

Port Macquarie Hastings

COVID 19 LOCAL ECONOMIC ASSISTANCE PLAN

INTRODUCTION

The COVID19 Crisis has resulted in a devastating impact to local businesses forced to close, loss of jobs and social upheaval. Long term impacts are expected to last for many years with a potential economic contraction higher than the GFC and unemployment rising to double digits. The economic contraction and unemployment are likely to be exacerbated in regional areas like Port Macquarie.

The purpose of the following narrative is to put forward a Local Economic Assistance Plan for consideration and adoption by council. It is widely anticipated that the biggest impact on the local economy will occur in 6 to 24 months when stimulus measures are exhausted and businesses are in a “recovery mode”. For this reason any local economic assistance plan must be in place from Jul 2020 to Jul 2022.

Rates & Charges Relief

Residential rates relief may be considered by council in cases of hardship where homeowners become long term unemployed. Commercial property rates relief could also be considered where a case of hardship is presented and where this measure could be clearly demonstrated as facilitating a business remaining in operation.

Recommendation:

- Rates relief on residential property to recognize economic hardship cases allowing deferred payments on low/no interest plans.
- Rates Relief on Commercial property where it can be demonstrated that a business will close.
- Special Rate Levy on CBD Commercial – suspend this levy from Jul 2020 to Jul 2022.

Hospitality, Tourism & Retail

Businesses in these sectors have been some of the most harshly affected having been forced to close entirely and many jobs have been lost. Local assistance should be directed towards helping these businesses re-start and hire staff once restrictions are lifted.

Recommendations:

- **Destination Marketing Plan** – bring forward branding strategy to target visitor awareness.
- **Outdoor Dining Fee Moratorium from Jul 2020 til Jul 2022** - no fees to be charged at all during this period and reviewed again in June 2022. This will assist Cafes' in rebuilding outdoor & indoor dining trade enabling employment of wait staff.
- **Council Health & Hygiene Team** – a dedicated council team to assist Café's & restaurants with regulations, establish safe dining practices, table separation, serving practices etc. under likely restricted start up rules.
- **Entertainment Fund Reinvigorate CBD & Places of Interest** – council to facilitate Community Grants & fund a series of targeted street performers located in high traffic areas to provide ambience and encourage “feet on the street”. Note: this could only be implemented once crowd restrictions are lifted.

Direct Employment & Training

As one of the largest employers in the LGA council has a role to play, where feasible and justifiable in taking on and training staff during periods of economic hardship.

Recommendations:

- **Direct employment of additional outdoor Parks & Gardens staff** – this section has been under resourced for some time and has difficulty keeping up with all forms of maintenance. Extra teams properly equipped and supervised by existing staff could not only provide meaningful employment but ensure that public spaces are well maintained to encourage visitation & inbound spending during the recovery phase.
- **Traineeships** – council has many internal technical/trade functions that do struggle for resources. Offering traineeships for local school leavers could alleviate some of the difficulties facing the young finding employment in coming years.

Local Building Industry

There is likely to be a significant and protracted downturn for at least 2 years in the building industry post COVID19 as a result of less confidence, lower economic activity and higher unemployment. Locally this industry is a major employer, supports many small businesses and returns a high level of investment back into the community.

Recommendations:

- **Incentives for Urban Consolidation** – encourage investment into multi-dwelling housing within appropriately zoned areas by adopting a 2 year moratorium on contributions for any development up to 8 dwellings.
- **Housing affordability grants** – establish an affordable housing grant in partnership with developers similar to that undertaken in 2011-2013. Homebuyers who qualify receive up to \$20,000 rebate along with stamp duty concessions.
- **Affordable Rental Housing Investment** – investigate a Joint Venture with Housing NSW to invest in affordable rental housing on council land.

Small & Micro Business Assistance

Many small and micro-businesses will find it difficult to re-establish in an environment of reduced confidence and spending. Policies must be directed towards lowering costs, user friendly compliance processes & providing targeted, correct information.

Recommendations:

- **No fees** - First Use/Change of Use & Signage Applications to be nil cost.
- **Single page Application form** - for all above applications.
- **Dedicated Small Business Planner** – a Town Planner who is allocated small business applications, given authority to fast track approvals & gives priority to any of the small business related applications above.
- **The Hub to Assist** – The Hub to provide a roving advisor to all small businesses for grant applications, Government funding/subsidies, operations and recovery. Direct & ongoing contact to gain insights into problems and obstacles that can be referred to Council & State Government.

Capital Works

PMHC has recently exhibited a proposed Capital Works Budget of **\$64.72m** for FY20/21. At the Jan council meeting it was reported that PMHC had investments totalling **\$303m** in various funds. Further, that these investments were earning **\$5.7m** interest annually. Whilst it is understood that some funds are restricted in their uses many are not including the General Fund with a current balance of **\$125m**. It appears that there is significant scope for increased Capital Works expenditure.

Keynesian theories support the concept that the value add of spending within a community could be 3 times the original investment. Last FY the estimated Gross Regional Product in our area was approximately \$4.8bn. In a simplistic assessment a 5% contraction in economic activity would equate to a \$240m loss to our regional economy. This would require an additional capital investment of up \$80m to compensate (ie. $3 \times \$80m = \$240m$)

To partly counter this contraction it is recommended that PMHC **INCREASE its capital works spending by \$30-\$40m each FY for the next 2 years**. If this money were to be spent & re-invested locally the value to our economy could be as high as \$120m annually.

As a result of forced business closures council can expect much lower traffic levels on all roads & much lower pedestrian traffic in the Town CBD areas in the near future. This provides an opportunity for projects such as pavement rehabilitation, Asphalt re-surfacing and upgrades to road signage and furniture with less disruption and loss of trade.

In addition, landscape & footpath works on commercial frontages during this period would have minimal impact such as loss of trade due to businesses being closed. Conversely, disruption beyond this period could impact businesses trying to recover and works at that later time should be avoided. Town CBD and commercial precinct beautification is a critical component in revitalisation to encourage visitation and spending during the recovery period.

The above initiative to increase capital works expenditure must include enhanced delivery mechanisms which could include both additional internal resourcing and contract Project Management.

Recommendations:

- **Increased Capital Works Program for FY20/21 & FY21/22** – refer Annex A
- **TCMP Works Program** – It is proposed bring forward TCMP soft Landscaping works in Port CBD under local suppliers contracts (refer Annex A). PMHC to forward fund/loan to TCMP. Wauchope & Laurieton CBDs' should be allocated additional funds for upgrades & soft landscaping enhancements.

- **Pavement, Asphalt & Traffic Device Upgrades** – bring forward using contract works (refer Annex A)
- **Forward Fund Infrastructure** – bring forward key infrastructure in release areas to encourage private investment (refer Annex A)
- **Capital Works for Grant Funding Applications** – identify “shovel ready” projects for grant funding opportunities
- **Enhanced Delivery Mechanisms** – council to engage contract Project Management staff to oversee project delivery

Procurement Policy

To optimize procurement processes & maximise re-investment within the local economy it is proposed that a streamlined Procurement Policy be adopted. This should aim to allow fast tracking of engagements and give maximum opportunity for local suppliers and businesses.

Recommendations:

- **Procurement Advisor** – council to provide an advisor to identify appropriate local suppliers & assist them with quoting & tendering.
- **Adopt Local Preference Policy up to \$250k** – for all suppliers of goods & services up \$250k select tenders must be 100% local unless there are no suppliers available.
- **Adopt Local Preference Discount Policy over \$250k** - for all suppliers of goods and services above \$250k a 100% locally based tenderer will be awarded the contract where they are within 20% of the lowest price & meet all other requirements.
- **Professional Services Contracts** – Establish professional services contracts for Project Management & technical services under above guidelines

Summary

The above economic assistance measures are critical to the recovery of our local economy over the next few years. Local economic assistance must fully utilise all available resources and involve the community, business groups and council all co-operating and working together with total commitment.

The proposed assistance measures are not exhaustive and it is envisaged that some will be modified, some abandoned and other ideas included as the situation dictates. Looking ahead to a recovery post-Coronavirus it is now crucial that planning for implementation of economic assistance must commence immediately and be overseen by **Strategic Committee** responsible for policy oversight, implementation and communications.



Michael Mowle

President

PMQ Chamber of Commerce

9th April 2020

CAPITAL WORKS LIST FOR CONSIDERATION

Ocean Drive Duplication – TfNSW delivery, Final Business Case Pending. Commence FY20/21

Boundary Street Upgrade – detailed design planned FY20/21. Construct FY21/22

Gordon St Upgrade – FY20/21

John Oxley Drive – Design complete by 30 June 2020. Construct 21/22

Lake Road duplication (Ocean Drive to Central Road) – Design be completed FY20/21 & construction undertaken in 21/22

Lake Road Reseal (Gordon St to Ocean Drive) – Maintenance works FY20/21

Koala Street upgrade – FY21/22

Murray St to William St roundabout upgrade – CBD revitalization project.

Short Street pavement & drainage – CBD revitalization project

HRD upgrade – AT&L design, construct FY20/21

HEP Secondary Access – Design FY20/21, construct FY21/22

Ocean Drive/Seaside Dve Signalisation – RMS approved layout, services installation complete.

Ocean Drive upgrade, Lake Cathie – programmed

Kew Main street upgrade - Programmed

Bago Road Rehab Stages 2 & 3 – Programmed

Small bridge Replacements - numerous

Pembroke Road – construct FY20/21

Bril Bril Road sealing – ditto

Kew Road/Mountain View Road Roundabout (AREA15)

JOD/Thrumster Intersection Roundabout & Road Upgrade

Caincross Waste Facility/KIngfisher

ANNEX A

Aquatic Centre

Tidal Pool

Hastings Regional Sporting Complex – FY20/21

Area 13 Reclaim Reservoir

Sancrox Sewer Scheme

Thrumster Sports fields - detailed design in FY20/21. Construct FY21/22

Foreshore Walk

Town Green West

Clarence St Landscape upgrades – TCMP

William St Landscape upgrades - TCMP

Town Beach to Town Beach North – FY20/21

Coastal Walk – design programmed FY20/21

Breakwall Footpath linkage

Gaol Point Carpark re-seal

Council Depot Relocation

Wayne Richards Park Completion