

**REPORT BY CHIEF EXECUTIVE OFFICER IN RESPONSE TO LMM 24/03/20 -
CORONAVIRUS (COVID-19) COMMUNITY AND ECONOMIC RESILIENCE
RESPONSE**

REPORT BY: CHIEF EXECUTIVE OFFICER'S OFFICE
CONTACT: CHIEF EXECUTIVE OFFICER

CEO COMMENT

PURPOSE

To outline City of Newcastle's (CN) COVID-19 Community and Economic Resilience Package as detailed in LMM 24/03/20 - Coronavirus (COVID-19) Community and Economic Resilience Response, without risking CN's future financial sustainability nor creating an unsustainable burden for current and future ratepayers.

KEY ISSUES

CN, in consultation with key stakeholders, has developed a two-phase community and economic resilience package in response to the evolving COVID-19 crisis.

The package has been informed by external experts and seeks to focus on areas where local government has a clear strength and mandate. CN's proposed program aligns to and supplements packages announced by the State and Federal Governments and will provide immediate relief and positive long-term benefits for Newcastle. Given the broad impact of the pandemic across Newcastle's 1,260 local businesses and 164,000 residents, the program is focused on providing for all small businesses and residents and is not industry specific. Further industry responses may be considered in following months as the impacts of the crisis evolve and become better understood.

An additional response (Phase 2) including an expanded CN works program will be communicated separately as part of the revised 2020/21 draft Operational Plan in May. This will involve bringing forward works scheduled for 2021/22 and 2022/23. It is expected to also include measures such as an expanded events program, tourism development(s) and further economic stimulus initiatives.

- **Phase 1: "Local Responses". Timeframe: Today – June 2020**

Stage 1 – Immediate actions

Program includes: promoting CN's financial hardship policies making it easier for ratepayers to enter into interest free payment arrangements; reinforcing CN's Procurement Policy to support local suppliers, prompt payment of invoices for local suppliers, rent assistance for those tenants utilising CN buildings; and digital training resources for small businesses. Phase 1 will also include a sector scan for the immediate community wellbeing responses with a focus on 'at-risk' communities, mobilising and coordinating key local agencies who

provide care and support to groups at risk in the crisis, either government or not-for-profit (examples include Meals on Wheels, Samaritans and identified teams within Department of Communities and Justice) and establishing new communication channels where required.

Stage 2 – Short Term Actions - April

Program includes: an expanded training program for small business owners and their staff; a new digital platform to promote and facilitate social actions in our community; and an expanded e-library offering. Phase 2 will also include a Community Grant Program to respond to the needs of the human services sector, from critical support for not-for-profit organisations through to programs which aim to increase community capacity and resilience.

- **Phase 2: “The Road to Recovery”. Timeframe: July 2020 – June 2021**
Programs will include: an increased investment in infrastructure projects; expanded calendar of events; community wellbeing support; a new Destination Management Plan; and a new Economic Development Strategy, which will guide future opportunities in Newcastle.

ALIGNMENT TO FEDERAL AND STATE STIMULUS PACKAGES:

CN’s Community and Economic Resilience Package seeks to complement measures announced by the Federal and State Governments. The program seeks to firmly stay within local government’s mandate and deliver to the principles outlined under consultation.

Key highlights of the Federal / State stimulus packages are detailed below:

Federal Stimulus Packages I & II – Total of \$189 billion:

- Two \$750 stimulus payments to everyone receiving the age pension, a carers allowance, family tax benefit and senior card holders.
- Up to \$7,000 / quarter to small business for apprentices.
- \$550 / fortnight Coronavirus Supplement for all current Jobseekers (previously Newstart) and sole traders / casuals making less than \$1,075 / fortnight.
- Sole traders or casual workers who have had their income or hours reduced by 20 per cent or more will be able to access to up to \$10,000 of their superannuation tax-free for 2019/20 and 2020/21.
- Up to \$100,000 tax-free cash payment for small businesses and not-for-profits with a turnover under \$50 million paid as a credit on their business activity statement.

Further announcements from the Prime Minister and Federal Treasurer are expected in the coming weeks / months.

State Stimulus Package I: Total of \$2.3 billion:

- \$700 million for NSW Health equipment and resourcing.
- \$450 million for waiving Payroll Tax for all businesses up to \$10 million.

- A range of other measures including fee/charges waivers, providing for extra cleaning costs for public infrastructure, and bringing forward capital works / maintenance works.

Further announcements are expected from the NSW Premier and Treasurer this week.

FINANCIAL IMPACT

The Community and Economic Resilience Package has been developed with consideration of CN's financial capacity and represents a prudent initial response to an evolving crisis. Based on advice and information received to date, it is understood that the COVID-19 pandemic life cycle could last six months with the community and economic impact much longer.

The cost of the package will not detriment CN's longer-term financial sustainability nor create an unsustainable burden for current and future ratepayers. There remains scope for further measures if required without the potential for jeopardising CN's financial sustainability.

Staff resourcing associated with the Community and Economic Response Package will be met from existing operational budgets as staff defer non-essential business-as-usual activities to focus on the economic and social wellbeing of our community.

The Response Package listed in **Attachment A** will require costs of an estimated \$5.5 million for Phase 1. In addition, there may be indirect costs through changes to CN's procurement policies which increases the emphasis on buying from local suppliers. These additional costs will be forecast and reported to Council through the March Quarterly Budget Review and 2020/21 Our Budget.

Phase 1 Cost Estimate includes:

Program	Estimated Cost
Financial Hardship support	\$468,000
Procurement Policy changes	\$535,000
City of Newcastle Support	\$1,500,000
Rent Relief CN owned facilities (6 months)	\$732,000
E-Library expansion	\$100,000
Online training – Lynda and Studiosity	\$60,000
Community Grants	\$800,000
City Taskforce and Industry Response	\$500,000
Lean-In Newy	\$150,000
Local on-line training programs	\$500,000
Communications/marketing	\$100,000

A budget for Phase 2 will be developed and incorporated into the revised 2020/21 Our Budget which will be reported to the Council in May.

CONSULTATION

The package has been developed in consultation with external stakeholders including Dr Anthea Bill, Lead Economist with the Hunter Research Foundation Centre and Professor Terry Clower, currently with George Mason University in Washington DC. Professor Clower specialises in local community and economic development during emergencies and offered the following advice:

- “Stay in your lane” - don’t try and do what’s beyond your remit or is better addressed by other levels of government.
- Support training and development of small and mid-market firms during downturn/shutdowns.
- Encourage small business to develop business and communication plans.
- Identify measures to assist small business to manage cash-flows during downturn/shutdowns including routine fixed costs like rent.
- Leverage existing business networks, such as the Business Chamber to help businesses with supply-chain disruption.

Staff have also been in consultation with the Hunter Business Chamber, the Committee for the Hunter, Regional NSW, Training Services NSW, Australian Government Hunter Region Employment Facilitator, Cities Leadership Institute, Business Improvement Associations, Hunter Workers, TAFE and NSW Health. CN has also consulted with potential suppliers, the Business Centre, GreenBe, Mudbath and Forsythes Training.

CN is making connections with the community services sector and community run organisations who provide support to vulnerable community members, particularly older people, culturally and linguistically diverse (CALD) community, lower socio-economic groups, homeless and those in crisis or supported care.

ATTACHMENTS

Attachment A: COVID-19 Community and Economic Resilience Package

RECOMMENDATION

That Council:

1. Receives a briefing from the City of Newcastle COVID-19 Planning Team, that meets daily, on the activation of our Emergency Management Action Plan (EMAP) aligned with state and national emergency plans, at this Ordinary Council meeting of 24 March 2020;
2. Commends our local doctors, nurses and health care workers for their immense efforts to stop the spread of Coronavirus (COVID-19), particularly workers at John Hunter Hospital and our all our health facilities, for their incredible efforts to keep Novocastrians as safe and healthy as possible during this difficult time of global uncertainty;
3. Recognises that COVID-19 will have a significant impact on our community wellbeing and the local economy of Newcastle, with many people potentially

- isolated for periods of time, small businesses facing supply chain issues and substantially reduced economic activity, with the unemployment rate likely to rise;
4. Adopts the COVID-19 Community and Economic Resilience Package (**Attachment A**) with the Phase 1 and Phase 2 budget changes to be forecast and included in the March Quarterly Budget Review and 2020/21 Our Budget;
 5. Recognises that the health, safety and wellbeing of our workforce is paramount;
 6. Thanks NSW Police Local Area Commanders, Superintendent Brett Greentree, Newcastle Local Area Command and Superintendent Danny Sullivan, Lake Macquarie Local Area Command, for their collaboration on the City's emergency response, through the Local Emergency Management Committee;
 7. Notes that we are working in collaboration with government partners, including NSW Health, who are the lead agency responding to COVID-19;
 8. Notes that we are working within the Local Emergency Management Committee - with NSW Police, NSW Fire Brigade, SES, Health, and Transport for NSW to ensure that our city is adequately equipped and prepared;
 9. Notes that we continue to liaise with partners including the Office of Local Government, neighbouring councils, the University of Newcastle, Port of Newcastle and the Newcastle Airport to ensure consistent information is shared with our community.



COVID-19 Community and Economic Development Resilience Package

24 March 2020



Program Principles

Due to the rapidly changing nature of the crisis, CN will continue to pursue new program ideas / opportunities that will deliver community and economic resilience for the people of Newcastle.

Our Principles:

- Direct actions to support our community well-being.
- Timely responses that address cash-flow for small business.
- Innovative programs that provide long-term strategic benefits.
- Collaboration with partners and contribution to existing initiatives.
- Financial responsibility for the long-term sustainability of the organisation.



Phase I: “Local Responses”

Today – June 2020

Focus: Community & Economic Resilience

Programs:

1. Financial Hardship Support
2. Procurement and Purchasing Support
3. City of Newcastle Support
4. Rent Relief for City of Newcastle Tenants
5. E-Library Expansion
6. Online Learning – Studiosity & Lynda
7. Community Grant Program
8. City Taskforce and Industry Responses
9. Lean-In Newy
10. Local Online Training Programs

Phase I: “Local Responses”

Financial Hardship Support

The City of Newcastle (CN) provides financial hardship support for residents to develop payment plans for their rates. CN will run a marketing campaign to promote the existence of the program, with all fees and charges (including interest penalties) waived until 30 June 2021. Furthermore, the application process will be stream-lined and phone assistance for all concerned residents will be available. CN will also offer hardship support for commercial ratepayers on the condition that the commercial ratepayer is an owner occupier or can demonstrate financial measures it is taking to support its tenants.

Short-term benefit	Cash-flow relief for property owners and residents
Cost	Interest-free rate relief package on the next rate installment valued at \$48 million. Providing interest-free rate relief packages will cost CN approximately \$468,000 with a 25% take up. May introduce additional risk to the system.
Lead	Finance
CN Partners	Community and Corporate Planning, Customer Service, Finance
External Partners	Hunter Business Chamber, Business Improvement Associations
Timeframe	Next two weeks
Promotion	<ul style="list-style-type: none">• Media announcement.• Inclusion of details in City News (or alternative hard copy method) to ensure all residents are provided with information.

Phase I: “Local Responses”

Procurement and Purchasing Support

CN will promote our new Procurement Policy to all staff, which includes a minimum local weighting assessment of 10%. Where possible, this weighting will be increased through to 30 September 2020. Invoices from existing contracts with local suppliers will be processed within seven days following approval subject to available staff resourcing.

Short-term benefit	Improves cash-flow for local businesses and will act to stimulate local economic activity.
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Legacy	Greater awareness of local suppliers
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Cost	Approximate \$535,000
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Lead	Finance
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CN Partners	Major Events and Corporate Affairs, Community and Corporate Planning, Finance
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External Partners	Hunter Business Chamber, Business Improvement Associations
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Timeframe	Next two weeks
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Promotion	<ul style="list-style-type: none">• Media announcement.• Inclusion of details in City News (or alternative hard copy method) to ensure all residents are provided with information.
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Phase I: “Local Responses”

City of Newcastle Support

CN will give businesses and individuals flexibility to ease pressures relating to COVID-19. This flexible approach will allow essential businesses and service providers to operate responsively to the city’s changing needs in line with the latest advice from the NSW Government and Federal Government.

Waiver of Library Fees (\$15,000 per quarter).

More flexible delivery times and truck movements at supermarkets.

Support for doctors’ surgeries to stay open longer.

Restrictions on the use of footpaths to be eased for food premises to help patrons practice effective social distancing.

Return booking fees to people and organisations who have booked City venues and are now unable to proceed with their bookings (up to \$20,000).

Commitment to hold metered hourly parking rate for 12 months at a cost of \$1.4 million per annum.



Phase I: “Local Responses”

Rent Relief for City of Newcastle Tenants

50% discount on rent for all CN-owned buildings for the June and September quarter.



Short-term benefit	Cash-flow relief for all small businesses operating out of these premises. The measure enables the CN to demonstrate our commitment to helping small business and allows us to call on other commercial property owners to do the same.
Scalable	Could be extended as required
Cost	\$732,000 (6 months)
Lead	Property & Facilities
CN Partners	Major Events and Corporate Affairs, Community and Corporate Planning, Finance
External Partners	Commercial Property Owners in Newcastle
Timeframe	Immediate
Promotion	<ul style="list-style-type: none"> • Announcement of rent relief • Potential partnership announcement with key commercial property owners in Newcastle



Phase I: “Local Responses”

E-Library Expansion

Expansion of existing digital library services including:

- Four e-book and e-audio platforms with thousands of titles including latest release and popular titles
- Storybox library – a video story streaming platform that has well-known Australian authors and TV personalities
- A platform called Press reader that has a wide range of international and regional newspapers
- A platform called RB Digital that offers a huge range of e-magazines
- Two movie streaming platforms (Kanopy and Beamafilm) that contain over 30,000 movies, documentaries, kids and wellness content
- Freegal - A music streaming platform that offers access to around 15 million songs including entire Sony Music Recording catalogue
- National Geographic online

Short-term benefit	During periods of isolation, access to library facilities will enable personal well-being and enjoyment. CN currently has 90,000 library members, making the library a powerful way of supporting vulnerable people in our community.
Legacy	CN has one of the largest digital library resources in the country. CN has one of the largest percentage of its population as library members in the State.
Cost	\$100,000 for library expansion
Lead	Library
CN Partners	Community and Corporate Planning, Major Events and Corporate Affairs
External Partners	Hunter Business Chamber, Community Sector, Department of Education and Communities
Timeframe	This week
Promotion	Announcement of expansion to digital library services



Phase I: “Local Responses”

Online Learning – Studiosity & Lynda

CN will promote their existing online training programs and expand their tutoring support. The library currently has access to the Lynda platform which provides over 3,500 online training courses. Lynda courses will be curated to suggest strategic business development opportunities such as digital literacy for small business, online retail, digital marketing and business transformation. Furthermore, the library will expand their subscription to Studiosity, which provides 1*1 tutoring for school and tertiary students. Both Lynda and Studiosity are available entirely online for any member of Newcastle Libraries. Membership applications are available online.



Short-term benefit	Training courses enable the upskilling of the local population during slow economic activity and idle time. Supports community wellbeing.
Legacy	The majority of small businesses in Newcastle are engaged in the digital marketplace. Transformation of skills in our local economy.
Cost	\$60,000 for expanding Studiosity and LinkedIn contract
Lead	Library
CN Partners	Major Events and Corporate Affairs, Community and Corporate Planning
External Partners	Hunter Business Chamber, Business Improvement Associations
Timeframe	Next two weeks
Promotion	<ul style="list-style-type: none"> • Promotion of Lynda. • Promotion of Studiosity.



Phase I: “Local Responses”

Community Grant Program

CN makes financial and in-kind support available to mobilise the Newcastle-based groups including: non-government organisations, not-for-profits, charities and community groups to scale and respond to community need, with an immediate focus on the most vulnerable and emerging at-risk groups. Funds to deliver essential local services and innovative solutions to COVID-19 challenges. CN staff to proactively assist applicants and establish appropriate governance structures.



Short-term benefit	CN is a community that cares and looks after each other, we promote and facilitate equitable access to services and facilities. Immediate cash flow for identified non-government organisations to respond.
Legacy	Increased capacity of local not-for-profits to deliver services during local crises and community resilience.
Cost	Up to \$800,000
Scalable	Program to be responsive to requests from local providers and community.
Lead	Community and Corporate Planning
CN Partners	Major Events and Corporate Affairs, Finance
External Partners	Community sector
Timeframe	Immediate response for urgent issues. Grant application opens prior to Easter 2020. Grants received and assessed by late April 2020. Funds to be rolled out by early May 2020.
Promotion	<ul style="list-style-type: none"> • Announcement of program, potentially with key local stakeholders. • Social media story on the new approach by CN to enable grant applications to be completed. • Announcement of funds distributed and examples of the benefits it will provide.

Phase I: “Local Responses”

City Taskforce and Industry Responses

The establishment of a City Taskforce, led by the CN, to act as the local coordinating authority to oversee the second and recovery phases of COVID-19 pandemic crisis. The Taskforce will initially fund an Expression of Interest (EOI) Program to provide innovative and targeted support to heavily impacted local industries.

Short-term benefit	Leadership and direction for the people of Newcastle.
Legacy	Historical examples have shown the critical role a Taskforce can provide in coordinating and accelerating recovery. Investment in industries that are foundational to the future economy of Newcastle.
Cost	Up to \$500,000
Scalable	Program to be responsive to requests from local industries.
Lead	City Taskforce, Community and Corporate Planning
CN Partners	Major Events and Corporate Affairs
External Partners	Hunter Business Chamber, University of Newcastle, City Partners, Industry Associations
Timeframe	Taskforce to be established in April. EOI for industry response in May.
Promotion	<ul style="list-style-type: none">• Announcement of City Taskforce• Announcement of EOI Program



Phase I: “Local Responses”

Lean-In Newy

“Lean-In Newy” is a social action and economic incentive App utilising a digital solution to nudge, engage and propel local behaviour. The platform enables community-led social actions to be guided and harnessed with economic incentives built in that are translated to expenditure in the local business community. For example, Meals on Wheels need more volunteers and a request is placed on Lean In Newy. Participants complete the task and are rewarded with points redeemable with a local café delivery or small business offering. As a result a social action is completed, and money is spent in our local economy. Social challenges will range from volunteering for not-for-profits, small-scale local support activities, incentives to buy from local businesses and actions designed to cultivate community connectedness.



Short-term benefit	Deliver on the Newcastle 2030 vision to be a community that cares and looks after each other. All expenditure ends up circulating through our Newcastle-based businesses.
Legacy	GreenBe are a tech scale-up with a base of staff in Newcastle. The GreenBe App was investigated in the Smart City Strategy 2017-2021 as an engagement platform enabling the roll-out of future community-centric behaviour change across the city.
Cost	\$95,560 to deliver the platform (includes a significant discount and expedited delivery timeframes from eight weeks to two weeks). Initial \$50,000 input from CN to fund business rewards, which will circulate throughout the local economy. Total \$145,560.
Scalable	Additional funding for local business rewards can be provided in response to take-up potentially in \$20,000 or \$50,000 increments. Every dollar invested into this program is amplified by additional community spending and returned to local businesses.
Lead	Community and Corporate Planning
CN Partners	Major Events and Corporate Affairs
External Partners	Community Sector, Business Improvement Associations, Health
Timeframe	Platform delivered by Easter (10 April). Continual roll-out of challenges throughout winter.
Promotion	<ul style="list-style-type: none"> Initial announcement in partnership with GreenBe. Twice weekly social media announcements of new challenges being loaded onto the GreenBe App.

Phase I: “Local Responses”

Local Online Training Program

CN supporting local small businesses (<20 employees) to put themselves and their staff through professional development training. An expanded list of online training programs for small business and local residents utilising local training organisations and tertiary institutions. Courses to include Support for Managing Disruption, Get Digital Ready, Innovate to Grow, Accessible Events in isolation.

Short-term benefit	Training courses enable the upskilling of the local population during slow economic activity and idle time. Drive opportunities for local training organisations and tertiary providers.
Legacy	Upskilling of our local small business network.
Cost	Up to \$500,000
Scalable	Program could be expanded to include more courses.
Lead	Community and Corporate Planning
CN Partners	Major Events and Corporate Affairs
External Partners	Training Services NSW, Business Centre
Timeframe	May 2020. The mechanism for delivering the program is still being considered.
Promotion	<ul style="list-style-type: none">• Announcement of program, potentially with key local stakeholders.• A number of stories looking at how the program is benefiting local businesses through the changed economic environment.

Phase I: Summary

\$5.5m Package

Program	Proposed budget
Financial Hardship support	\$468,000
Procurement and Purchasing Support	\$535,000
City of Newcastle Support	\$1,500,000
Rent Relief CN owned facilities (6 months)	\$732,000
Digital library expansion	\$100,000
Online training – Lynda and Studiosity	\$60,000
Community Grants	\$800,000
City Taskforce and Industry Response	\$500,000
Lean-In Newy	\$150,000
Local on-line training programs	\$500,000
Communications/marketing	\$100,000

Phase II: “The Road to Recovery”

July 2020 – June 2021

Focus: Looking To The Future

Programs:

11. Infrastructure
12. Advocacy
13. Sustainability Programs
14. Events
15. Community Grants Program II
16. Vision – Economic Development Strategy and Destination Management Plan

Phase II: Proposed programs July 2020 – June 2021

Budgets to be developed and proposed in May 2020 as part of the 2020/21 budget

Name	Details	Benefit
Infrastructure	Roll-out an increased infrastructure program in 2020/21. Shovel-ready projects to be prioritised and funded at the earliest possible time.	Increased provision of local infrastructure and economic activity.
Government Advocacy	Strategic advocacy campaign to the Federal and State Governments to access increased funding in forthcoming budgets.	Government commitment to the future of Newcastle and the effective delivery of the Greater Newcastle Metropolitan Plan.
Sustainability Programs	EOI pilot process for both residential and community facilities/sporting grounds to install solar/battery systems.	Reduced expenses for residents and community groups, upgrading our facilities, future-proofing the city, and developing an approved local supplier panel.
Events	Rescheduled events from across Autumn / Winter to provide the city with an unprecedented level of activity and events schedule once safe. Event sponsorship funding will be increased.	Newcastle has re-opened for business and opportunity. Events will drive local activity.
Community Grants Program II	A second round Community Grants Program to assist the community through the recovery phase.	Newcastle applicants are provided with funds to support local-based recovery programs noting the increased social challenges reflective of a higher unemployment rate.
Vision	New strategies that set out the economic and tourism vision for Newcastle across the 2020s.	All people in Newcastle have an opportunity to contribute and create their local economy.



Communication and Consultation:

- A communications plan has been developed to wrap all of these initiatives together and promote them to our local community. We are developing new content called “Biz-Hacks”, which will share innovative stories from the local business community about how they are responding to the challenges faced.
- Staff have sought advice from a number of external stakeholders, including Dr Anthea Bill, Lead Economist with the Hunter Research Foundation Centre and Professor Terry Clower, currently at George Mason University in Washington DC. Professor Clower specialises in local community and economic development during crises.
- Staff have also been in consultation with Hunter Business Chamber, Committee for the Hunter, Regional NSW, Training Services NSW, Australian Government Hunter Region Employment Facilitator, Cities Leadership Institute, BIA's. TAFE, Hunter Workers and NSW Health. We have also consulted with potential suppliers, the Business Centre, GreenBe, Mudbath and Forsythes Training.

