



CITY OF HOBART

AGENDA

Council Meeting

Open Portion

Monday, 23 March 2020

at 5:00 pm

Council Chamber, Town Hall

RECOMMENDATION UNDER SEPARATE COVER

ORDER OF BUSINESS

SPECIAL REPORT OF THE GENERAL MANAGER

13.4 COVID-19 - City of Hobart Response 2

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13.4 COVID-19 - City of Hobart Response
File Ref: F20/31644; 13-1-09

Memorandum of the General Manager of 20 March 2020.

Delegation: Council



City of **HOBART**

MEMORANDUM: COUNCIL

COVID-19 - City of Hobart Response

OVERVIEW

This report updates the Council on COVID-19. It outlines related impacts and responses by the City including issues raised in Notices of Motion on this agenda.

The COVID-19 situation is evolving rapidly. This report summarises the City's role in a pandemic, actions taken to date in response to the latest information, advice and directives from the Australian and Tasmanian Governments and a proposed community support package.

THE CITY'S ROLE IN A PANDEMIC

The Premier declared a State of Emergency yesterday. The lead agency responding to COVID-19 in Tasmania – known as the Response Management Authority – is the Tasmanian Department of Health (DoH).

The City's responsibilities in responding to COVID-19 are in line with the Emergency Management Act and the Municipal Emergency Management Plan. Those responsibilities are to:

1. Distribute warnings and other relevant advice to the community, ensuring consistency of messaging with DoH and Tasmania Police.
2. Assist as requested and required by the State/Regional/ Emergency Operations Controller.
3. Provide regular information/situation reports to the State/Regional Controller if requested.
4. Provide liaison officers to the Emergency Operations Centre (EOC) as requested.
5. Maintain essential services to the community, as detailed in business continuity plans.

THE CITY'S RESPONSE TO CORONAVIRUS/ COVID-19

1. ORGANISATIONAL MATTERS

Emergency Incident Action Plan -

The City of Hobart has established an Incident Management Team to support DoH. The Team is meeting frequently to implement actions and strategies as they arise and to keep the Council, its employees and the community informed.

The City is working closely with other agencies to prevent the spread of COVID-19 and has implemented its COVID-19 Incident Action Plan.

This Plan aims to:

1. Assist DoH, as the Response Management Authority.
2. Relay relevant information to the community.
3. Minimise the risk of transmission in the workplace.
4. Keep employees informed of developments and impacts on our organisation.
5. Ensure business continuity planning.
6. Manage People and Capability policies, specifically in relation to illness and support during quarantine.

Business continuity planning -

Directors and Managers are finalising their priorities and critical services for the organisation and the community. Detailed business continuity plans will be put in place for these services first.

City Government Arrangements -

The Council Meeting on 23 March is being held with changes to the layout of the Council Chamber in line with social distancing guidelines. The agenda includes only matters of urgency to limit the duration of the meeting.

Going forward, the State Government, through the Office of Local Government, has been urged to immediately amend the regulation that prevents the Council from **not** meeting in person. The aim is to allow alternative meeting formats which still meet the Local Government Act requirement to have at least one meeting per month.

We are looking to identify the best existing technical platform for on-line meetings in anticipation of this change

All Council (post 23 March 2020) and Council Committee meetings have been cancelled for the time being.

As part of this report, I seek emergency delegations from the Council to enable the organisation to continue to function during this pandemic without the need to seek the Council's approval for operational matters. The delegation which is time-limited, would extend to the planning authority function and any other decisions required to ensure the continued undertaking of Council's operational responsibilities and business continuity during the COVID-19 pandemic.

Social Distancing -

Customer facing parts of the organisation are using the guidelines prepared by the Australian Government Department of Health at <https://www.health.gov.au/resources/publications/coronavirus-covid-19-information-on-social-distancing>. Appropriate signage is being placed in public areas. Guidelines are otherwise being observed to the extent that is possible.

Our regular cleaning regime has been increased at The Town Hall and Council Centre buildings.

Non-essential meetings are being deferred or conducted by video conferencing or other means wherever possible.

Employee Leave and Working Arrangements -

Employee communications and updates are being housed on the Intranet, addressing a range of relevant matters including arrangements around leave, business continuity planning, referrals and support.

Eligible employees have access to Personal Leave, as well as their Annual and Long Service Leave accruals. I also can provide ex-gratia personal leave in exceptional cases. The City has relaxed the requirement for a medical certificate. Depending on the circumstances, employees may be asked to provide a medical clearance before they return to work.

Employees required to take time off work to care for family members who are unwell as a result of Coronavirus, can access Carers Leave entitlements. They also need to comply with quarantine measures before returning to work.

Working from home is being promoted, subject to the nature of the work and if technology is available to support it.

In the first instance, we are working through priority functions for remote access to Council systems.

2. COMMUNITY MATTERS

City Services and Events -

In line with the Council's business continuity planning, we are closely monitoring ongoing needs for the provision of critical services. Where circumstances change, consideration will be given to reallocating resources to best meet specific needs at any particular time.

The City of Hobart is following Australian Government requirements around services and events. This includes the suspension of Salamanca Market (advised to elected members by memo on 18 March 2020), together with changes for the following facilities:

- Doone Kennedy Hobart Aquatic Centre has been closed for at least two weeks as a precaution
- The Youth Arts and Recreation Centre and Mathers House have been closed until further notice
- The City is requiring regular hirers of sports facilities to provide hygiene plans and casual bookings are not being taken
- Community bake days at Legacy Park have been cancelled. Casual hires are going ahead with hirers being advised to take additional hygiene measures
- The Skill Centre facility has been closed for meetings.

Cleaning -

The City's parking machines will be regularly cleaned and disinfected. We have also launched a campaign to encourage the public to move to contactless payment using the EasyPark parking app.

We have increased the frequency and service level of cleaning in public spaces, including public toilets.

Community Support Package: Main Features -

Financial pressures are already being felt in our community and will continue to escalate. It is critical that relief is directed where it is needed most. Specific areas where the City of Hobart is involved through a Community Support Package include:

- Fees and charges for use of Council facilities
- Rents paid by tenants in Council premises
- Loan guarantees for community organisations
- Procurement / support to local businesses
- Capital works
- Rates

The package proposals were discussed at a meeting with other Greater Hobart Councils today in order to ensure consistency of response.

Fees and Charges for use of Council Facilities

The City is adopting a supportive approach for organisations and individuals that need to cancel events and is refunding fees and charges on cancellations.

So far, we estimate that lost income for the City (including DKHAC, Salamanca Market, Parking and other facilities) will be in the order of \$171K per week. Should these reductions continue at this rate through to 30 June, total income foregone would be \$2.565M.

Rents paid by tenants in Council premises

While most leases for Council owned properties are on a 'peppercorn' basis, the City does have some commercial tenants as well as community groups on reduced rents. At least one tenant has approached the City seeking rent relief. The City could look to provide rental relief in the form of a grant for its tenants in financial hardship.

The total value of income from commercial rents is \$126K per month. If the Council included occupation licences, this would be an additional \$21K per month. A total of \$441K for three months to 30 June 2020.

Loan guarantees for community organisations

The City guarantees loans totalling \$6.3M for four community organisations. We have already received notice from one of these groups that they will not be able to make loan commitments beyond May. We will be working with these groups to renegotiate terms as best we can, and banks have indicated in the media a willingness to assist. At the end of the day the City will be liable for these loans.

Procurement / support to local businesses

The City recognises the importance of supporting local businesses. Our Code of Tenders and Contracts provides for engagement of the local market through actively seeking quotes from local business and industry. A significant proportion of our contract spend already goes to local businesses. We will continue to actively pursue this approach.

Capital works

The Council has approved a \$37M capital works program for 2020/21. This includes local retail precinct upgrades, stormwater reticulation, road renewals, parks and bushland infrastructure and public toilet redevelopments. This is a significant economic stimulus for the local economy as we come out of the pandemic.

Further information is being sought on the State Government offer to provide \$50M interest free loans to local government in order to establish whether those funds could be used for any of these capital works projects.

It is understood that the local government sector would prefer this funding to be in the form of grants and able to be used to assist with provision of essential services.

Our capacity to undertake more capital works is limited by both internal resourcing and contractor availability. We could bring some capital works forward by accelerating the design and planning process but this would require additional staffing at a time when our operational budget will be under considerable pressure from lost income.

Of course, we will continue to collaborate with the Australian and Tasmanian Governments and other councils on the list of 'funding ready' projects identified as part of the Australian Government's Stimulus Package.

Rates

The Council will set its rate for the 2020-21 financial year in the coming months. The draft budget is being put together now. This provides the opportunity for the impact of the Council's long-term financial sustainability to be modelled under various rate scenarios.

With regard to 2019-20, it is proposed that the Council consider some interim support measures through until 30 June 2020.

The fourth instalment of rates is due on 15 April 2020 and has a value of \$22M. A total of \$17.1M remains unpaid as at 19 March 2020. A total of 4734 of the City's ratepayers have already paid their rates in full for 2019-20.

The Council may wish to defer penalties and interest which would normally commence after 15 April through until 30 June for ratepayers in financial difficulty. Any reduction in rates revenue will necessitate approved borrowings of \$20M being taken up earlier, potentially in April, to cover the resulting cash flow shortage. In terms of overall cost to the Council of this action, income forgone on rates penalties and interest and interest from cash in the bank has been estimated at \$113K. Interest on earlier borrowing by the Council would be \$84K.

The Council could also look to amend its policy for rates postponement. Currently this 'hardship' provision (which allows for a proportion of the rates burden to be deferred and recouped when the property changes hands) is only available to pensioners. With appropriate eligibility criteria and caps, the Council's policy on this issue could be amended to provide a mechanism for other ratepayers in financial distress to apply for relief.

Community Support Package: Other Potential Elements

There are other potential elements to the Community Support Package.

Funding allocated to the 2020 Dark Mofo event (\$190K in cash assistance) could potentially be directed to initiatives which would assist local businesses and creative industries.

It is clear that major public events are not appropriate in the short-term. Any alternatives developed to fill the gap created by the cancellation of iconic events such as Dark Mofo could undermine the return of these events in the future. Any activation projects therefore need to be directed in other areas.

The timing of these initiatives is critical, and it is recommended that funding should be considered as part of a recovery phase rather than just the first response phase.

Suggestions include:

- 'Support local' collateral
- A directory of online stores
- Encouraging businesses to move to an online shopping portal
- Quick Response Business and Creative Industries Grants.

'Support local' Collateral

Officers have created online collateral to encourage people to support local retailers, services, and hospitality businesses. The messaging is balanced between encouraging people to support local businesses and organisations while also respecting the health and safety of the social distancing measures.

A Directory of Online Stores

Officers have used the existing Hello Hobart website (hellohobart.com.au) to house a number of resources for both customers and businesses/ organisations. This includes a directory promoting those businesses who offer online shopping.

Encouraging Businesses to Move to an Online Shopping Portal

The State Government, through Business Tasmania, is taking the lead in this area by increasing resources to small business and organisations to assist in moving to / improving performance in an online (e-commerce) world. This reflects the fact that shoppers are increasingly concerned about coming out in public.

In consultation with Business Tasmania officers have commenced initial research to provide funding for retail businesses (clothing, giftware etc) to help them move to online trading. Business Tasmania is supportive of this approach.

There is a possibility of a strong collaboration in this area, which could be extended to other Greater Hobart Councils. Funding could be made available for businesses to help them set-up an e-commerce website and money would be provided for subscription fees for a proposed minimum of 3-6 months.

An indicative cost of an e-commerce platform is approximately \$47 per month, per business. Therefore, if the City were to have 50 businesses undertake the offer for 6 months, the total cost would be \$14,100, equally if 100 business signed up it would be \$28,200.

Quick Response Business and Creative Industries Grants

In order to prepare for recovery, a budget allocation could be directed to establishing Quick Response Business and Creative Industries Grants, building on existing programs. These grants would be assessed on strict criteria by a panel of internal and external representatives. The aim of the grants would be to stimulate innovative thinking and entrepreneurship in our local business community.

It is suggested that the Quick Response Business Grants are made available in the recovery stage at an amount of between \$5,000 and \$10,000.

3. FINANCIAL IMPLICATIONS

Anticipated costs of various initiatives have been outlined above.

The Council started the 2019-20 financial year with a very small surplus (\$553K). This had been reduced to \$408K in September, largely as a result of reductions in interest earnings and inclusion of carry forwards from the previous year.

As outlined in Budget workshop held earlier this month, significant increases in asset write-offs, recycling costs and workers compensation adjustments prompted ELT to review expenditure for the current year. A report is due to come back to Council proposing some \$1.8M in variations to offset these increases in an attempt to keep the Council in surplus.

While we will endeavour to reduce costs still further, clearly the impact of lost revenue from fees and charges outlined above will push the Council into a deficit position for 2019-20. Other measures outlined in this report will increase that deficit. We will keep the Council regularly updated on this situation.

RECOMMENDATION**That:**

1. **The Council note the actions taken by the General Manager in responding to the COVID-19 emergency and authorise him to take all further actions necessary to continue to address this pandemic.**
2. **The Council, pursuant to Section 6(3) of the Land Use Planning and Approvals Act 1993, delegate the General Manager and Director City Planning to determine all applications that would otherwise be determined by the City Planning Committee or the full Council unless they are called in by an Elected Member for the period from 24 March to 27 April inclusive.**
 - (i) **Elected members would be kept informed of applications on advertising on a weekly basis to make them aware of matters they may wish to call in.**
3. **Council provide rental relief in the form of a grant for the balance of the financial year for those of its tenants experiencing financial hardship.**
4. **The Council defer application of penalties and interest for payment of the fourth instalment of 2019/20 rates until 30 June 2020.**
5. **Officers pursue an amendment to the Council policy on Rates Postponement (which currently only applies to pensioners) to provide a mechanism for other ratepayers in financial distress to apply for relief, subject to appropriate eligibility criteria.**
6. **Council endorse the initiatives outlined in this report to support local businesses and creative industries utilising funding allocated to this year's Dark Mofo event (\$190K in cash assistance).**
7. **The Council continue to advocate for the State Government \$50M assistance package to local government to be provided as grants to assist with provision of essential services and for the delivery of 'funding ready' projects identified as part of the Australian Government Stimulus Package.**

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.



N D Heath
GENERAL MANAGER

Date: 20 March 2020
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