

## General Council Meeting

Notice is hereby given pursuant to the provisions of the *Local Government Regulation 2012*, that the next Meeting of the Central Highlands Regional Council will be held in the **Council Chambers, 65 Egerton Street, Emerald** on

**Wednesday, 24 June 2020**  
**At 9.00am**

For the purpose of considering the items included on the Agenda.

**Scott Mason**  
Chief Executive Officer

**LATE AGENDA**



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# 1. DECISION ACTION

## 1.1. Bolstering Economic Resilience..... approx 10 mins

### DECISION REPORT

Date: 24 June 2020 Presentation Duration: Approx. 10 minutes  
To: General Council Meeting  
Author: John McDougall, General Manager Communities  
Authorising Officer: Scott Mason, Chief Executive Officer  
File Reference: Not applicable  
Presented for: Decision

#### ATTACHMENTS:

1. Overview- Economic Response to the Coronavirus 3 [1.1.1 - 8 pages]

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#### PURPOSE:

The purpose of this report is to seek Central Highland Regional Council's support in establishing and part funding a new contract role to be located within Central Highlands Development Corporation that will be focussed on identifying gaps and opportunities to bolster economic resilience within the region in response to COVID-19.

#### OFFICER RECOMMENDATION:

That Central Highlands Regional Council:

1. Endorse the concept of developing an Economic Recovery Officer position;
2. Approve an initial financial contribution of \$170,000.00 to co fund the Economic Recovery position that is to be located within Central Highlands Development Corporation;
3. Endorse the concept to develop an Economic Recovery Committee;
4. Note the need to review the financial contribution from Central Highlands Regional Council at six monthly intervals towards the Economic Recovery Officer role; and
5. Note the need for a report to be presented to Council every three months detailing achievements and direction of the Economic Recovery Officer role.

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#### REPORT:

##### Background

##### Queensland Government

The first stage of the state's economic reset, the [Queensland's Economic Recovery Strategy](#) is a comprehensive and far-reaching suite of economic initiatives to help recover from COVID-19 with a focus on backing Queensland jobs.

Since the onset of the COVID-19 pandemic, the Queensland Government has committed more than \$6 billion in initiatives to manage the health response and also to support Queensland businesses and families and protect local jobs. The initiatives are outlined below:

## **\$1B Jobs Supports Loans**

- A \$1 billion concessional [Jobs Support Loan facility](#), interest free for the first 12 months, to support businesses and keep Queenslanders in work.

## **\$950M payroll tax relief**

- Up to \$950 million in [payroll tax relief](#) including refunds, payment holidays and deferrals for eligible businesses as well as a [tax exemption](#) for JobKeeper payments.

## **Industry Support Package**

- An Industry Support Package focused on large and regionally significant businesses to ensure they will be able to scale up and service the community when economic activity improves. For further detail on the Industry Support Package email [COVID19ISP@treasury.qld.gov.au](mailto:COVID19ISP@treasury.qld.gov.au)

## **\$500M worker retraining and assistance**

- \$500 million to assist workers and businesses who lose their job or income, including the creation of the [Jobs Finder portal](#).

## **\$400M support for retail and commercial tenants**

- \$400 million in support for retail and commercial tenants, delivered as [land tax relief](#) and payment referrals. Find out more about the Government's COVID-19 relief measures for [tenants and landlords](#).

## **\$500 million for households**

- \$500 million in utilities bill relief for households and businesses, including a [\\$200 rebate for all 2.1 million Queensland homes](#) to offset the cost of water and electricity and a [\\$500 rebate for eligible small and medium sized businesses](#). These rebates for households and businesses will be automatically applied to electricity bills.

## **Australian Government**

The Coronavirus has presented a fast evolving and significant challenge to global health systems and economies. The Government has acted decisively in the national interest to support households and businesses and address the significant economic consequences of the Coronavirus. The Government's economic support package of \$259 billion represents fiscal and balance sheet support across the forward estimates of 13.3 per cent of annual GDP. Direct fiscal measures are equivalent to around 6.9 per cent of GDP.

The Government's economic support package has provided timely support to affected workers, businesses and the broader community, and has kept Australians in work, and businesses in business. These actions have put a floor under the economy during this extraordinary time, and have set the foundation for a strong economic recovery once the Coronavirus crisis passes. For further information please see attachment 1.

## **Local Government**

To date the response from Council has been relatively reactive in nature and this has resulted in rushed decisions and no doubt some missed opportunities.

A response was lodged by Council in relation to the State Governments Battleplan initiative.

## **Discussion/Current issue**

Central Highlands Regional Council (Council) has an unprecedented opportunity to proactively manage the response to economic recovery caused by COVID – 19. In order to build a strong platform to successfully bid for opportunities that may present in the coming months a dedicated and focused resource is required. Even in recent weeks opportunities such as the Growing Tourism Infrastructure Fund has presented, and it is likely others will emerge as the tiers of Government begin to understand where investment is really needed to get the economy moving again. Council and our community need to be ready to react both quickly and decisively, armed with the level of detail and justification to attract funding opportunities.

There exists a huge amount of information and strategic documents from both Council and Central Highlands Development Corporation (CHDC) that will form the basis of establishing the justification to attract grant opportunities such as but not limited to:

1. Central Highlands Economic Master Plan 2017-22
2. Central Highlands Visitor Economy Strategy 2020-22

3. Partnership Prospectus 2020-21
4. Central Highlands Freight Task Analysis
5. 2020 Business Confidence Survey
6. REMPLAN Economic Analysis 2020

The intention is to establish an economic recovery committee that will help drive the strategic direction of economic recovery within the region. This role will report directly to the committee regularly (monthly initially) and perform duties/actions that are endorsed by the committee. Having this structured approach will see a more focussed and calculated outcome for the region.

**The role:**

The role will be hosted by CHDC for a period of up to 2 years. CHDC have put forward \$80,000.00 to part fund the role and Council will be required to fund the balance of \$170,000.00 (total being \$250,000.00) over the two-year period (**Note:** the specific Council contribution will be firmed up as this project matures. Funding opportunities may exist to help part fund this resource like previous natural disaster recovery funding arrangements). It is the intention to come back to Council to regularly report on this function including the funding arrangements.

The role will be responsible for:

- Collecting and collation of information and forming conclusions on where gaps exist in the local economy whether that be in Agriculture, Resources, Tourism, Small Business etc
- Identification and lodgement of funding applications
- Response to COVID-19 Economic Recovery requirements
- Executive officer support for the economic recovery committee
- Supporting the Mayor and Councillors with developing supporting material for advocacy with Government officials and politicians alike
- Building capacity and resilience in all economic partners within the region across all sectors

**CONSIDERATIONS / IMPLICATIONS:**

**Corporate/Operational Plan Reference/Policy/Legislation:**

1. Strong Vibrant Communities;

1.1 - Corporate Plan Strategy: Strong diverse communities

3. Supporting our Local Economy;

3.1 Corporate Plan Strategy: Facilitate investment and employment opportunities.

3.1.1 - Support the Central Highlands Development Corporation to facilitate networks and partnerships between local business, industry groups and government.

3.1.2 - Promote the Central Highlands as a region for tourism and development opportunities.

3.1.4 - Advocate and support the development of the Central Highlands as a regional hub.

3.2. - Corporate Plan Strategy: Support local business and emerging industries

3.2.1 - Facilitate opportunities for existing businesses and emerging industries to consolidate and grow.

**Budget/Financial/Resourcing:**

The role will be hosted by CHDC for a period of up to 2 years. CHDC have put forward \$80,000.00 to part fund the role and Council will be required to fund the balance of \$170,000.00 (total being \$250,000.00) over the two-year period (**Note:** the specific Council contribution will be firmed up as this project matures. Funding opportunities may exist to help part fund this resource like previous natural disaster recovery funding arrangements).

All associated employee costs such as computers, phone etc will be supplied through CHDC under the current arrangements with CHRC.

**Communication/Engagement:**

CHDC discussed this issue at their last board meeting on 18 June 2020.

An informal Economic Recovery subgroup has met on several occasions as part of the Local Disaster Management Group arrangements.

**Risk Assessment:**

There is high reputational risk for Council if there isn't an informed strategic approach to managing economic recovery with our Region.

**Timings/Deadlines:**

There are no specific deadlines however opportunities to engage in economic recovery packages are present now.

**Conflict of Interest Declaration:**

Council officers contributing to the preparation and approval of this report have no conflicts of interest to declare.

**Human Rights Impact:**

No

**Alternatives Considered:**

	Description	Positives	Negatives
Option 2	Continue with a reactive approach to economic recovery using existing staff members.	Budget saving	This will result in missed opportunities, a lack of strategic outcomes and provides reputational risk for Council.

- END OF REPORT -



# Economic response to the Coronavirus

The Government is providing \$259 billion in fiscal and balance sheet support, which is equivalent to around 13.3 per cent of annual GDP. Direct fiscal measures are equivalent to around 6.9 per cent of GDP.

The measures provide timely support to workers, households and businesses through a difficult time and position the Australian economy to recover strongly once the health challenge has been overcome.

## SUMMARY OF THE ECONOMIC RESPONSE

The Government's economic response supports households and businesses. It is designed to support businesses in managing short-term cash flow challenges, provide support to individuals, severely affected communities and regions, and to ensure the continued flow of credit in the Australian economy.

### 1. Support for individuals and households

The Government is providing significant payments to assist lower-income Australians, including pensioners, other social security and veteran income support recipients and eligible concession card holders.

#### *JobKeeper Payment*

The JobKeeper Payment helps businesses significantly impacted by the Coronavirus cover the costs of their employees' wages, so more Australians can retain their jobs and continue to earn an income. Employers will notify employees if they are claiming the fortnightly payment of \$1,500. The first payments were made in the week commencing 4 May 2020.

#### *Income support for individuals*

Since 27 April 2020 the Government has temporarily expanded eligibility to income support payments and established a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight. This is paid to both existing and new recipients of Jobseeker Payment, Youth Allowance, Parenting Payment, Austudy, ABSTUDY Living Allowance, Farm Household Allowance and Special Benefit. The Government is also temporarily expanding access for the JobSeeker Payment by relaxing the partner income test.

#### *Payments to support households*

The Government is providing two separate \$750 payments to social security, veteran and other income support recipients and eligible concession card holders. The first payment was made from 31 March 2020 and the second payment will be made from 13 July 2020. Around half of those that benefit are pensioners. These payments will help to support confidence and domestic demand in the economy. The second payment will not be made to those eligible for the Coronavirus supplement.

Recognising that many Australians have saved over their lives to support themselves in retirement, the Government has also implemented two measures to support retirees in managing the impact of recent volatility in financial markets and the impact of low interest rates on their retirement savings.

#### *Temporary early release of superannuation*

The Government is allowing eligible individuals affected by the Coronavirus to access up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21. Individuals will not need to pay tax

Last updated: 25 May 2020

on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments.

Eligible temporary visa holders will be eligible to access up to \$10,000 of their superannuation in 2019-20.

#### *Temporarily reducing superannuation minimum drawdown rates*

The Government has temporarily reduced superannuation minimum drawdown requirements for account-based pensions and similar products by 50 per cent for 2019-20 and 2020-21. This measure will benefit retirees with account-based pensions and similar products by reducing the need to sell investment assets to fund minimum drawdown requirements.

#### *Reducing social security deeming rates*

The Government has reduced social security deeming rates. As of 1 May 2020, the upper deeming rate is 2.25 per cent and the lower deeming rate is 0.25 per cent. The reductions reflect the low interest rate environment and its impact on the income from savings. The change will benefit around 900,000 income support recipients, including around 565,000 age pensioners.

## 2. Support for businesses

#### *JobKeeper Payment*

The JobKeeper Payment helps businesses significantly impacted by the Coronavirus cover the costs of their employees' wages. Eligible businesses may include sole traders, whose turnover had reduced by more than 30 per cent if they have a turnover of less than \$1 billion or by more than 50 per cent if they have a turnover of more than \$1 billion.

#### *Boosting Cash Flow for Employers*

The Government is providing temporary cash flow support to small and medium businesses and not for profit (NFP) organisations that employ staff.

The Government will provide tax-free cash flow boosts of between \$20,000 and \$100,000 to eligible businesses, delivered through credits in the activity statement system, when eligible businesses lodge their activity statements. This will be done through two sets of payments.

Small and medium-sized business entities with aggregated annual turnover under \$50 million and that employ workers are eligible. NFPs, including charities, with aggregated annual turnover under \$50 million and that employ workers are also eligible. This will support employment at a time where NFPs are facing increasing demand for services.

Eligible businesses receive initial payments for the March to June 2020 periods upon lodgement of activity statements. These payments will be equal to 100 per cent of their employees' salary and wages withheld. The minimum initial payment was \$10,000 and the maximum initial payment \$50,000.

Businesses who received initial cash flow boosts will receive additional cash flow boosts for the June to September 2020 period, equal to the total amount of initial cash flow boosts received. This means that eligible businesses that employ people will receive at least \$20,000 up to a total of \$100,000 under both payments. This additional payment continues cash flow support over a longer period, increasing confidence, helping employers to retain staff and helping businesses to keep operating.

#### *Temporary relief for financially distressed businesses*

The economic impacts of the Coronavirus and health measures to prevent its spread will see many otherwise profitable and viable businesses temporarily face financial distress. It is important that these businesses have a safety net to make sure that when the crisis has passed they can resume normal business operations. One element of that safety net is to lessen the threat of actions that could unnecessarily push them into insolvency and force the winding up of the business.



The Government has temporarily increased the threshold at which creditors can issue a statutory demand on a company and to initiate bankrupt proceedings against an individual as well as temporarily increasing the time companies and individuals have to respond to statutory demands they receive. The package also includes temporary relief for directors from any personal liability for trading while insolvent, and providing temporary flexibility in the *Corporations Act 2001* to provide targeted relief from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis.

The ATO will tailor solutions for owners or directors of business that are currently struggling due to the Coronavirus, including temporary reduction of payments or deferrals, or withholding enforcement actions including Director Penalty Notices and wind-ups.

#### *Increasing the instant asset write-off*

The Government has increased the instant asset write-off threshold from \$30,000 to \$150,000 and expanded access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020. In 2017-18 there were more than 360,000 businesses that benefited from the current instant asset write-off, claiming deductions to the value of over \$4 billion. This measure will support over 3.5 million businesses (over 99 per cent of businesses) employing more than 9.7 million employees.

#### *Backing business investment*

The Government has introduced a time-limited 15 month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term, by accelerating depreciation deductions. Businesses with a turnover of less than \$500 million will be able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost. This measure will support business investment and is estimated to lower taxes paid by Australian businesses by \$6.7 billion over the next two years. This measure will support over 3.5 million businesses (over 99 per cent of businesses) employing more than 9.7 million employees.

#### *Supporting apprentices and trainees*

The Government is supporting small business to retain their apprentices and trainees. Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage until 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice. Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).

Support has also been provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.

This measure will support up to 70,000 small businesses, employing around 117,000 apprentices.

#### *Support for Coronavirus-affected regions and communities*

The Government has set aside \$1 billion to support regions most significantly affected by the Coronavirus outbreak. These funds will be available to assist during the outbreak and the recovery. In addition, the Government is assisting our airline industry by providing relief from a number of taxes and Government charges estimated to total up to \$715 million.

### 3. Supporting the flow of credit

The Government, the Reserve Bank of Australia and the Australian Prudential Regulatory Authority have taken coordinated action to ensure the flow of credit in the Australian economy. Timely access to credit is vital for businesses to manage the impacts of the Coronavirus.

*Support for immediate cash flow needs for SMEs*

Under the Coronavirus SME Guarantee Scheme, the Government will provide a guarantee of 50 per cent to SME lenders to support new short-term unsecured loans to SMEs. The Scheme will guarantee up to \$40 billion of new lending. This will provide businesses with funding to meet cash flow needs, by further enhancing lenders' willingness and ability to provide credit. This will assist otherwise viable businesses across the economy who are facing significant challenges due to disrupted cash flow to meet existing obligations.

*Quick and efficient access to credit for small business*

The Government has cut red tape by providing a temporary exemption from responsible lending obligations for lenders providing credit to existing small business customers. This reform will help small businesses get access to credit quickly and efficiently.

*Reserve Bank of Australia — Supporting the flow and reducing the cost of credit*

The Reserve Bank of Australia (RBA) announced a package on 19 March 2020 that will put downward pressure on borrowing costs for households and businesses. This will help mitigate the adverse consequences of the Coronavirus on businesses and support their day-to-day trading operations. The RBA is supporting small businesses as a particular priority.

The RBA announced a term funding facility for the banking system. Banks will have access to at least \$90 billion in funding at a fixed interest rate of 0.25 per cent. This will reinforce the benefits of a lower cash rate by reducing funding costs for banks, which in turn will help reduce interest rates for borrowers. To encourage lending to businesses, the facility offers additional low-cost funding to banks if they expand their business lending, with particular incentives applying to new loans to SMEs.

In addition, the RBA announced a further easing in monetary policy by reducing the cash rate to 0.25 per cent. It is also extending and complementing the interest rate cut by taking active steps to target a 0.25 per cent yield on 3-year Australian Government Securities.

*Support for Non-ADI and smaller ADI lenders in the securitisation market*

The Government has provided the Australian Office of Financial Management (AOFM) with \$15 billion to invest in structured finance markets used by smaller lenders, including non-Authorised Deposit-Taking Institutions (non-ADI) and smaller Authorised Deposit-Taking Institutions (ADI). This support will be provided by making direct investments in primary market securitisations by these lenders and in warehouse facilities.

*Australian Prudential Regulatory Authority — Ensuring banks are well placed to lend*

The Australian Prudential Regulatory Authority has announced temporary changes to its expectations regarding bank capital ratios. The changes will support banks' lending to customers, particularly if they wish to take advantage of the new facility being offered by the RBA.

FOR MORE INFORMATION

For more information on the Australian Government's Economic Response to Coronavirus visit [treasury.gov.au/coronavirus](https://treasury.gov.au/coronavirus).

# Timeline of Assistance

DATE	SUPPORT
<b>As soon as practicable</b>	Support for Coronavirus-affected regions and communities
<b>Deductions to be included in 2019-20 tax returns</b>	Increased instant asset write off Backing business investment — accelerated depreciation
<b>25 March 2020</b>	Temporarily reduced minimum drawdown rates for superannuation Temporary relief for financially distressed businesses
<b>From 30 March 2020</b>	Register interest for <i>JobKeeper Payment</i>
<b>From 31 March 2020</b>	First round of \$750 payments to support households
<b>Applications from 2 April 2020</b>	Assistance for existing apprentices and trainees
<b>Applications 20 April 2020</b>	Temporary early release of superannuation
<b>From 27 April 2020</b>	Coronavirus supplement paid
<b>From 28 April 2020</b>	First phase of <i>Boosting Cash Flow for Employers</i>
<b>From 1 May 2020</b>	Increased transfer payments from reduced deeming rates
<b>From first week of May</b>	Initial <i>JobKeeper Payments</i> received by employers
<b>From 13 July 2020</b>	Second round of \$750 payments to support households
<b>From 21 July 2020</b>	Second phase of <i>Boosting Cash Flow for Employers</i>

## Summary: Economic response to the Coronavirus

AIM	WHAT	WHEN	19-20 \$M	20-21 \$M	21-22 \$M	22-23 \$M	23-24 \$M	TOTAL \$M
Support for Individuals and Households	<b>Income support for individuals</b> The Government has temporarily expanded eligibility to income support payments and established a new, time-limited Coronavirus supplement to be paid at a rate of \$550 per fortnight. This will be paid to both existing and new recipients of the eligible payment categories.	From 27 April 2020	-5,216	-8,841	-39	-22	-15	-14,133
	<b>Payments to support households</b> Two rounds of \$750 payments to those eligible.	First round from 31 March 2020, second round from 13 July 2020	-4,877	-3,917	-34	-2	0	-8,830
	<b>Temporary early release of superannuation</b> Enable eligible individuals directly impacted by the economic consequences of the Coronavirus to access up to \$10,000 of their superannuation, tax-free, in 2019-20, and up to a further \$10,000 in 2020-21. No tax will be imposed on withdrawals.	Applications from April 2020	-20	-250	-280	-290	-310	-1,150
	<b>Temporarily reduce superannuation minimum drawdown rates</b> Reduction of the superannuation minimum drawdown rates by 50 per cent for the 2019-20 and 2020-21 income year.	Immediately	0	*	*	*	0	*
	<b>Lower the social security deeming rates</b> Lowering the social security deeming rates in response to the low interest rate environment.	From 1 May 2020	-35	-203	-208	-212	-218	-876

AIM	WHAT	WHEN	19-20 \$M	20-21 \$M	21-22 \$M	22-23 \$M	23-24 \$M	TOTAL \$M
Support for Businesses	<p><b>JobKeeper Payment</b> A significant wage subsidy program to support employees and businesses through the Coronavirus outbreak. Eligible businesses will receive \$1,500 per fortnight per eligible employee for a maximum of 26 weeks.</p>	Register interest from 30 March, initial payments received first week of May	-20,000	-50,000	0	0	0	-70,000
	<p><b>Boosting Cash Flow for Employers</b> Temporary cash flow support of between \$20,000 and \$100,000 to eligible small and medium sized businesses, and not-for-profits (including charities) that employ people.</p>	Payments from 28 April 2020, additional payments from 21 July 2020	-14,900	-17,000	0	0	0	-31,900
	<p><b>Temporary relief for financially distressed businesses</b> Help businesses get through a temporary period of insolvency, by temporarily providing higher thresholds and more time to respond to demands from creditors and providing temporary relief from directors' personal insolvent trading liability</p>		0	0	0	0	0	Nil
	<p><b>Increasing the instant asset write-off</b> Lifting the threshold to \$150,000 (from \$30,000) — and making more businesses eligible to use it up to a turnover of \$500 million.</p>	Immediately, with deductions to be included in 2019-20 tax returns	0	-2,300	-200	1,400	400	-700
	<p><b>Backing business investment</b> Offering businesses a time-limited incentive to invest, by accelerating depreciation deductions.</p>	Immediately, with deductions to be included in 2019-20 tax returns	0	-1,500	-5,200	200	3,300	-3,200

AIM	WHAT	WHEN	19-20 \$M	20-21 \$M	21-22 \$M	22-23 \$M	23-24 \$M	TOTAL \$M
	<b>Supporting apprentices and trainees</b> Wage assistance to help small businesses to keep their apprentices and trainees.	Applications opened from early April	-192	-1,072	0	0	0	-1,265
	<b>Support for Coronavirus affected regions and communities</b> Financial support to help regions and communities most affected by the Coronavirus to recover.	As soon as practicable	-100	-900	0	0	0	-1,000
	<b>Support for Australian airlines and airports</b> Initial support to our airline industry through up to \$715 million of relief from a range of taxes and Government charges.	1 February 2020 to 30 September 2020	-437	-278	0	0	0	-715
<b>TOTAL COMMONWEALTH SUPPORT</b>			-45,777	-86,262	-5,961	1,075	3,157	<b>-133,769</b>
Supporting the Flow of Credit	<b>Government support for immediate cash flow needs of SMEs</b> Establishing a loan guarantee arrangement between the Government and participating banks to cover the immediate cash flow needs of SMEs.	Commence by early April 2020 and be available for new loans until 30 September 2020						Up to 20,000
	<b>Australian Office of Financial Management Support</b> Provided the Australian Office of Financial Management with an investment capacity of \$15 billion to invest in structured finance markets used by smaller lenders							Up to 15,000
	<b>Reserve Bank of Australia Support</b> A package of RBA measures to support the Australian economy.							Up to 90,000
<b>TOTAL FISCAL AND BALANCE SHEET SUPPORT</b>								258,769

