

## 14.1 COVID-19 Community and Business Support Package

**SUMMARY:** Manager Pandemic Response and Recovery, Angela Morcos

In response to the COVID-19 Pandemic, Council has approved three Community and Business Support Packages to date. This report recommends initiatives for a fourth package of support.

Further to the Community and Business Support Package, this report also provides an update on the Outdoor Eating and Entertainment Package funded by the State Government and recommends a continuation of part of the program for one year past 31 August 2021.

### RECOMMENDATION

That Council:

1. Note the continued positive impact that Council's support initiatives have had so far on the Knox community.
2. Note the appreciation and thanks expressed by Knox Basketball Incorporated for support provided by Council during the COVID-19 pandemic, and that no further Council financial support is sought.
3. Approves the following initiatives for inclusion in the fourth Community and Business Support Package:
  - a. Provide a sliding scale of fee relief for casual hirers of Knox Community Arts Centre as outlined in Section 2.5 of report;
  - b. Refund existing trading permits relating to the display of goods and business A-frame signage with a pro-rata refund applied for permit fees paid for the period 1 April 2021 to 31 August 2021;
  - c. Waive all new trading permits fees relating to outdoor dining, the display of goods and business A-frame signage received between 1 April 2021 and 31 August 2021;
  - d. Waive interest on rates for the period 1 April 2021 to 30 June 2021 for late payments and charges; and
  - e. Extend the review date of the substantive Payment Assistance Policy through to 30 June 2021 and adopt the updated Payment Assistance Policy provided in Attachment 2.
4. Support the retention of parklets (outdoor dining areas in car parking spaces) for a further year, between 1 September 2021 and 31 August 2022, for those hospitality businesses that have had them installed between 1 September 2020 and 31 August 2021.
5. Write to the Minister for Local Government, and request that rather than returning any unspent funds from the Local Government Outdoor Eating and Entertainment Package, which is due to be expended by 30 June 2021, that Knox Council be given the ability to utilise the grant on outdoor dining and entertainment until all the grant funding is expended.

## **1. INTRODUCTION**

Since the declaration of the COVID-19 Pandemic in March 2020, Council has approved three packages of financial support in recognition of the impact on the Knox community. These packages were adopted at the following Council Meetings:

- 30 March 2020
- 25 May 2020
- 21 September 2020

These packages have had a positive impact through the support provided for local businesses and service providers, community and sporting groups, ratepayers, and those who are experiencing hardship and vulnerability during and in response to the Pandemic. Additionally, some initiatives were funded to support longer-term recovery from the Pandemic, including the Be Kind campaign and the COVID-19 Household Survey.

The detail of Council decisions for the three Community and Business Support Packages are provided in Attachment 1.

In September 2020, the State Government announced the Outdoor Eating and Entertainment Package, which encourages Victorian hospitality businesses to establish outdoor dining spaces. As part of the Package, metropolitan councils were provided with a grant of \$500,000 to assist businesses with outdoor dining, with Council receiving the grant at the end of October 2020. The grant is required to be expended by June 2021, with any unspent funds returned to the State Government.

The Economic Development/Business Recovery team within City Futures is working with hospitality businesses to install outdoor dining spaces, either on footpaths or in car parking spaces, (known as “parklets”). The funding, which is available until 30 June 2021, has also supported Council to waive outdoor dining fees that are ordinarily applicable. There is an opportunity to increase the amount of outdoor dining and entertainment in Knox if Council had more time to expend the \$500,000 grant. Separate to the matter of funding, businesses that have had parklets installed could realise additional economic benefits if the installations are allowed to remain in place for a longer period of time.

## **2. DISCUSSION**

### **2.1 Current Impact of Council’s Relief Support**

Council’s Community and Business Support Packages have had a positive impact for the Knox community as noted by Council on 25 May 2020 and 21 September 2020, and the results from the Knox COVID-19 Household Survey confirmed that they have been targeted to areas of need.

A summary of the outcomes and impact to date of these packages is outlined below:

- Business Support Grants:
  - Manufacturing: six successful grants totaling \$99,842.
  - eCommerce: 57 successful grants totaling \$106,115.96.
  - Creative and Cultural Sector: 15 successful grants totaling \$87,014.

- Outstanding: \$42,028.04 (discussions are currently underway about how to allocate the remaining budget).
- Retail Activation Strategy – in development with business engagement and place audits occurring in late February and March.
- Six workshops delivered through the Digital Upskills Program with 56 businesses registered and an average attendance of 29 per session achieving above industry average of 52% attendance. 100% of participants would recommend the program to others and 78% of participants are working on a clear digital marketing plan as a result of attending the workshops.
- Approximately 20 businesses have accessed support from Council’s business mentor or financial advisory consultants through the Mentoring and Commercial Advice program. A series of workshops titled Finance Essentials are being delivered fortnightly from 23 February to 4 May 2021.
- \$50,000 allocated to ten applicants through the contested Hot Meals Program for Vulnerable Families and over \$180,000 provided through the uncontested Hot Meals Program.
- \$199,999 provided to 13 successful applications to the Supporting Local Services Grants.
- Approximately ten people per week are accessing the shower program operating from Rowville Community Centre.
- 112 recipients of additional funding through the Community Development Fund.
- Additional \$51,500 expended for recovery and relief through the monthly minor grants program.
- Second COVID Household Survey planned for April 2021.
- Multicultural and LGBTIQ+ consultation and engagement completed by March 2021.
- Be Kind campaign actively supporting and driving strategic recovery communications.

Council’s Specialised Access Team is also providing support that is funded by the State Government’s Community Activation and Social Isolation (CASI) initiative:

- Support provided to 115 people, including help seekers referred by the Community Support Phone Line and those who were referred from within Knox. Of these, 102 people were offered supports, including practical assistance, emergency (same-day) food parcels, masks and supported referrals as required.
- Four hundred and forty-nine (449) people over 65 years expressed feeling socially isolated during the COVID lockdown when surveyed between July to September 2020. CASI funding enabled outreach to occur through phone calls that resulted in 300 isolated people being supported with practical assistance, facilitated referrals and/or regular wellbeing phone calls.
- Local service provider networks and partnerships have been strengthened through this work.

## **2.2 Current COVID-19 Context**

Stage Four restrictions introduced in August 2020 in response to Victoria's second wave were progressively relaxed from mid-October 2020. Victoria transitioned to "COVIDSafe Summer" settings before the end of 2020, however, since then there have been some shorter periods of tightened restrictions and a five-day "circuit breaker" lockdown with Stage Four level restrictions in mid-February 2021 to manage specific clusters and outbreaks.

The current COVIDSafe settings allow the majority of businesses, organisations and activities to operate and function. There are some restrictions that may have an impact on some industries and sectors, such as reduced capacity for customers and the need to comply with COVIDSafe practices such as increased cleaning. However, it is important to note that the impact is varied, and some industries and sectors are experiencing positive impacts with increased patronage.

The initiatives recommended as part of a fourth package of support have been developed in consideration of the potential continued impact of the Pandemic on some parts of the Knox community.

## **2.3 Lease, License and Hire Fees**

Not-for-profit community groups operating in Council's facilities have received relief for their fees via the previous Community and Business Support Packages. It has been noted that not-for-profit community groups are an essential fabric of the Knox community, playing a significant role in building and maintaining social infrastructure, capital and resilience. Council has long recognised the important role that community facilities provide to the community in encouraging social and civic participation and supporting the wellbeing of residents.

Currently, there are 166 not-for-profit community groups operating out of a Council facility, which includes pavilions and grounds, with a lease or license (including seasonal tenancy) agreement. This does not include not-for-profit organisations who currently utilise a Council facility under a hire agreement. \$456,099 in support has previously been provided to groups with a lease or license agreement.

As part of Council's second Community and Business Support Package, all not-for-profit groups and clubs with a lease or license in a Council facility were also provided with a one-off \$1,000 facility operating contribution to support operating costs such as utilities and COVID-19 related expenses. Most sporting clubs were also able to tap into the State Government - Community Sector Short Term Survival Package, where grants of up to \$2,000 were available for associations and leagues and grants of up to \$1,000 were available for individual clubs and community sporting and active recreation organisations. A top-up grant of \$1,000 for associations and leagues and \$500 for clubs and community sporting and active recreation organisations was provided automatically to organisations who received a grant through the first funding round of this program.

### **Sporting and Leisure Clubs**

As a result of this previous relief and the impact of COVID19, some of the Winter Seasonal Tenants have written to Council to request that their tenancy fees for the coming 2021 season also be waived.

Council officers are seeing some of the impacts of COVID19, such as a potential divide between the stronger and weaker clubs following the 2020 winter season where they were unable to play. Some clubs will have limitations placed on their social functions, Thursday night meals and match days as a result of the COVIDSafe density quota limitations whilst others will be less impacted. Clubs may need to get creative (i.e. outdoor options or looking to have more than one session) with how to best manage through these challenges because it is likely some COVIDSafe restrictions will be in place for some time. Several questions have also been raised regarding return of team numbers (participation), possible lack of volunteers and loss of sponsorship.

Discussions with clubs have indicated there is an expected drop in female teams in soccer by approximately 30 percent. This issue is prevalent in football as well with ages 10, 12, 14 showing a drop. The average numbers in clubs remain almost unchanged even with the drop in female and girls' participation, thus, indicating a significant growth in boys' teams.

Representatives from several winter sporting clubs have all informed officers that they have more teams than last year. Of note, Knox has a unique fee structure – there is a ground fee, a pavilion fee and a team fee. Therefore, less teams equals being charged a reduced team fee.

Volunteer retention is of concern to many clubs this coming season and hence may create additional pressure on those people who have chosen to be involved in a community club.

Sponsorship for many clubs was an area where clubs may have suffered throughout COVID19, however, many larger clubs and astutely managed clubs have had very little impact in this area. Some clubs have either retained sponsors or had an increase in sponsorship.

Reductions in members or participation have had less of an impact as first thought, and is also likely to be offset by State Government grants, and increased sponsorship for some, therefore minimising the need for further assistance from Council.

The following Eastern Region Councils have returned to charging their tenant sporting clubs:

- Whitehorse;
- Boroondara;
- Maroondah;
- Monash; and
- Yarra Ranges.

### **Neighbourhood Houses, Senior Citizens Groups and Other Community-Based Organisations**

The impact of COVID restrictions in 2020 was varied across other not-for-profit groups operating in Council buildings. Some were unable to operate at all, some were able to deliver essential services only, and others were able to continue operating by adjusting their service delivery options to provide COVID-related services such as testing.

### **Summary**

All groups have resumed operating under current COVIDSafe requirements and on balance, it is expected there will be limited financial impact on most groups during 2021 assuming the COVID-19 situation remains stable.

If Council considers continued fee relief for not-for-profit organisations in Council facilities, the potential cost is detailed below.

<b>Description</b>	<b>Potential Fees Waived April to June 2021</b>	<b>Potential Fees Waived July to September 2021</b>
Annual Rentals, e.g., Senior Citizens and Neighbourhood Houses	\$3,237.00	\$3,237.00
EACH Commercial Rental	\$11,250.00	\$11,250.00
Leisure Annual Rentals includes Tennis Clubs	\$6,270.00	\$6,270.00
Leisure Winter Rentals – April to September	\$112,986.50	\$112,986.50
<b>Total</b>	<b>\$133,743.00</b>	<b>\$133,743.00</b>

#### **2.4 Knox Basketball Incorporated**

Knox Basketball Incorporated have reported that participation has decreased by approximately 20 – 30% as compared to pre-COVID. Knox Basketball Incorporated have strategies in place to address this such as enabling late entry of teams into the season. They anticipate that within the next month that the remaining teams will return to competition. As expected, junior competition has returned at a stronger rate than that of senior competition.

There have been some positive outcomes, including one new club joining the competition (moved from Dandenong Stadium). This equates to an increase of approximately 20 junior teams into the competition. There are an additional 15 teams in the adult social competition.

In practice, this equates to the peak timeslots being fully occupied. At present due to the slight decrease in team numbers, sessions are concluding earlier in the evenings. All staff have returned to work.

Additional events such as cheerleading are still impacted by COVID restrictions. Bookings have been discussed but not confirmed. For Knox Basketball Incorporated these bookings are accommodated by rescheduling games from the State Basketball Centre to an alternate stadium location. So, whilst these bookings do reflect a decrease in revenue, the booking does not impact on participation in basketball at the State Basketball Centre and Boronia Basketball Stadium.

Knox Basketball Incorporated are confident they are on a good recovery path and do not require additional assistance beyond the end of March 2021. Their CEO has expressed that they are extremely thankful of Council's support to date. It is considered appropriate that no further Council financial support be extended to Knox Basketball Incorporated.

#### **2.5 Theatre Hire Fees – Sliding Scale Reduction**

The arts and cultural sector is widely recognised as one of the sectors that has been impacted the most by the COVID-19 Pandemic. Many activities, services and events were unable to operate during most of 2020 and were the last to resume under the State Government's Roadmap to Recovery. Additionally, smaller business and events may not be eligible for State Government grant funding that is targeted at larger-scale events.

Casual hirers of Knox Community Arts Centre (KCAC) are impacted by COVIDSafe regulations, whereby the capacity of patrons within the theatre has been reduced to as low as 50% in recent times in order to meet social distancing requirements for indoor entertainment centres.

Council officers have received feedback from several regular casual theatre hirers, including Knox-based community theatre groups and schools, that it is not viable for them to hire the space at the usual 100% full hire fee when they are unable to fill the theatre to 100% capacity. This is because each seat represents ticket sale income, so reducing the venue seating capacity also reduces the income capacity by the same amount.

Charging the usual theatre hire fees with this reduced potential income from ticket sales has made hiring KCAC financially challenging for many local groups, and some may choose to hire other local theatres where a percentage discount is offered based upon venue capacity, such as Karralyka Theatre, Knox's most similar local theatre venue.

Many Councils represented in the Victorian Association of Performing Arts Centres (VAPAC) have adopted the same framework for reduced hire fees on a sliding scale in line with the reduced seating and ticketing capacity as provided by the current Victorian COVIDSafe regulations for entertainment venues.

It is recommended that the VAPAC sliding scale discount for casual hirers of KCAC is applied, in line with the percentage reductions of theatre seating capacity to meet COVIDSafe compliance. The discount framework and financial impact to Council is as follows:

COVID Patron Capacity Restriction	Casual Entire Venue Hire Fee applied	Discount Offered	Income Based on Current April to June 2021 Booking Enquiries	Known Financial Impact (Income Loss) to Council
NONE	\$96/hour (100%)	0	\$9,408	\$0*
75% **	\$72/HOUR (75%)	25%	\$7,056	\$2,352
50%	\$48/hour (50%)	50%	\$4,704	\$4,704

\* Where no discount is applied, we are likely to lose at least half of the current booking enquires.

\*\* 75% is the most likely scenario or venue capacity restrictions for the period of April to June 2021, which is the current COVIDSafe restrictions for entertainment venues.

## 2.6 Business Trading Fees

Council has provided much needed relief and assistance to local businesses by refunding and waiving street trading permit fees for businesses wish to display goods or a sign on Council Land 31 March 2021. Council also waived fees for a broad range of food premises across Knox for the 2021 calendar year, affected by the pandemic. Retail and hospitality sectors are widely recognised as two of the hardest hit sectors during COVID-19.

Extending this fee relief for existing permit holders up to 31 August 2021 is estimated at \$5,800 and can be supported by the available grant funding.

## 2.7 Knox Payment Assistance Policy

As of 1 March 2021, Council has 867 rate assessments currently on COVID-19 relief arrangements and a further 303 have accessed such arrangements and subsequently cleared the debt.

Council is still receiving requests for payment assistance relating to the impact of COVID-19 from ratepayers on a daily basis while there are also a significant number of ratepayers yet to contact Council by way of payment or request for assistance. Support provided through the Commonwealth's Jobkeeper initiative is due to end at the end of March 2021. Whilst the impact of this is not yet known, the financial impact of the COVID-19 pandemic on households in suburbs in Knox ranges from ratings of medium to high, according to the Taylor Fry COVID-19 Financial Impact Index.

Other councils offering relief to ratepayers until 30 June 2021 include:

- Glen Eira;
- Monash; and
- Darebin.

Extending the interest free period for all categories of rate payers to 30 June 2021 by updating the addendum will further support those already on arrangements and those who subsequently enter arrangements. This extension would continue to provide:

- Zero-payment plans for the term of the addendum
- Less stringent requirements for interest free periods during the term of the addendum
- Interest free periods for all categories of rate payers
- Payment plans that exceed a period of 12 months from the date of issue of a rates notes (for rates only)
- Council deferral of debt collection where payment plans are in place

A draft updated Payment Assistance Policy addendum is provided in Attachment 2.

Interest that would be waived from 1 April 2021 to 30 June 2021 if this proposal proceeded is estimated at \$300,000.

Considering the ongoing need for financial rates relief demonstrated by ratepayers, it is recommended that Council support the continuation of support for ratepayers as outlined in the updated Payment Assistance Policy addendum to provide ongoing assistance to ratepayers financially impacted by COVID-19 through to 30 June 2021 (refer to Attachment 2).

Further, it is recommended that Council extend the review date of the substantive Payment Assistance Policy through to 30 June 2021 to allow for further consideration to Council's assistance if necessary.

## **2.8 Outdoor Eating and Entertainment Package (State Funded)**

Utilising the available State Government grant, the Economic Development/Business Recovery team worked with a number of different teams and departments at Council, as well as an external contractor, to create three pilot outdoor dining spaces for five hospitality businesses in December.

The three pilot outdoor spaces included:

- Pilot 1 – Chilli and Basil Thai Restaurant and Kokoro Asian Café, Station Street, Bayswater (installed on the footpath).
- Pilot 2 – Noos Noodles, Wantirna Mall (installed on the footpath).



- Pilot 3 – Junior Tan and 24 Spices, Mountain High Shopping Centre, Bayswater (installed as a parklet over three car parking spaces).

The Economic Development/Business Recovery team is now working with hospitality businesses to deliver parklets at the following locations:

- Paddy's Tavern and Italianissimo – Ferntree Gully Village.
- Schokolade and Studfield Charcoal Chicken – Wantirna South.
- Code 9 Café – Wantirna South.

The State Government's Local Outdoor Eating and Entertainment Grant of \$500,000 is required to be expended by 30 June 2021, with any unspent funds to be returned to the State Government.

The Economic Development/Business Recovery team is working towards expending all of the grant funding prior to the end of June, however there are some variables that may affect this – namely generating enough interest from hospitality businesses wanting to participate in the Outdoor Dining Program (and have outdoor dining spaces installed) which has had some challenges, and also whether appropriate contractors are able to be engaged within the timeframe.

Utilising all of the grant will enable Council to maximise the number of outdoor dining spaces as part of the Outdoor Dining Program and provide economic benefits to businesses and social opportunities. Given there is no certainty, at this stage, that the entire grant can be expended by 30 June 2021, it is recommended that Council write to the Minister for Local Government and request that rather than returning any unspent funds from the Local Government Outdoor Eating and Entertainment Package, which is due to be expended by 30 June 2021, that Knox Council be given the ability to utilise the grant on outdoor dining and entertainment until all the grant funding is expended.

COVID Outdoor Dining Permits have been, and will be, issued at no cost for the period between 1 September 2020 and 31 August 2021. Given that the parklets have been installed in December 2020, and the next three will be constructed in March 2021, it provides a timeframe of between five to eight months of the parklets being installed before the next round of permit renewal is required. While the installation of outdoor dining on footpaths is expected across Melbourne, the installation of parklets (and use of car parking spaces for dining) is new for the Knox community. By continuing to support parklets, at least for another year, it will ensure that hospitality businesses can realise additional economic benefits, and also assist with the activation of Knox's local shopping strips.

It is therefore recommended for Council to:

1. Support the retention of parklets (outdoor dining areas in car parking spaces) for a further year, between 1 September 2021 and 31 August 2022, for those hospitality businesses that have had them installed between 1 September 2020 and 31 August 2021.
2. Write to the Minister for Local Government, and request Council be given the opportunity to expend all of the Local Government Outdoor Eating and Entertainment Grant.

### 3. CONSULTATION

There is ongoing consultation and engagement with residents, businesses, partners and Council Departments during the pandemic. These discussions have informed considerations for the fourth Community and Business Support Package.

### 4. ENVIRONMENTAL / AMENITY ISSUES

The closure of Council facilities and services, and local businesses has a direct impact on the amenity of the Knox community. Support provided with the Outdoor Eating and Entertainment Package grant is assisting hospitality businesses to realise additional economic benefits and assist with the activation of Knox's local shopping strips.

### 5. FINANCIAL & ECONOMIC IMPLICATIONS

Council has provided approximately \$4million worth of support through the three Community and Business Support Packages to date. Additionally, over \$1.3million was allocated against Council's 2019-2020 operating budget to fund the continuation of Council's services in a COVIDSafe way.

Officers have been actively seeking grant funding that can support the delivery of recovery initiatives and some funding has been provided by the State and Commonwealth Governments to support the delivery of services for children and older residents. This includes approximately \$1.7million in funding received for kindergarten, child care, the Commonwealth Home Support Program, food services and the Community Activation and Social Isolation Initiative. \$500,000 has been received as part of the State's Outdoor Eating and Entertainment Package.

The financial impact of initiatives presented in this report are listed below:

Initiative	Estimated Cost to Council	Initiative End Date	Recommended/ Not Recommended
<b>Lease, License and Hire Fees</b>	\$133,743 \$133,743	June 2021 September 2021	Not recommended
<b>Theatre Hire Fees – Sliding Scale Reduction</b>	\$4,704	June 2021	Recommended
<b>Business Trading Fees</b>	\$5,800	August 2021	Recommended
<b>Knox Payment Assistance Policy</b>	\$300,000	June 2021	Recommended
<b>Outdoor Eating and Entertainment Package</b>	N/A \$500,000 grant	Seeking to extend to August 2022	Extension recommended

The estimated cost of initiatives recommended for inclusion in a fourth package of support is **\$310,504**.

The estimated cost of including fee relief for not-for-profit tenants in Council facilities to June is estimated at **\$444,247**; or to September **\$577,990**.

By utilising the entire \$500,000 Outdoor Eating and Entertainment Package grant, additional outdoor dining and entertainment spaces can be created. This, together with the continuation of parklets (outdoor dining areas in car parking spaces), will increase the chance of economic prosperity for Knox's hospitality businesses.

## **6. SOCIAL IMPLICATIONS**

Options for support presented in this report will provide some assistance in areas where there is known or anticipated impact. Support provided by Council to date has been well-received by the community and has had positive impacts as noted by Council on 25 May and 21 September 2020.

Whilst there is data available about the short-term impacts of the pandemic, the medium and potential longer-term impacts of the Pandemic and the restrictions imposed in Greater Melbourne at different stages since March 2020 are not yet fully understood. Ongoing conversations with the community, local businesses and non-Council organisations continue to inform recovery planning to rebuild the local economy and address social, health and wellbeing concerns.

## **7. RELEVANCE TO KNOX COMMUNITY AND COUNCIL PLAN 2017-2021**

### **Goal 4 - We are safe and secure**

Strategy 4.2 - Enhance community connectedness opportunities to improve perceptions of safety

Strategy 4.4 - Protect and promote public health, safety and amenity

Strategy 4.5 - Support the provision of emergency services

### **Goal 5 - We have a strong regional economy, local employment and learning opportunities**

Strategy 5.1 - Attract new investment to Knox and support the development of existing local businesses, with particular focus on Advanced Manufacturing, Health, Ageing and Business Service sectors

Strategy 5.3 - Promote and improve infrastructure and technology within the municipality and enhance strategic employment places for business

Strategy 5.4 - Increase and strengthen local opportunities for lifelong learning, formal education pathways and skills development to improve economic capacity of the community

### **Goal 6 - We are healthy, happy and well**

Strategy 6.1 - Mitigate lifestyle risks such as smoking, risky alcohol consumption and drug use, obesity, lack of physical activity and poor nutrition

Strategy 6.2 - Support the community to enable positive physical and mental health

### **Goal 7 - We are inclusive, feel a sense of belonging and value our identity**

Strategy 7.3 - Strengthen community connections

### **Goal 8 - We have confidence in decision making**

Strategy 8.2 - Enable the community to participate in a wide range of engagement activities

## **8. CONFLICT OF INTEREST**

The officers contributing to and responsible for this report have no conflicts of interest requiring disclosure under Chapter 5 of the Governance Rules of Knox City Council.

## **9. CONCLUSION**

The fourth Community and Business Support Package will provide additional support in recognition of the continued impact of the COVID-19 Pandemic on parts of the Knox community. Ongoing and emerging impacts are still being monitored, and recovery planning and response initiatives are being integrated with Council's ongoing service delivery, and with the Community Plan 2021 to 2031 and Council Plans for 2021 to 2025 that are currently being developed.

## **10. CONFIDENTIALITY**

There is no content in this report that meets the definition of confidential information from the Local Government Act 2020.

**Report Prepared By:                   Manager, Pandemic Response and Recovery, Angela Morcos**

**Report Authorised By:               Director, Connected Communities, Tanya Scicluna**

### **Attachments**

1. Attachment 1 - Council Decisions - First Second and Third COVID-19 Support Packages  
[14.1.1 - 4 pages]
2. Attachment 2 - Proposed Changes - Rates Assistance Policy Addendum - IB 2020-03-15  
[14.1.2 - 8 pages]

**ATTACHMENT 1****COUNCIL DECISIONS: FIRST, SECOND AND THIRD COVID-19 COMMUNITY AND BUSINESS SUPPORT PACKAGES**

At the Ordinary Meeting of Council held on 30 March 2020, Council resolved to:

1. Undertake an immediate review of the Knox Payment Assistance Policy with a view to addressing emerging consequences of the COVID-19 pandemic and its impact on the livelihoods of the Knox community;
2. Resolve to not charge interest on rates from 31 March 2020 to 30 June 2020 for late payments and charges; noting that the extension of this will form part of the 2020-21 budget deliberations;
3. Waive trading fees, including outdoor dining and business A-frame signage fees for the period 30 March 2020 until 30 June 2020 as a pro-rata refund for renewal permit fees and refunding the full application fee amount for new applications received in that period; noting that the extension of this will form part of the 2020-21 budget deliberations;
4. Waive all Not-For Profit community organisation hire agreement, license and lease fees for the remainder of the 2019-20 Financial Year, with any advance pro-rata payments to be refunded;
5. Waive Knox Basketball Incorporated's Annual Asset Renewal Fee for the remainder of the 2019-20 Financial Year;
6. Amend the 2019-20 Budget by providing COVID-19 Emergency Funding of \$100,000, such amount to be expended by the Chief Executive Officer wholly in connection with Council's response to COVID-19 as is considered appropriate;
7. Defer the following proposed events due to government imposed restrictions on gatherings:
  - a. Fire Fighter Recognition Function; and
  - b. Annual Joint Advisory Committee Meeting; and;
8. Continue to formulate its Community Relief Plan, complementing the Federal and Victorian State Governments COVID-19 response, with priority of addressing any identified gaps that particularly impact Knox community, with further reports to be presented to Council for consideration and implementation as soon as practicable.



At the Ordinary Meeting of Council held on 25 May 2020, Council resolved to:

1. Note the positive impact that Council's Stage 1 Community and Business Support Package has had on the Knox community.
2. Endorse the extension of the following Stage 1 initiatives:
  - a. Resolve to not charge interest on rates for the period 1 July 2020 to 30 September 2020 for late payments and charges;
  - b. Waive trading fees, including outdoor dining and business A-frame signage fees for the period 1 July 2020 to 31 December 2020 as a pro-rata refund for renewal permit fees and refunding the full application fee amount for new applications received in that period;
  - c. Waive all Not-For Profit community organisation hire agreement, license and lease fees for the period 1 July 2020 to 30 September 2020, with any advance pro-rata payments to be refunded; and
  - d. Waive Knox Basketball Incorporated's Annual Asset Renewal Fee for the period 1 July 2020 to 30 September 2020.
3. Approve the Stage 2 Community and Business Support Package and commence implementation of the following initiatives, effective from 25 May 2020:
  - a. Increase funding for the Council Minor Grant Program to the value of \$51,500, for the purpose of supporting community initiatives;
  - b. Increase funding for the Council Community Development Fund to the value of \$80,000, for the purpose of reactivating community connectedness and initiating recovery projects;
  - c. Establish a one-off Council 'Supporting Local Services Fund' to the value of \$200,000, for the purpose of supporting local service organisations to increase service provision;
  - d. Provide funding to the value of \$15,000 for the purpose of enabling a temporary Council facility, at the discretion of the Chief Executive Officer, for the purpose of providing shower and laundry facilities for the vulnerable in our community;
  - e. Provide funding to the value of \$50,000 for the purpose of investigating and implementing an ongoing solution for a permanent shower and laundry facility for the vulnerable in the Knox community;
  - f. Provide funding to the value of \$315,000 for the purpose of Council partnering with local organisations to enable and support the provision of hot meals to the vulnerable in our community;
  - g. Provide funding to the value of \$200,000 to deliver a Mental Health First Aid Training and Awareness Program to local sporting clubs, for the purpose of assisting with the well-being and resilience of community members;
  - h. Provide funding to the value of \$25,000 to undertake a municipal-wide survey assessing the impact of COVID-19 on Knox households to inform strategic service planning and longer-term relief and recovery planning;



- i. Provide funding to the value of \$160,000, for a one-off \$1,000 Facility Operating Contribution for Not-for-Profit Groups and Clubs with a lease or licence in a Council facility, to support facility operating costs such as utilities and COVID-19 related expenses;
  - j. Provide funding to the value of \$30,000, to expand Council's Mentoring Support Program, for the purpose of assisting local business to manage and response to COVID-19;
  - k. Establish a Council "Commercial Advice Program" to the value of \$30,000, for the purpose of providing leasing, tenancy, taxation and financial advice to local business;
  - l. Establish a Council "Digital Upskills Program" to the value of \$20,000, for the purpose of enhancing digital marketing skills for local business;
  - m. Establish a Business Support Grants Program, to the total value of \$335,000, that includes an "e-commerce Grant" for the purpose of enhancing e-commerce capability and functionality for local business, a "Manufacturing and Supply Transition Grant" for the purpose of assisting the pivoting of local business; and a "Creative and Cultural Sector Industry Facilitation and Place Activation Grant" for the purpose of providing assistance to Knox's creative and cultural sector; and
  - n. Prepare a Retail Activation Strategy to the value of \$50,000, for the purpose of developing a "buy-local" program to support increased trade for local businesses.
4. To receive a report at the June 2020 Ordinary Meeting of Council to consider the governance arrangements necessary for the grants and payments established under the relevant new grant initiatives.
  5. Authorise the Chief Executive Officer to execute all agreements relating to the above initiatives.
  6. Note that further allocations from the balance of the Community and Business Support Package for the purpose of Stage 3 COVID-19 support initiatives will be considered by Council at a later stage.



At the Ordinary Meeting of Council held on 21 September 2020, Council resolved to:

1. Note the continued positive impact that Council's support initiatives have had so far on the Knox community.
2. Approve the following initiatives for inclusion in the third Community and Business Support Package:
  - a. Waive all not-for profit community organisation hire agreement, license and lease fees for the period 1 October 2020 to 31 March 2021, with any advance pro-rata payments to be refunded;
  - b. Refund existing trading permits relating to outdoor dining, display of goods and business A-frame signage with a pro-rata refund applied for permit fees paid for the period 1 January 2021 to 31 March 2021;
  - c. Waive new trading permits fees relating to outdoor dining, display of goods and business A-frame signage received between 1 January 2021 to 31 March 2021 on the basis that the application fee will be waived and only an adjusted pro-rata permit fee to cover the period of 1 April 2021 to 31 August 2021 (the remainder of the 2020/21 permit period) will be applied;
  - d. Waive new trading permits relating to outdoor dining, display of goods and business A-frame signage received after 31 March 2021 on the basis that the application fee will be waived and a pro-rata permit fee will be applied (adjusted monthly) until the end of the 2020/21 permit period (31 August 2021);
  - e. Provide financial assistance to Knox Basketball Incorporated as outlined in Section 2.3;
  - f. Provide 100% fee relief in the 2021 calendar year for health and food premises as listed in Table 1;
  - g. Provide funding to the value of \$85,000 to respond to some impacts of the Pandemic identified from the results of the COVID-19 Household Survey; and
  - h. Provide funding to the value of \$40,000 for a community campaign.
3. Fund the above initiatives with the balance from previously allocated funding and review any additional funding required through the mid-year budget process.

21 December 2020

Financial assistance was requested by Knox Basketball Incorporated in relation to the impacts of the COVID-19 pandemic on the organisation. The relief that was granted to Knox Basketball Incorporated by virtue of the confidential report considered on 21 December 2020 is consistent with the support given to Knox Basketball Incorporated and various other groups, in September 2020. The relief granted comprised an extension to the freeze on rents, licence fees and contributions to the capital improvement fund; and financial assistance for KBI's monthly fixed premises costs; the support for the period from 1 January to 31 March 2021 has a total cost of \$154,751 (ex GST).





# Payment Assistance Policy

## ATTACHMENT 2

Policy Number:	2007/04	Directorate:	City Development - Finance and Governance
Approval by:	Council	Responsible Officer:	Manager- Business and Financial Services
Approval Date:	24 August 2020	Version Number:	8
Review Date:	12 February 2021 (Addendum to be reviewed on or before 1 March 2021)		

### 1. Purpose

The purpose of this policy is to provide Council with a framework to make available payment assistance to individuals. This Policy provides details of the assistance available to those currently experiencing, or at the risk of experiencing, financial hardship. Council is committed to assisting the community in meeting their financial obligations to Council by providing payment support, including arrangements, for property and service based debts.

The Policy includes a special addendum (addendum 1) in response to the 2020 COVID-19 pandemic; with the purpose of establishing the policy framework to provide assistance to those in the Knox community experiencing financial hardship due to the impacts of the Coronavirus pandemic.

### 2. Context

Part 8 Division 1 of the Local Government Act 1989 (the Act) establishes the power of Council to declare Rates and Charges. Sections 170-172 of the Act discusses the deferment and waiver provisions when considering financial hardship.

Whilst Rates and Charges are the largest source of Council's income, payment assistance may be sought for other fees and charges including the request for payment arrangements.

### 3. Scope

This Policy applies to balances outstanding from ratepayers and sundry debtor customers who are currently, or are at risk of, experiencing financial hardship.

### 4. References

- 4.1 Community & Council Plan 2017-2021
  - Goal 8- We have confidence in decision-making
- 4.2 Relevant Legislation
  - Local Government Act 1989 – Conflict and Interest Provisions
- 4.3 Charter of Human Rights



- This policy has been assessed against and complies with the charter of Human Rights

#### 4.4 Related Council Policies

- Payment Assistance Addendum COVID-19 Pandemic Payment Relief

#### 4.5 Related Council Procedures

- Nil

#### 4.6 Other Guidance

- Hardship Policy Guidelines (November 2013) – Municipal Association of Victoria

## 5. Definitions

Detail any definitions within the policy.

Council	means Knox City Council, whether constituted before or after the commencement of this Policy.
Deferment	means the postponement of payment in completely or in part and can be for a specified period and subject to any conditions. When Rates and Charges are deferred payment is not required until the Council issues a Notice requiring payment, the property is sold, there is a change in ownership or there is a change in ratepayer. Deferred Rates and Charges remain a charge on the property.
Deferment Interest Rate	means the official 180 day bank bill rate sourced from Council's contracted banking services provider as at 1 July each year and will be the net penalty interest rate levied against overdue amounts where Rates and Charges have been deferred, rounded to 1 decimal place, plus 2.0% per annum
Waiver	means the relinquishment or the removal of the liability to pay and may include the whole or part of any Rate and Charges, interest charge, fee or other charge.

## 6. Council Policy

Council, in applying this policy, will ensure that wherever possible, all outstanding debts will eventually be recovered.

### 6.1 Rates and Charges

Rates and Charges, including interest and legal costs, are a charge on the property. Council has the power under Section 181 of the Local Government Act 1989 to sell land (the property) to recover unpaid rates and charges.

#### Interest and Interest Waivers

6.1.1 Unless otherwise specified in this Policy, penalty interest will be charged on overdue rates and charges in accordance with Section 172 of the Local Government Act 1989. Penalty interest is calculated at the annual fixed rate as declared by the Attorney General under Section 2 of the Penalty Interest Rate Act 1983.

6.1.2 Interest charges may be waived, in part or in full, under the following circumstances:



- 6.1.2.1 Administrative Waiver – interest charges may be waived in the event of an administrative issue, error or omission which caused or significantly contributed to the failure to pay rates and charges by the due date.
- 6.1.2.2 Waiver on Compassionate Grounds – interest charges may be waived where the ratepayer has demonstrated compassionate grounds for the late payment of rates and charges.
- 6.1.2.3 Waiver of Interest due to Financial Hardship – ratepayers experiencing financial hardship may apply to have interest charges waived subject to the following conditions:
  - a) The ratepayer must be experiencing undue financial hardship. Ratepayers who are eligible pensioners or who can prove temporary unemployment may apply for current year rates and charges to be paid within 12 months from the date of issue of the Rates Notice, interest free. Such interest free arrangements only remain in place while agreed payments are being received. Applications should be directed to the Coordinator Rates and Valuations.
  - b) All other ratepayers (not eligible ratepayers or unable to prove temporary unemployment) may apply in writing to the Manager Financial Services detailing the circumstances affecting the ratepayer’s ability to pay current rates and charges by the due date. If approved, the waiver of interest in full or in part will not exceed a period of 12 months from the date of issue of the Rates Notices.

#### Payment of Rates and Charges by Arrangement

- 6.1.3 Any ratepayer may request to pay outstanding rates and charges by way of a payment arrangement. Payment arrangements will attract penalty interest on outstanding balances but allow ratepayers additional time to make payments. Council will not take any legal action to recover rates and charges provided conditions of the payment arrangements are honoured.

Payment arrangements generally provide support to settle current rates and charges within 12 months. Payment arrangements beyond 12 months require approval of the Coordinator Rates and Valuations.

#### Deferral of Rates and Charges

- 6.1.4 The deferral of rates and charges and/or interest is available to Residential and Retirement Village property owners only. Rates and charges will not be deferred for Commercial, Industrial, Vacant Land or Cultural and Recreational Land properties.
  - 6.1.4.1 Residential and Retirement Village property owners may apply to have rates and charges and/or interest in full or in part, deferred. Rates and charges including interest will continue to be levied. Applications for deferral will only be considered under the following circumstances:
    - a) The ratepayer must be experiencing, and be able to demonstrate, undue and unavoidable hardship; and



- b) The ratepayer is either an eligible pensioner or a current recipient of unemployment benefits for at least 3 consecutive months; and
- c) The ratepayer is both the legal owner of, and resides in, the property; and
- d) The total amount of rates and charges, including any interest, to be deferred should not exceed 10% of the capital improved value of the subject property.

6.1.4.2 Interest charged on overdue rates and charges, including any interest, that are deferred will be set at the Deferment Interest Rate rather than the penalty interest rate. The Deferment Interest Rate only applies after the approval of the deferment. Previous interest charges at the penalty interest rate remain.

6.1.4.3 Deferrals may be offered for a period of up to three (3) years, at which time the ratepayer may apply for a further deferral subject to the assessment of personal circumstances prior to the continuation of any deferral agreement.

6.1.4.4 All deferral agreements must be approved by the Manager Financial Services.

#### Waiver of Rates and Charges

6.1.5 Rates and charges will not generally be waived. This is to ensure that payment assistance offered to one ratepayer does not have a redistribution effect on Council's rate base.

The Local Government Act 1989 is specific in relation to the grounds for the consideration of waiving rates and charges under financial hardship. The Local Government Act 1989 will be the basis for the consideration of any application for waiver.

Applications for the waiver of rates and charges must be addressed to the Chief Executive Officer. Applications must be supported by evidence of necessitous circumstances causing or likely to cause financial hardship. The waiver of rates and charges must be approved by Council.

#### Termination of Payment Assistance

6.1.6 Payment assistance support is terminated in the event of the sale or transfer of ownership of the subject property afforded payment support provided in 6.1.1 through 6.1.5 inclusive.

#### **6.2 Sundry Debtor**

The principles of this Policy will apply to sundry debtors. Requests for the waiver of a fee or charge must be submitted to the Manager of the relevant service for consideration. Recommendations for the waiver of fees and charges in full or in part must be forwarded to the Manager Financial Services for approval and processing.

Requests for payment arrangements for Sundry Debtor accounts should be submitted to the Manager Financial Services. Payment arrangements will generally not exceed a period of 12 months from the date of



the original invoice. Penalty interest may be charged on overdue amounts during the payment arrangement period.

**6.3** All information provided in accordance with this Policy will remain confidential.

## 7. Administrative Updates

From time to time, circumstances may change leading to the need for minor administrative changes to this policy. Where an update does not materially alter this policy, such a change may be made administratively. Examples of minor administrative changes include changes to names of Council departments or positions, change to names of Federal or State Government departments or a minor amendment to legislation that does not have material impact. Where any change or update may materially change the intent of this policy, it must be considered by Council.

Policy updated 27 April 2020.

Addendum 1 to Policy updated 24 August 2020.



## Knox Payment Assistance Policy – Addendum

# COVID-19 Pandemic Payment Relief

Policy Number:	2007/04	Directorate:	<del>City Development – Finance and Governance Office of the CEO</del>
Approval by:	Council	Responsible Officer:	<del>Manager – Business and Financial Services – Chief Financial Officer</del>
Approval Date:	<del>24 August 2020</del> <u>xxxxxx 2021</u>	Version Number:	<del>23</del>
Review Date:	<del>1 March 2021</del> <u>1 June 2021</u>		

### 1. Purpose

The purpose of this policy addendum is to provide Council with a framework to make available payment assistance to individuals, businesses and other community members currently experiencing, or at the risk of experiencing, financial hardship as a result of impacts from the COVID-19 pandemic

### 2. Context

Part 8 Division 1 of the Local Government Act 1989 (the Act) establishes the power of Council to declare Rates Council recognises that the effects of social distancing and Australia’s response to Coronavirus will, and already has, led to significant impacts on the entire community including local businesses and households. Some of these impacts include people losing their jobs, people being employed for reduced hours, businesses shutting down and businesses reducing their operations.

Part 8 Division 1 of the Local Government Act 1989 (the Act) establishes the power of Council to declare Rates and Charges. Sections 170-172 of the Act discusses the deferment and waiver provisions when considering financial hardship.

Rates and charges are a critical source of revenue that Council uses to deliver services to the community. In addition, other service charges being, fees, licensing and lease income are also an important source of revenue.

Council is constantly assessing the impact of the COVID-19 and will be reviewing its approach to how it supports the community through the pandemic regularly. This policy addendum provides the framework for how Council implements these decisions with regard to payment assistance.

### 3. Scope

To provide direction to Council’s Officers when collecting and providing for debts owed and ensure Council takes into consideration the financial hardship on debtors caused by COVID-19.

Council will provide assistance to those in financial hardship in accordance with the Local Government Act 1989, while ensuring it does not jeopardise the funding of its operations.



This policy addendum will be guided by the principles of transparency, efficiency, capacity to pay and equity by treating all debtors consistently and in a fair manner.

#### 4. References

- Refer to the Knox Payment Assistance Policy above 2007/04.

#### 5. Definitions

Review Date means on or before ~~1 March 2021~~ 30 June 2021

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#### 6. Council Policy

Council, in applying this addendum policy, will ensure that wherever possible, all outstanding debts will be recovered.

##### 6.1 Financial Hardship – Rates and other services including, fees charges, licenses, leases

Financial hardship is a circumstance of experiencing a lack of financial means, which may be either ongoing or temporary.

This policy addendum is to address temporary financial hardship due to impacts of COVID-19.

##### Who can apply for hardship?

Any individual, business or community member that has or will experience a loss (or reduced income) of employment or a decrease in sales revenue because of COVID-19 can apply for a payment plan.

People must request assistance from Council **in writing**, providing full details of the circumstances preventing them from meeting their financial obligations to Council.

##### 6.2 Payment Plans

~~All ratepayers have the option to apply to enter into a payment arrangement to pay off their outstanding rates and charges and Council will not levy interest during this period (refer 6.3 below)~~

~~If the individual, business or community member is unable to enter into a payment plan, Council will defer the debt accumulated during the COVID-19 pandemic and will hold interest on this debt from 31 March 2020 to 31 March 2021 to allow time for the debt to be paid without interest.~~

Ratepayers will have the ability to enter into zero payment plans for the period 31 March 2020 to 30 June 2021.

If any debt is still outstanding at 1 July 2021, Council's Payment Assistance Policy may apply.

##### 6.3 Zero Interest



Interest will not be charged on overdue debts effective from Monday, 31 March 2020, until ~~31 March~~ 30 June 2021. Interest already accrued and charged prior to 31 March 2020 for overdue debts will remain.

Financial thresholds for the waiving of interest (per payment plan or arrangement) are as follows:

- a) Up to \$250.00 - Coordinator Rates and Valuations
- b) Up to \$500.00 - Manager Business and Financial Services
- c) Up to \$750.00 - Director City Development, Interim Finance and Governance
- d) Up to \$1,000.00 - CEO

#### **6.4 Debt Recovery**

Council will make a reasonable attempt to contact debtors during the term of the Addendum, to reassess COVID-19 applications for financial hardship.

During the COVID-19 pandemic, Council will hold off on all legal action for the collection of debts.

### **7. Monitoring, Evaluation and Review**

Council officers will monitor Council's cash flow position and will include this report in the monthly finance paper to Executive Management Team and Council.

In the event that the State of Emergency is extended beyond the review date, Council will reassess financial relief and this addendum updated accordingly and/or when Council's cash flow position has been compromised; whichever is the earliest event.

All personal information provided in accordance with this Policy will remain confidential.

### **8. Administrative Updates**

Nil.