

Ordinary Meeting

Meeting Date: Tuesday, 25 September, 2018

Location: Council Chambers, City Administrative Building, Bridge Road, Nowra

Attachments (Under Separate Cover)

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2018 Election of Deputy Mayor

Under the provisions of Section 231 of the Local Government Act 1993 the Councillors may elect a person from among their members to be the Deputy Mayor.

Nomination

- a) The nomination is to be made in writing by two (2) or more Councillors (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing.
- b) The nomination is to be delivered or sent to the Returning Officer, Director Finance Corporate & Community Services – Stephen Dunshea by 12pm Midday on Tuesday 25 September 2018.

However, this does not preclude nominations being lodged without notice.

Should there be more than one candidate Council may elect to proceed by preferential ballot or ordinary ballot (show of hands).

Nomination Form – Deputy Mayor

We the undersigned nominate Councillor _____ for election as Deputy Mayor.

Nominating Councillors

Name	Signature
_____	_____
_____	_____
_____	_____

I _____ by my signature below hereby consent to this nomination as Deputy Mayor.

Signature

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CL18.225 - Attachment 2

2018 Election of Assistant Deputy Mayor

Under the provisions of Section 231 of the Local Government Act 1993 the Councillors may elect a person from among their members to be the Assistant Deputy Mayor (if required).

Nomination

- a) The nomination is to be made in writing by two (2) or more Councillors (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing.
- b) The nomination is to be delivered or sent to the Returning Officer, Director Finance Corporate & Community Services – Stephen Dunshea by 12pm Midday on Tuesday 25 September 2018.

However, this does not preclude nominations being lodged without notice.

Should there be more than one candidate Council may elect to proceed by preferential ballot or ordinary ballot (show of hands).

Nomination Form – Assistant Deputy Mayor

We the undersigned nominate Councillor _____ for election as Assistant Deputy Mayor.

Nominating Councillors

Name	Signature
_____	_____
_____	_____
_____	_____

I _____ by my signature below hereby consent to this nomination as Assistant Deputy Mayor.

Signature

1. Risk & Audit Committee

Meetings per year – 5 & others as required Commencement time – 4pm	Quorum – Three (3) – including 1 Councillor & 1 External member
Objective The objective of the Risk and Audit Committee is to provide independent assurance and assistance to Shoalhaven City Council on risk management, control, governance, and external accountability responsibilities.	
Chairperson - Independent Member appointed by Committee	
2017-2018 Councillor / Staff Membership Clr Joanna Gash Clr Patricia White Clr Annette Alldrick (Alternate)	2018-2019 Councillor / Staff Membership
Independent Community Representatives Dr Philip Ross – Chairperson – independent person (until 31/12/18) - Ms Diana Price – independent person (until 31/12/19) Mr Peter McLean - independent person (until 31/01/20)	
Sitting Fee for Community Members Monthly payment of \$250 on the proviso 80% of meetings are attended <u>plus</u> a travel per kilometre allowance based on the Councillor rates for external members only.	

2. Regional Development Committee

Meetings per year – As Required No set commencement time	Quorum – Three (3)
Objective: To consider staff reports sent to the Joint Regional Planning Panel	
Delegation: To make determinations in support or otherwise in relation to reports sent to the Joint Regional Planning Panel, including making representations to the Joint Regional Planning Panel.	
Chairperson – Appointed by Council	
2017-2018 Membership Cllr Findley (Chairperson) All Councillors General Manager or nominee	2018-2019 Membership

3. Senior Staff Contractual Matters Committee

<u>Meetings per year</u> – As required No set commencement time	<u>Quorum</u> – Five (5)
Purpose and Delegated Authority The Committee be delegated authority under Section 377 of the Local Government Act to: <ol style="list-style-type: none"> 1. Review the General Managers performance against the agreement, at least annually. 2. Deal with matters relating to requirements of the contract including the annual review of remuneration and to make any determinations where necessary. 3. Receive the General Manager's annual reports on other Senior Staff contracts where Council is required to deal with contractual matters. 4. Consider and determine : <ul style="list-style-type: none"> • The organisational structure. • Industrial Relations Policy. • Other staff matters requiring Council consideration 	
Chairperson – Appointed by Council	
2017-2018 Councillor / Staff Membership Mayor Clr Findley (Chairperson) All Councillors General Manager	2018-2019 Councillor / Staff Membership Clr (Chairperson)
<u>Sub- Committee to undertake Delegations</u> <u>1&2:</u> CHAIRPERSON - Mayor Deputy Mayor (Clr White) Clr Gartner Clr Gash Clr Proudfoot	<u>Sub- Committee to undertake Delegations</u> <u>1&2:</u> Clr (Chairperson)

CL18.229 - Attachment 1

4. Aboriginal Advisory Committee

<p>Meetings per year – Four (4) Commencement time – 4pm</p>	<p>Quorum – Five (5) Terms of Reference: POL16/172: Amended: 28 February 2017</p>
<p>Purpose To provide appropriate and considered advice to Council on all relevant issues affecting Aboriginal and Torres Strait Islander people within the Shoalhaven LGA, and to influence Council's support & intent in achieving their objectives for the current Statement of Commitment 2010 (SoC) and the Shoalhaven City Council Community Strategic Plan 2023 (SCCSP).</p> <p>Role of the Committee All members are encouraged to become actively involved in the business of the AAC and to be an advocate between community and Council. The role of the Committee is:</p> <ul style="list-style-type: none"> • To advise Shoalhaven City Council on necessary issues relating to Aboriginal communities in the LGA. • Promote and increase knowledge & understanding of Aboriginal society, history & culture in the LGA. • Facilitate access and accessibility to services and facilities for Aboriginal people. • Advise on the development and implementation of the Shoalhaven City Council Community Strategic Plan. • Develop strong collaborative partnerships between Aboriginal communities and Shoalhaven City Council. • Maintain strong links between Council and Aboriginal communities throughout the Shoalhaven to accomplish the relationships and outcomes required for genuine reconciliation. • Foster and safeguard a spirit of mutual trust and respect which allows the AAC and Shoalhaven City Council to work together in their commitment towards intelligent, well informed decision making processes that are sensitive to all Aboriginal issues. • Recognise, support & uphold past and present local cultural heritage and its place in future Council directions. • Remain a meaningful 'place' for the communication of messages and information from Aboriginal community voices that identify local needs for services, facilities and activities. • Support and promote significant celebrations and events within the Shoalhaven Aboriginal and Torres Strait Islander community. 	
<p>Delegation – NIL</p>	
<p>Chairperson & Co-Chairperson – Appointed by Committee</p>	
<p>2017-2018 Councillor / Staff Membership Clr Cheyne Clr Levett Clr Kitchener – Co-Chairperson Clr Proudfoot General Manager or nominee</p>	<p>2018-2019 Councillor / Staff Membership</p>
<p>Community Representatives Sue Cutmore (Chairperson); Janet Atkins; Sylvia Timbery; Patricia Lester; Shane Brown; Leonie Ebzery; Noel Wellington; Paul McLeod; Charlie Ashby; Janaya Hennessy; Morgan Blakeney; Valda Corrigan (NPWS); Sharlene Cruickshank (Nowra LALC); Rebecca Woods (Jerrinja LALC); Paul Keith (Ulladulla LALC)</p>	

5. Business & Employment Development Committee

Meetings per year – Four (4)	Quorum – Six (6)
Commencement time – 4pm	Terms of Reference: Nil
Purpose <ul style="list-style-type: none"> To assist in the implementation of the Economic Development Strategy and monitor and report on performance. Support the expansion of industry activities within the Shoalhaven, across all sectors. Encourage the location of new industries in the region which will lead to an increase in the number of employment opportunities for the residents of the region Grow the socio economic base of the Shoalhaven. Examine and review employment development strategies and report on initiatives to carry their strategies forward. 	
Delegation – NIL	
Chairperson – Appointed by Committee	
2017-2018 Councillor / Staff Membership	2018-2019 Councillor / Staff Membership
All Councillors General Manager or Nominee	
Organisational Representatives John Lamont (Regional Development Australia) - Chairperson; Member for Gilmore Ann Sudmalis MP or nominee; Member for South Coast Shelley Hancock MP or nominee; Member for Kiama Gareth Ward MP or nominee; Robert Crow (Shoalhaven Tourism Advisory Group); Alison Chaim (Shoalhaven Arts Board); David Goodman (Shoalhaven Business Chamber); University of Wollongong Shoalhaven Campus (Vacant); NSW Department of Industry (Vacant); Milton Ulladulla Business Chamber (Vacant); Fiona Hatcher (Regional Development Australia); Kate Morris (NSW TAFE Bomaderry Campus – Manager); Ian Morris (Secondary Schools Representative); Scott Inman / Graham Baxter (Southern Regional Business Enterprise Centre), Steven Bayer, Peter Masterson (Shoalhaven Professional Business Association); Department of Industry, Innovation and Science, Representative – Manufacturing (Vacant); Representative – Defence (Vacant); Representative – Construction (Vacant)	
Community Representatives Three (3) Community Representatives - Lexie Meyer; James Coburn; Mary-Jean Ardent, Steve Prothero.	

6. Children's Services Reference Group

Meetings per year – Four (4) (1 being an Annual Planning Day)	Quorum – Five (5)
Commencement time: 4pm	Terms of Reference: POL17/84 <u>Amended: 24 October 2017</u>
Purpose The Children's Services Reference Group (Group) advises Council on issues relating to the education and care of children aged 0 – 12 years. It acts as a channel to advise Council on new issues and developments affecting these children. The Group also shares information on issues affecting children, families and their communities, advocates for inclusive environments and practices for all children and families in the Shoalhaven. The Group develops and implements a collaborative child friendly cities plan for the Shoalhaven.	
Delegation – NIL	
Chairperson – Appointed by the Committee at the annual planning day	
2017-2018 Councillor/Staff Membership Clr Gartner (Chairperson) Clr Cheyne (alternate Chairperson) All Councillors	2018-2019 Councillor/Staff Membership
Community Representatives Col Waller (Noah's Shoalhaven); Leisa King (Mundamia Early Learning Centre – Noah's Shoalhaven); Family Day Care rep – Cathy Ryman; Melissa Wicks (Illawarra Area Child Care/The Basin Preschool); Carmen Carter (Culburra Preschool); Kimberlie Johnson (Pelican Point Preschool); Kim Stouse-Lee (Shoalhaven Community Preschool); Belinda Hibbert (Lyrebird Preschool); Tara Leslie (Cullunghutti Aboriginal Child & Family Centre); Pam Arnold (Nowra Family Services); Michelle Wozatka (Anglicare); Ian Patrick (South Coast Medical Services Aboriginal Corporation); Clarita Ferreira (Kids Korner); Amelia Harrison (Waminda); Julie Parkinson (Nowra Community Health Centre – Health Promotion Officer); Linda Windley, Loretta Walton & Christina Barrett (Community Representatives)	

7. Council Bushcare Representatives Group

Meetings per year – As required	Quorum – Five (5)
Commence time – 4.00pm	Terms of Reference: Nil
Purpose: To act as an advisory group on all matters relating to the future directions of the Bushcare Policy and program	
Delegation – NIL	
Chairperson – Appointed by the Council	
2017-2018 Councillor Staff Membership Clr White (Chairperson) All Councillors	2018-2019 Councillor/Staff Membership Clr >> (Chairperson)
Community/ Organisational Representatives 7 Bushcare Group Representatives – Frances Bray; Mike Clear; Tony Jennings; Bryan Lenne; Bill Pigott; Kelly Cowlishaw; Len White Jason Carson (Local Land Services); Office of Environment & Heritage Representative (Vacant)	

8. Homelessness Taskforce Shoalhaven

Meetings per year – Four (4) Commencement time: 4pm	Quorum – Eight (8)
	Terms of Reference: POL17/77 Amended: 15 August 2017
Purpose To provide appropriate and considered strategic advice on homelessness and related issues that can be dealt with at Council level. The Taskforce will work with Council to address issues, develop options and assist with the identification of preferred solutions as part of Council's decision making process.	
Role of the Committee The role of the Homelessness Taskforce is:- <ul style="list-style-type: none"> • Provide Council with strategic advice on homelessness and related issues that can be dealt with at a Local Government level. • Work with Council to address issues, develop options and assist with the identification of preferred solutions as part of Council's decision making process • Advise on the development and application of a Homelessness Strategic Plan • Provide comment on relevant Council policies and strategies • Advocate community views on homelessness issues 	
Delegation – NIL	
Chairperson – Appointed by the Committee	
2017-2018 Councillor/Staff Membership Cllr Findley (Chairperson) All Councillors	2018-2019 Councillor/Staff Membership
Community Representatives Tamie Harvie (Community member), Penni Wildi (Waminda), Wendy Woodward (Nowra Show Society/community volunteer), Deborah Ferrier (Community volunteer), Lesley Labka (SAHSSI – Shoalhaven Women's Homeless and DV Service), Wendi Hobbs (Shoalhaven Suicide Prevention and Awareness Network), Rev. Matthew Wilson (Nowra Uniting Church), Patricia David (Unions Shoalhaven), Peter Dover (Salt Ministries), Roslyn Poole (ISLHD - Homelessness Mental Health Program), Ashleigh Hudson (Mobile Response Vehicle coordinator), Max Zalakos (Nowra Baptist Church), Julie Bugden (Shoalhaven Homelessness Hub), Bernard Gleeson (St Vincent De Paul Nowra), Sharlene Naismith (Legal Aid), Natalie Beckett (HARP Unit – Sexual Health & Blood Borne Infections; and Aboriginal community member), Grant Johnson (Southern Cross Community Housing), Community Industry Group (formerly Illawarra Forum) (Vacant)	

9. Inclusion and Access Advisory Group

Meetings per year – Four (4) Commencement time – 11.00 am	Quorum – Five (5) Terms of Reference: POL18/7 Adopted 27 March 2018
Purpose: To inform, educate and advise Shoalhaven City Council, its staff and residents on accessibility and inclusion with the purpose of creating accessible and inclusive community infrastructure by: <ul style="list-style-type: none"> • Actively engaging with Council on policies, • Inputting on submissions and relevant legislation affecting accessibility and inclusion • Being a conduit for information and communication between community and Council, • Raising awareness in the Council, with its staff and in the community around inclusion and accessibility issues 	
Delegation – NIL	
Chairperson – Appointed by Committee and reaffirmed by Council	
2017-2018 Councillor/Staff Membership Cllr Cheyne (Chairperson) Cllr Alldrick (Alternate Chairperson) All other Councillors observers General Manager or Nominee	2018-2019 Councillor/Staff Membership
Community Representatives Jackie Kay AM; Bill Deaves; Neville Foord; Andrea Wallace; Theo Bagou; Arthur Ball; Nola Stephens; Annette Pham; Stephen Taylor; Chris Mitchell; Kylie Knight; Grace Kennedy Organisational Representatives: Member for Gilmore – Anne Sudmalis MP or nominee; Leonie Dippel (Shoalhaven Community Transport); Alex Collins (Vision Australia); Jodie Hoyer (Vision Impairment Australia); Mel Gorman (Spinal Cord Injuries Australia); Murray Hair (Occupational Therapy Department, Shoalhaven Hospital – non attending member); Deb McKenzie (FOCAS Shoalhaven); Paul Snudden (NDIS/LAC)	

10. Nowra CBD Revitalisation Strategy Committee

Meetings per year – Four (4) & others as required	Quorum – Five (5)
Commencement time – 4.00pm	Terms of Reference: POL18/22 Amended: 27 March 2018
Role of the Committee <ul style="list-style-type: none"> To direct the development and implementation of the Revitalisation Strategy for the Nowra CBD and review as appropriate. To determine overall capital works programs established by the Nowra CBD Revitalisation Strategy, as amended from time to time. To agree an annual capital works budget with council To identify and approve all expenditure of funds identified in the Nowra CBD Revitalisation Strategy, additional funds allocated by council for capital expenditure in the Nowra CBD including any loans, grants or from funds from any other source. To act as a communication conduit between Council and the CBD stakeholders in respect to the Nowra CBD Revitalisation Strategy with appropriate support from council as required. Assist council in advocating the adopted CBD Revitalisation Strategy to the community. Provide a report to council each year outlining progress towards achieving the goals set out in the CBD Revitalisation Strategy together with any recommendations for updating the Revitalisation Strategy. Consult with relevant stakeholders as needed. 	
Delegations: <ul style="list-style-type: none"> To expend funds allocated to the CBD Nowra Revitalisation Strategy Committee by Council within the approved budget. Budget adopted \$500,000. To establish sub Committees as deemed appropriate. To promote the advantages of the CBD inside and outside the area, including making press releases and promoting the Nowra CBD Revitalisation Strategy project. To raise funds other than rates and loans to fund the objectives of the Committee. To expend funds raised outside of Council as the Committee deems appropriate, e.g. promotions, entertainment etc. 	
Chairperson – Appointed by the Committee	
2017-2018 Councillor / Staff Membership Director of Assets and Works or delegate Director of Planning and Development or delegate All Councillors are non voting members	2018-2019 Councillor/Staff Membership
Community Representatives Two (2) community members: Wesley Hindmarch, vacant Two (2) land owners: James Caldwell (Chairperson), Annie Aldous Three (3) Business owner/operators: Scott Baxter, Brendan Goddard, George Parker One (1) Business retailer: Lynnette Kearney	

11. Rural Fire Service Strategic Planning Committee

Meetings per year – Two (2) – others as required	Quorum – Five (5)
Commencement time – 5.30 pm	Terms of Reference: Nil
Objectives: To advise Council on issues of a strategic and policy nature relating to the operation of the Rural Fire Services having regard to the following: <ul style="list-style-type: none"> • That the core communication between brigades and Fire Control Officer on operational issues be raised through the Group Officers utilising the committee structure. • All issues be raised through Fire Control so that statutory matters can be resolved immediately. • Policy matters raised can be referred to the Strategy and Assets Committee through the General Manager so that statutory matters can be resolved. • That the Strategic Planning Committee be developed as the body advising Council on Rural Fire Service policy issues 	
Delegation – NIL	
Chairperson – Appointed by the Council	
2017-2018 Councillor / Staff Membership Clr Pakes (Chairperson) Clr Kitchener Clr Gash General Manager or Nominee	2018-2019 Councillor / Staff Membership Clr (Chairperson) Clr Clr General Manager or Nominee
Community Representatives District Manager RFS – Mark Williams Staff Representative RFS – Chris Palmer Group Officer Primary Representative – Jennifer Lawther (Alternate – TBA) Group 1 Area Representative – Andrew Fielding (Alternate – Bob Johnston) Group 2 Area Representative – Vic Walker (Alternate – Jacqui Cox) Group 3 Area Representative – Martin Gaffey (Alternate – Ron Rollinson) Group 4 Area Representative – Paul Gleeson (Alternate – Geoff Phillips) Group 5 Area Representative – John Ashton (Alternate – TBA) Group 6 Support Brigades Representative – Bill Bean (Alternate – TBA) Operations Manager – Jervis Bay Territory Administration – Chris Baseler or nominee	

12. Shoalhaven Arts Board

Meetings per year – Four (4) per year Commencement time – 1.00pm	Quorum – Majority of the members Terms of Reference: POL16/267 Amended: 27 June 2017
Purpose: a) To contribute to and develop strategy and policy both for the Shoalhaven City Council as well as in alignment with the Region. b) To develop and implement policy, planning and vision for the broad arts within existing resources and use a co-opted panel of peers for professional advice. They include: <ul style="list-style-type: none"> • Visual Arts • Heritage and Museum Sector • Literature • Performing Arts c) Advocate and maintain specific arts related portfolios. d) Advocate and promote Board recommendations.	
Delegations: <ul style="list-style-type: none"> • Act within adopted budgets aligning with Council's strategic plans and document, and make recommendations on the arts to Council • Appoint suitable representatives to fill casual vacancies on a set term basis • Inform and recommend policy for arts related funding programs, and where required by Council, vote on related matters • Establish a peer panel of professionals, experts and practitioners across art forms, heritage and cultural platforms to be co-opted as needed for input and advice to the Shoalhaven Arts Board • Establish a Shoalhaven Arts Foundation: <ul style="list-style-type: none"> ○ To support the development and enrichment of broad arts across the Shoalhaven including visual, heritage, literature & performing arts ○ To ensure that the Foundation in its governance, membership and charter are independent/ and at arms-length from Council yet works in concert with the Shoalhaven Arts Board, Council and the community needs ○ To fundraise and develop a sustainable principal investment to generate ongoing grant funds <p>Relevant staff will work collaboratively with the Shoalhaven Arts Board to:</p> <ul style="list-style-type: none"> • Develop and implement activities to achieve objectives in line with the Shoalhaven Arts Board recommendations, the Council's policies and corporate plan 	
Chairperson – Appointed by the Board	
2017-2018 Councillor/ Staff Membership (Ward 1) Cllr Wells (Chairperson) (Ward 2) Cllr Levett (Ward 3) Cllr Gartner	2018-2019 Councillor/ Staff Membership (Ward 1) (Ward 2) (Ward 3)
Community Representatives Alison Chiam; Karen Akehurst; Barbara Dawson; Peter Lavelle; Shane Brown; Rob Crow (Shoalhaven Tourism Advisory Group)	

13. Shoalhaven City Mayor's Relief Fund

Meetings per year – One (1) & others as required	Quorum – Three (3)
No determined commencement time	Terms of Reference: Nil
Purpose: <ul style="list-style-type: none"> The fund has been established and maintained as a public fund for the relief of persons in Australia who are in necessitous circumstances and it is intended that the public be invited to contribute to the fund. A person will be in necessitous circumstances where his or her financial resources are insufficient to obtain all that is necessary, not only for a bare existence, but for a modest standard of living in the Australian community. Necessitous circumstances may result from a disaster caused by flood, fire, drought, tempest or other calamity. 	
Delegations: The management of the fund is vested in the Shoalhaven City Mayor's Relief Fund Committee. Rules have been adopted by Council.	
Chairperson – Appointed by Council	
2017-2018 Councillor/ Staff Membership Mayor – Cllr Findley (Chairperson) All Councillors General Manager or nominee Director Finance Corporate & Community Services	2018-2019 Councillor/ Staff Membership Mayor – Cllr Findley (Chairperson)
Organisation Representatives Shoalhaven City Fire Control Officer; Coordinator Shoalhaven City State Emergency Services; Chairman – Nowra Ministers Association or nominee	

14. Shoalhaven Heads Estuary Taskforce

Meetings per year – One (1) & others as required	Quorum – Three (3) – One (1) Councillor and Two (2) Community Members
Commencement time – 4.00pm	Terms of Reference: Nil
Purpose <ul style="list-style-type: none"> Examine options for pursuing a partial or complete opening of Shoalhaven Heads Review Councils current Entrance and Estuary Management Plans for Shoalhaven Heads Report directly to Council 	
Delegation – NIL	
Chairperson – Appointed by the Council	
2017-2018 Councillor/Staff Membership All Ward 1 Councillors Clr Guile (Chairperson)	2018-2019 Councillor/Staff Membership All Councillors Clr Pakes (Chairperson)
Community Representatives State Member – Gareth Ward MP or Nominee; Jessica Zealand, Mike James; Phil Guy; David Lamb; Craig Peters; Gerald Groom; Stephen Short; Carole Cassidy; Rob Russell	
Organisational Representatives Bob Williamson & Barry/Brian Allen (Greenwell Point CCB); Robyn Flack (Shoalhaven Heads Community Forum)	

15. Shoalhaven Natural Resources & Floodplain Management Committee

Meetings per year – At least two (2) Commencement time – 4.00pm	Quorum – Three (3) – One (1) Cllr & two (2) Community members Terms of Reference: POL17/6 Adopted: 13 December 2016
Objective: To foster and promote sustainable management of Shoalhaven's natural resources including floodplains, coast and estuaries.	
The Role of Committee 1. Provide overall guidance for the management of natural resource management including floodplain, estuary and coastal zone management in accordance with Federal, State and Local Government Policy and Legislative instruments; 2. Advise Council on natural resource management including floodplain, estuary and coastal zone management matters; 3. Formulate agreed vision, goals, objectives, and targets sought from the Natural Resource Management Plans; 4. Facilitate the preparation and implementation of Natural Resources Management Plans; 5. Provides input into the identification and selection of management options for Natural Resources Management Plans; 6. Facilitate community consultation; 7. Monitor State and Federal Government natural resource management direction and advises Council on appropriate response; 8. Monitor advances in knowledge and science of natural resource management issues (such as sea level rise and climate change) and integrate this knowledge in new Natural Resource Management Plans as well as in the review of existing Plans; and 9. Make recommendations for Council consideration.	
Delegation – NIL	
Chairperson – Appointed by the Committee	
2017-2018 Councillor/Staff Membership Cllr Findley (Chairperson) All Councillors General Manager or Nominee	2018-2019 Councillor/Staff Membership
Community Representatives Duncan Marshall; David Reynolds; Chris Grounds; Mike Clear; Paul Beckett; Brett Stevenson; Dr Michael Brungs; Dirk Treloar, Annie Boutland; Helen Moody; Kaye Milsom; Robyn Flack, Peter Hanson Matt Carr (Jervis Bay Marine Park); Jillian Reynolds (Department Primary Industries); Mike Hammond, Brad Dudley (Roads and Maritime Services); Jason Carson (Local Land Services); Mark Edwards (Crown Lands); Alex Deura, Libby Shields (National Parks and Wildlife Service); John Murtagh, John Bucinkas, Danny Wiecek (Office of Environment & Heritage); David Zerafa (NSW Office of Water); Glenn Wran, Bill McInnes (State Emergency Services); Fred Carriage (Ulladulla Local Aboriginal Land Council); Jerrinja Local Aboriginal Land Council (Vacant)	

Background

Advice was sought from OEH and the mandatory provisions under the Coastal Management Act and manual as well as the flood manual were reviewed.

Flooding

A flood committee is discussed and described at numerous places in the Flood Development Manual (FDM) 2005, being identified as the first formal step in the FRM process.

It is first referred to in section 1.1.1 The Policy Statement (page 1) and is then repeatedly referenced throughout the remainder of Section 1 of the FDM.

It appears in Figure 2.1 The Floodplain Risk Management Process (page 6) and is described further in the very next section of the FDM 2.2 The Floodplain Risk Management Committee (page 7)

There follow many references to the FRMC throughout the remainder of the FDM as its role in many aspects of the FRM process are discussed.

It's composition and functions are subsequently described in detail in Appendix D (pages D1 to D6 inclusive).

The formation of the FRM Committee is identified as the first formal step in the FRM process and its role throughout the FRM Process is described throughout the FDM, it is fair to conclude that formation and operation of a FRM Committee is central to acting "*substantially in accordance with the principles contained in the relevant manual most recently notified under subsection (5) at that time*" the FDM 2005, being the current relevant manual for s733 of the Local Government Act 1993.

Coast and estuary

Council is required to demonstrate compliance with the mandatory provisions within the Coastal Management Act and Coastal Management Manual (Part A), one of which is community engagement during preparation and implementation of coastal management programs. The need to do this is to-

1. Demonstrate Council is acting "*substantially in accordance with the principles contained in the relevant manual most recently notified under subsection (5) at that time*", the coastal management manual 2018, being the current relevant manual for s733 of the Local Government Act 1993.
2. To gain certification of a CMP 9(which now includes estuaries) to be eligible for funding under the NSW coastal and estuary grant program.

However, the manual does not prescribe or mandate 'how' councils must do this. Working groups will still be required to act as an advisory role to have input into the CMP while it is being prepared, even if the Committee stays in place, as council has done with other plans. The outcome of the working groups has in the past been reported back through the committee structure.

General

OEH have advised that it is important that the use and function of council's committee/s are not solely based on meeting legal provisions such as those set out in s733 of the Local Government Act but also address the intended purpose of stakeholder inputs such as those described in the Floodplain Development Manual (to support the preparation and implementation of Floodplain Risk Management Plans). This includes input from government agencies as well as the community.

It could also be timely to rethink committee needs for the preparation and implementation of Coastal Zone Management Plans / Coastal Management Programs for the open coast and estuaries.

OEH officers have advised that they would be more than pleased to help council consider these matters so that any changes enable the input of relevant stakeholders (various council sections, agencies and the community) in the most efficient and effective way.

16. Shoalhaven Sports Board

Meetings per year – Four(4) – Quarterly Commencement time – 5.00pm	Quorum – Seven (7)
Terms of Reference: POL16/211 Amended: 16 August 2016	
Purpose: To provide advocacy for the sporting community on policy, direction and strategic planning related to Council's objectives. To achieve this policy and strategic objective, the Board will be strategic in nature and focus on appointments to achieve this outcome.	
Role: <ul style="list-style-type: none">• Represent the whole Shoalhaven Sporting Community (all sports)• Provide ongoing, high level policy and planning advice to Council.• Make recommendations to the Council on all relevant business presented before it• Advocate and maintain specific sports related portfolios.• Advocate and promote Board recommendations.	
Delegation – NIL	
Chairperson – Appointed by Board	
2017-2018 Councillor/Staff Membership All Councillors General Manager or Nominee	2018-2019 Councillor/Staff Membership
Community Representatives – Nine (9) Local Community Members David Goodman (Chairperson); Elaine Caswell; Andrew Johnstone; Roger Walker; Syd Weller, Tony Hardman, Elizabeth Tooley, Lisa Kennedy, Phil Newlyn	
Organisational Representatives Keith Wallace (NSW Sport and Recreation)	

17. Shoalhaven Tourism Advisory Group

Meetings per year – At least Four (4) Commencement time – 5.00pm	Quorum – Seven (7) Terms of Reference: POL17/62 Amended 16 May 2017
Role and Purpose <ul style="list-style-type: none">• Inform the development, implementation and review of council priorities from the Shoalhaven Tourism Master Plan and councils corporate plan• Represent the tourism industry and advise and make recommendations to Council on matters relating to tourism, the development of tourism and the future of tourism in the Shoalhaven.• Promote the direct and in-direct value and benefits of tourism within the Shoalhaven and on a regional, state and national basis.	
Delegations: <ul style="list-style-type: none">• Make recommendation on the expenditure of the annual Shoalhaven marketing budget as provided by Council.• Appoint suitable representatives to fill casual vacancies• Inform and recommend policy for tourism related funding programs, and where required by Council, vote on related matters.	
Chairperson – Appointed by the Committee	
2017-2018 Councillor/Staff Membership All Councillors – Two (2) with voting Rights Clr Gash – Voting Delegate Clr Alldrick – Voting Delegate Clr Pakes – Alternate Voting Delegate Clr Kitchener – Alternate Voting Delegate	2018-2019 Councillor/Staff Membership
Community/ Organisational Representatives Lynn Locke (Chairperson); Louise Hallum; Neil Rodgers; Paul McLeod; Robert Crow; Brenda Sambrook; James Lin; Juliet Barr; Kylie Pickett; David Goodman (Shoalhaven Sports Board Chairperson); David Duffv (NPWS Representative)	

18. Sustainable Futures Committee

Meetings per year – Six (6) – Bi-monthly Commencement time – 4.00pm	Quorum – Six (6) voting members Terms of Reference: POL17/49 Adopted: 26 April 2017
Purpose: Make recommendations to Council with respect to the following: <ul style="list-style-type: none"> • Setting emission targets for the Shoalhaven. • Focusing on energy, including energy efficiency, energy security and renewable energy generation as well as other climate change issues • Creating and building community capacity for environmentally sustainable living and business. • Addressing, adapting and building resilience to climate change. • Appropriate ways to protect, connect and integrate ecological values within our urban and regional context. • Supporting and promote Waste reduction and resource recovery. • Building organisational and community capacity to meet the challenges of climate change. • Engage with and learn from our community business and industry leaders on innovative solutions. • Establish and/or support renewable energy generation projects in the community. • Ensure the currency of related strategy, policy and other key Council documents related to the purpose of the Committee. 	
Delegation: To expend funds allocated to the Sustainable Futures Committee by Council within the approved budget.	
Chairperson – Appointed by the Council	
2017-2018 Councillor/Staff Membership Cllr Gartner (Chairperson) Cllr White (Alternate Chairperson) All Councillors General Manager or Nominee (non voting)	2018-2019 Councillor/Staff Membership Cllr (Chairperson) Cllr (Alternate Chairperson)
Community Representatives – Five (5) Community Members David Brawn, Oisín Sweeney, Robert Hayward, Peter McVay, Lorraine Larri	

19. Youth Advisory Committee

Meetings per year – Four (4)	Quorum – Six (6)
Commencement time – 10.00am	Terms of Reference: POL18/49 Amended: 21/8/2018
Purpose: a) To represent the interests and views of young people to Council and the Community b) To provide an opportunity for young people to discuss issues of concern to young people c) To provide a mechanism for young people to make representations to organisations and various spheres of Government requesting appropriate action to improve facilities and services available to young people d) To give young people experience in Local Government and community affairs e) To create greater awareness and appreciation within the general community of the needs and talents of young people f) To provide a mechanism for young people to address youth issues themselves	
Delegation: Act within adopted budgets aligning with council's strategic plans and documents to deliver youth programs and activities that meet the needs of local young people.	
Chairperson – Appointed by Committee at each meeting	
2017-2018 Councillor/Staff Membership All Councillors General Manager or Nominee	2018-2019 Councillor/Staff Membership
Community Representatives Pallas Retimana; Hannah Schofield (Community Youth Representatives) 18 students from Year 9 & above (Two (2) voting representatives from each local High School) Member for Gilmore – Anne Sudmalis MP or nominee (Federal Member of Parliament); Member for Kiama – Gareth Ward MP or nominee; Member for South Coast – Shelley Hancock MP or nominee Jacob Williams Representatives from Shoalhaven Local Area Command NSW Police; Sanctuary Point Youth & Community Centre; Bay & Basin Community Resources; Regional Development Australia; Shoalhaven Business Chamber; 330 Squadron Australian Air Force Cadets	



Monthly Report

Shoalhaven City Council

August 2018

CL18.236 - Attachment 1



Market

International Markets

The MSCI World ex-AUS increased +1.35% after the US and Mexico have agreed to enter into a new trade deal to replace the current NAFTA. Emerging markets were down -0.55%. The Dow Jones finished +2.56%; the S&P500 and NASDAQ set record closes after rising +3.26% and +5.85% respectively.

The collapse in the lira saw Turkish stocks lose another -29%, with -10% losses also coming from Greece, South Africa and Brazil. Generally positive results were seen around Asia. Another crisis from Argentina dragged Frontier Markets to a loss of over -5%.

US 10-year bonds closed at 2.86% from 3% at beginning of August, despite welcome trade news and strong data supporting the stockmarket's new highs.

The US Q2 2nd estimate of GDP growth upgraded to +4.2%, vs 4.1% 1st estimate – the fastest rate since 3Q14. This took YoY growth to +2.9%.

US headline CPI stood at 2.9% in July, unchanged from June and slightly better than market expectations of 3%. Nonfarm payrolls increased by 157,000, following an upwardly revised 248,000 from June; Unemployment rate fell to 3.9%, from 4.0% in June.

Italian bond yields remained elevated at 3.25%, after key figures hinted that the country would outline a 2019 budget in breach of EU spending rules.

The trade war between the US and China continued to escalate, with Pres Trump applying tariffs on another \$200b in Chinese goods from month end and China threatening retaliatory measures including soybean tariffs.

Domestic

The ASX200 finished +1.42%, setting another post-GFC high. Solid earnings in mining, financial and health care contributed. Smallcaps eased -0.29%. Australian 10-year bonds tightened -13bp to 2.52%, with the gap between US 10Y bonds at -34bp.

The RBA kept the cash rate at 1.5% in September meeting. Out of cycle mortgage rate hikes from several banks, including Westpac, suggested that the RBA would be less aggressive in its next cycle. Rates fell at the short end in response, with no change now forecast until 2020.

Australia's unemployment rate inched lower to 5.3% in July, the lowest jobless rate since November 2012, on a lower participation rate of 65.5% (-0.1%). -3,900 employed persons disguised higher hours worked – full time employment rose slightly. The latest average weekly earnings (AWOTE) accelerated to 2.7% YoY, well off its lows.

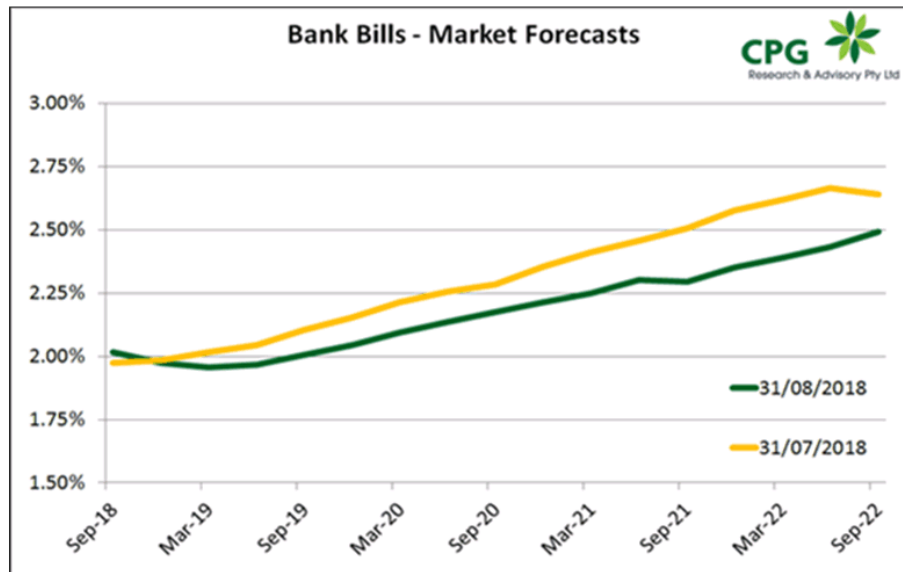
Total Dwelling approvals overall fell 5.2% MoM in July and trended down -5.6% over a year. Finance for new dwellings also plunged -4.9%. The number and value of finance commitments both slumped to a year's low.

Other Markets

WTI oil finished higher to \$69.80/bbl (+1.51%) while Gold fell to \$1,201.2 (-1.86%). Iron Ore finished lower at \$66.03/t (-2.54%). Base metals were weaker. The \$A finished at US72.60c (-2.30%).



Bills futures tracked lower bond yields. There was less pressure on BBSW at the very short end:



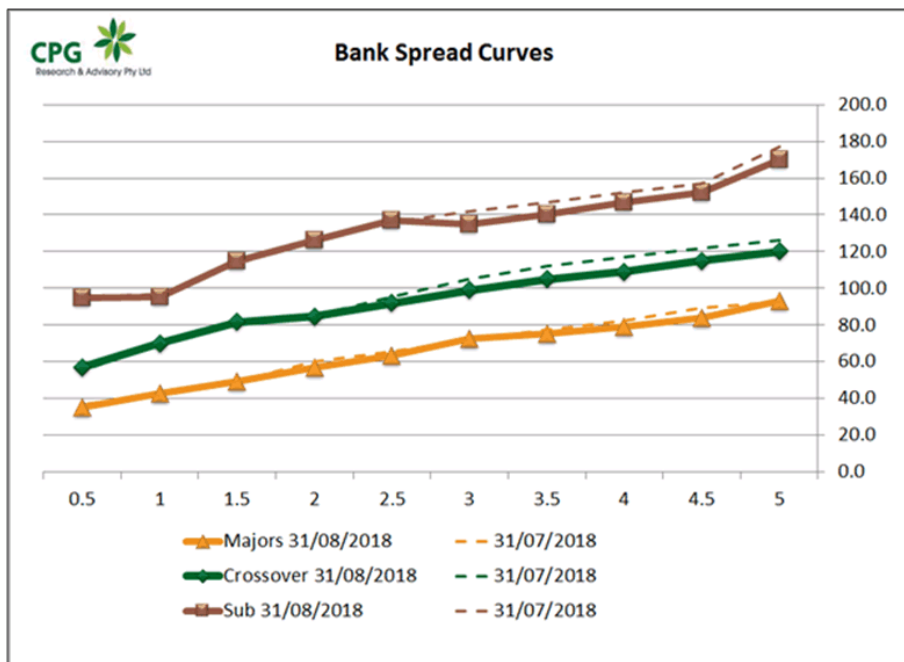
Credit Market

While Pres Trump readies tariffs on another \$200 billion in Chinese Goods, the recent settlement with Europe was followed by Mexico accepting a renegotiated NAFTA. With Canada expected to follow swiftly, stocks were generally stronger. This did not flow through to credit. Australia was slightly firmer, but the collapse in the Turkish lira as well as hostile Italian rhetoric saw European credit widen.

Credit Indices	31 August 18	31 July 18	31 August 17
iTraxx Australia 5 Yr CDS	73bp	74bp	71bp
iTraxx European 5 Yr CDS	68bp	61bp	55bp
CDX IG North American 5 Yr CDS	60bp	58bp	58bp
CDX HY North American 5 Yr CDS	331bp	329bp	181bp

We caution that bank paper has traded much better than their marks during the month.

With minimal lead from credit derivatives, bank FRNs were generally tighter – with BBB names trading materially firmer.



In more liquid global markets, high yield bond spreads **were little moved - tightening from +346bp to +344bp** (BoA Merrill Lynch HY Index, option-adjusted).

ESG and Divestment

Council has introduced a “soft divestment” instruction which looks to identify, and preferentially direct investment away from, lenders to fossil fuels.

The highlighted list is as follows:

Fossil Fuel Counterparties	Exposure \$M	FCS	Net	Rating	Policy Limit	Gross	Invested in Fossils
ANZ	\$3.00M	\$0.00M	\$3.00M	AA-	30%	1%	Yes
CBA	\$34.79M	\$0.25M	\$34.54M	AA-	30%	15%	Yes
NAB	\$34.36M	\$0.25M	\$34.11M	AA-	30%	15%	Yes
Westpac	\$14.00M	\$0.25M	\$13.75M	AA-	30%	6%	Yes
AMP	\$12.83M	\$0.25M	\$12.58M	A	15%	6%	Yes*
Macquarie	\$0.00M	\$0.00M	\$0.00M	A	15%	0.0%	Yes
ING	\$8.00M	\$0.25M	\$7.75M	Split A	15%	4%	Yes
TCorpIM Cash Fund	\$30.20M	\$0.00M	\$30.20M	AAA	40%	13%	Yes
	\$137.17M		\$135.92M			61%	
Total	\$226.55M		\$226.55M				

* Note also AMP Life, AMP Capital have investments in coal and gas companies

As at August 2018, the institutions totalled 61% of Council’s investment portfolio, with short term swings in the TCorpIM Cash Fund largely driving the ratio. The short-term allocation of new inflows to the Cash account sees a temporary rise from 50% at announcement of a preferential process



against fossil fuel lenders although the figure is somewhat lower than mid-year, and averaging 49% for the last F.Y. 2017-18.

Fossil Fuels Exposure Trend	
May 2017	50%
June 2017	48%
July 2017	48%
August 2017	44%
September 2017	43%
October 2017	42%
November 2017	44%
December 2017	43%
January 2018	41%
February 2018	45%
March 2018	59%
April 2018	59%
May 2018	62%
June 2018	61%
July 2018	58%
August 2018	61%

Spending the TCorpIM cash entirely would see the allocation fall to as low as 47%, although of course it would be difficult to entirely avoid the larger banks if the money is invested for the longer-term. The bulk of this money is earmarked for near-term priorities, which will also have flow-on effects on Policy limits elsewhere.

Increases in cumulative lending disclosures since 2008 indicates that activism is having only limited impact. (ING Bank's cumulative numbers have actually fallen, indicating either restatements or disposal of business units).

Name	*\$m Loaned (May 17)	*\$m Loaned (May 18)	Cumulative Change
AMP	\$752	\$955	27%
ANZ	\$23,414	\$31,235	33%
Citi	\$3,271	\$4,373	34%
CBA	\$20,590	\$26,553	29%
HSBC	\$3,612	\$3,859	7%
ING	\$857	\$783	-9%
Macquarie	\$2,622	\$3,597	37%
NAB	\$14,867	\$17,614	18%
Westpac	\$11,613	\$13,162	13%

It is proving difficult in practice to avoid this cohort entirely, particularly given instructions to temporarily minimise the use of BBB banks.

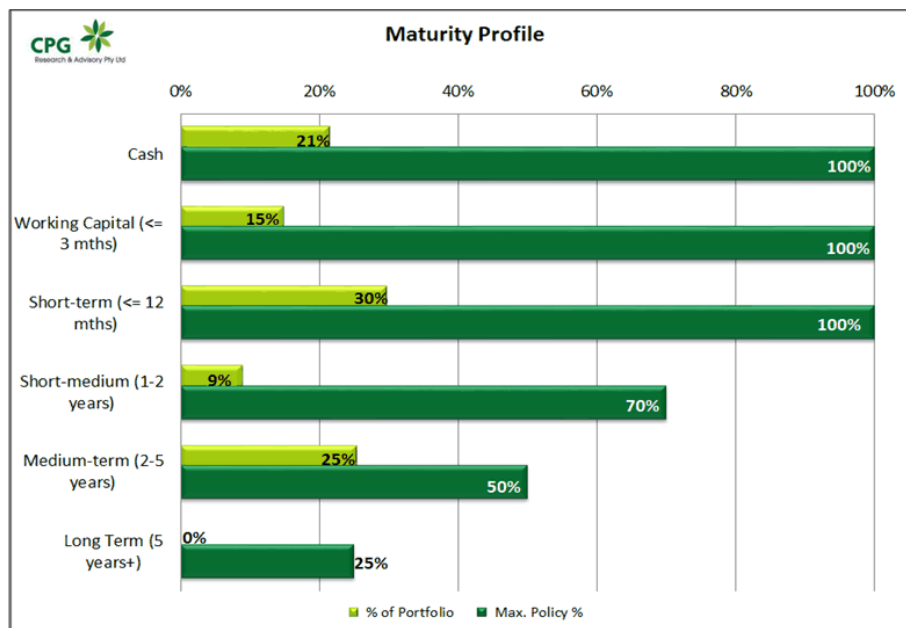
This is likely to change in the 2H18 given capacity is available.



Council's Portfolio

The portfolio has high liquidity, with 21% of investments available at-call and a further 15% of assets maturing within 3 months. Another 30% of assets mature within 3-12 months, leaving a visible gap towards short-medium term duration at 9%.

Council has a further allocation to securities and the Macquarie fund, for additional liquidity requirements and seeking trading gains.

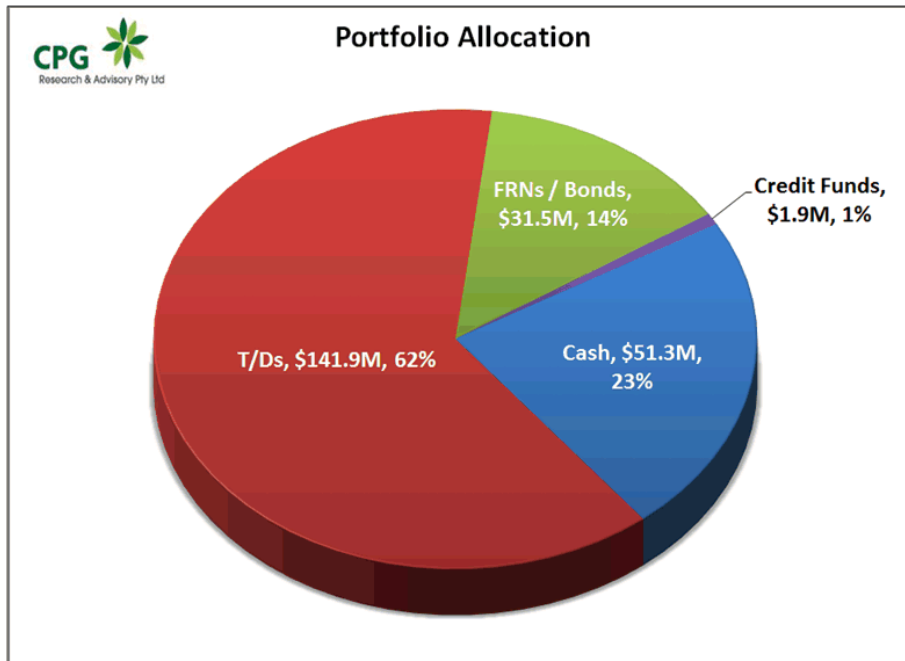


Investments are diversified by fixed interest sector and well spread across maturities. Available capacity exists in all categories.

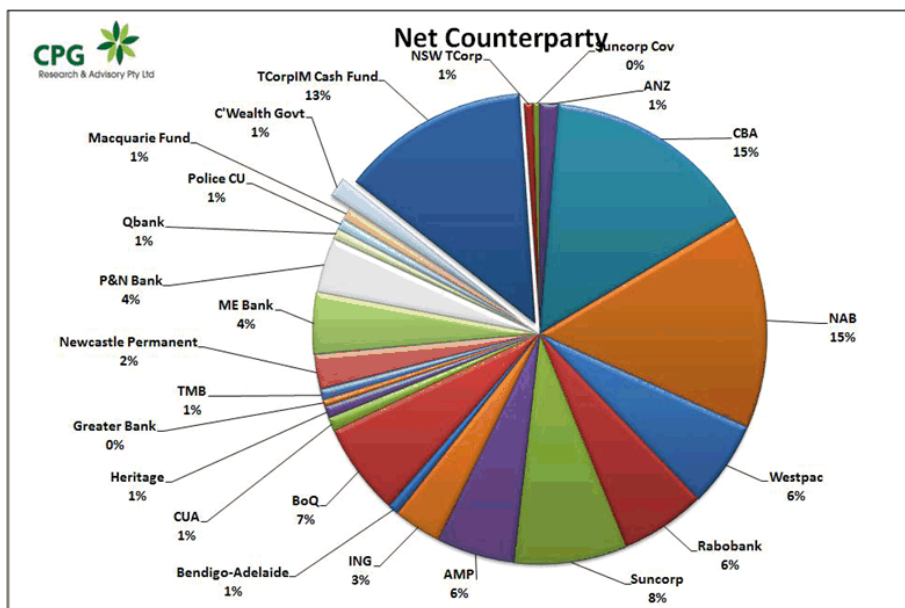
Council is well placed to make maximum use of maturity profile. New surplus cash can be deployed opportunistically utilising capacity available in BBB rated. Working capital is at slightly elevated levels (TCorpIM Cash is identified for specific project related payments).

In the near term, we look to add to maximise credit allocations as capacity allows; looking to sell maturing FRNs to take up new FRNs. A and BBB rated floating rate assets are favoured for new money, as capacity is available in both categories.

Council's portfolio remains tilted to deposits, at 62% of the total assets, with Cash held at a high 23% and the balance is in liquid credit, including a small residual investment in a credit fund with Macquarie.



The investment portfolio is well diversified in complying assets across the entire credit spectrum; with NAB and CBA dominant followed by TCorpIM Cash.



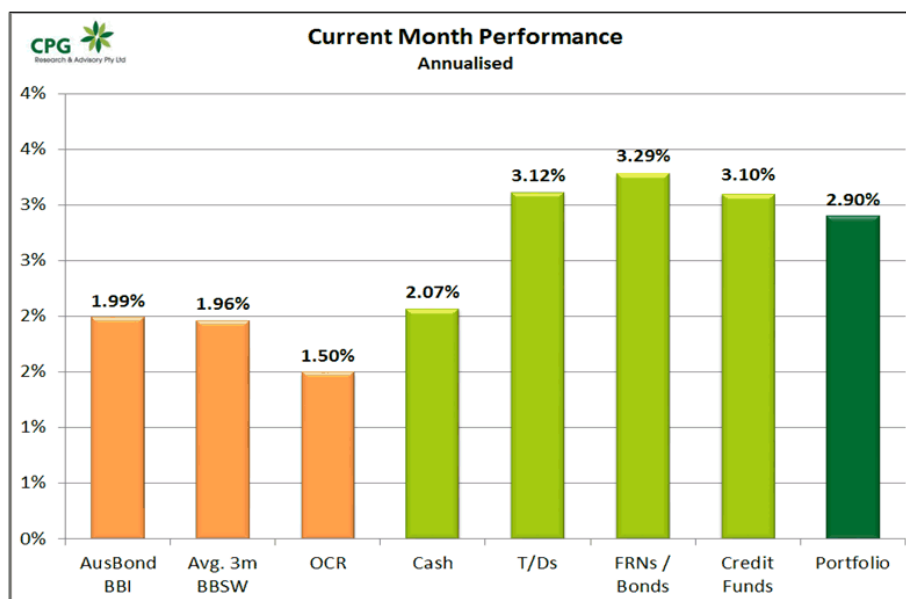


Returns - Accrual

Actual	1 month	3 months	6 months	FYTD	1 year	2 years	3 years	4 years	5 years
Official Cash Rate	0.13%	0.38%	0.75%	0.25%	1.50%	1.50%	1.63%	1.79%	1.93%
Avg. 3m BBSW	0.17%	0.50%	1.00%	0.34%	1.87%	1.81%	1.92%	2.05%	2.17%
AusBond Bank Bill Index	0.17%	0.51%	0.99%	0.36%	1.85%	1.81%	1.95%	2.09%	2.20%
Council Cash	0.17%	0.52%	1.02%	0.37%	2.04%	2.11%	2.23%	2.41%	2.51%
Council T/Ds	0.26%	0.79%	1.59%	0.53%	3.21%	3.34%	3.46%	3.59%	3.64%
Council FRNs / Bonds	0.28%	0.83%	1.64%	0.56%	3.22%	3.19%	3.23%	3.41%	-
Council Credit Funds	0.26%	0.63%	0.60%	0.75%	1.89%	3.08%	3.14%	2.78%	3.17%
Council Total Portfolio	0.24%	0.72%	1.43%	0.49%	2.88%	2.97%	3.14%	3.30%	3.40%
Annualised	1 month	3 months	6 months	FYTD	1 year	2 years	3 years	4 years	5 years
Official Cash Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.63%	1.79%	1.93%
Avg. 3m BBSW	1.96%	2.02%	2.00%	1.99%	1.87%	1.81%	1.92%	2.05%	2.17%
AusBond Bank Bill Index	1.99%	2.04%	1.97%	2.13%	1.85%	1.81%	1.95%	2.09%	2.20%
Council Cash	2.08%	2.06%	2.03%	2.23%	2.04%	2.11%	2.23%	2.41%	2.51%
Council T/Ds	3.12%	3.16%	3.19%	3.13%	3.21%	3.34%	3.46%	3.59%	3.64%
Council FRNs / Bonds	3.29%	3.34%	3.27%	3.35%	3.22%	3.19%	3.23%	3.41%	-
Council Credit Funds	3.10%	2.54%	1.20%	4.52%	1.89%	3.08%	3.14%	2.78%	3.17%
Council Total Portfolio	2.91%	2.88%	2.85%	2.94%	2.88%	2.97%	3.14%	3.30%	3.40%

The Investment portfolio returned a strong **2.91% p.a.** for the month of August 2018, exceeding the benchmark AusBond Bank Bill Index (1.99% p.a.) by **+91bp**. This included cash drag, but with new investment at slightly higher margins after recent weakness. The credit fund performed satisfactorily as it did last month following a flat year.

TCorplM Cash had a trend month with 0.19% net returns for the month.



The longer dated investments continued their outperformance. Deposits and FRNs are yielding over 3%, with periodic contributions from realised capital gain on sales of existing FRNs.



Credit Quality

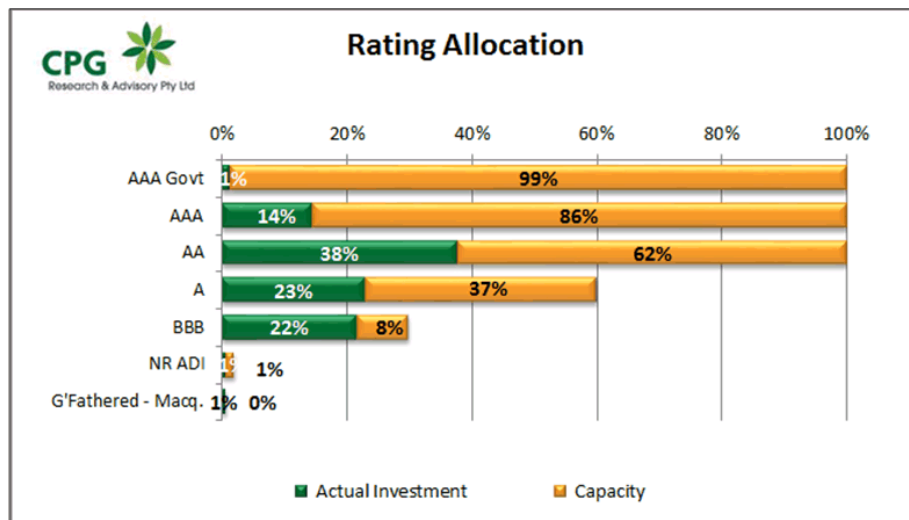
The previously adopted Policy took effect July 1st. The aggregate limits in BBB is 30% and in NR is now 2%. Allocations were very conservative in any case, and this had no effect on compliance.

We have tested the portfolio provided against Council's current Investment Policy and report the following:

Aggregate credit limits are in compliance:

Rating Category	Actual	Per C/Party	Aggregate	Rating Category	Actual Investment	Capacity
AAA Govt	1%	100%	100%	AAA Govt	1%	99%
AAA	14%	40%	100%	AAA	14%	86%
AA	38%	30%	100%	AA	38%	62%
A	23%	15%	60%	A	23%	37%
BBB	22%	10%	30%	BBB	22%	8%
NR ADI	1%	5%	2%	NR ADI	1%	1%
G'Fathered - Macq.	1%	1%	1%	G'Fathered - Macq.	1%	0%

Credit quality is mostly directed towards the higher rated ADIs, with capacity levels in investment grade BBB rated in accordance with Council, allowing flexibility for future investment opportunities.





Other Compliance

We have tested the portfolio provided against Council's current investment policy and report the following:

All counterparties comply.

Counterparties	Exposure \$M	FCS	Net	Rating	Policy Limit	Actual	Capacity
TCorpIM Cash Fund	\$30.20M	\$0.00M	\$30.20M	AAA	40%	13%	\$60.42M
NSW TCorp	\$1.53M	\$0.00M	\$1.53M	AAA	40%	1%	\$89.10M
Suncorp Cov	\$1.00M	\$0.00M	\$1.00M	AAA	32%	0%	\$71.37M
ANZ	\$3.00M	\$0.00M	\$3.00M	AA-	30%	1%	\$64.97M
CBA	\$34.79M	\$0.25M	\$34.54M	AA-	30%	15%	\$33.43M
NAB	\$34.36M	\$0.25M	\$34.11M	AA-	30%	15%	\$33.86M
Westpac	\$14.00M	\$0.25M	\$13.75M	AA-	30%	6%	\$54.22M
Rabobank	\$14.00M	\$0.25M	\$13.75M	A+	15%	6%	\$20.23M
Suncorp	\$18.50M	\$0.25M	\$18.25M	A+	15%	8%	\$15.73M
AMP	\$12.83M	\$0.25M	\$12.58M	A	15%	6%	\$21.41M
Macquarie	\$0.00M	\$0.00M	\$0.00M	A	15%	0%	\$33.98M
ING	\$8.00M	\$0.25M	\$7.75M	A	15%	3%	\$26.23M
Bendigo-Adelaide	\$2.00M	\$0.25M	\$1.75M	BBB+	10%	1%	\$20.91M
BoQ	\$15.00M	\$0.25M	\$14.75M	BBB+	10%	7%	\$7.91M
CUA	\$2.25M	\$0.00M	\$2.25M	BBB+	10%	1%	\$20.41M
Heritage	\$1.95M	\$0.00M	\$1.95M	BBB+	10%	1%	\$20.71M
Police Bank	\$0.00M	\$0.00M	\$0.00M	BBB+	10%	0%	\$22.66M
Greater Bank	\$1.00M	\$0.00M	\$1.00M	BBB+	10%	0%	\$21.66M
TMB	\$1.70M	\$0.00M	\$1.70M	BBB+	10%	1%	\$20.96M
Newcastle Permanent	\$5.50M	\$0.00M	\$5.50M	BBB	10%	2%	\$17.16M
ME Bank	\$10.10M	\$0.25M	\$9.85M	BBB	10%	4%	\$12.81M
Defence Bank	\$0.00M	\$0.00M	\$0.00M	BBB	10%	0%	\$22.66M
Beyond Bank	\$0.00M	\$0.00M	\$0.00M	BBB	10%	0%	\$22.66M
P&N Bank	\$9.00M	\$0.25M	\$8.75M	BBB	10%	4%	\$13.91M
Big Sky CU	\$0.00M	\$0.00M	\$0.00M	BBB	10%	0%	\$22.66M
Auswide	\$0.00M	\$0.00M	\$0.00M	BBB-	10%	0%	\$22.66M
Qbank	\$2.00M	\$0.25M	\$1.75M	BBB-	10%	1%	\$20.91M
Bank of Sydney	\$0.00M	\$0.00M	\$0.00M	NR	5%	0%	\$11.33M
Police CU	\$2.00M	\$0.25M	\$1.75M	NR	5%	1%	\$9.58M
Macquarie Fund	\$1.86M	\$0.00M	\$1.86M	NR	1%	1%	\$0.00M
	\$226.55M		\$223.30M			99%	
C'wealth Govt		\$3.3M	\$3.25M	AAA	100%	1%	
Total	\$226.55M		\$226.55M			100%	

Spending the working capital in TCorp would tend to increase exposures proportionately by around 25%. This has resulted in conservative allocations through FY18, but is now unlikely to materially impact any compliance data.



We have also tested Council's current investment exposure against the lower rated counterparties' net assets as Council's Policy prescribes maximum concentration. We report the following:

All counterparties comply.

Counterparties	Exposure \$M	Rating	Policy Limit	Actual	Net Assets \$M	Net Exposure
Bendigo-Adelaide	\$2.00	BBB+	10%	1%	\$80,046	0.002%
BoQ	\$15.00	BBB+	10%	7%	\$61,570	0.024%
CUA	\$2.25	BBB+	10%	1%	\$9,073	0.025%
Heritage	\$1.95	BBB+	10%	1%	\$11,149	0.017%
Greater Bank	\$1.00	BBB+	10%	0%	\$6,469	0.015%
TMB	\$1.70	BBB+	10%	1%	\$7,415	0.023%
Newcastle Permanent	\$5.50	BBB	10%	2%	\$8,791	0.063%
ME Bank	\$10.10	BBB	10%	4%	\$34,000	0.030%
P&N Bank	\$9.00	BBB	10%	4%	\$4,423	0.203%
Qbank	\$2.00	BBB-	10%	1%	\$740	0.270%
Police CU	\$2.00	NR	5%	1%	\$732	0.273%



Term Deposits

At month-end, deposits accounted for approximately 63% of the total investment portfolio. The weighted average duration of the deposit portfolio is approximately **1.3 years, unchanged from previous month and much longer than the peer group average.**

Maintaining a longer duration has produced a measurable uplift in yield at a time when deposit rates have plunged, and cushioned the RBA's rate cutting cycle, this will continue to provide protection to Council's income. The current average yield of **3.10% remains above any deposit up to 3 years in today's market**, around +112bp over benchmark.

Across the short-end of the curve, deposit margins were higher for all terms but deposit rates fell on lower bond and futures yields. Markets have currently assumed no rate increase through CY19.

At the longer end, swap rates were slightly lower, with margins relatively consistent across the range of terms at just over +1%. Previously noted above-card broker rates are not as frequent and the returns lowered down to below 2.85% yield in most cases.

We would also note (typically short-dated) broker specials for deposits around short-term investment requirements; special rates are noted in the TD daily rate sheet regularly.

Relevant portfolio data follows:

Term Deposit Statistics

Percentage of total portfolio	63%
Weighted Average Yield	3.10%
Weighted Average Duration	1.3 yrs

Credit Quality of Deposits

AAA^	1%
AA	43%
A	32%
BBB	23%
Unrated ADI	1%
Total	100%

^ Calculation excludes the Financial Claims Scheme (FCS)

We refer to the detailed analysis in our August **Fixed Interest Analytics**.



Credit: FRNs & Fixed Bonds

Major bank spreads tightened slightly at shorter durations, although the 5-year point was anchored by clearing a new issue at +93bp. Indications are that it is now trading through +90bp in a better start to September.

ANZ's May FRN closed at +88bp, -3bp tighter from last month which may be more indicative of the underlying demand for longer securities.

New issues have continued to pay well above their curves. It has the expectation of well above deposit-like returns going forward. They are likely to issue around +90 for future issues in the current market.

Sentiment was relatively weak in credit markets, although major banks held their pricing reasonably well.

The latest Bendigo-Adelaide at +105bp in January, traded out to +122bp – within a recent trading range of ~30bp spreads to major banks which remains a reasonable uplift for rating. BBB FRNs are good relative value at current relativities.

Ideally, we suggest a new A rated FRN would be the most suitable balance between liquidity, return, risk and ratings. **However, with available BBB capacity Council can also consider additional FRNs as they arise, having earlier been conservative in their allocations in expectation of portfolio shrinkage.** 2018 has seen issuance from BBB rated ADIs and we expect that to continue in coming months.

Council invested \$500k in CBA FRN @ +93bps maturing 16/08/2023 during the month. This security is trading well. Noting that CBA is a fossil fuel lender, we comment that:

- ▶▶ The new issue paid a material premium; a secondary market purchase in a different institution would have occurred at a spread in the 80's.
- ▶▶ No comparable rate is available from an institution not on the prescribed list.

We have indicated to smaller issuers and their advisors that they would need to maintain relativities between their own pricing, and those of larger benchmark issuers such as Bendigo-Adelaide.

In credit funds, Macquarie returned +26bp, after a better July. Over the medium term, it ranks near peer-group median, but the trailing year is cash like (reverting to trend over the longer term).

The manager is positioned near their most defensive at 95% investment grade, and has been for much of YTD 2018.

There is scope for the fund to further increase its running yield if the manager feels more comfortable about the outlook and deploys its above-average cash balance, and it will be relevant how this process is handled. It has been reasonable to be defensive over recent months, but our view would likely be downgraded if Macquarie miss a subsequent rally without increasing credit. The fact that they caught the rally of late July as well as their Income Fund peers is encouraging.

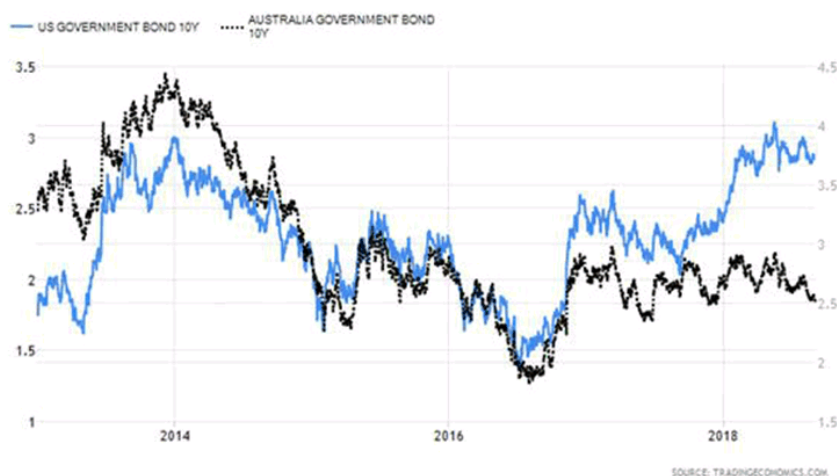


Fixed Interest Outlook

President Donald Trump formally agreed to enter a replacement trade deal with Mexico, pushing Canada to return to the negotiating table or risk being excluded from NAFTA. Bond yields fell despite stocks reaching new records on the welcome trade news; US 10 year bonds closed at 2.86%, from 3% at beginning of August.

Italian bond yields remained elevated at 3.25%, after key figures hinted that the country would outline a 2019 budget in breach of EU spending rules.

Australia's 10-year bonds were strong – yields falling to 2.52% (-13bp). This reflected offshore leads, and the uncertainty caused by another change of PM mid-cycle in the third such spill since 2010. Australian bonds continue to trade inside US yields, with the gap maintained in August.



The Q2 2nd estimate of GDP growth increased to +4.2%, vs 4.1% 1st estimate – the fastest rate since 3Q14. The rally in US bonds has been paradoxical given rising inflation, strong growth and the potential for inflationary policy settings. While there are hints about offsetting spending measures to offset tax cuts, the current budget forecasts larger deficits for a number of years.

Australia's unemployment rate unexpectedly inched lower to 5.3% in July, the lowest jobless rate since November 2012. Wages data showed the AWOTE rising at high 2's rather than low 2's, and core inflation is no longer below the RBA's 2-3% target band. The case for a rate increase is becoming stronger, and **we have increasingly favoured floating rate assets.**

But bonds have performed well in a very unfriendly environment.



Portfolio Listing

Shoalhaven City Council as at 31/08/2018						
Authorised Deposit-Taking Institution (ADI)	ST Rating	Security Type	Principal/ Current MF Value	Term	Interest Rate	Maturity Date
Bank of Qld	A-2	TD	\$2,000,000.00	1462	4.10%	3-Sep-18
National Australia Bank	A-1+	TD	\$75,000.00	31	2.10%	3-Sep-18
National Australia Bank	A-1+	TD	\$2,000,000.00	106	2.60%	12-Sep-18
National Australia Bank	A-1+	TD	\$2,000,000.00	120	2.60%	26-Sep-18
National Australia Bank	A-1+	TD	\$3,000,000.00	231	2.47%	26-Sep-18
State Insurance Regulatory Authority	A-1+	TD	\$1,026,000.00	365	2.59%	4-Oct-18
State Insurance Regulatory Authority	A-1+	TD	\$500,000.00	273	2.45%	10-Oct-18
National Australia Bank	A-1+	TD	\$3,000,000.00	86	2.61%	24-Oct-18
National Australia Bank	A-1+	TD	\$2,000,000.00	147	2.63%	24-Oct-18
National Australia Bank	A-1+	TD	\$2,000,000.00	203	2.60%	24-Oct-18
Suncorp Metway Ltd Bank	A-1	TD	\$3,000,000.00	90	2.62%	29-Oct-18
National Australia Bank	A-1+	TD	\$2,000,000.00	124	2.73%	13-Nov-18
Suncorp Metway Ltd Bank	A-1	TD	\$2,000,000.00	125	2.70%	13-Nov-18
AMP Bank	A-1	TD	\$4,000,000.00	180	2.95%	26-Nov-18
Bendigo Bank	A-2	TD	\$2,000,000.00	560	2.80%	28-Nov-18
ING Bank (Australia) Ltd	A-1	TD	\$4,000,000.00	215	2.68%	19-Dec-18
National Australia Bank	A-1+	TD	\$5,000,000.00	201	2.67%	19-Dec-18
National Australia Bank	A-1+	TD	\$2,000,000.00	209	2.64%	19-Dec-18
Suncorp Metway Ltd Bank	A-1	TD	\$4,000,000.00	180	2.80%	19-Dec-18
National Australia Bank	A-1+	TD	\$4,000,000.00	217	2.80%	30-Jan-19
National Australia Bank	A-1+	TD	\$4,000,000.00	217	2.80%	30-Jan-19
Suncorp Metway Ltd Bank	A-1	TD	\$2,000,000.00	222	2.80%	30-Jan-19
Commonwealth Bank Australia	A-1+	TD	\$2,000,000.00	363	2.63%	27-Feb-19
Suncorp Metway Ltd Bank	A-1	TD	\$2,000,000.00	243	2.85%	27-Feb-19
National Australia Bank	A-1+	TD	\$101,269.00	365	2.50%	28-Feb-19
Members Equity Bank	A-2	TD	\$1,000,000.00	264	2.87%	27-Mar-19
Suncorp Metway Ltd Bank	A-1	TD	\$3,000,000.00	271	2.85%	27-Mar-19
Members Equity Bank	A-2	TD	\$3,000,000.00	292	2.87%	24-Apr-19
Commonwealth Bank Australia	A-1+	TD	\$2,000,000.00	730	2.76%	26-Apr-19
Bank of Qld	A-2	TD	\$2,000,000.00	1827	4.75%	1-May-19
Newcastle Permanent Building Society	A-2	TD	\$2,000,000.00	1091	3.20%	22-May-19
Members Equity Bank	A-2	TD	\$2,000,000.00	1827	4.66%	28-May-19
Police Credit Union Ltd (SA)	NR	TD	\$2,000,000.00	1827	4.75%	30-May-19
Commonwealth Bank Australia	A-1+	TD	\$3,000,000.00	365	2.80%	12-Jun-19
Rabobank	A-1	TD	\$2,000,000.00	1826	4.52%	19-Jun-19
Commonwealth Bank Australia	A-1+	TD	\$3,000,000.00	301	2.72%	26-Jun-19
National Australia Bank	A-1+	TD	\$71,843.11	364	2.78%	28-Jun-19
Commonwealth Bank Australia	A-1+	TD	\$3,000,000.00	320	2.72%	17-Jul-19
AMP Bank	A-1	TD	\$5,000,000.00	90	3.05%	24-Jul-19
Qbank	A-2	TD	\$1,000,000.00	377	2.90%	28-Aug-19
National Australia Bank	A-1+	TD	\$2,000,000.00	1822	4.11%	29-Aug-19
Rabobank	A-1	TD	\$2,000,000.00	1826	4.10%	2-Sep-19
Rabobank	A-1	TD	\$2,000,000.00	1462	3.30%	2-Sep-19
Commonwealth Bank Australia	A-1+	TD	\$101,269.00	388	2.72%	20-Sep-19
ING Bank (Australia) Ltd	A-1	TD	\$2,000,000.00	728	2.87%	12-Feb-20
ING Bank (Australia) Ltd	A-1	TD	\$2,000,000.00	728	2.85%	26-Feb-20
Westpac Bank	A-1+	TD	\$2,000,000.00	734	2.86%	9-Jun-20
Commonwealth Bank Australia	A-1+	TD	\$2,000,000.00	1094	2.77%	11-Jun-20
Police and Nurses Bank	A-2	TD	\$2,000,000.00	1459	3.50%	18-Dec-20
Rabobank	A-1	TD	\$2,000,000.00	1464	3.00%	16-Jun-21
Bank of Qld	A-2	TD	\$2,000,000.00	1821	3.85%	15-Dec-21
Bank of Qld	A-2	TD	\$5,000,000.00	1827	3.80%	21-Feb-22
Police and Nurses Bank	A-2	TD	\$5,000,000.00	1825	3.74%	22-Feb-22
Westpac Bank	A-2	TD	\$6,000,000.00	1826	3.00%	2-Mar-22
Bank of Qld	A-2	TD	\$2,000,000.00	1826	3.80%	22-Mar-22
Westpac Bank	A-1+	TD	\$2,000,000.00	1826	2.83%	24-Aug-22
Westpac Bank	A-1+	TD	\$2,000,000.00	1826	3.00%	24-Aug-22
Rabobank	A-1	TD	\$2,000,000.00	1826	3.39%	13-Sep-22
Police and Nurses Bank	A-2	TD	\$2,000,000.00	1836	3.51%	28-Sep-22
Rabobank	A-1	TD	\$2,000,000.00	1828	3.40%	23-Aug-23
Total Term Deposits			\$141,875,381.11			



Shoalhaven City Council as at 31/08/2018						
Authorised Deposit-Taking Institution (ADTI)	ST Rating	Security Type	Principal/ Current MF Value	Term	Interest Rate	Maturity Date
Newcastle Permanent Building Society	A-2	FRN	\$1,000,000.00	1095	3.71%	22-Mar-19
Greater Bank Limited	A-2	FRN	\$1,000,000.00	1095	3.65%	7-Jun-19
Teachers Mutual Bank Limited	A-2	FRN	\$1,000,000.00	1095	3.36%	28-Oct-19
Credit Union Australia	A-2	FRN	\$2,250,000.00	1096	3.34%	20-Mar-20
Members Equity Bank	A-2	FRN	\$1,000,000.00	1096	3.31%	6-Apr-20
Newcastle Permanent Building Society	A-2	FRN	\$2,000,000.00	1827	3.32%	7-Apr-20
Newcastle Permanent Building Society	A-2	FRN	\$500,000.00	1064	3.32%	7-Apr-20
Heritage Bank	A-2	FRN	\$1,250,000.00	1096	3.27%	4-May-20
Suncorp Metway Ltd Bank	A-1	FRN	\$2,000,000.00	1827	3.24%	20-Oct-20
Bank of Qld	A-2	FRN	\$1,000,000.00	1461	3.14%	26-Oct-20
Members Equity Bank	A-2	FRN	\$1,500,000.00	1096	3.22%	9-Nov-20
Qbank	A-2	FRN	\$1,000,000.00	1096	3.54%	6-Dec-20
Rabobank	A-1	FRN	\$2,000,000.00	1826	3.32%	4-Mar-21
Heritage Bank	A-2	FRN	\$700,000.00	1096	3.34%	29-Mar-21
Members Equity Bank	A-2	FRN	\$1,600,000.00	1095	3.28%	16-Apr-21
National Australia Bank	A-1+	FRN	\$1,000,000.00	1826	3.13%	12-May-21
Bank of Qld	A-2	FRN	\$1,000,000.00	1826	3.44%	18-May-21
Suncorp Metway Ltd Bank	A-1	FRN	\$1,000,000.00	1826	3.21%	22-Jun-21
Teachers Mutual Bank Limited	A-2	FRN	\$700,000.00	1,096	3.47%	2-Jul-21
Commonwealth Bank Australia	A-1+	FRN	\$1,000,000.00	1826	3.23%	12-Jul-21
ANZ	A-1+	FRN	\$1,000,000.00	1826	3.09%	16-Aug-21
ANZ	A-1+	FRN	\$1,000,000.00	1826	3.05%	7-Mar-22
Suncorp Metway Ltd Bank	A-1	FRN	\$500,000.00	1826	2.93%	16-Aug-22
Westpac Bank	A-1+	FRN	\$2,000,000.00	1826	2.87%	6-Mar-23
Commonwealth Bank Australia	A-1+	FRN	\$1,000,000.00	1916	2.86%	25-Apr-23
ANZ	A-1+	FRN	\$1,000,000.00	1826	2.87%	9-May-23
Commonwealth Bank Australia	A-1+	FRN	\$500,000.00	1826	2.89%	16-Aug-23
Total Senior Securities			\$31,500,000.00			
Shoalhaven City Council as at 31/08/2018						
Grandfathered	ST Rating	Security Type	Current Valuation			Maturity Date
Macquarie Global Income Opportunities	NR	MF	\$1,855,393.18			T+3
TCorpIM Cash Fund	AAAm	MF	\$30,199,811.72			T+0
			\$32,055,204.90			
Product	ST Rating	Security Type	Current Valuation			Maturity Date
AMP At Call	A-1	Cash	\$937,519.08			At-Call
AMP Notice Account	A-1	Cash	\$2,887,698.49			31 Days
NAB Transaction Account	A-1+	Cash	\$110,585.25			At-Call
CBA Operating Account	A-1+	Cash	\$14,188,467.21			At-Call
CBA Business Online Saver	A-1+	Cash	\$3,000,000.00			At-Call
			\$21,124,270.03			
Total Investment Portfolio			\$226,554,856.04			

CL18.236 - Attachment 1



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SUTHERLAND & ASSOCIATES PLANNING

APPENDIX A

**REQUEST TO VARY HEIGHT OF BUILDINGS
DEVELOPMENT STANDARD**

A

Sutherland & Associates Planning Pty Ltd

CL18.238 - Attachment 1

REQUEST FOR AN EXCEPTION TO THE HEIGHT OF BUILDINGS DEVELOPMENT STANDARD

Introduction

This request for an exception to a development standard is submitted in respect of the height of buildings development standard contained within Clause 4.3 of the Shoalhaven Local Environmental Plan 2014 (SLEP). The request relates to an application for the demolition of the existing single storey Bunnings warehouse on the site, site consolidation and construction of a new Bunnings warehouse (hardware and building supplies warehouse) including outdoor nursery, timber trade area above an undercroft car parking level and signage at 145-159 Princes Highway, South Nowra.

Clause 4.6 Exceptions to development standards

Clause 4.6(2) of the MLEP provides that development consent may be granted for development even though the development would contravene a development standard imposed by the SLEP, or any other environmental planning instrument.

However, clause 4.6(3) states that development consent must not be grant for development that contravenes a development standard unless the consent authority has considered a written request from the applicant that seeks to justify the contravention of the development standard by demonstrating:

- (a) that compliance with the development standard is unreasonable or unnecessary in the circumstance of the case, and
- (b) there are sufficient environmental planning grounds to justify contravening the development standard.

In accordance with clause 4.6(3) the applicant requests that the height of buildings development standard be varied.

Development Standard to be varied

Clause 4.3 states:

- (1) The objectives of this clause are as follows:
 - (a) to ensure that buildings are compatible with the height, bulk and scale of the existing and desired future character of a locality,
 - (b) to minimise visual impact, disruption of views, loss of privacy and loss of solar access to existing development,
 - (c) to ensure that the height of buildings on or in the vicinity of a heritage item or within a heritage conservation area respect heritage significance.
- (2) The height of a building on any land is not to exceed the maximum height shown for the land on the Height of Buildings Map.
- (2A) If the Height of Buildings Map does not show a maximum height for any land, the height of a building on the land is not to exceed 11 metres.

Building height (or height of building) is defined in the dictionary of SLEP as the vertical distance between ground level (existing) at any point to the highest point of the building, including plant and lift overruns, but excluding communication devices, antennae, satellite dishes, masts, flagpoles, chimneys, flues and the like.

No maximum height is shown for the land on the Height of Buildings Map. In accordance with sub-clause (2A) the maximum height for the site to which the proposed building relates is 11 metres.

Extent of Variation to the Development Standard

The proposal has a parapet height of 13.5 metres and a main entry gable of 15.5m which exceeds the 11m height control.

Clause 4.6(3)(a) Is compliance with the development standard unreasonable or unnecessary in the circumstances of the case?

Historically the most commonly invoked way to establish that a development standard was unreasonable or unnecessary was satisfaction of the first test of the five set out in *Wehbe v Pittwater Council* [2007] NSWLEC 827 which requires that the objectives of the standard are achieved notwithstanding the non-compliance with the standard. This request addresses the five part test described in *Wehbe v Pittwater Council*. [2007] NSWLEC 827, followed by a concluding position which demonstrates that compliance with the development standard is unreasonable and unnecessary in the circumstances of the case:

1. the objectives of the standard are achieved notwithstanding non-compliance with the standard;

The specific objectives of Clause 4.3 of the SLEP are identified below. A comment on the proposal's consistency with each objective is also provided.

- (a) to ensure that buildings are compatible with the height, bulk and scale of the existing and desired future character of a locality,

Careful consideration has been given to the location, size and design of the proposed development to ensure that a high quality outcome will be achieved which will sit comfortably within the streetscape. The property's presentation in a streetscape context will be enhanced as a consequence of the proposed development given the generous setbacks, deep soil zones and extensive landscaping across a large proportion of the frontage to the Princes Highway. The proposed height is generally consistent with that which is anticipated by the height control and will not result in an incompatible relationship with the context surrounding the site.

- (b) to minimise visual impact, disruption of views, loss of privacy and loss of solar access to existing development,

The proposal presents as an appropriate scale to the condition of the site and its context and does not result in any unreasonable visual impact, disruption of views, loss of privacy and loss of solar access to existing development surrounding the site. The visual impact of the development has been successfully mitigated by setbacks which provide opportunity for landscaping along the boundaries of the site and in particular the front setback to Princes Highway.

- (c) to ensure that the height of buildings on or in the vicinity of a heritage item or within a heritage conservation area respect heritage significance.

The site is not identified as a heritage item nor is it located in a heritage conservation area pursuant to clause 5.10 and Schedule 5 of the SLEP. The site is not located the vicinity of a heritage item or a conservation area. There will be no impact in heritage terms.

2. the underlying objective or purpose of the standard is not relevant to the development and therefore compliance is unnecessary;

The underlying objectives and purpose of the height control are relevant to the proposed development. However, the proposed development is consistent with those objectives on the basis that the proposed height is compatible with the existing and future scale of the surrounding buildings and will sit comfortably with the context of the site with no significant adverse impacts to adjacent properties.

3. the underlying object of purpose would be defeated or thwarted if compliance was required and therefore compliance is unreasonable;

The underlying objectives and purpose of the standard is relevant to the proposed development. However, the proposed development is consistent with the objectives on the basis that the proposed development achieves an appropriate height on the site which is compatible with the context of the site and results in minimal difference to views across the site when compared with a compliant height, provides a transition to adjacent properties and does not negatively impact on the amenity of adjacent properties. Strict compliance with the height control would not meaningfully reduce the impact of the development on the streetscape or neighbouring properties but would result in significantly reduced efficiencies in terms of the ongoing operation of the warehouse. Accordingly, it is considered that strict compliance would likely result in the defeat of the underlying object and purpose of the height control because it would encourage a less desirable outcome for the site.

4. the development standard has been virtually abandoned or destroyed by the Council's own actions in granting consents departing from the standard and hence compliance with the standard is unnecessary and unreasonable;

The development standard has not been virtually abandoned.

5. the zoning of the particular land is unreasonable or inappropriate so that a development standard appropriate for that zoning is also unreasonable and unnecessary as it applies to the land and compliance with the standard would be unreasonable or unnecessary. That is, the particular parcel of land should not have been included in the particular zone.

Strict compliance with the minimum 11m height of buildings development standard is considered to be unnecessary and unreasonable in the circumstance of this site as discussed below:

- The additional height is attributed to the relocation of the car parking beneath the warehouse which represents a particularly positive outcome as it allows for the provision of increased parking on the site, the introduction of a 6.1m deep soil zone at the front of the site where none currently exists, as well as an improved relationship and engagement between the main entry to the building and the street.
- The proposal provides for substantial setbacks to the site boundaries, including the front setback that allows for deep soil landscaping within the front building line that will provide a substantially improved landscaped setting for the development compared to the existing development on the site which is provided with a substantial hardstand carpark within the front building line.

- The usual impact of the building is significantly ameliorated with regard to the Princes Highway given the intervening verges and service lane, resulting in a setback in excess of 22 metres from the Highway roadway.
- The visual impact of the increased height will not be significant given the varied height of buildings located within the visual catchment of the site.
- The proposal has been specifically designed to maintain the existing setback from the western side boundary (and Nowra Creek) to ensure there is minimal disturbance to this environmentally sensitive part of the site.
- The ground floor level is established by the Peak Flood Level given the flooding affectation applicable to the site, which therefore restricts any opportunity to lower the building further into the ground.
- The proposed development will have no impact in heritage terms.
- The proposed development provides appropriately for car parking and will have no unreasonable impact on local traffic.
- The variation of the height control is to maintain the necessary internal specifications for the proper and efficient functioning of the Bunnings model and any reduction to the ceiling height will have a significant detrimental operational impact.
- The variation to the height of buildings control does not result in any privacy, solar or view loss impacts on the adjoining properties.
- Strict compliance with the development standard would result in an inflexible application of the control that would not deliver any additional benefits to the owners or occupants of the surrounding properties or the general public.

Clause 4.6(3)(b) Are there are sufficient environmental planning grounds to justify contravening the development standard?

The objects specified in section 5(a)(i) and (ii) of the EP&A Act are:

'to encourage:

- i) the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,
- ii) the promotion and co-ordination of the orderly and economic use and development of land..'

The proposed development is consistent with the aims of the Policy and the objects of the EP&A Act in that:

- Strict compliance with the development standard would result in an inflexible application of the control that would not deliver any additional benefits to the owners or occupants of the surrounding properties or the general public.
- The proposed variation allows for the most efficient and economic use of the land.

The primary reason for the increased height on the site is the desire to locate car parking beneath the building rather than in a large hardstand area in front of the building. This results in several environmental benefits including the capacity to significantly increase on-site car parking provision, the ability to introduce a deep soil landscape zone along the front of the site, as well as the ability to bring the warehouse building closer to the street with a substantially improved streetscape outcome and engagement with the street which is appropriate

in a B5 zone. The height of the building only represents a relatively minimal breach of the height control for the parapet in particular which does not result in any adverse impact and still achieves a similar scale to that which is anticipated by the height control for the site. Whilst the height of the entry feature is marginally higher than the parapet, this feature in fact serves to modulate the architectural form and create visual interest for the building and is considered a positive attribute.

On the basis of the above, it has been demonstrated that there are sufficient environmental planning grounds to justify the proposed height non-compliance in this instance.

Clause 4.6(4)(a)(i) consent authority satisfied that this written request has adequately addressed the matters required to be demonstrated by Clause 4.6(3)

Clause 4.6(4)(a)(i) states that development consent must not be granted for development that contravenes a development standard unless the consent authority is satisfied that the applicant's written request has adequately addressed the matters required to be demonstrated by subclause (3).

These matters are comprehensively addressed above in this written request with reference to the five part test described in *Wehbe v Pittwater Council* [2007] NSWLEC 827 for consideration of whether compliance with a development standard is unreasonable or unnecessary in the circumstances of the case. In addition, the establishment of environmental planning grounds is provided, with reference to the matters specific to the proposal and site, sufficient to justify contravening the development standard.

Clause 4.6(4)(a)(ii) consent authority satisfied that the proposal is in the public interest because it is consistent with the zone and development standard objectives

Clause 4.6(4)(a)(ii) states that development consent must not be granted for development that contravenes a development standard unless the consent authority is satisfied that the proposed development will be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out.

Objective of the Development Standard

The proposal's consistency with the objectives of the development standard have been addressed in detail in this clause 4.6 request.

Objectives of the Zone

Clause 4.6(4) also requires consideration of the relevant zone objectives. The site is located within both the B5 Business Development and the IN1 General Industrial zone.

The objectives of the B5 Business Development zone are:

- To enable a mix of business and warehouse uses, and bulky goods premises that require a large floor area, in locations that are close to, and that support the viability of, centres.
- To allow a diversity of activities that do not significantly conflict with the operation of existing or proposed development.

The proposed development retains the same use on the site, being a Bunnings Warehouse, which requires a large floor area, is consistent with the character of the surrounding area and plays an important role in supporting the viability of Nowra given the sites location in close proximity to the town

centre. The proposed development involves the replacement of the existing Bunnings warehouse on the site with a new generation Bunnings warehouse and provides for a significant improvement to the existing streetscape elevations and visual appearance of the subject site. The proposed undercroft car parking, streetscape improvements and landscaped areas will assist in minimising adverse impacts to surrounding uses by achieving a visual improvement to the presentation of the building within the streetscape. The subject application is accompanied by an Assessment of Parking and Traffic Implications prepared by TTPA which demonstrates that the proposal will not have an adverse impact on the effective operation and safety of the Princes Highway.

The objectives of the IN1 General Industrial zone are:

- To provide a wide range of industrial and warehouse land uses.
- To encourage employment opportunities.
- To minimise any adverse effect of industry on other land uses.
- To support and protect industrial land for industrial uses.
- To allow a diversity of activities that do not significantly conflict with the operation of existing or proposed development.
- To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.

The proposed development involves the replacement of the existing Bunnings warehouse on the site with a new generation Bunnings warehouse and provides for a significant improvement to the existing streetscape elevations and visual appearance of the subject site. The proposed Bunnings warehouse is a significant generator of employment opportunities and will result in 470 jobs during the construction process and 200 (full-time and part-time) ongoing operations jobs once the building is complete. The proposal will improve the economic viability of the site by allowing it to better meet the ongoing needs of local workers and residents in the area. The development will contribute to the economic success of surrounding industrial and business activities.

For the reasons given the proposal is considered to be consistent with the objectives of both the B5 and the IN1 zone and the proposed variation to the height of buildings development standard does not hinder consistency with the objectives of the zone.

Clause 4.6(5) Secretary Considerations

The matters for consideration under Clause 4.6(5) are addressed below:

(5) In deciding whether to grant concurrence, the Secretary must consider:

(a) whether contravention of the development standard raises any matter of significance for State or regional environmental planning,

The contravention of the standard does not raise any matters of significance for state or regional environmental planning. The development does not impact upon or have implications for any state policies in the locality or impacts which would be considered to be of state or regional significance.

(5) In deciding whether to grant concurrence, the Secretary must consider:

(b) the public benefit of maintaining the development standard,

This Clause 4.6 request has demonstrated there are significant environmental planning benefits associated with the contravention of the standard. There is no material impact or benefit associated with strict adherence to the development standard and in my view, there is no compelling reason or public benefit derived from maintenance of the standard.

Objectives of Clause 4.6

The specific objectives of Clause 4.6 are:

- (a) to provide an appropriate degree of flexibility in applying certain development standards to particular development,
- (b) to achieve better outcomes for and from development by allowing flexibility in particular circumstances.

As demonstrated above the proposal is consistent with the objectives of the zone and the objectives of Clause 4.3 notwithstanding the proposed variation to the minimum height of buildings development standard. Further, the development does not result in any unreasonable impacts on the amenity of the surrounding properties, the streetscape or the environmentally sensitive western portion of the site (and Nowra Creek).

Requiring strict compliance with the height of buildings development standard on the subject site would result in an inferior built form that would contextually be essentially no different from the proposed development and would not result in any meaningful benefit to the streetscape or the amenity of adjoining properties.

Allowing the flexible application of the minimum height of buildings development standard in this instance is not only reasonable but also desirable given the context of the site and desire to deliver a positive result for the site which will provide increased employment opportunities and a new generation Bunnings Warehouse that will service the demands of the wider community.

Accordingly, it is considered that the consent authority can be satisfied that the proposal meets objective 1(a) of Clause 4.6 in that allowing flexibility in relation to the minimum height of buildings development standard and will achieve a better urban design outcome in this instance in accordance with objective 1(b).

Conclusion

Strict compliance with the minimum height of buildings development standard contained within clause 4.3 of Shoalhaven Local Environmental Plan 2014 has been found to be unreasonable and unnecessary in the circumstances of the case. In addition there are sufficient environmental planning grounds to justify the variation. In this regard it is reasonable and appropriate to vary the building height development standard to the extent proposed.

8 August 2018

Andre Vernez
Shoalhaven City Council
PO Box 42
NOWRA NSW 2541

Dear Mr Vernez,

[RE: Development Application DA18/1598 - 145 159-Princes Highway, South Nowra](#)

We refer to development application DA18/1598 for the demolition of the existing single storey Bunnings warehouse on the site, consolidation with an adjacent site, and construction of a new Bunnings warehouse (hardware and building supplies warehouse) including garden centre above an undercroft car parking level, and signage at 145-159 Princes Highway, Nowra.

It is noted that two objections have been received from both the owner and occupant of the southern adjacent site at 171 Princes Highway, South Nowra. A response to the various issues raised is provided below to assist Council in its consideration of the application:

Summary of Issue	Response
Owner	
The front of the proposed building is not in line with other buildings in the neighbourhood, the proposal is obtrusive in its bulk and will obscure the adjacent building.	<p>The site is predominantly zoned B5 Business Development and Council have specifically advised that the proposal is to be considered against the provisions of Chapter G17 Business, Commercial and Retail Development of the SDCP and these provisions do not require a minimum front setback, on the basis that commercial development should engage directly with the street edge.</p> <p>The proposed front setback is appropriate in this circumstance as it achieves a significantly improved engagement and activation of the street compared to the existing building on the site and the design of the new building with car parking relocated below the building provides the opportunity for an improved presence in the street. Furthermore, due to the context of the site and eclectic pattern of development surrounding the site, there is no consistent street or front setback alignment within the visual catchment of the site to which the proposal should adhere. The front setback adopted by the southern adjacent site is anomalous and should not dictate the front setback along the entire frontage of this large site.</p> <p>The bulk of the building is generally as anticipated by the planning controls which govern the site, noting that the site has a large area and is ideally suited to this type of development. Furthermore, the bulk of the proposed building is generally consistent with the existing building on the site, albeit with a reduced front setback.</p> <p>In addition, there are no planning controls which require the retention of a</p>

Summary of Issue	Response
	view corridor to the adjacent site from the street. Notwithstanding this, the existing predominant view of the southern adjacent site is obtained from drivers travelling in a northerly direction along the Princes Highway (due to the large vegetated strip in the middle of the Highway which prevents a view from southbound drivers) and this view of the southern adjacent site remains unobstructed by the proposal.
The proposal completely overshadows the southern adjacent building.	The provisions of Chapter G17 Business, Commercial and Retail Development of the SDCP do not contain any controls in relation to overshadowing of adjacent properties noting that, unlike residential development, solar access is not critical to commercial premises. The controls in relation to outdoor dining in the DCP also do not include any requirements in relation to minimum solar access requirements. In fact, shading of outdoor dining areas is of significantly greater importance to protect patrons from sunlight and heat as evidenced by awnings within commercial areas and indeed the permanent and temporary umbrellas which have been erected over part of the outdoor dining area on the southern adjacent site. Accordingly, shadow cast by the subject proposal cannot form a reasonable basis for objection in the commercial and semi-industrial context of the subject site.
There is a detrimental effect caused by the proposed vehicle ramp where accelerating vehicles discharge copious amounts of carbon dioxide over anyone occupying the southern adjacent property.	The vast majority of vehicles accessing the site will not be using the ramp and will instead access the car park below the building from the central driveway which provides the most convenient access point and proximity to the traveller to the main warehouse level. When compared to the existing situation where the majority of vehicles access the site from the southern driveway, the proposal is likely to result in less vehicles accessing the site in close proximity to the southern adjacent site. Furthermore, the ramp does not commence until a distance of approximately 24 metres inside the front property boundary which is not adjacent to the outdoor dining area on the southern adjacent site. Given the limited number of vehicles which will utilise the ramp and its location, this component of the proposal will not result in any unreasonable impact by way of fumes to the adjacent site having regard to the character of the area.
Occupant (Fast N Fresh)	
The existing amenity and ambience in our outdoor seating area will be severely diminished by over-shadowing from the proposed building.	As previously discussed, the provisions of Chapter G17 Business, Commercial and Retail Development of the SDCP do not contain any controls in relation to overshadowing of adjacent properties. Notwithstanding, it is emphasised that currently permanent and temporary umbrellas are utilised to provide shade for patrons utilising the outdoor dining area on the southern adjacent site, highlighting the far greater importance of shade for outdoor dining area. Having regard to the commercial and semi-industrial context of the subject site, the proposal is of a nature and character as can reasonably be expected in this location and is not considered to unreasonably impact the ambience of the southern adjacent site.
Views of bushland and Cambewarra range will also be replaced by a towering concrete and steel wall.	There are no planning controls in relation to view impact assessment from commercial and industrial development. In addition, there are no meaningful views of the Cambewarra range and bushland obtained from the southern adjacent site which should dictate the siting of the proposed building. Any incidental vistas to the north along the Princes Highway alignment are the result in the underdevelopment of the northern adjacent site and are

Summary of Issue	Response
	borrowed amenity and cannot prevent the reasonable development of the subject site in a manner which fulfils the zone objectives as proposed.
The proposed building exceeds the maximum height of any building stated in SLEP 2014 Clause 4.3 (2A) and contravenes the objectives of the SLEP 2014 Clause 4.3 (1)(b) regarding visual impact, solar access and disruption of views to existing developments.	<p>The objectives in relation to the height control apply to the entirety of the Shoalhaven local government area which includes sensitive uses and zones at one end of the spectrum such as residential and environmental living zones to zones set aside for employment and heavy industrial activities at the other end of the spectrum. The consideration of how a proposal meets the objectives of the height control must inherently have regard for the context of the site and the reasonable expectation for amenity having regard to the zone of the site. For example, the DCP contains a myriad of amenity controls for residential areas such as visual impact, privacy and solar access provisions, whereas there are no such amenity provisions for commercial and industrial areas. Having regard to the context of the site within a commercial and industrial area, the proposed minor variation to the height control does not result in any unreasonable adverse impact to adjacent properties.</p> <p>Strict compliance with the building height control is considered to be unreasonable and unnecessary under the circumstances for the following reasons:</p> <ul style="list-style-type: none"> • The existing Bunnings warehouse on the site already has an entry feature which exceeds the 11 metre height control and accordingly the height of the proposed new Bunnings warehouse is not inconsistent with the height of the building already on the site and will not appear as significantly different in scale. • The additional height is attributed to the relocation of the car parking beneath the warehouse which represents a particularly positive outcome as it allows for the provision of increased parking on the site, the introduction of a 6.1m deep soil zone at the front of the site where none currently exists, as well as an improved relationship and engagement between the main entry to the building and the street. • The proposal provides for substantial setbacks to the site boundaries, including the front setback that allows for deep soil landscaping within the front building line that will provide a substantially improved landscaped setting for the development compared to the existing development on the site which is provided with a substantial hardstand carpark within the front building line. • The usual impact of the building is significantly ameliorated with regard to the Princes Highway given the intervening verges and service lane, resulting in a setback in excess of 22 metres from the Highway roadway. • The visual impact of the increased height will not be significant given the varied height of buildings located within the visual catchment of the site. • The proposal has been specifically designed to maintain the existing setback from the western side boundary (and Nowra Creek) with the exception of a minor intrusion at the northern end of the site to ensure there is minimal disturbance to this environmentally sensitive part of the site. • The ground floor level is established by the Peak Flood Level given the flooding affectation applicable to the site, which therefore restricts any opportunity to lower the building further into the ground. • The proposed development will have no impact in heritage terms.

Summary of Issue	Response
	<ul style="list-style-type: none"> The proposed development provides appropriately for car parking and will have no unreasonable impact on local traffic. The variation of the height control is to maintain the necessary internal specifications for the proper and efficient functioning of the Bunnings model and any reduction to the ceiling height will have a significant detrimental operational impact. The variation to the height of buildings control does not result in any privacy, solar or view loss impacts on the adjoining properties. Strict compliance with the development standard would result in an inflexible application of the control that would not deliver any additional benefits to the owners or occupants of the surrounding properties or the general public.
Noise and toxic fumes from vehicles accessing the site to the outdoor dining patrons.	<p>Currently, there are only two driveways which provide access to the Bunnings car park with one at the southern end, adjacent to the outdoor dining area, and the other at the northern end of the site. A substantial proportion of vehicles accessing the car park currently do so from the southern driveway adjacent to the outdoor dining area.</p> <p>However, the subject proposal introduces an additional driveway centrally along the site frontage which provides the most convenient access point to the car park with regard to the proximity to the traveller to the main warehouse level. When compared to the existing situation where the majority of vehicles access the site from the southern driveway, the proposal is likely to result in significantly less vehicles accessing the site in close proximity to the southern adjacent site.</p> <p>In addition, the proposal is removing the existing car parking spaces which are currently along the southern side of the site adjacent to the outdoor dining area.</p> <p>Accordingly, the proposal will result in a reduction in vehicles and associated impacts, albeit minor, to the southern adjacent property.</p>
The recently instated "Long Vehicle Only" parking bays, on the service road, will be dramatically reduced in size by the new entries and exits.	<p>The site which is the subject of this proposal has a particularly long street frontage (which is now longer than the existing site by virtue of the consolidation of the northern adjacent site) and the proposed driveway arrangements leave an abundant provision of on-street parking on the service road. The introduction of a new centrally located driveway access to the site will result in a positive outcome for the southern adjacent site as discussed above.</p>
Building and associated signage will be dramatically less visible from the northern approaches of the service road and the Princes Highway.	<p>There are no planning controls in relation to maintaining the visibility of signage on adjacent buildings. Notwithstanding this, the existing predominant view of the southern adjacent site is obtained from drivers travelling in a northerly direction along the Princes Highway (due to the large vegetated strip in the middle of the Highway which prevents a view from southbound drivers) and this view of the southern adjacent site remains unobstructed by the proposal.</p>

We trust that the above discussion is of assistance to Council. Should you have any questions concerning the above, please contact Aaron Sutherland on either (02) 9894 2474 or 0410 452 371, or alternatively at aaron@sutherlandplanning.com.au

Yours faithfully



Aaron Sutherland
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