

17.1 LATE ITEM COVID -19 BUSINESS & COMMUNITY SUPPORT INITIATIVES – TRANCHE 2

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Responsible Executive Officer:	Chief Executive Officer
Reporting Author:	Chief Executive Officer
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Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s)	Nil

PURPOSE

For Council to consider implementing nine (9) new business and community support initiatives that aim to assist local businesses and community groups to recover from the impacts of the COVID-19 pandemic.

BACKGROUND

At its Special Meeting on 30 March 2020, Council adopted a range of support initiatives to an approximately value of \$3M in response to the COVID-19 pandemic in an attempt to provide greater support to small businesses in need of assistance. Council also resolved to consider a second tranche of support initiatives, which are the subject of this report.

An overview and status update of Council's adopted initiatives is outlined as follows:

Business Support Initiative	Officer comment
Business Support Access: Establish a network of Officers to provide 1:1 business support to access advice and information on State, Federal and other support initiatives that are available.	<p>401 Businesses were called and 250 completed a survey. 97% of businesses were aware of the relevant support available to them. 11% were closed, 53% reduced, 31% had no impact and 5% were busier.</p> <p>Key Issues raised:</p> <ul style="list-style-type: none"> – Uneven impact – Rent relief is needed – Smaller businesses struggling more – JobKeeper is liked – Local impact of other government packages? – Stimulus helping but some unintended consequences: i.e. <ul style="list-style-type: none"> • Horizon Power assistance • Advertising Grants • Lease free for City tenants – Supply chains are a concern – Mental Health is a concern <p>There has been extensive assistance packages being made available, however some businesses have reported that they have been unable to</p>

Business Support Initiative	Officer comment
	access support, despite being negatively impacted by COVID-19, and this information has been helpful to inform Tranche 2 support initiatives.
Financial Hardship (Rates Relief) Policy: Modify the City's policy to provide increased access to financial relief (debt write-off) for businesses and individuals.	Policy has been modified to allow small businesses to seek write-off of interest incurred on Local Government rate debts (up to \$500)
Rate/Fee Freeze: Commit to a 0% increases to Council rates and a 0% increase on existing City fees and charges in 2020/21.	Council's 2020/21 budget has been framed around no increase fees and rates in the dollar.
Deferral of Rates Collection: Structure the 2020/21 City rates in a manner whereby rate collection from ratepayers excluding scheduled (bulk ratepayers) is not due until November 2020 (normally would be August 2020).	Council's 2020/21 budget has been framed with the rate payment date for the majority of ratepayers being pushed out from August 2020 to November 2020.
'Double Down' Strategy: Actively seek and implement opportunities to spend additional City resources on local suppliers and contractors over and above what is scheduled/currently budgeted.	Over the past 4 months, City staff have been 'bringing forward' scheduled works and have been actively pursuing opportunities to engage more local contractors and businesses.
Social Media Campaign: Enact a social media and advertising campaign including on line portal that encourages.	The City established an online City of Karratha COVID-19 Local Business Directory that advertised businesses that remained open during the COVID-19 lockdown. 71 businesses self-registered for the Directory.
Lease Fee Waivers: Waive rent payments for small business and not for profit tenants of the City's properties for up to six (6) months to match the State Government offer.	The City provided six-month lease free periods for a variety of small business tenants at The Quarter HQ, the Karratha Airport and various community facilities.
Debtor Leniency: Offer lenient and compassionate terms for City debtors.	The City has offered a variety of payment plans to individuals and businesses who are struggling to meet their financial obligations to the City.
Community Contact	The City established regular and routine phone contact with 77 community groups and agencies to determine risks and emerging trends during the COVID-19 lockdown period. Financial support was offered through the City's COVID-19 Community Grants Scheme The City also contacted local seniors via phone.
COVID -19 Community Support Grants	The City offered grants of up to \$25,000 to community groups and not-for-profit groups who can demonstrate financial hardship associated with COVID-19. To date 14 groups have accessed funding from this Grant scheme with over \$100,000 paid out to date.

Business Support Initiative	Officer comment
Lights On	Given that community based sport was in abeyance and gyms were closed the City elected to turn the sports lighting on at all of its sports ovals for free from 5.30-7.30pm each night. This well received initiative gave the community an opportunity to recreate and undertake physical activity in a safe, socially distanced manner.
Community Survey	The City ran an on-line community survey to determine the individual personal impacts of COVID-19 on local residents. The survey, which received 371 responses also sought opinions on how and where Council should be supporting the community and small businesses in the recovery phase of the pandemic.

Tranche 2 Business Support

Assuming that Council supports the premise that a second tranche of small business stimulus package is warranted, Officers are suggesting that range of initiatives be implemented to support businesses in differing ways.

Prior to developing options for Council's consideration, Officers developed a list of objectives for what they believed were the key drivers behind small business stimulus initiatives. The suggested objectives (in order of importance) are:

1. Targeted approach - focussed on Businesses/Individuals in most need.
2. Stimulate local business – Focussed on City of Karratha businesses.
3. Rapid delivery – Fast, yet transparent and rigorous.
4. Partnered – Joined up approach with others and/or no one else providing this type of support.

These objectives were canvassed with the local community in the community survey process to determine the appropriateness of the objectives. The community strongly supported the objectives, particularly the targeted approach to any spending and the focus on City of Karratha business owners. Officers have cross-referenced these objectives when considering which initiative/s should be recommended to Council.

In a similar fashion to the first tranche of business support, Officers:

- Workshopped ideas internally with staff and Councillors,
- Held discussions with key industry groups;
- Discussed approaches being undertaken at other local governments; and
- Reviewed support initiatives that are being offered by government and other industry bodies to ensure that any initiatives that the City may consider doing would not duplicate effort.

As a result of these discussions a list of six (6) Local Business Support options were developed more thoroughly for Council consideration. These are outlined in the following table:

	Title	Description	Pros	Cons	Cost/Financial Impact on Council
1	Try Local Cash	To provide every household in	Provides support to all local small	One-off cost with no financial return to Council. Initiative	Proposed \$100 per household it is estimated with

	Title	Description	Pros	Cons	Cost/Financial Impact on Council
		the City of Karratha (8500 houses in total) with \$100 to spend at local businesses. Short spend time (8 weeks from distribution) Two months lead time to initiation (i.e. distribute late August).	businesses through the potential for additional income from customers.	applies across a range of businesses and is not targeted beyond local small businesses.	setup and distribution costs and considering level of household uptake that it would cost approximately \$650,000.
2	Business Grants	City to provide grants up to \$10,000 for local, small businesses who have been impacted by COVID-19 that have had limited support from other Government initiatives. Eligible businesses to have: <ul style="list-style-type: none"> • Less than 20 staff. • Experienced >30% downturn due to COVID-19 • Not received other COVID support from the City. 	Target businesses experiencing hardship who missed the Federal/ State support.	Potential to prop up failing businesses and may not solve business issues.	Based on 50 local businesses being approved at a total of \$500,000.
3	Environmental Health Inspection Fee Waiver	Waive the environmental health annual inspection fee for registered hairdressers, beauty salons and tattoo parlours.	Targets significantly affected businesses and is simple and easy to administer.	Limited impact.	Based on 40 local businesses being waived a total of \$5,000.
4	Tourism Booking Fee Waiver	Waive the 12.5% commission that is currently charged for bookings for local tours	Targets significantly affected tourism businesses and is simple	Nil.	Based on previous reporting periods lost commission revenue is estimated to be approximately

	Title	Description	Pros	Cons	Cost/Financial Impact on Council
		through the Karratha Tourism & Visitor Centre.	and easy to administer.		\$5,000 for the balance of 2020.
5	Tourism Incentive	Provide a 20% discount for local residents for tours booked through the Karratha Tourism & Visitor Centre between 1 July and 1 January 2021.	Targets significantly affected businesses and provides a benefit to the local community to experience local tourism products and potentially promote.	Nil.	Eight (8) local tours currently booked through KTVC. With 1000 additional tour bookings at an average tour rate, estimated cost is \$30,000.
6	City CAPEX Program	2020/21 Capital Program to be significantly increased from long-term financial projections with projects to be 'bought forward' where possible. When determining projects, specific focus placed on smaller projects that are more likely to be 'won'/delivered by City of Karratha businesses	Increase City spend on local businesses	Not all industries/businesses where the City spends significant amount of its budget have been adversely affected by COVID-19	The Draft 2020/21 Budget includes 107 projects totalling \$40.6M in expenditure.

In addition to business support initiatives, a number of community support initiatives were canvassed, workshopped and cross-checked. As a result of this pre-planning work, three (3) additional COVID-19 Community Support Initiatives have been developed for Council consideration. These are tabled below:

	Title	Description	Pros	Cons	Cost/Financial Impact on Council
1	Sporting and Community Group – COVID Support Grants	Provide up to \$1,000 to all local, incorporated clubs and community groups on dollar for dollar basis. To be eligible for \$1,000, clubs must	Provides support to both clubs/groups and local businesses	Not all community based clubs have been financially impacted through COVID-19. \$1000 is a significant amount for some clubs and	Estimated 150 clubs, groups within the City eligible for \$1000 each + \$150,000.

	Title	Description	Pros	Cons	Cost/Financial Impact on Council
		demonstrate that they have spent \$2,000 on local, local businesses between March 2020 and June 2021.		relatively insignificant for other clubs	
2	Enhanced Local Community and Cultural Program	Enhanced City supported/sponsored community and cultural program to support artists and event organisers within the City. Includes opportunities at: <ul style="list-style-type: none"> • Cossack Art Awards Civic Events • REAP Theatre Program • Regional Touring Partnerships • Exhibitions Program • REAF 2021 	Engages local artists and businesses to provide services and generate revenue after a time of limited business activity.	Care needed to ensure that City does not duplicate effort with private sector players in the arts, events and entertainment industry.	No additional cost. City's existing Arts and Events development program has been reframed to have a more 'local' COVID-19 response feel to it.
3	Enhanced Meet the Street	Double the funding available for City sponsored 'Meet the Street' Events (from \$100 to \$200)	Loss of connection to friends and family was rated as one of the most significant issues raised in the City's COVID-19 Community survey. This initiative provides the opportunity to enhance local connections	Nil	Assume an extra 20 meet the Street Events throughout 2020/21 = \$2000

LEVEL OF SIGNIFICANCE

In accordance with Council Policy CG-8 Significant Decision Making Policy, this matter is considered to be of High significance in terms of economic issues.

COUNCILLOR/OFFICER CONSULTATION

Consultation regarding small business stimulus options has taken place with numerous individuals and organisations:

- City Officers
- Councillors
- Regional Capitals Alliance Western Australia (RCAWA) CEO's

- Western Australian Local Government Association (WALGA)
- Karratha & Districts Chamber of Commerce & Industry (KDCCI)
- Pilbara Development Commissions (PDC)
- Key industry groups

COMMUNITY CONSULTATION

A business survey and a community survey has been undertaken and the results have informed the proposed business support initiatives.

STATUTORY IMPLICATIONS

There are no statutory implications.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

The Table below indicates the financial impact of supporting the nine recommended Small Business and Community support initiatives:

New/Additional Expenditure		Foregone Revenue		Bringing Forward of Works	
Try Local Cash	650,000	EH Fee Waiver	5,000	Enhanced 2020/21	\$10M
Business Grants	500,000	KTVC commission	5,000	CAPEX Program	
Tourism Incentive	30,000	waiver		(approx.)	
Community Group Grants	150,000				
Meet the Street	2,000				
TOTAL	\$1,332,000		\$10,000		\$10M

Revenue to assist with paying for these initiatives is proposed to come from:

- RTIO \$1M Contribution to the City to assist with COVID-19 recovery;
- Municipal Funds;
- City's Economic Development Reserve (specifically to pay for the Try Local Cash Initiative); and
- Other City reserves (for bought forward works).

STRATEGIC IMPLICATIONS

The City's Vision is to become *Australia's Most Liveable Regional City*. To achieve this vision it is imperative that we have a vibrant business community and well connected, engaged local community. While COVID-19 has not impacted the City as severely as some other locations, there have been business and community impacts. The nine proposed new COVID-19 initiatives aim to support and reinvigorate those groups/individuals that have been most impacted.

RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Low	The business support initiatives proposed can be met through the proposed 2020/21 budget.
Service Interruption	Low	The disruption caused by COVID-19 means adjustments to planned schedules of work are necessary.
Environment	N/A	Nil

Reputation	Low	Business and community support initiatives are likely to receive positive feedback if it is demonstrated to be fair, consistent and meaningful to local businesses.
Compliance	Low	Compliance measures are in place and will be followed throughout implementation. Specific focus has been placed on developing systems and guidelines to minimise the potential for corruption and/or misuse of City funds on these extra-ordinary expenditure initiatives.

IMPACT ON CAPACITY

The implementation of the proposed City small business support initiatives will create a significant amount of additional work for some areas of City operations and will adjust work plans as necessary to implement the initiatives.

RELEVANT PRECEDENTS

Council resolved to adopt and implement Tranche 1 business support initiatives at its Special Council Meeting in March 2020.

VOTING REQUIREMENTS

Absolute Majority.

OPTIONS:

Option 1

As per Officer's recommendation.

Option 2

That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to DEFER any Business Support Initiatives.

Option 3

That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to ADOPT the following Business Support Initiatives:

1. _____
2. _____
3. _____

CONCLUSION

Like the rest of the world, small business within the City of Karratha is in crisis with the impact of the COVID-19 pandemic. The City clearly has a role to play in supporting ratepayers, community groups and local businesses through this difficult time.

A range of small business support initiatives are proposed to be implemented as a second tranche to provide essential crisis support for businesses and individuals in need. If adopted, Officers will continue to monitor and report to Council on the status and effectiveness of any initiatives Council chooses to adopt and present adjustments and revisions as required.

OFFICER'S RECOMMENDATION

That Council by ABSOLUTE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to:

- 1. ADOPT the following Business and Community Support Initiatives:**
 - a) Try Local Cash: Working in partnership with the KDCCI, provide \$100 vouchers to approx. 8500 houses through the Try-Local App, with all funds to be spent on City of Karratha based businesses;**
 - b) Business Support Grants: Provide Business Grants of up to \$10,000 to local small businesses who can demonstrate significant financial impacts associated with COVID-19;**
 - c) Environmental Health Fee Waivers: Waive all City fees that are charged to hairdressers, beauty salons and tattoo parlours for the 2020/21 financial year;**
 - d) Tourism Commission Fee Waiver: Waive the 12.5% commission fee for all local tours that are booked through the Karratha Tourist and Visitor Centre;**
 - e) Local Tourism Activation: Provide a 20% discount for any City resident who books a local tourism product through the Karratha Tourist and Visitor Centre between 1 July and 1 January 2021;**
 - f) City Capital Program: Implement an enhanced 2020/21 Capital and Asset renewal program with a specific focus on projects that are likely to be delivered by City of Karratha based businesses;**
 - g) Sporting and Community Group COVID-19 Support Grants: Provide up to \$1,000 to all local, incorporated sporting clubs and community groups on dollar for dollar basis. To be eligible for \$1,000, clubs must demonstrate that they have spent \$2,000 on local businesses between March 2020 and June 2021;**
 - h) Enhanced Local Community and Cultural Program: Modify the proposed 2020/21 Arts, Cultural and Events program with a greater focus on developing opportunities for local artists, entertainers and events related businesses to be engaged by the City;**
 - i) Enhanced “Meet the Street” program: Double the funding available for Meet the Street events that are held throughout the 2020/21 Financial Year; and**
- 2. NOTE that funds for the implementation of the above listed initiatives have been included and accounted for in the City’s Draft 2020/21 Budget.**