian Tax Office (ATO) is providing relief for some tax obligations for businesses affected by the outbreak, on a case-by-case basis.

It is understood an Industry Code of Practice for commercial and residential property is being developed that will outline responsibility for both landlord and tenant to carry a proportional burden associated with the reduction in business activity. Further limited details on this Code of Practice were released on 7 April, the proposed Rent Support Program appears slightly more generous than what is known of the Code of Practice. Council Staff will advise as updates on detail occur.

In response to restrictions implemented by the NSW and Federal governments, businesses and residents in Lake Macquarie are not operating in a business as usual manner. At the time of writing, social distancing measures are in place that enforce people to stay at home unless for:

- Work and education, where you can't work remotely
- Shopping for food and essentials
- Medical needs or the care of others
- Exercise.

These measures are in addition to restrictions for businesses in public facing sectors to cease trading from 23 March 2020.

Regarding tenancies, on 30 March 2020 the Federal Government, together with the States, agreed to a temporary moratorium on evictions for the non-payment of rent across commercial and residential properties. Additionally, the principle of cost sharing or deferral of loss between landlords and tenants was advocated. Local government and financial institutions were encouraged to provide assistance. It is anticipated that some form of these principles will be implemented into law in NSW in the coming weeks.

Council is a major landlord in Lake Macquarie with holdings across the commercial, residential, tourist and registered club sectors. As landlord, Council has been contacted by

several of our commercial tenants seeking some form of rent abatement for the duration of the pandemic.

A snapshot of Council's portfolio is outlined in Attachment 1.

The social and trading restrictions mentioned above have had varying impacts on our commercial tenants from completely closing down with no opportunity to trade, to significant restrictions in trade, or in a few cases, trading as normal.

The various impacts highlight the need for a scalable and tailored solution to be developed that supports tenants/businesses through this period of restricted operations.

Council staff have developed a rent relief program to support our tenants.

The proposal categorises tenants based on the varying levels of impact experienced by the COVID-19 pandemic:

Item	Category	Definition	Proposed Rent Reduction
1	N/A (no impact)	Not adversely impacted (e.g. Woolworths)	Nil
2	Low	Low to moderate impact (e.g. Accountants)	50%
3	Medium	Moderate impact (e.g. Professional offices)	50%
4	High	Complete shutdown (e.g. Bowling clubs, restaurants, gyms)	100%
5	Residential	Residential properties	Up to 50%

In addition to the above, deferral of Low to High impacted commercial tenant's outgoings until the end of 2020 is proposed.

Details of the financial impact of implementing a rent relief program based on the above referenced categories and proposed rent reduction percentages is included in Attachment 1. Please note as this information includes commercially sensitive information of individual tenants, it has been made confidential.

It is noted that the proposed rent reduction for both the low and medium categories is 50%. An earlier model was tested where the low category was discounted by only a 25% reduction. The financial impact on Council was similar to the 50% discount, but was less beneficial for the affected businesses, and the model was not pursued. In addition, the 25% reduction created difficulty in clearly defining the difference between a low and medium impacted business.

Council's residential property holdings have not been impacted as severely as the commercial portfolio. To date, limited requests for rent relief from our residential tenants have been received. Approximately 50% of our tenants are on fixed incomes and have not been as severely financially impacted as other sectors. However, staff anticipate genuine requests for rent relief to increase in the coming months from those who are currently having employment impacted.

In anticipation of requests increasing, it is proposed that a rent relief program be implemented, made up of a 50% rent reduction to tenants significantly financially impacted by COVID-19 and who are ineligible for the Job Keeper payment or similar programs. Assistance is proposed to be available for a period of up to 6 months.

A snapshot of the portfolio and financial impacts is included in Attachment 1.

Implications of the Local Government Act

The Local Government Act 1993 places restrictions on Council's provision of financial assistance to others. Section 377 provides that decisions about financial assistance cannot be delegated to the CEO unless it is part of a program included in the Operational Plan that meets certain other criteria. Section 356 specifies that financial assistance can be made by resolution, and that where assistance is to be provided to the private sector, 28 days public notice of the proposed resolution must be given.

Council will therefore, not be in a position to resolve to effect this proposal until such time as the public notification period has expired. However, it is proposed that once implemented, the proposed rent reductions would be backdated to 1 April 2020.

Assessment of options

The recommended program has been designed to direct the greatest relief where the greatest disadvantage has been experienced by businesses and residents within Council's property portfolio. The program represents a scaled and proportional response supporting businesses to survive a potential extended period of social distancing protocols.

The option of a 50% reduction across all tenancies was considered as inappropriate across the portfolio. Several major tenants are experiencing significantly increased or unchanged trade during the pandemic. It was also noted that for those tenants whose businesses have effectively been shut down by government policy, a 50% reduction would not provide effective aid. In these cases, a more generous rent reduction program was considered appropriate to offer greatest potential for reestablishment of these businesses post COVID-19.

The option of not offering any rental reductions was considered. However, it is not recommended as it was not assessed by Council staff to be a reasonable response in the circumstances. This option carries risks of placing businesses across Lake Macquarie into a state of severe financial hardship and not supporting reopening post COVID-19 impacts.

Community engagement and internal consultation

Internal consultation has included Property and Business Development, Corporate Legal and Finance.

Key considerations

Economic impacts	The recommended option has been developed with consideration of the wider economic impacts of the COVID-19 pandemic on the Lake Macquarie economy. The proposal has been developed to provide relief to businesses that are tenants of Council facilities. The proposal aims to assist businesses at this time and support the recommencement of trading at the conclusion of social restrictions.
Environment	None.
Community	Rent relief provided to residential tenants where required will have a positive community benefit.
Civic leadership	As a major landlord in the city of Lake Macquarie the proposal is considered to demonstrate leadership and promote the principal of a shared response to the impacts of COVID-19.

Financial	Implementation of the recommended option for a period of 6 months would see a reduction to Council's revenue of up to \$927,000. \$476,000 reduction will be in the current financial year, with \$451,000 reduction in the 2020-21 financial year.
Infrastructure	None.
Risk and insurance	Risk matters are addressed in the report. No insurance implications anticipated.

Legislative and policy considerations

Local Government Act 1993

Attachments

1. Portfolio Details and Financial Impacts - *As this attachment deals with commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i) of the LGA 1993), Council closes the meeting, in accordance with Clause 10.1(d)(i) of Council's Code of Meeting Practice.* D09667537
2. Other Local Government Area Actions - *As this attachment deals with commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i) of the LGA 1993), Council closes the meeting, in accordance with Clause 10.1(d)(i) of Council's Code of Meeting Practice.* D09667339

*Special Reports to the Director of Service Delivery**Tuesday 14 April 2020*

20ESP003	COVID-19 - Financial Assistance for Community Lessees
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Key focus area	5. Connected communities
Objective	5.4 Our community responds and adapts to change
File	F2017/01872 - D09670354
Author	Property Officer - Community Leasing - Anne Hoyer
Responsible manager	Manager Community Partnerships - Andrew Bryant

Executive Summary

The purpose of this report is to seek approval for a six-month waiver of the lease fees payable by community organisations leasing Council-owned land/and or buildings who have been impacted by COVID-19 restrictions implemented by the Federal and State Governments.

Recommendation

Council:

- A. waive the rent payable by the Community and for-profit lessees outlined in Attachments 1 and 2 to this report, for the period 1 April 2020 to 30 September 2020,
- B. undertake public notification for a period of 28 days, for the proposal to waive the rent for the for-profit organisations for the period 1 April 2020 to 30 September 2020, as required under section 356 of the Local Government Act 1993,
- C. following public notification, present the proposal to waive the rent for the for-profit organisations to council, for endorsement and backdated implementation,
- D. review the situation prior to the six-month period expiring, and
- E. make Attachment 2 to this report confidential as it deals with commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i) of the LGA 1993), Council closes the meeting, in accordance with Clause 10.1(d)(i)".

Discussion

The COVID-19 pandemic has had a major impact on the world. As part of the social distancing restrictions introduced in March 2020 by the State and Federal Governments to slow down the spread of COVID-19, many community organisations across the city have been forced to completely shut down, or scale back, their operations. This has affected their ability to generate income and maintain their facilities.

Community facilities are essential for the health, wellbeing and economic prosperity of our city. They contribute greatly to the social outcomes of the local community through the

services they provide including health, education, recreation, inclusiveness, resources and capacity building.

Approximately 85 community and recreation organisations lease a range of Council-owned land and/or buildings across the city, including community halls, multipurpose and neighbourhood centres, pre-school and child care centres, Meals on Wheels, Scouts and Girl Guides, Men's Sheds and sailing, rowing, BMX, a regional sports centre and surf life saving clubs.

A selection of for-profit organisations occupy Council-owned or Council-managed land and/or facilities across the City, including commercial tennis centres, a golf club and a roving skydive landing zone.

There are 14 child care centres and preschools operating from Council buildings continuing to operate with reduced numbers, due to parents losing employment or choosing not to send their children to the centres. This is affecting their ability to pay wages, cover operating costs and maintain their facility.

The majority of the community facilities have experienced total shut down. A small number of organisations leasing neighbourhood and multi-purpose centres are continuing to operate community support programs, at the request of their funding bodies. These organisations are unable to hire facilities for general community use, which normally generates income to cover operational costs.

Following the introduction of the social distancing restrictions, and forced facility closures, Council has received several requests for relief from payment of rent or outgoings (water rates). It is expected that further requests will be received over the coming weeks, on receipt of further invoices for rent and outgoings.

As at 6 April 2020, the following funding assistance is available to organisations:

- **Job Keeper payment** – Available to all businesses and self-employed persons to access \$1500 payment per employee, if their turnover has fallen by more than 30%. This payment is available for employees who were employed at or before 1 March, 2020. Businesses must apply to access the payment.
- **Boosting cash flow for employers** – Available to businesses including not for profit and charity, who held an ABN on 12 March 2020 and made payments for salaries and wages and have lodged their 2018/2019 tax return before 12 March 2020. The Government will provide a tax free cash flow boost between \$20,000 and \$100,000. The cash flow boost is based on the business' amount of PAYG withholding, calculated at 300%. This is an automatic payment which businesses don't need to apply for.
- **Supporting apprentices and trainees** – Only available to small businesses who are not claiming other subsidies including Job Keeper. They can be reimbursed up to \$7000 per quarter for three quarters.
- **Early childhood Education and Care relief package** – On Thursday April 2, 2020, the Federal Government announced a new funding package, the Early Childhood Education and Care Relief Package, for Long Day Care centres which will replace the previous Child Care Subsidy and Rebate funding program. The new package will provide services with up to 50% of their revenue, based on the fortnight starting 17 February 2020. To be eligible for the new package, services must remain open, provide priority care to essential workers, disadvantaged and vulnerable children and previously enrolled children. This package means a Long Day Care service will now

only receive a maximum of 50% of their income. It is expected that services will be able to apply for the Job Keeper funding to complement this package.

Preschool services are not eligible for this package as they are funded by the State Government. No additional funding announcements have been released for preschools at present. The two preschools who operate out of a Council leased facility have ceased charging families who are not using the service, resulting in zero income from family fees. The preschool services will be eligible for the Job Keeper funding.

At the time this report was written on 6 April 2020, the early childhood education and care services who operate out of our 14 facilities will have their income reduced by 100% for preschools and 50% for Long Day Care services. All services will be eligible for the Job Keeper payment.

Implications of the Local Government Act

The Local Government Act places restrictions on Council's provision of financial assistance to others. Section 377 provides that decisions about financial assistance cannot be delegated to the CEO unless it is part of a program included in the operational plan that meets certain other criteria. Section 356 specifies that financial assistance can be made by resolution, and that where assistance is to be provided to the private sector, 28 days public notice of the proposed resolution must be given. Public notice is not required where the assistance is part of a program that is included in the operational plan (and meets certain other criteria).

Therefore, the proposed waiving of the lease fee for the for-profit organisations will need to be advertised, for public comment, prior to implementation.

Assessment of options

As a result of internal and external consultation, Council staff recommend waiving the rent payable by community organisations for a 6-month period. This is the preferred option as the social distancing restrictions are evolving, and have been enforced for a minimum period of 90 days. The end date of the social distancing restrictions is unknown, and it has been recommended that the situation be reviewed prior to the six months expiring to determine the ongoing financial impact on the organisations.

Providing consistent assistance to all organisations, rather than providing assistance according to the type of use, recognises all organisations equally provide a service to the community and are undergoing financial hardship.

Council has identified a need to provide an assistance package to assist the organisations to remain viable and able to recommence their operations once the COVID-19 social distancing restrictions have been lifted.

Community engagement and internal consultation

The Manager Community Partnerships, Community Planner Children and Families, Coordinator Community Facilities Management, Business Continuity and Resilience Team and the Executive have been consulted. Consultation has also been undertaken with other Councils in the region.

Key considerations

Economic impacts	The continued provision of community facilities by the organisations is essential for the economic prosperity of our city. They contribute greatly to the social outcomes of the local community through the services they provide including health, education, recreation, inclusiveness, resources and capacity building.																																										
Environment	None.																																										
Community	<p>The waiving of the lease fees for a six-month period will remove the requirement for organisations to pay rent for facilities that are no longer operational, and will assist in the reactivation of the facilities once the social distancing restrictions have been lifted.</p> <p>It will also assist the organisations who are continuing to provide valuable community support programs, without the benefit of hire income, to cover the operational costs of the facility.</p>																																										
Civic leadership	Council is pro-actively working with the organisations to ensure they remain viable and able to recommence their operations once the COVID-19 social distancing restrictions have been lifted.																																										
Financial	<p>The estimated impact of the proposed rent free period is outlined in the table below. Based on the recommended timing, approximately half of the \$183,668 impact, will occur in the current financial year, while the other half will impact the 2020-2021 financial year. This impact, along with other COVID-19 virus impacts, will result in a general fund shortfall. This shortfall will be addressed in quarterly reviews and a supplementary budget to the draft 2020-2021 budget.</p> <table><tr><th></th><th>Current Annual Rent (Excl GST)</th><th>Proposed Rebated Annual Rent (Excl GST)</th><th>Budget Impact 2019/2020 (Excl GST)</th><th>Budget Impact 2020/2021 (Excl GST)</th><th>Difference</th></tr><tr><td>Lease Equity</td><td>\$212,683.39</td><td>\$106,341.70</td><td>\$94,835.05</td><td>\$11,506.65</td><td>\$106,341.70</td></tr><tr><td>Child Care</td><td>\$86,509.21</td><td>\$43,254.61</td><td>\$41,818.83</td><td>\$1,435.78</td><td>\$43,254.61</td></tr><tr><td>Miscellaneous Leases</td><td>\$16,587.73</td><td>\$8,293.87</td><td>\$7,543.87</td><td>\$750.00</td><td>\$8,293.87</td></tr><tr><td>For Profit</td><td>\$51,356.16</td><td>\$25,678.08</td><td>\$22,238.27</td><td>\$3,439.81</td><td>\$25,678.08</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Total</td><td>\$367,136.50</td><td>\$183,568.25</td><td>\$166,436.01</td><td>\$17,132.24</td><td>\$183,568.25</td></tr></table> <p>Attachments 1 and 2 detail the current and proposed reduced rental for each organisation.</p>		Current Annual Rent (Excl GST)	Proposed Rebated Annual Rent (Excl GST)	Budget Impact 2019/2020 (Excl GST)	Budget Impact 2020/2021 (Excl GST)	Difference	Lease Equity	\$212,683.39	\$106,341.70	\$94,835.05	\$11,506.65	\$106,341.70	Child Care	\$86,509.21	\$43,254.61	\$41,818.83	\$1,435.78	\$43,254.61	Miscellaneous Leases	\$16,587.73	\$8,293.87	\$7,543.87	\$750.00	\$8,293.87	For Profit	\$51,356.16	\$25,678.08	\$22,238.27	\$3,439.81	\$25,678.08							Total	\$367,136.50	\$183,568.25	\$166,436.01	\$17,132.24	\$183,568.25
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Total	\$367,136.50	\$183,568.25	\$166,436.01	\$17,132.24	\$183,568.25																																						
Infrastructure	<p>The organisations are responsible for maintenance of the leased facilities. The maintenance obligations vary according to ownership of the building (for example, if the lease is over land only, the lessee is responsible for all repairs and maintenance including structural). The building ownership is taken into consideration when determining the rent payable.</p> <p>The waiving of the lease fee for a six-month period will assist the organisations to carry out their maintenance responsibilities.</p>																																										

Risk and insurance	Valuable community and recreation facilities and programs may be discontinued if the organisations suffer financial hardship and are unable to continue/reinstate their valuable community programs and services. The waiving of the lease fees will assist the organisations to bounce back and recommence operations as soon as the social distancing restrictions have been lifted.
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Legislative and policy considerations

Local Government Act 1993

Attachments

- | | | |
|----|---|-----------|
| 1. | Community Lessees - COVID 19 Rent Rebates | D09668911 |
| 2. | For Profit Lessees - COVID 19 Rent Rebates - <i>As this attachment deals with commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i) of the LGA 1993), Council closes the meeting, in accordance with Clause 10.1(d)(i) of Council's Code of Meeting Practice.</i> | D09668908 |

Lease Equity

	Current Annual Rent (Excl GST)	Proposed Rebated Annual Rent (Excl GST)	Budget Impact 2019/2020	Budget Impact 2020/2021	
Lessee Name					Difference
Wangi Men's Shed Inc	\$513.50	\$256.75	\$256.75	\$0.00	\$256.75
The Samaritans Foundation	\$3,081.00	\$1,540.50	\$1,540.50	\$0.00	\$1,540.50
Lake Macquarie BMX Club Inc	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
The Place	\$27,204.00	\$13,602.00	\$6,801.00	\$6,801.00	\$13,602.00
Westlakes Automobile Club Inc	\$513.50	\$256.75	\$256.75	\$0.00	\$256.75
Eastlakes U3A Incorporated	\$1,540.50	\$770.25	\$770.25	\$0.00	\$770.25
Belmont Meals on Wheels Inc	\$2,310.75	\$1,155.38	\$1,155.38	\$0.00	\$1,155.38
Girl Guides Association of New South Wales	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Belmont Neighbourhood Centre Inc	\$6,162.00	\$3,081.00	\$1,540.50	\$1,540.50	\$3,081.00
Swansea & District Community Men's Shed Inc	\$1,027.00	\$513.50	\$513.50	\$0.00	\$513.50
Community Activities Lake Macquarie	\$9,243.00	\$4,621.50	\$4,621.50	\$0.00	\$4,621.50
Newcastle & District Meals on Wheels Inc	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Lake Macquarie Rowing Club Inc	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Teralba Amateur Sailing Club	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
The Canopy Inc	\$12,324.00	\$6,162.00	\$6,162.00	\$0.00	\$6,162.00
The Canopy Inc	\$9,243.00	\$4,621.50	\$4,621.50	\$0.00	\$4,621.50
The Scout Association of Australia (NSW Branch)	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Charlestown Caring Group Incorporated	\$3,081.00	\$1,540.50	\$1,540.50	\$0.00	\$1,540.50
Minister for Education & Training	\$10,270.00	\$5,135.00	\$5,135.00	\$0.00	\$5,135.00
Biala Respite Service Incorporated	\$9,243.00	\$4,621.50	\$4,621.50	\$0.00	\$4,621.50
Cooranbong Men's Shed	\$1,027.00	\$513.50	\$513.50	\$0.00	\$513.50

	Current Annual Rent	Proposed Rebated Annual Rent	Budget Impact 2019/2020	Budget Impact 2020/2021	
Valentine Hydrotherapy Pools Inc	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
The Scout Association of Australia (NSW Branch)	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Department of Finance and Services	\$140.71	\$70.35	\$70.35	\$0.00	\$70.35
Edgeworth Memorial Neighbourhood Centre Inc	\$6,162.00	\$3,081.00	\$3,081.00	\$0.00	\$3,081.00
Lake Macquarie Live Steam Locomotive Co- Operative Society Limited	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Croudace Bay Sailing Club	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Girl Guides Association of New South Wales	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Combined Northern Canine Committee	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Lake Macquarie Woodworking Club Inc	\$1,027.00	\$513.50	\$513.50	\$0.00	\$513.50
Police and Community Youth Clubs NSW Ltd	\$3,417.59	\$1,708.79	\$854.40	\$854.40	\$1,708.79
Southlakes Community Services Incorporated	\$12,324.00	\$6,162.00	\$6,162.00	\$0.00	\$6,162.00
Westlakes Music Centre Inc	\$1,540.50	\$770.25	\$770.25	\$0.00	\$770.25
Disability Life Enrichment Limited	\$1,540.50	\$770.25	\$770.25	\$0.00	\$770.25
Lake Macquarie Classic Boat Association	\$1,027.00	\$513.50	\$513.50	\$0.00	\$513.50
Scout Association	\$2,310.75	\$1,155.38	\$1,155.38	\$0.00	\$1,155.38
Redhead Men's Shed Incorporated	\$1,027.00	\$513.50	\$513.50	\$0.00	\$513.50
NovaCare Community Services	\$9,243.00	\$4,621.50	\$2,310.75	\$2,310.75	\$4,621.50
Swansea Meals on Wheels Inc	\$2,310.75	\$1,155.38	\$1,155.38	\$0.00	\$1,155.38
Swansea Community Cottage Inc	\$6,162.00	\$3,081.00	\$3,081.00	\$0.00	\$3,081.00
Lake Macquarie Game Fishing Club Inc	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
The Scout Association of Australia (NSW Branch)	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Westlakes Amateur Radio Club	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Hunter Valley Scots Club Inc	\$1,540.50	\$770.25	\$770.25	\$0.00	\$770.25

	Current Annual Rent	Proposed Rebated Annual Rent	Budget Impact 2019/2020	Budget Impact 2020/2021	
Lake Macquarie Miniature Aircraft Club Inc	\$783.97	\$391.99	\$391.99	\$0.00	\$391.99
Girl Guides Association of New South Wales	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Toronto Meels on Wheels Incorporated	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Toronto Men's Shed In	\$1,027.00	\$513.50	\$513.50	\$0.00	\$513.50
Toronto Multi Purpose Centre Incorporated	\$9,243.00	\$4,621.50	\$4,621.50	\$0.00	\$4,621.50
Toronto Amateur Sailing Club	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
St John Ambulance Australia	\$1,540.50	\$770.25	\$770.25	\$0.00	\$770.25
Warners Bay Lions Club Inc	\$770.25	\$385.13	\$385.13	\$0.00	\$385.13
Mercy Community Services	\$9,243.00	\$4,621.50	\$4,621.50	\$0.00	\$4,621.50
West Wallsend Workers Club	\$1,155.38	\$577.69	\$577.69	\$0.00	\$577.69
Sugar Valley Neighbourhood Advancement Group Inc	\$6,162.00	\$3,081.00	\$3,081.00	\$0.00	\$3,081.00
Centre for Hope	\$6,162.00	\$3,081.00	\$3,081.00	\$0.00	\$3,081.00
Woodrising Neighbourhood Centre Incorporated	\$6,162.00	\$3,081.00	\$3,081.00	\$0.00	\$3,081.00
The Samaritans Foundation	\$3,081.00	\$1,540.50	\$1,540.50	\$0.00	\$1,540.50
Total	\$212,683.39	\$106,341.70	\$94,835.05	\$11,506.65	\$106,341.70

Childcare Centres

Lessee Name	Current Annual Rent (Excl GST)	Proposed Rebated Annual Rent (Excl GST)	Budget Impact 2019/2020	Budget Impact 2020/2021	Difference
Eastlakes Community Child Care Centre Inc	\$6,240.43	\$3,120.21	\$3,120.21	\$0.00	\$3,120.21
Bolton Point Child Care Centre Inc	\$5,743.12	\$2,871.56	\$2,871.56	\$0.00	\$2,871.56
Cardiff Early Education and Care Centre Inc	\$6,240.43	\$3,120.21	\$3,120.21	\$0.00	\$3,120.21
Charlestown Child Care & Early Learning Ctr	\$5,743.12	\$2,871.56	\$2,871.56	\$0.00	\$2,871.56
Edgeworth Child Care Centre Inc	\$5,743.12	\$2,871.56	\$1,435.78	\$1,435.78	\$2,871.56
Glendale Early Education Centre Inc	\$6,240.43	\$3,120.21	\$3,120.21	\$0.00	\$3,120.21
KU Childrens Services	\$10,400.71	\$5,200.35	\$5,200.35	\$0.00	\$5,200.35
Mount Hutton Child Care Centre Inc	\$6,240.43	\$3,120.21	\$3,120.21	\$0.00	\$3,120.21
Redhead Community Preschool Inc	\$4,688.47	\$2,344.23	\$2,344.23	\$0.00	\$2,344.23
Toronto Child Care Centre Inc	\$6,240.43	\$3,120.21	\$3,120.21	\$0.00	\$3,120.21
Wangi Peter Pan Kindergarten Inc	\$5,261.86	\$2,630.93	\$2,630.93	\$0.00	\$2,630.93
Warners Bay Early Learning and Care Centre Inc	\$6,240.43	\$3,120.21	\$3,120.21	\$0.00	\$3,120.21
Birralee Long Day Child Care Centre Inc	\$5,743.12	\$2,871.56	\$2,871.56	\$0.00	\$2,871.56
Woodrising Community Preschool & Child Care Centre	\$5,743.12	\$2,871.56	\$2,871.56	\$0.00	\$2,871.56
Total	\$86,509.21	\$43,254.61	\$41,818.83	\$1,435.78	\$43,254.61

Surf Lifesaving Clubs and others

Lessee Name	Current Annual Rent (Excl GST)	Proposed Rebated Annual Rent (Excl GST)	Budget Impact 2019/2020	Budget Impact 2020/2021	Difference
Swansea Belmont SLSC	\$100.00	\$50.00	\$50.00	\$0.00	\$50.00
Catherine Hill Bay SLSC	\$100.00	\$50.00	\$50.00	\$0.00	\$50.00
Caves Beach SLSC	\$3,000.00	\$1,500.00	\$1,500.00	\$0.00	\$1,500.00
Redhead SLSC	\$3,000.00	\$1,500.00	\$750.00	\$750.00	\$1,500.00
Northern NSW Football Limited	\$10,387.73	\$5,193.87	\$5,193.87	\$0.00	\$5,193.87
Total	\$16,587.73	\$8,293.87	\$7,543.87	\$750.00	\$8,293.87

20ESP004	Council staff assistance to community-based organisations
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Key focus area	5. Connected communities
Objective	5.4 Our community responds and adapts to change
File	F2020/00589 - D09663631
Author	Manager Community Partnerships - Andrew Bryant
Responsible manager	Manager Community Partnerships - Andrew Bryant

Executive Summary

The COVID-19 pandemic is challenging the way both Council and community organisations undertake their business. This report outlines the opportunity for Lake Macquarie City Council to use staff resources from service areas impacted by Council facility closures to support critical community services delivered by not-for-profit community organisations to vulnerable people in Lake Macquarie.

Recommendation

Council:

- A. authorises assistance to identified external community-based organisations for the period commencing on 15 April 2020 and concluding on 14 July 2020, with this period to be extended by one month by the CEO on no more than three occasions, and
- B. at an appropriate time, receives information quantifying the costs and benefits of the program.

Discussion

Council staff commenced discussions with a range of community organisations in early March, when it became apparent that the COVID-19 pandemic would have significant impacts on the service delivery of these frontline organisations in the coming months. Many organisations had commenced planning for how these services would respond to their customers, and many indicated they may face significant resourcing issues if they were to lose some of their volunteer base (through withdrawal, illness, etc.).

At the same time, Council had developed a register of specialist skills from its employees across the organisation. The register will facilitate employees who are no longer able to fulfil their normal roles due to the forced closure of Council facilities (such as swim centres, libraries, beaches, etc) to be seconded to other important service functions across Council. It also considers the possibility of providing assistance to external community organisations that deliver crucial community services.

All critical functions of Council have now been identified by the Business Continuity and Resilience Team with employees and back-up personnel also identified. Staff have been deployed to other functions within Council, however many of the services delivered by community organisations across Lake Macquarie are becoming stretched through the increase in services required, the impacts of community service organisation closures and social distancing restrictions. This situation presents an opportunity to utilise Council staff in

a more meaningful and valuable way – by assisting community organisations to deliver their services utilising Council staff.

Staff would work in vetted roles in community organisations where volunteers are ordinarily used, for durations of time that may vary from several hours to longer periods, as staff availability and the roles may demand.

The benefits of the proposal include:

- Value adding and expanding the ability of local services to minimise the impact of COVID-19 on vulnerable residents
- Leveraging Council employees' skill sets to supplement critical community services
- Utilising staff whose roles are otherwise reduced or affected by reduced Council services
- Developing staff skills and experience, and empowering them by providing meaningful work in a time of crisis
- Nurturing relationships with not-for-profit and other community service partners
- Enhancing Council's reputation within the community.

Local community organisations' operating environments and support needs are rapidly changing and are continually being assessed and reassessed. Potential identified partner organisations include OzHarvest, Meals on Wheels, Australian Red Cross, Samaritans, and Novacare. Other organisations have also expressed interest and Council officers will continue to explore these opportunities.

Examples of roles identified to date include:

- Packing and/or delivery services of food and essential household items
- Office administration
- Cleaning of transit vehicles for disability groups
- Client welfare checks.

External roles/partner organisations would be considered on a case by case basis, and a memorandum of understanding will be signed between Council and the partner organisation. Council officers have also developed a WHS Management System to ensure workers health and safety is paramount in any proposed program.

An internal working group has been established to match staff with suitable organisations and roles, with consideration to:

- Purpose - nature of the service and value to community
- Scope of the role
- WHS systems and COVID19 measures in place
- Review of any new previously unidentified risks
- Availability of appropriately skilled staff
- Location of services
- Timeframe / length of service / business hours

- Training required
- Adequate levels of support by the host organisation
- Availability of any additional in-kind resources required to complete the task (for example, vehicles and personal protective equipment).

Staff will be provided with supporting information prior to their participation in the assistance program, including key contacts within LMCC and the partner organisation.

Key aspects for the assistance program are:

- The proposal will have no adverse impacts on the delivery of Council services during the COVID-19 pandemic
- LMCC Enterprise Agreement conditions for each employee remain in place. Pay and entitlements would continue under their current conditions of employment.
- Suitable roles will be discussed with appropriate staff and participation will be voluntary
- Roles present minimal or very low-level risk – employees will generally require only basic skills
- Staff still report to LMCC as their primary point of supervision.

Several Council teams have previously performed functions such as these through informal corporate volunteering projects - predominantly focussed on team-building, but which also provide benefit to vital community service organisations. The proposal presented in this report is effectively a more formal expansion of a corporate volunteering program and is specifically aimed at assisting the community during this unprecedented upheaval of services to the community.

Assessment of options

In considering the recommendation, Council staff have assessed the level of benefit that Council can contribute to the community. The pandemic has changed the way services are delivered to vulnerable people in the community, and Council is uniquely placed to be able to assist frontline community service organisations to deliver critical services.

Through government restrictions on people's movements throughout the community as well as forced closures of vital community facilities, Council has the ability to better assist its community through a temporary alternate program.

Community engagement and internal consultation

Key internal stakeholder groups have been consulted including People, Culture & Risk (PCR), Community Partnerships staff, Arts Culture Tourism (ACT) staff and Leisure Services staff.

Council's Risk and Safety team have been involved in the development of the WHS framework surrounding this proposal, and Council's insurance staff have also been consulted. Council's Legal team provided guidance for the recommendation.

The recommendation has been endorsed by the Business Continuity and Resilience Team. Further information will be made available to staff more broadly, should Council support the recommendation.

External consultation by way of a needs-assessment has been conducted across a range of community service organisations that function in the Lake Macquarie area. Council staff have also consulted several local companies that already operate in the corporate volunteering space.

Key considerations

Economic impacts	The proposal ensures the continued operation of vital community service organisations, enabling people to remain employed through the pandemic period.
Environment	None.
Community	The staff secondment will enable the provision of critical community services to the local community. This proposal will strengthen partnerships between Council and not-for-profit community organisations, while supporting vulnerable communities in their time of need.
Civic leadership	While on secondment, Council staff will actively demonstrate Council's values, including leading at all levels. They will also be empowered by providing meaningful, crucial services to their community. Additionally, Council will enhance its reputation in the community by responding where it is most needed.
Financial	Estimated staff salary/wages costs are already captured within existing budgets. There are no additional costs. It is not yet known how many staff, nor how many external roles will be matched. However as an example, 20 staff working 10 hours per week over the recommended initial period of 12 weeks, equates to \$132,000. If this is to continue for six months, the cost will be \$286,000, of which \$121,000 will be in the current financial year and \$165,000 will be in the 2020-21 financial year. Council staff will monitor and capture these costs, and report to Council at a future date.
Infrastructure	None.
Risk and insurance	All risks associated with the recommended program will be identified through a WHS Management Questionnaire which has been developed, and a Memorandum of Understanding will be entered into with each organisation Council partners with. All activities/tasks will be low risk and require basic skill sets. Council's insurer has been notified and has confirmed that standard coverage for Council workers would continue.

Legislative and policy considerations

Section 356 of the NSW Local Government Act states that Council can "contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions".

The provision of labour to another organisation at no cost to that organisation, but at cost to Council, has been interpreted as the provision of financial assistance and is captured by section 356.

The identified activities (provision of community services) are in keeping with the functions of Council as contained in other sections of the Local Government Act.

Attachments

Nil.