

Access to funding	
<p>Why is the Government supporting local councils?</p>	<p>The NSW Government recognises the vital role councils play in their communities and is only too aware of the significant financial and operational impacts of the COVID-19 pandemic on our State’s local councils.</p> <p>Local councils are the lifeblood of their communities as a major employer. Local councils employ more than 60,000 staff and in many towns and communities are the major employer.</p> <p>Our local councils also provide vital services and infrastructure to their communities, be it waste, roads, water, or management of our public spaces. Like other parts of the community they are suffering from reduced revenues and increased costs as well as significant challenges in maintaining delivery of community infrastructure and services.</p> <p>Importantly, council employees are not eligible to access the Commonwealth Government’s JobKeeper Payment. This package will give councils breathing space to adjust their structures and operations and be in a better position to effectively serve their communities throughout the ongoing COVID-19 crisis.</p>
<p>What are the conditions to access the funding?</p>	<p>The Government has announced a \$395 million local government economic stimulus package to reduce the significant impacts of the COVID-19 pandemic on local councils across the State.</p> <p>The package is comprised of four components:</p> <ul style="list-style-type: none"> • The Council Job Retention Allowance • Funding to meet councils’ increase in the emergency services levy for 2020-21 • Access to low-interest, infrastructure loans from TCorp in line with TCorp’s credit criteria • Access, subject to meeting certain requirements, to a NSW Government guarantee for commercial borrowings. <p>The \$112.5 million Council Job Retention Allowance is a payment of \$1,500 per fortnight per employee, paid to the council, which will be administered by the Office of Local Government.</p>

To access the funding councils need:

- To covered by the *Local Government (COVID-19) Splinter (Interim) Award 2020* (the Splinter Award) or equivalent agreement with relevant industrial unions
- To have met the cost of four weeks paid COVID-19 Special Leave under the Splinter Award prior to each employee accessing the Council Job Retention Allowance, as well as any costs above \$1,500 a fortnight, per employee, for up to three months
- To provide evidence to the Office of Local Government (OLG) of financial distress as a result of the COVID-19 crisis, and
- To note that certain council staff are ineligible from accessing the allowance, even if they are redeployed to other roles during the COVID-19 pandemic.

Note: if any employee has ordinary earnings less than \$1,500, council will receive the full \$1,500 for that employee but must pass it on to them.

The NSW Government will fully fund the \$32.76 million **increase** in the **Emergency Services Levy (ESL)** for all NSW councils for 2020-21. Councils will be required to pay their ESL invoices to Revenue NSW, and OLG will directly reimburse councils the 2020-21 increase in the ESL contribution.

The stimulus package also makes it easier for local councils to secure **low-interest, safe and secure infrastructure loans from TCorp**, with councils previously ineligible for TCorp loans now able to access the Government's lending facility for the next six months. The criteria to access these loans will be in line with TCorp's credit criteria.

The Government is also placing a **two-year moratorium** on using TCorp loans for capital works on council chambers and administration buildings to ensure infrastructure projects directly benefit local residents and businesses.

Councils seeking to access commercial finance can apply to have the Treasurer to provide a "Deed of Indemnity for and on behalf of the Crown in right of the State of NSW". This will be conditional on Treasury's assessment, analysis and approval. This guarantee will increase the

	<p>availability and reduce the cost for those councils seeking to borrow from banks and other private sector credit providers.</p> <p>Councils that are a member of a joint organisation (JO) will need to continue to support that JO's continued operations, including with necessary funding contributions, for the next two years.</p>
<p>Why does my council have to demonstrate financial distress to access the Council Job Retention Allowance? Shouldn't this package be available to all councils?</p>	<p>The NSW Government wants to support all councils that need it. Much like the Commonwealth has limited access to JobKeeper, the State Government has taken a similar approach to ensure funding is prioritised to those that need it most. The funding is available to all councils in NSW that meet the conditions. Councils in NSW are facing severe financial pressures as a result of COVID-19 and are already showing signs of financial distress. While revenue is falling quickly, annual council employee costs in NSW remain stable and it is important that all councils in financial distress have access to the funding provided.</p>
<p>What is financial distress?</p>	<p>Councils will need to be projecting a 30% reduction in own-source revenue each quarter, commencing with the 4th quarter of the 2019-20 financial year, to be eligible for the Council Job Retention Allowance. If councils have claimed funding for a quarter and subsequently significantly exceed this revenue target, they may be required to repay all or part of that quarter's amount. OLG will issue further information regarding the process and criteria to apply for the stimulus package.</p>
<p>How does my council demonstrate/measure financial distress?</p>	<p>The Office of Local Government will issue each council with a return to complete. The return will be based on cash receipts of items that are included in the councils' own source income. It is expected that the most significant decrease in cash receipts for councils will occur in the fourth quarter. The return will compare councils' projected current quarter cash receipts against either the original current quarter budgeted cash receipts or the previous quarter actual cash receipts.</p> <p>The items included in the own source revenue receipt calculations include:</p>

	<ul style="list-style-type: none"> • Rates and annual charges (but not the receipt of deferred rates and annual charges) • User charges and fees (but not the receipt of deferred fees and user charges) • Other revenue eg parking revenue, fines, rental income, and • Interest and investment income. <p>For the purposes of calculating whether a council is in financial distress or not, capital and operating grants are not included in the calculations. The return will be based on general fund and not consolidated revenue.</p> <p>OLG will assess each councils' level of distress and confirm councils' eligibility.</p>
<p>Which parts of the funding package may only be accessed by councils that are a member of a joint organisation (JO) and supporting their JO for the next two years?</p>	<p>Councils that are a member of a joint organisation (JO) are required to continue to fund their JO, as specified in Clauses 397L and 397B of the <i>Local Government (General) Regulation 2005</i>, for a period of two years as part of the package.</p>
<p>How can councils continue to support their JOs?</p>	<p>JOs can provide a strong regional voice for councils and ensure that NSW Government agencies are well placed to provide funding and projects that will support the region's strategic priorities. Councils can continue to support their JOs through active engaged participation and the provision of financial support through membership fees and in-kind support. Many councils are reaping the benefits of belonging to a successful JO, and others are working with their JOs to increase their capacity to deliver outcomes for their councils and communities.</p>
<p>My council isn't part of a JO, does that mean it won't get the funding? Does it mean my council needs to join a JO?</p>	<p>Councils that are not currently a member of a JO will be eligible for funding as long as they meet other criteria. Membership of a JO is voluntary, and no council will be required to join a JO to be eligible for funding. However, councils that are members of a JO will need to work with member councils to continue to fund their JO for a period of two years as a condition of funding. The NSW</p>

	Government continues to support JOs and encourages all councils to join their JO so that they and their communities can benefit from the advantages a strong JO brings to the region.
Why is the State Government not doing more to support council operations?	The NSW Government has delivered a support package to NSW councils worth \$112.5 million to ensure that valuable local jobs are safeguarded, and staff are retained to continue to serve the community. This is on top of the funding already provided to councils to help to keep childcare and family day care services open. The package also includes \$32.76 million to fund the increase in the emergency services levy for all councils in 2020-21. Importantly, the package will ensure that important infrastructure projects are delivered. These projects create much-needed jobs and investment and support local businesses.
Council Job Retention Allowance	
How much is the Council Job Retention Allowance?	<p>The job retention allowance is a payment to council staff by their employer of \$858.20 per week for an aggregate period of three months where there is no useful work for the staff member due to COVID-19. This amount was negotiated by the parties to the Award in the Splinter Award. The NSW Government has allocated \$112.5 million to contribute to councils' cost of providing the Council Job Retention Allowance to eligible employees after the State's councils were deemed ineligible for the Commonwealth's JobKeeper Payment.</p> <p>The State-funded Council Job Retention Allowance payment of \$1,500 per fortnight per employee for eligible employees will be paid to councils for three months to qualifying staff working in the NSW local government sector.</p>
Which councils and council staff are eligible to access the State-funded allowance?	The following eligibility requirements apply:

	<ul style="list-style-type: none"> • Council needs to be covered by the Splinter Award or equivalent agreement with relevant industrial unions in order to access the State Government-funded Council Job Retention Allowance • To qualify for NSW Government support, the employee must have received their full entitlement to Paid COVID-19 Special Leave under the Splinter Award (funded by council) which is an aggregate amount of four weeks • Councils will need to be projecting or demonstrate a 30 per cent reduction in own-source revenue each quarter, commencing with the 4th quarter of 2019-20, to be eligible for funds. If councils have claimed funding for a quarter and subsequently significantly exceed this revenue target, they may be required to repay all or part of that quarter's amount • Staff performing key functions (including general managers, senior staff, and roles in planning, waste collection, childcare, water and wastewater) are ineligible from accessing the State Government-funded Council Job Retention Allowance, even if these employees are redeployed to other roles. This is because these employees are already required to work in providing vital services that are important to the ongoing functioning of the community. <p>*Note: Childcare has already been provided with additional State funding to keep their services operating.</p>
<p>How will the funding be administered?</p>	<p>The funding will be administered by OLG with councils being paid monthly in arrears and required to comply with the financial distress conditions. OLG will issue further information on how the financial distress criteria are to be calculated. Following the gathering and analysis of this information from councils, OLG will contact councils to discuss agreements and any other necessary information.</p>
<p>What is the commencement date for funding to be available?</p>	<p>The funding is available from the date the council became covered by the Splinter Award or equivalent instrument. The Job Retention Allowance Payment to councils commences once councils meet the access criteria.</p>

<p>How long can councils access the allowance?</p>	<p>Qualifying staff will be provided with a State-funded subsidy of \$1,500 per fortnight to cover eligible employees who are unable to be provided work due to the COVID-19 pandemic for up to a total of three months after they have accessed their full entitlement to four-weeks paid leave under the Paid COVID-19 Special Leave provisions of the Splinter Award (funded by local councils). Further guidance will be provided about which staff qualify for the allowance.</p>
<p>Why is the Government only funding \$1,500 not the full cost of payments?</p>	<p>The \$1,500 per fortnight subsidy is consistent with the level of the Commonwealth JobKeeper Payment.</p>
<p>Why is the funding only available for three months when the Commonwealth JobKeeper package provides six months of assistance?</p>	<p>The three-month funding period is consistent with the provisions of the Splinter Award negotiated by Local Government NSW (LGNSW) and industry unions.</p>
<p>What are qualifying frontline staff? Can all council staff access the allowance?</p>	<p>It is ultimately a matter for councils to determine which staff are eligible and in most need within the parameters of the allowance criteria. While most council staff are eligible, staff performing key functions (including general managers, senior staff, and roles in planning, waste collection, childcare, water and wastewater) will not be funded by the NSW Government, although the council can choose to cover the full cost. The exemptions are to encourage councils to maintain vital services for communities. Councils cannot redeploy these employees to make them eligible for the State-funded allowance. Further guidance will be provided on which staff perform key functions for the purposes of the allowance.</p>
<p>Which staff are not eligible for NSW Government support?</p>	<p>General managers, senior staff, and roles in key functions including planning, waste collection, childcare, water and wastewater are not eligible for State-funded support. It should be noted that the NSW Government is not paying staff but instead subsidising councils for the cost of a payment</p>

	<p>they are required to make in certain circumstances under the Splinter Award. Councils can still choose to move these employees onto the Job Retention Allowance under the Splinter Award, but the State will not contribute to the cost of the allowance. Further guidance on this matter will be issued to councils.</p>
<p>How are key functions defined?</p>	<p>Key functions are areas of council and staff which are continuing to deliver the core council and utility services the local community requires to remain functioning during the COVID-19 pandemic. This includes services related to waste, water, sewerage, and planning or where care is provided to a vulnerable person, for example, aged, health, childcare and social services. Further guidance will be issued to councils on key functions.</p>
<p>I am working in a key function. What support is being provided to me?</p>	<p>While many council staff are eligible for a State-funded allowance, staff performing key functions (including general managers, senior staff, and planning, waste collection, childcare, water and wastewater) are exempt from accessing the State-funded allowance. The Splinter Award and Job Retention Allowance only apply to council staff whose job is affected or disrupted by COVID-19 and are unable to perform normal duties and normal work hours or redeployed into another suitable role. The exemptions are to encourage councils to maintain vital services for communities. If your role is not eligible for State-funded assistance but your council places you on the Job Retention Allowance under the Splinter Award, you will still be paid the allowance but the State will not contribute to the cost incurred by your employer.</p>
<p>What support is available for childcare workers?</p>	<p>Childcare workers are ineligible to access the State-funded allowance. Councils can still move childcare staff onto the Job Retention Allowance under the Splinter Award, and they will still be paid the allowance, but the State will not contribute to the cost incurred by the council.</p> <p>In April 2020, the NSW Government announced up to \$82 million to support 260 council-run childcare centres not eligible for the JobKeeper Payment. This new funding will provide councils with certainty during this challenging time, ensuring childcare educators can be confident they will</p>

	<p>remain employed. The new funding also means community preschools and council childcare centres should remain open, unless they are closed on health advice.</p>
<p>What if staff performing key functions have been redeployed into other roles?</p>	<p>While most council staff are eligible, certain staff performing key functions (including general managers, senior staff, and roles in planning, waste collection, childcare, water and wastewater) are exempt from accessing the State-funded allowance. The exemptions are to encourage councils to maintain these vital services for communities. Councils cannot redeploy these staff to make them eligible for the State-funded payment.</p>
<p>If a council moves an ineligible staff member onto the Job Retention Allowance will they still get paid?</p>	<p>Yes, the council will be obliged to pay the staff member in accordance with the Splinter Award. However, the council will not receive funding by the NSW Government for that position.</p>
<p>For staff and activities that are not performing key functions, does this mean the Government does not believe these services and functions are not essential and should not be undertaken?</p>	<p>The NSW Government recognises the vital role councils play in their communities and is only too aware of the significant financial and operational impacts of the COVID-19 pandemic on our State's local councils. Councils are a critical part of the NSW economy, especially in many regional and rural towns where they are the largest employers. The State Government wants to encourage all councils to maintain services to the maximum extent possible while maintaining compliance with the relevant Public Health Orders, in consultation with their community, where possible. However, the NSW Government has identified key functions that are ineligible for funding if stood down to ensure that all parties understand the importance of these roles and functions.</p>
<p>What about the staff already laid off?</p>	<p>The Job Retention Allowance subsidises councils for the payments they make to council staff that are eligible for assistance under the Splinter Award.</p> <p>As the Splinter Award does not apply to council staff who are no longer employed by the council, councils cannot receive the Job Retention Allowance for former employees.</p>

<p>Land use planning activity has ground to a halt. Why can't a council stand down these employees?</p>	<p>The NSW Government is committed to supporting economic activity during the pandemic and this is why so much is being done to keep construction activity moving. Infrastructure and housing will play a key role in the economic recovery of the State after the pandemic. Maintaining a pipeline of projects for the State's recovery from the pandemic relies on the planning system continuing to deliver outcomes during this period.</p>
<p>What is the Splinter Award – what does it entail?</p>	<p>The Splinter Award, which will apply for 12 months, was negotiated by LGNSW (on behalf of NSW councils) and the relevant local government unions to protect thousands of local government jobs put at risk by the COVID-19 pandemic.</p> <p>The Splinter Award operates in addition to the Local Government (State) Award 2017 and to any registered Enterprise Agreements a council has in place. Under the Splinter Award, councils are required to look for other suitable work for their staff whose usual jobs have been impacted by mandatory closures or other changes. Where this is not possible, council staff are entitled to up to a total of four weeks of paid COVID-19 Special Leave at their normal pay rate to cover any period where no work can be provided and then to be paid a weekly job retention allowance of \$858.20 for a total period of three months (13 weeks). The Splinter Award is not mandatory but councils may voluntarily sign up. A full list of participating councils can be found here.</p> <p>Note: the periods referred to are not inclusive of any days/hours the employee has worked.</p>
<p>What if a council has not signed up to the Splinter Award? Will staff still get the payment?</p>	<p>To access the State-funded allowance councils need to have signed up to the Splinter Award or equivalent instrument. OLG will consider providing funding to councils with local industrial arrangements on a case by case basis, but they must operate in the same manner and be agreed with all relevant industrial organisations. The NSW Government is not paying council staff, it is subsidising councils for the cost of a payment they are required to make in certain circumstances under the Splinter Award.</p>

<p>Who are the parties to the Splinter Award?</p>	<p>The parties to the Splinter Award are:</p> <ul style="list-style-type: none"> • Local Government NSW • Aged and Community Services Australia (ACSA) • United Services Union (USU) • Local Government Engineers' Association (LGEA) • Development and Environmental Professionals' Association (DEPA) • NSW Nurses and Midwives Association (NSWNMA) • Electrical Trades Union of Australia, New South Wales Branch (ETU) • Health Services Union (HSU).
<p>What if the parties to the Award change the Splinter Award or negotiate a new Award that changes the rate or access to the Job Retention Allowance?</p>	<p>The NSW Government is providing this money to local councils to support their employees and communities in good faith. The Government expects all parts of the local government sector to similarly act in good faith.</p> <p>The NSW Government retains the right to modify the scheme if the parties to the award vary the award in a manner that has a material adverse effect on the NSW Government's liability or commitment to fund certain payments.</p>
<p>Won't this encourage councils to move staff onto the Job Retention Allowance?</p>	<p>The Splinter Award contemplates that the Job Retention Allowance is a last resort, only after all attempts at redeployment have been exhausted. Council staff concerned that they are not being offered adequate opportunities to be redeployed should raise this with their manager or local industrial representative.</p>

<p>Will casual staff be eligible for the payment?</p>	<p>The Splinter Award does not provide a job retention allowance for casual staff or staff employed under a term contract.</p>
<p>Will the State fund all staff that are stood down under the Splinter Award?</p>	<p>The State will fund councils for all staff on the Job Retention Allowance that meet the eligibility criteria, except those frontline staff that are exempt from accessing the State-funded allowance (including general managers, senior staff, and roles in planning, waste collection, childcare, water and wastewater).</p>
<p>Why do council workers get more than the Commonwealth JobKeeper payment?</p>	<p>The Splinter Award was negotiated between LGNSW and industry unions. The level of the Job Retention Allowance was agreed between these parties. However, the NSW Government is only funding eligible councils with an amount equivalent to the Commonwealth JobKeeper payment, and councils will need to ‘top up’ this amount to the amount prescribed under the Splinter Award.</p>
<p>Emergency Services Levy (ESL)</p>	
<p>Why is the Government making ESL grants to councils?</p>	<p>The Government understands now more than ever the importance of supporting our emergency services. Unfortunately, local councils simply cannot afford increased costs in the wake of COVID-19, bushfires and drought. These grants will enable local councils to redirect funds to vital services and deliver financial support (through rate and fee relief) for local businesses and communities.</p>
<p>Why pay for the value of this year’s increase?</p>	<p>Our emergency services have long been funded through a cost sharing arrangement between insurers, councils and the Government. Councils will have budgeted for expected increased ESL contributions in their operational plans and financial planning for this year based on last year’s invoices. The Government is stepping in to meet any ESL cost increases councils may not have anticipated to ensure that councils’ available funds are fully directed towards supporting delivery of essential services to their communities at this time.</p>

What is the total value of local government ESL contributions for 2020-21?	Local government contributions to ESL will total \$178.28 million for 2020-21.
How much has the total value of these contributions increased since 2019-20?	The total value of these contributions has increased by \$32.76 million since 2019-20.
Why are council invoices increasing again?	The contribution of local councils will rise next financial year, primarily to pay for new workers' compensation arrangements for firefighters with cancer. This significant increase reflects the full-year impact of the legislation introduced to better support firefighters with cancer.
When will councils receive their invoices for 2020-21?	Revenue NSW will issue invoices to local government shortly.
How much has my council's invoice increased by?	Councils will be able to receive advance notice of their invoice amounts by contacting their OLG Council Engagement Manager. However, the NSW Government has committed to meeting these increased costs for 2020-2021.
How much will my council receive from the Government?	Councils will receive a grant to offset the amount that their invoices have increased by between 2019-20 and 2020-21. The NSW Government will fully fund the \$32.76 million increase in the emergency services levy for all NSW councils for 2020-21. Councils will be required to pay their ESL invoices to Revenue NSW, and OLG will pay a grant to councils in the first quarter of 2020-21 to cover the 2020-21 increase in the contribution.
When will the payments be made?	Payments will be made by OLG to councils in the first quarter of 2020-21. This early grant payment will provide councils with a much-needed cashflow stimulus.

<p>Does this mean the Government will continue to fund annual local government ESL contributions?</p>	<p>No. Our emergency services have long been funded through a cost sharing arrangement between insurers, councils and the Government. These grants acknowledge that local councils simply cannot afford this financial impost in the wake of COVID-19, bushfires and drought as they focus on providing essential frontline services to their local communities.</p>
<p>Are councils obliged to pay their levy invoices? Will they have to return the grant money if they do not?</p>	<p>By law local councils must pay their ESL invoices. Grants for each council will also be provided on the condition that it is used to pay their ESL invoices.</p>
<p>Does this mean ESL contributions from insurers are also going up? How will that impact local ratepayers?</p>	<p>The cost of emergency services has increased in NSW and insurers, councils and the Government will each pay higher levies to fund these services. Property owners that hold insurance should speak to their insurer about their premiums.</p>
<p>What has the Government done to address the timing issues? Didn't the Government commit to fixing this?</p>	<p>The Government acknowledges the need to provide earlier notice to councils and that the timing issue has been problematic for councils for a number of years. The Government is continuing to work towards a solution to enable the State and local council budgetary processes to work more smoothly.</p> <p>The Government has extended the time for councils to prepare their 2020-21 operational plans and budgets by one month. It has also provided a significant amount of funding to councils to help with the transition to the increased cost.</p> <p>IPART has also improved the calculation of the ESL component of the Local Government Cost Index, which allows the ESL increase to be reflected in the rate peg calculation more quickly.</p>
<p>Low cost loans to councils</p>	
<p>Which councils can access TCorp low cost loans? What about Far West councils or what if councils have not met the</p>	<p>The Government is expanding eligibility to allow any council to access the TCorp low cost loans facility for the next six months, effective immediately. This means that Far West councils, and those councils that previously had not met the Government's financial sustainability criteria are now able to access TCorp, subject to meeting TCorp's credit criteria. To access the low cost</p>

<p>Government's financial sustainability criteria?</p>	<p>loans, councils are encouraged to contact the TCorp Local Government Services team to discuss their requirements, read the 'Loan Facilities for Local Councils - Guidelines' and complete the Loan Facility Application Form and submit it to TCorp, along with the required documentation.</p>
<p>Why have councils only been given six months to access TCorp?</p>	<p>This is a concession made by the NSW Government to provide temporary assistance for all councils. All councils should have the opportunity at this time to fund suitable infrastructure projects as part of kickstarting economic recovery in their local community.</p>
<p>Does a council have to take out the loan for six months?</p>	<p>Terms of up to 20 years are available through TCorp.</p>
<p>What are the lending criteria to access the loans?</p>	<p>TCorp will assess loan applications using standard credit criteria, including a review of investments, based on a council's audited financial statements for the last five years, current 10-year long term financial plan and capital expenditure program, integrated planning and reporting documents, investment and debt policies and current investment reports. Councils are encouraged to contact TCorp's Local Government Services team to discuss their requirements, and read the 'Loan Facilities for Local Councils - Guidelines'.</p>
<p>Will the Government relax the borrowing criteria for TCorp?</p>	<p>TCorp has an independent credit committee that sets its credit policies to maintain an appropriate risk exposure.</p>
<p>Are there any moratoriums on certain projects to be funded by TCorp loans?</p>	<p>The NSW Government is placing a two-year moratorium on using TCorp loans for capital works on council chambers and administration buildings. This is to ensure infrastructure projects directly benefit local residents and businesses.</p>
<p>Can a council still build its civic centre with council funding or external borrowings?</p>	<p>Yes, provided that council has planned and documented its intention to do so in its suite of integrated planning and reporting documents. However, councils should carefully consider if these projects</p>

	will provide the best use of ratepayers' funds for the community during the COVID-19 pandemic and the subsequent economic recovery. The NSW Government encourages all councils to prioritise investment in economic and community infrastructure, such as roads and bridges.
Can my council use TCorp to borrow for operational expenditure? Can TCorp assist with cash flow?	No. TCorp loans are available for approved community and economic infrastructure, which form part of a council's annual capital expenditure program, such as roads, buildings, stormwater drainage, and water and sewerage networks. Councils should contact TCorp's Local Government Services team if they are unsure whether assets planned for acquisition, upgrade or replacement will qualify.
How does council access the TCorp's deferral of principal and interest payments?	TCorp will, when requested, also provide principal and interest payment deferrals to any council with existing loans for the next six months, commencing immediately. Deferred interest and any associated costs will be capitalised as part of the council's loan.
Can council access commercial finance?	Councils seeking to access commercial finance can apply to have the Treasurer provide a "Deed of Indemnity for and on behalf of the Crown in right of the State of NSW". This will be conditional upon Treasury's assessment, analysis and approval. This guarantee will increase the availability and reduce the cost for those councils seeking to borrow from banks and other private sector credit providers. There is no obligation for councils to borrow from TCorp. Borrowing from TCorp is an option that the Government has made available to councils in NSW to assist with the cost of borrowing. Any council can still choose to access commercial finance providers.
Why is the Government forcing money away from local building societies by forcing councils to use TCorp?	There is no obligation for councils to borrow from TCorp if they do not want to meet the conditions of borrowing. Borrowing from TCorp is an option that the Government has made available to councils in NSW to assist with the cost of borrowing. Councils can still access private sector lenders, potentially with a government guarantee.

<p>What funding is available if my council cannot meet the borrowing requirements of TCorp?</p>	<p>Councils seeking to access commercial finance can apply to have the Treasurer provide a “Deed of Indemnity for and on behalf of the Crown in right of the State of NSW”. This will be conditional on Treasury’s assessment, analysis and approval. This guarantee will increase the availability and reduce the cost for those councils seeking to borrow from banks and other private sector credit providers.</p>
<p>Can council borrow against restricted funds?</p>	<p>No. Restricted funds are protected by law and can only be used for specific purposes and infrastructure.</p>
<p>Two-year moratorium on using TCorp loans for civic centres</p>	
<p>Why has this measure been introduced?</p>	<p>This will ensure that council resources are directed to essential expenditure on assets like roads and bridges, waste, sewerage, water and other transport infrastructure, which must continue to be provided to protect public health and safety or key community infrastructure. This is necessary given the financial challenges councils are facing and reduces unnecessary borrowing, which would need to be paid for by current and future ratepayers.</p>
<p>What types of buildings does it apply to?</p>	<p>TCorp loans will not be approved for capital works on council assets that are public buildings that are primarily used for administrative or decision-making purposes, including council chambers.</p>
<p>What are capital works?</p>	<p>The moratorium includes loans to finance capital expenditure, including the purchase of new assets as well as any renewal, renovation or rehabilitation works on relevant buildings.</p>
<p>When does this begin?</p>	<p>TCorp will not accept or assess any applications for works to which this moratorium applies. This policy comes into effect on and from 25 April 2020.</p>

When does this end?	The moratorium is for a two-year period. TCorp will not accept any new applications for works to which this moratorium applies until Monday, 25 April 2022.
Are there any exceptions?	Limited exceptions will apply to councils in financial distress in relation to emergency works and repairs required due to unforeseen failures, natural disasters and similar emergencies.
Does this apply to existing TCorp loans?	No. The moratorium applies to any loan for which an application is approved on or after 26 April 2020.
Can county councils access TCorp loans? If so, does the moratorium apply?	All councils and county councils are now able to access these low-cost loans for a period of six months if they meet the TCorp borrowing conditions. The moratorium applies to all Local Government Act entities that obtain loans.
Is there an exception for capital works set out in a council's integrated planning and reporting documents?	No. The moratorium applies whether or not the capital works are specified in an operational plan or delivery program.
Can these works be undertaken with other council finances?	Councils are strongly discouraged from undertaking capital works on council buildings primarily used for administrative or decision-making purposes. Council resources should be directed to providing economic infrastructure by investing in assets like roads and bridges, waste, sewerage, water and other infrastructure which must continue to be provided to protect public health and safety.
What happens for buildings affected by the moratorium when funding has already been provided?	Existing loan commitments will continue to be met. However, any loans within the process of approval will no longer be eligible.

<p>Does the moratorium apply to commercial loans where a Treasurer’s Deed is sought?</p>	<p>Councils are strongly discouraged from undertaking capital works on council buildings primarily used for administrative or decision-making purposes. Council resources should be directed to providing economic infrastructure by investing in assets like waste, sewerage, water and transport infrastructure, which must continue to be provided to protect public health and safety.</p>
<p>Indemnity</p>	
<p>Why is the NSW Government offering the indemnity for councils?</p>	<p>Councils seeking to access commercial finance will be able to, conditional on Treasury’s analysis and approval upon application, and subject to assessment by Treasury, have the Treasurer provide a “Deed of Indemnity for and on behalf of the Crown in right of the State of NSW”. This will increase the availability and reduce the cost for those councils seeking to borrow from banks and other private sector credit providers. This is an important mechanism for councils that may need immediate operational or cashflow assistance as well as those that cannot meet the borrowing criteria of TCorp.</p>
<p>Is the indemnity only for the pandemic</p>	<p>These are temporary measures designed to assist councils deal with the impact of the COVID-19 pandemic only.</p>
<p>Other</p>	
<p>What further funding is the Government considering for local government? What about infrastructure grants?</p>	<p>This package will give councils breathing space to adjust their structures and operations to be in a better position to effectively serve their communities during the ongoing COVID-19 crisis. Each level of government needs to play their part in dealing with the economic and social impacts of COVID-19, and this package supports local government to do their part.</p>

How can a council get funding if it has a shovel ready project that would be perfect for economic rebuilding?

The NSW Government has made a record investment in community infrastructure throughout metropolitan and regional NSW. Since 2011, the NSW Government has provided more than \$9 billion to councils to deliver and improve local infrastructure, services and facilities for their communities and it is important that councils continue with vital projects as a result of their own or the Government's investment. In relation to COVID-19 alone, we have already committed billions of dollars to economic stimulus, including \$82 million for council-run childcare centres and \$25 million for councils to rebuild and refurbish infrastructure for local showgrounds. There are also a range of grant and infrastructure funding opportunities available for councils across NSW, which remain open.