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ABN 84 873 116 132

April 24, 2020

**ORDINARY MEETING OF THE COUNCIL MEETING**

**TO BE HELD**

**WEDNESDAY, APRIL 29, 2020**

**SUPPLEMENTARY AGENDA NO.1**



**JAMES RONCON**  
**GENERAL MANAGER**

## **FURTHER BUSINESS**

1. MAYORAL MINUTE NO. 6/20 - DATED APRIL 23, 2020 - COVID-19 -  
LOCAL GOVERNMENT NSW CAMPAIGN FOR FINANCIAL SUPPORT  
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## ORDINARY MEETING OF THE COUNCIL

April 23, 2020

**ITEM 1**MAYORAL MINUTE NO. 6/20

SUBJECT: COVID-19 - LOCAL GOVERNMENT NSW CAMPAIGN FOR FINANCIAL SUPPORT TO COUNCILS 11/175

**Summary**

I am calling on Councillors to support the local government sector's campaign for assistance in dealing with the health and economic crisis caused by the COVID-19 pandemic.

Broken Hill City Council is already suffering the consequences of the COVID-19 pandemic along with the economic effects of the current drought.

COVID-19 has had and will continue to have a devastating impact to the economy and all businesses across the world and Australia. Our Council has not been immune from these devastating impacts and without proper fiscal and sustainable management, it will have an irretrievable impact on our organisation.

The Executive Leadership Team (ELT) are continuing to review the impacts to the organisation as well as the Long Term Financial Plan, with a preliminary assessment that the impact on Council tracking at a further operating deficit would exceed \$2 million for the year ending 30 June 2020.

This has been caused by the closure of facilities such as the Broken Hill Regional Aquatic Centre, Broken Hill Regional Art Gallery, Albert Kersten Mineral & Mining Museum and the Civic Centre. Other events outside of Council's control include the reduction in Council's expected investment return as well as a reduction in the use of Council's commercial facilities which has reduced revenue received at Council's airport and waste management facilities. A summary of large items was provided in my Mayoral Minute to the last Ordinary Council Meeting.

In an event of full closure, these impacts will be even more devastating, and Council can expect to see losses greater than \$2 million to 30 June 2020. The Operating deficit for year ending 30 June 2020 without any expenditure constraints will be \$6.5 Million.

This loss is unsustainable for any organisation and our Executive Leadership Team (ELT) are continuing to look at ways of reducing this impact by reviewing the current budget to ensure non-essential expenditure can be reduced as well as looking at alternate methods for service delivery.

Council understands that outstanding rates will increase and the ability of ratepayers to pay in full and on time will be impacted and as such this will impact Council cash flow. To this end all capital projects are currently being reviewed to ascertain what can be postponed or paused to ensure Council can effectively manage its cashflow to ensure all staff and creditors are paid on time.

As this pandemic continues, a revision of the 2020/21 Operational Plan that was previously presented to Councillors is being reviewed and will be significantly different due to these implications and the need for financial recovery over the next 24+ months.

Most importantly, the General Manager and ELT are working on strategies to ensure all staff continue to receive a pay cheque each fortnight, for as long as we can sustain it, while we move through these critical times. This will mean that staff will continue to work at home or as part of a skeleton outdoor crew, and management are asking staff with leave balances to use their leave to ensure that staff with no or low leave balances can continue to be paid. This will ensure that Council is not put in a position where staff have to be made redundant or stood down without pay to ensure the going concern of Council.

Council is doing everything possible to provide support and deliver the services needed to protect community health and keep our communities running during these difficult times.

I refer to Council's resolution regarding my Mayoral Minute to the last Ordinary Council Meeting which included hardship measures to support our local businesses by relaxing some of the procurement guidelines and monetary thresholds for purchasing items locally and by providing a faster turnaround for payment of supplier invoices. Council also resolved to support local businesses and families by putting a freeze on recovery action on unpaid rates and to reduce the overdue interest rate from 7.5% to 0% on unpaid rates also.

I am recommending that we support the campaign, which is being coordinated on behalf of the NSW sector by Local Government NSW (LGNSW) and at a national level by the Australian Local Government Association (ALGA).

The wellbeing, safety and livelihoods of our communities, customers, and staff is our top priority. However, if additional assistance is not provided, Council may be forced to cut services, infrastructure maintenance and staff.

Council is struggling with the compounding impact of drought and COVID-19. Council has faced increased costs and at the same time is experiencing declining revenue as more and more ratepayers are forced into financial hardship. The impacts are rapidly escalating.

It is critical that the local government sector receives adequate funding and resources to coordinate and deliver the goods and services needed as we navigate through, and recover from, natural disasters and the new challenges presented by COVID-19 and its massive impacts on people and our local economies.

Council needs urgent financial assistance from the Federal Government and NSW State Government to maintain infrastructure, services and employment as well as funding to give councils the capacity to provide hardship assistance to the community.

The measures listed below would be effective and simple to implement:

- Increasing Financial Assistance Grants payments to 1% of Gross Domestic Product (GDP) to help councils maintain essential functions and services, acknowledging the increased costs and mounting revenue losses arising from COVID-19 (and drought and bushfire where affected) as well as giving councils capacity to provide hardship assistance to businesses and residents.
- Immediate financial assistance to support council employees
- Providing stimulus funding to councils for projects that will help sustain council operations and boost local economies. This could be achieved through increasing or bringing forward funding under existing funding programs or introducing new programs. Existing Federal funding programs include the Roads to Recovery, Bridges Renewal and Road Safety Blackspots programs. State programs include Fixing Local Roads, Fixing Country Bridges and the Stronger Country Communities programs.
- Increased access to TAFE, VET and other apprenticeship opportunities that council staff can undertake to address skill shortages, especially for staff in non-essential services who are unable to be redeployed.

**Recommendation**

1. That Mayoral Minute No. 6/20 dated April 23, 2020, be received.
2. That Council calls on the Federal Government and NSW Government to urgently deliver comprehensive and multifaceted financial support and stimulus packages to local government to enable them to continue to operate effectively and provide essential services during the COVID-19 pandemic.
3. That Council calls for the packages to include the following measures:
  - Increasing Financial Assistance Grants payments to 1% of GDP to help councils maintain essential functions and services, acknowledging the increased costs and mounting revenue losses arising from COVID-19 (and drought and bushfire where affected) as well as giving councils capacity to provide hardship assistance to businesses and residents.
  - Immediate financial assistance to support council employees.
  - Providing stimulus funding to councils for projects that will help sustain council operations and boost local economies. This could be achieved through increasing or bringing forward funding under existing funding programs or introducing new programs.
  - Increased access to TAFE, VET and other apprenticeship opportunities that council staff can undertake to address skill shortages, especially for staff in non-essential services who are unable to be redeployed.
4. That Council commends the NSW and Federal Governments on their stewardship during this crisis and commits to working in partnership to protect community health and sustain local economies through this crisis.
5. That Council write to the local Federal Member, the Hon Mark Coulton and State Member Mr Roy Butler, the Prime Minister the Hon Scott Morrison MP, NSW Premier the Hon Gladys Berejiklian MP, Federal Treasurer the Hon Josh Frydenburg MP, NSW Treasurer the Hon Dominic Perrottet MP, NSW Local Government Minister the Hon Shelley Hancock MP, Federal Minister for Local Government the Hon Mark Coultan, Federal Opposition Leader the Hon Anthony Albanese, NSW Opposition Leader Jodi McKay MP, Federal Shadow Minister for Local Government Jason Clare MP and NSW Shadow Minister for Local Government Greg Warren MP to confirm their support for increased financial assistance and stimulus funding for local government to help councils maintain essential services and employment during the COVID-19 pandemic.
6. That Council endorses Local Government NSW's sector-wide campaign to obtain financial assistance, employment support and stimulus funding for the local government sector.
7. That Council advise LGNSW President Linda Scott of the passage of this Mayoral Minute.

**Attachments**

There are no attachments for this report.

**D TURLEY AM**  
**MAYOR**

## **CONFIDENTIAL MATTERS**

### **Ordinary Meeting of the Council Meeting to be held** **Wednesday, April 29, 2020**

2. **BROKEN HILL CITY COUNCIL REPORT NO. 57/20 - DATED APRIL 24, 2020 - CORRESPONDENCE REPORT - REQUEST FOR FINANCIAL ASSISTANCE - REX AIRLINES - **CONFIDENTIAL****

**(General Manager's Note:** This report considers a partnership agreement and is deemed confidential under Section 10A(2) (d) of the Local Government Act, 1993 which provides for commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it; or (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret).