

0.0 **Mayoral Minute - Financial Support Package**

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Councillor David Wright

Covid-19 (novel coronavirus) is placing an enormous strain on communities in what is turning out to be a once in a century event.

Many of Council's operations have been significantly impacted with facilities such as the Libraries, Ballina Indoor Sports Centre, Alstonville Leisure and Entertainment Centre, Lennox Head Cultural and Community Centre and the Northern Rivers Community Gallery closed or providing reduced service levels.

The Ballina – Byron Gateway Airport is also operating at reduced capacity with revenues likely to decrease by somewhere between \$3m to \$5m per annum.

The Federal and State Governments are working together to provide support to residents and businesses who are financially impacted.

Local Government also has a role to play in supporting their communities with some councils announcing support packages.

Good examples of this include Sydney City Council who recently announced a support for business program estimated in value at up to \$25m, and Brisbane City Council who announced a business relief package of \$7.6m, as per the following links:

Sydney

<https://news.cityofsydney.nsw.gov.au/announcements/coronavirus-how-were-responding>

Brisbane

<https://www.brisbane.qld.gov.au/community-and-safety/community-safety/disasters-and-emergencies/coronavirus-council-updates-and-impacts/lord-mayor-announces-council-business-fee-waiver>

Following a number of requests from our residents and business community we also need to provide support, where we can, to help ensure the on-going viability of our economy (and the related jobs) in these uncertain times.

Council staff have reviewed our entire operations and are recommending the following level of financial support.

1. Interest rate on overdue rates and charges – The current rate is 7.5% which is the maximum figure set by the Office of Local Government for 2019/20.

Council is allowed to set the annual rate at any figure up to the maximum. With many residents and businesses now facing financial hardship the recommendation is to decrease this rate to zero for the period from 1 April 2020 to 30 June 2021, a period of 15 months.

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Council is not in a financially sound enough position to waive rates and charges across the board and this could be somewhat inequitable for residents and businesses who will not suffer any loss of income while Australia responds to Covid-19.

By ensuring no interest is paid on overdue rates and charges for this period, ratepayers struggling financially can defer the payment of their rates and charges until they are in a position to pay.

The period of 15 months is recommended as it covers the current financial year and then allows for any overdue rates and charges to be paid sometime during the 2020/21 financial year.

The annual budget for interest on overdue rates is \$50,000 and with approximately \$40,000 raised for this year to date, the estimated income foregone for 15 months is \$60,000 (\$10,000 for 2019/20 and \$50,000 for 2020/21).

2. Community Facility Hire Fees – Full refunds for bookings made in advance that now have to be cancelled – Estimated value \$2,000 representing administration charges.
3. Flat Rock Tent Park – Full refunds for bookings made in advance that now have to be cancelled – Estimated value \$5,000.
4. Northern Rivers Community Gallery – Gallery exhibition and Ignite Studio Tenants – Three month waiver of fees with the Gallery closed – Estimated value \$2,000.
5. Commercial Use of Footpaths – No fees for a period of 15 months from 1 April to 30 June 2021 to allow businesses to re-establish when they open – Estimated value \$20,000.
6. Community Group Tenancy rentals – These are two community based organisations that pay more than a \$1 pepper-corn rent, or the crown statutory rental minimum, operating from Council owned or controlled land.

Both these groups currently received a 50% rental subsidy. They are:

- Lennox Head Community Sports and Recreation Club – Lease rental waiver from 1 April to 30 June 2021 – Estimated value \$43,000. The Club has asked for rates and rental for six months, however the preference is to focus on rent relief for 15 months, to allow the Club to re-establish once it re-opens.
 - Ballina Hockey Club – This is a crown lease and Council may not have any discretion to waive the fee. The current fee is \$7,868 and has been paid up until the end of January 2021. As this is a crown lease no change is recommended, at this point in time.
7. Commercial Surf Schools – Annual licences payable in May 2020 – Estimated annual income \$40,000 – Recommendation to halve the annual fees with no fee payable for the first two quarters of the next licence period – Estimate value of waiver \$20,000.

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8. Parking Fines – Focus to be on education and information for the period to 30 June 2020, with fines only issued for safety, health and disability access reasons. Forgone revenue estimated at \$50,000.
9. Health Inspections (i.e. food, skin penetration etc) and Public Pool Inspections – No registration and inspection fees for the period 1 April 2020 to 30 September 2020 – Estimated value \$80,000.
10. Market Fees, including Farmers Market – No fees for period 1 April to 30 September – Estimated value \$6,000.
11. Ferry Casual Fees – Due to a number of high risk Council staff operating the ferry (due to age, medical reasons) the preference is for free transport for casual users for the period to 30 June 2020.

Typical income for this period would be approximately \$100,000 however based on the various restrictions in place the estimated value is \$20,000 at most.

12. Commercial Tenants - Rent Relief – Estimated value \$211,000 with the details provided in commercial in confidence to Councillors.
13. Ballina – Byron Gateway Airport – Rent Relief – Estimated value \$319,000 with the details provided in commercial in confidence to Councillors. These figures exclude any arrangements with the airlines.

The items listed are designed to support the business community, which will in turn support employment and our local economy.

The recommendations authorize the General Manager to implement these actions, recognizing that the commercial in confidence figures are a guide only for staff to work within.

There is also a recommendation to adopt the new nil interest rate for overdue rates and charges, as the adoption of rates and charges cannot be delegated by a council.

The nil interest rate may well have to be adopted again at the June 2020 Ordinary meeting, when Council adopts the fees and charges for 2020/21.

The total value of these concessions could be in excess \$800,000 and represents a significant cash flow shortfall.

The advice from the General Manager is that Council has the capacity to manage this shortfall, in the short term and as a once-off, and on that basis it is recommended that Council support the recommendations.

The Mayoral Minute only focuses on the financial support package and it is acknowledged that many Council staff, and members of our community, are assisting our residents in numerous other ways to ensure the well-being of our residents.

In conclusion this is a very challenging time for all of us and let's make it a time to work together and look out for each other.

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A summary of this proposal is outlined in the following table.

Table One - Ballina Shire Council – Business Relief Package

Fees and Charges	Waiver Details
1. Interest on Overdue Rates and Charges	0% to 30 June 2021
2. Community Facility Hire Fees	Full refunds
3. Flat Rock Tent Park	Full refunds
4. Northern Rivers Community Gallery	Three month waiver of fees
5. Commercial Use of Footpaths	Full waiver from 1 April 2020 to 30 June 2021
6. Club Lennox	Full waiver from 1 April 2020 to 30 June 2021
7. Commercial Surf Schools	100% waiver for six months
8. Parking Fines	Education focus to 30 June 2020
9. Health / Public Pool Regs and Inspections	100% waiver from 1 April 2020 to 30 June 2021
10. Market Fees	100% waiver from 1 April 2020 to 30 June 2021
11. Ferry Casual Fees	Casual fee exemption to 30 June 2020.
12. Commercial Tenants	Rent relief on a case by case basis
13. Ballina – Byron Gateway Airport Tenants	Rent relief on a case by case basis

RECOMMENDATIONS

1. That Council adopts the financial support package, as per Table One of this Mayoral Minute, and authorises the General Manager to implement the necessary actions to deliver this package to our community.
2. That Council adopts a nil interest rate for overdue rates and charges for the period 1 April 2020 to 30 June 2021.

Attachment(s)

Nil