

Ordinary Meeting

Meeting Date: Monday, 27 February, 2023

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

Attachments (Under Separate Cover)

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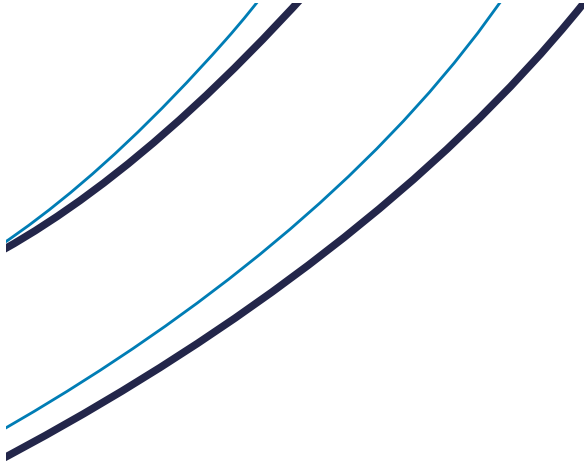


Audit, Risk & Improvement Committee Annual Report

January 2022 – December 2022



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Acknowledgment of country



We acknowledge the traditional owners and custodians of this country and their continuing connection to the land through culture and community. We pay our respects to Elders past, present and future.

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Introduction

On behalf of the Audit, Risk and Improvement Committee (ARIC or Committee), I would like to present the ARIC report for Shoalhaven City Council covering the period of activity from January 2022 to December 2022.

It is a pleasure for me to report that the ARIC continues to make progress in discharging its responsibilities as set out in the Committee's Charter.

The Committee has during the year provided independent advice on the adequacy of Council's risk management framework and associated control environment (including internal audit) and has provided robust scrutiny of Council's financial performance.

Key achievements in this reporting period include:

- Effectively contributing to the governance of the organisation through contribution and consideration of matters presented to the Committee such as internal audit reports, external audit management letter, quarterly budget reviews, enterprise risk management, cybersecurity risks, and other reports presented to ARIC.
- Obtaining a better understanding of major projects of Council through standing report on projects over \$10 million as they reach significant milestones. The Committee also visited four of the major Council sites in November 2022. These sites included Artie Smith Oval, Boongaree Nature Park, Far North Collector Road and West Nowra Waste Depot. This provided opportunity to the Committee to better understand and relate to the information that had been reported in the standing reports.
- Attending to the workshop on Long Term Financial Planning (LTFP) and to better understand the parameters considered to develop Council's LTFP.
- Obtaining updates on the impact from COVID-19 pandemic and natural disasters.
- Networking with ARIC members in other councils and the wider government sector to enable continuous improvement.

The ARIC includes a balance of professional skills, knowledge and technical experience through the appointment of two Councillors (with two additional alternate Councillor members) and three independent members. The Committee members bring significant experience from across the local government which has been very valuable in the effective functioning of the ARIC.

I would like to express my appreciation to the other members of the Committee, Donna Rygate, John Gordon, Clr Patricia White, Clr John Wells, Clr Evan Christen, Clr Liza Butler and Clr Matthew Norris for their contributions and support of the Committee during the year. Clr John Wells resigned from the committee in September 2022. The Committee appreciates the valuable eight years of contribution from Clr John Wells on the ARIC and wishes him well.

Thank you to the Council staff in the Executive and Governance areas for the work they perform in servicing the Committee and providing input into the Committee's deliberations.

Finally, thank you to the Chief Executive Officer and the Internal Auditor for their support and input into the Committee's work. Their contributions, transparency and commitment to continuously improve is highly valued by the members of the Committee.

The Committee looks forward to actively contributing to the governance and risk processes of Council into the future.

Peter McLean

*Chair, Shoalhaven City Council Audit,
Risk and Improvement Committee*



Council's Audit, Risk and Improvement Committee

Shoalhaven City Council (SCC) has established an Audit, Risk and Improvement Committee ("the Committee" or "ARIC") in accordance with the current Local Government Act requirements. The ARIC's objective is to provide independent assurance and assistance to SCC on risk management, control, governance and external accountability responsibilities.

The ARIC is governed by its Charter.

The Committee appreciates the full cooperation of the Chief Executive Officer and his staff to ensure it can, and will into the future, fully meet its mandate.

Membership

The Committee membership consists of two Councillors (with two alternate Councillor members appointed) and three appointed independent members with business and/or governance experience.

Independent Members

Mr Peter McLean (independent Chairperson)

- was appointed for the period of February 2017 to December 2020. In October 2020, Peter was reappointed by Council for a further term of January 2021 to December 2024. Peter is a not-for-profit specialist having led six Australian Charities in four sectors, currently CEO at Bicycle NSW, he previously worked in State and Local Government. Leading charities he has successfully strengthened organisation profiles, community engagement, financial sustainability, social impact and capabilities to reach more people with better services and experiences. He holds a degree in Environmental Management, a Masters in Business Administration (sub-majoring in Business Law and Public Relations) and Certificates in Bush Regeneration and Business Governance. Peter is passionate about assisting organisations to better support the communities they serve. He has experience on six (6) Council Audit, Risk and Improvement Committees and worked with

councils on many issues in his not-for-profit roles and more recently as a Councillor in Greater Sydney.

Donna Rygate (independent member) – is appointed from the period of January 2019 to December 2022. Her term on the Committee has been further extended to December 2026. Donna Rygate is an experienced Chief Executive, independent Chair, non-executive director, business leader and skilled problem solver with a solid track record of positive transformation of organisations. In addition to being a member of Shoalhaven, Donna is chair of five (5) local government audit committees and a member of one (1) Commonwealth Government audit committee and two (2) State Government audit committees, and one (1) statutory authority audit committee. She is also chair or member of various boards, statutory bodies and planning panels.

John Gordon (independent member) – is appointed for the period of May 2020 to April 2024. John is a Chartered Accountant and corporate governance specialist. He served as an Audit Assurance Partner with PwC (PricewaterhouseCoopers) for 22 years in the Resources, Services and Government (RSG) Industry Group covering a broad range of audit clients in the private and public sectors. Since retiring from PwC in 2009, John has served as a Chair or Independent Member on over 25 State, Territory and Local Government Audit & Risk Committees. John currently holds appointments as Chair or Independent Member of eight (8) Audit & Risk Committees in NSW, including four (4) NSW Councils



and four (4) State Government agencies - NSW Audit Office; NSW Healthcare Complaints Commission; NSW Department of Education; and NSW Education Standards Authority (NESA).

Councillor Members

Councillor Patricia White - Councillor White was elected in September 2016 as a representative of ward 3. She was as an alternate member of the committee on 04 October 2016. She is appointed as a member to the committee from September 2017. She was reappointed as a member of the Committee in September 2018, September 2019, September 2021, January 2022 and then in October 2022.

Councillor John Wells – Councillor Wells was a member on the ARIC till September 2022. He has served on the ARIC for almost eight years, September 2012 to August 2016 and September 2018 to September 2022.

Councillor Evan Christen – Councillor Evan Christen was elected in December 2021 as a representative of ward 2. He was appointed as alternate councillor member on ARIC in January 2022. He has been appointed as a member of the Committee in October 2022.

Councillor Liza Butler – Councillor Liza Butler was elected in December 2021 as representative of ward 3. She as appointed as alternate councillor member on ARIC in January 2022 and then reappointed in October 2022.










Councillor Matthew Norris– Councillor Matthew Norris was elected in December 2021 as a representative of ward 1. He has been appointed as an alternate councillor representative on ARIC in October 2022.

The Chief Executive Officer, Director City Performance, Director City Services, Director City Development, Director City Lifestyles, Director City Futures, Executive Manager – Shoalhaven Water, Chief Financial Officer, Manager Business Assurance & Risk, Lead – Enterprise Risk Management and Internal Auditor attend the ARIC meetings as non-voting members.

Audit, Risk And Improvement Committee Report Card

Progress Key

 On Track	 On Hold	 Needs Attention
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Aric Charter	Compliance	Status
Composition of ARIC	3 independents 2 councillors with an alternative available	
Committee Meetings	4 formal meetings 2 meetings with the external auditor	
Meeting Quorum	Quorum of 2 independents and 1 Councillor member maintained at each committee meeting.	
Enterprise Risk Management (ERM)	Update on ERM framework and strategic risks were presented at the ARIC meeting.	
Control Framework	Review of controls through the internal audit reports received. Significant governance related matters were reported to ARIC. Updates were received on major projects over \$10m at significant milestones at each meeting. External audit management letter considered in the ARIC meetings.	
External Accountability	External auditor has been a regular attendee of the ARIC meetings. The financial statements and resulting management letter were discussed at the ARIC meetings.	
Legislative Compliance	Legislative updates provided by CEO through his report.	
Internal Audit	Internal audit plan updates and audit reports presented. Progress on IA recommendations communicated quarterly.	
External Audit	Received external audit plan, met the external auditor and considered the management letter.	

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Audit, Risk And Improvement Committee Participation

January 2022 till December 2022 ARIC Participation		ARIC Committee Meetings		Meeting with External Auditor	
Name	Role	Eligible	Attended	Eligible	Attended
Peter McLean	Independent Community Representative (Chair)	4	4	2	2
Donna Rygate	Independent Community Representative	4	4	2	2
John Gordon	Independent Community Representative	4	4	2	2
Clr White	Councillor Representative	4	4	2	*1
Clr Wells	Councillor Representative	3	3	1	1
Clr Evan Christen	Councillor Representative since September 2022	4	*3	2	2
**Clr Liza Butler	Alternate Councillor representative	4	3	2	2
**Clr Matthew Norris	Alternate Councillor representative	1	1	1	0

* Apology received and alternate councillor representative available at the meeting

** Alternate member, not required to attend all meetings.

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Key recommendations

to the Mayor, Chief Executive Officer and Councillors

The ARIC made the following key recommendations to the Chief Executive Officer in 2022:

ARIC Recommendation	SCC Response
Opportunity to improve project management.	Project management framework and suite of documents are currently under development by the City Services team.
A six-monthly progress report on the Legislative Compliance Register be reported to ARIC.	This is in progress. The next update on the progress of the Legislative Compliance Register will be reported at March 2023 ARIC meeting.
Continue receiving updates on the progress of issues identified in the Construction Certificate audit done.	Updates have been continuously provided as part of the CEO's update paper.
Report to be submitted to ARIC if there is a substantial increase in non-compliance (>5% cases) in purchase order raised after invoice date or at the request of ARIC.	This has been controlled and within the manageable threshold. A report will be provided if it goes above the tolerable threshold or upon request of ARIC.
Details on the Customer Request System to be provided to ARIC.	A presentation on the Customer Request Management module was provided to ARIC in August 2022.
Total projected cost of Project Q be added to the update report.	Project Q costing information has been added in the update reports and provided to ARIC.
A post implementation review of Project Q be included as deliverable of the project.	A post implementation and benefits realisation review is planned for June 2023.
Ensuring close personal relationships are managed with the Auditors for Family Day Care audits.	A response on how this is being managed had been reported back to ARIC.
An update be provided to the ARIC on the recognition of RFS assets in Council's Financial Statements.	A report was provided in the November 2022 ARIC meeting. Council has recognised RFS assets into its Financial statement for year ending 30 June 2022.

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ARIC Recommendation	SCC Response
Report back to ARIC on the self-assessment performed against the recommendations made on the Audit Insights 2018 – 2022.	Outcomes from the self-assessment were provided at the ARIC in November 2022 meeting.
Report back on the age profile of the Council volunteers.	In Progress, a report will be provided in March 2023 ARIC meeting.
Additional information on volunteer management provided by the ARIC Chair to be considered by Council.	In Progress, a report will be provided in March 2023 ARIC meeting
Project updates to include cost increases due to delays, insurance and shortages of contractors.	This had been addressed in the update report that was provided to ARIC in November 2022.
A tour for ARIC to visit some of the key facilities be organised for 7 November 2022.	A tour of Artie Smith Oval, Boongaree Nature Park, Far North Collector Road and West Nowra Waste site was organised for the 7 November 2022.
Annual Attestation Declaration of the status of the Essential 8 and Mandatory 25 controls to be provided to ARIC for review and feedback prior to submission.	This will be provided to ARIC prior to next annual attestation process.
Receive a report on council's 'Crown Jewels' (in cyber security context) and the latest review of controls against them. These 'Crown Jewels' to include Shoalhaven Water systems as well.	In Progress, a report will be provided in March 2023 ARIC meeting
Receive an update on the Compliance and Security Assurance Calendar.	This will be provided to ARIC prior to next annual attestation process.

Key Issues

ARIC was updated on the following key issues during the reporting period:

1. Cyber Security

Council is currently on a journey to strengthen its cyber security arrangements as part of the Illawarra Shoalhaven Joint Organisation initiative. The cyber security practices and posture has been strengthened through the finalisation of the Cyber Security Management Policy and the Huntsman Essential 8 Auditing tool. The ARIC has received updates on the progress at each meeting.

2. Disaster Recovery

Updates have provided to ARIC on the progress of the disaster reconstruction work undertaken by Council as a result of natural disasters declared by NSW Government. These disasters had significant impact on public infrastructure with substantial repair costs.

3. Long-Term Financial Plan

The ARIC provided its feedback via a workshop on the long-term financial plan that had been developed for Council.

4. Guidelines for Risk Management and Internal Audit

Progress of the Office of Local Government's proposed guidelines for Risk Management and Internal Audit, likely impact to Council's Risk Management, Internal Audit and ARIC functions and Council's submission to Office of Local Government on the proposed guideline has been continuously updated to ARIC.

5. Enterprise risk management (ERM)

Enterprise risk management framework, risk appetite statement and risk assessment procedures have been finalised. The ARIC endorsed both the risk appetite statement and risk assessment procedures. Updates on the risk register were continuously reported to ARIC through its meeting.

6. Compliance to Modern Slavery Act 2021

The ARIC was updated on the work done in collaboration of the Illawarra Shoalhaven Joint Organisation to comply with the Modern Slavery Act 2021 in procurement processes.

7. Financial Impact of COVID-19

Update on the financial impact of various financial assistance measures during the pandemic and the impact of COVID-19 restrictions on the year-to-date budget was provided.

8. Impact of DA Discount Policy

The decline in revenue as a result of DA Fees Discount Policy was reported to ARIC.

9. Workplace Safety and Attendance during COVID-19 Pandemic

Changes to the Public Health Order, resulting safety measures and the impact on workforce attendance to workplace were continuously updated to the ARIC.

10. Communication with External Auditor

The External Auditors have been regular attendees to Council's ARIC meetings whereby the progress of the Financial Statement audit and other matters were discussed.

11. Miscellaneous

ARIC was provided with updates on issues that were considered as key risks to Council's operations:

- Update on Project Q
- Progress on Construction Certificates Review
- Purchase order after the invoice dates
- Tender on the Management of Ulladulla Civic Centre
- Family Day Care Operations and Governance Arrangements

- Legislative updates on GIPA Act, Public Interest Disclosure (PIDs) Legislation.
 - MVR URA Water & Wastewater Infrastructure Project Update
 - Dam Safety Management System Audit Report
 - Payment of Dividend from Shoalhaven Water 2020 – 21
 - National Performance Reporting Score Card
 - Incidents at Boongaree Nature Park
 - Introduction of Remote Working Procedure
 - NSW Flood Inquiry submission made by Council
 - Councillor Expenses
 - Complaints Handling
 - Construction Certificate Activities
 - Central Coast Inquiry Report February 2022 – Internal Assessment
 - Drives Compliance Audit
 - Ulladulla Administration Buildings & Works Depot Site
 - Auditor General's Report – Audit Insights 2018 – 2022 – Internal Assessment
 - Cash Controls
 - Quarterly progress updates on audit recommendation tasks. The timely actioning of the audit tasks has remained a continual focus of senior management, with a number of recommendation tasks now being actioned.
- 12. Internal Audits – 2022**
ARIC considered the following internal audit reports in 2022:
- Accounts Payable
 - Environmental Services Audit

Conclusion

The Audit, Risk and Improvement Committee has been successful in delivering its role in the period January 2022 to December 2022 and looks forward to the year ahead to contribute more effectively through gaining better understanding of Council's risks and improving the performance of Council through an effective audit program in partnership with management.



Address all correspondence to:
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shoalhaven.nsw.gov.au/contact
1300 293 111

shoalhaven.nsw.gov.au    

Jan 2023



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Delivery Program Operational Plan

Quarterly Performance Report

2022-23 (October - December)



Acknowledgement of Country



We would like to acknowledge the Traditional Custodians of the land in which we gather upon today. We acknowledge their continuing connections to the land, culture and community. We pay respect to Elders past, present and future.

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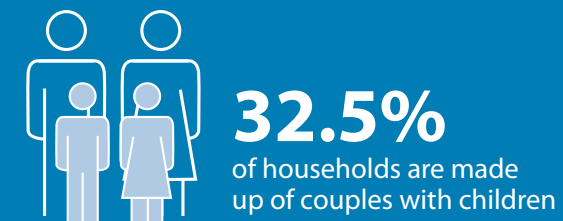
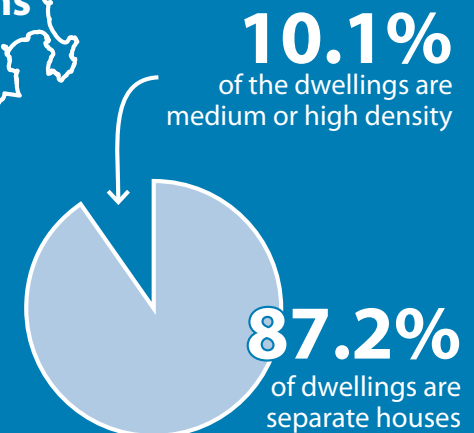
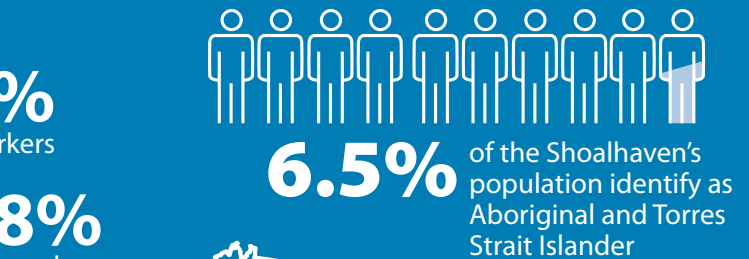
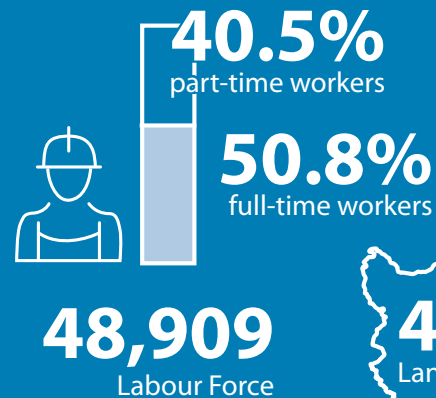
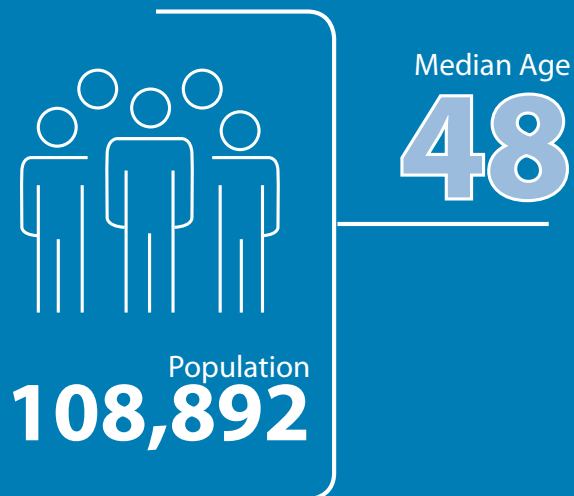
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Community vision statement

We will work together to foster a safe & attractive community for people to live, work, stay & play; where sustainable growth, development & environmental protection are managed to provide a unique & relaxed Shoalhaven lifestyle.



Our community snapshot



Our Councillors

Ward 1



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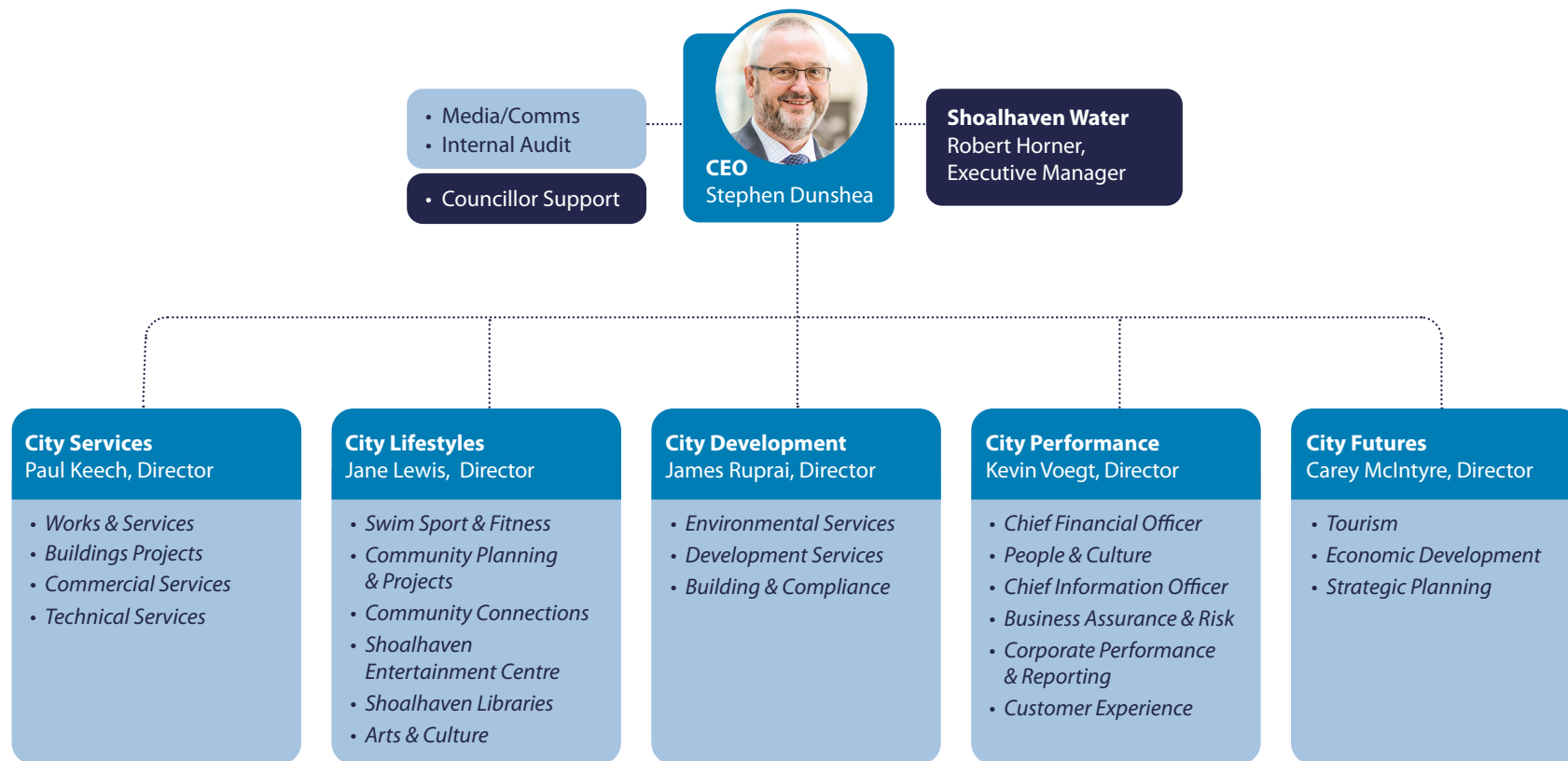


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Executive and organisational structure





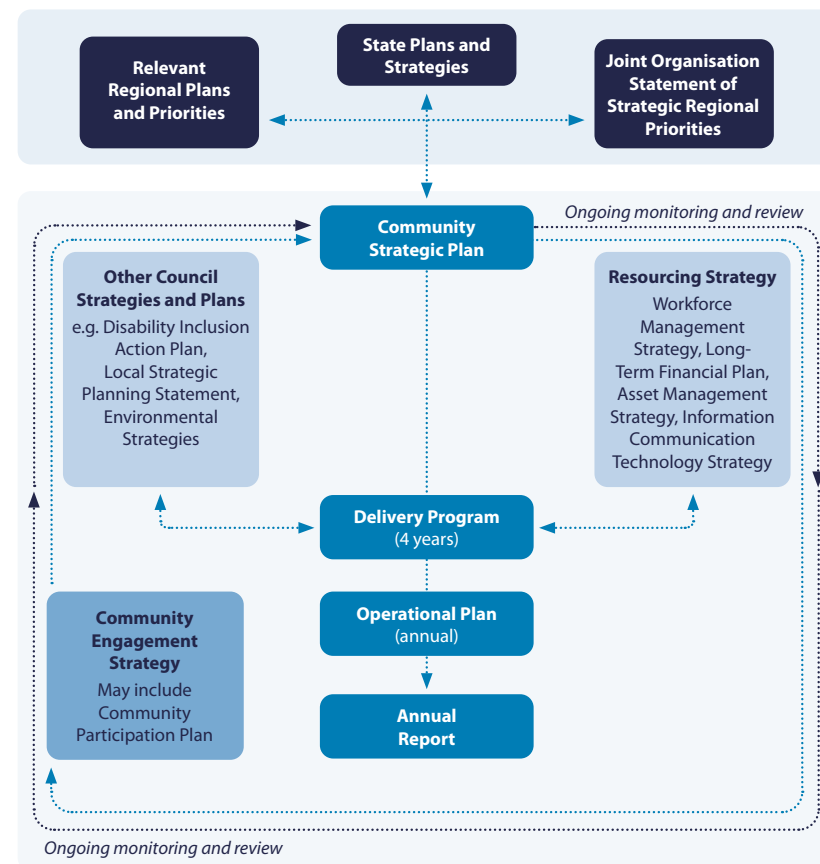
Shoalhaven's integrated plan structure

The integrated plan is developed in conjunction with state and regional plans, the resourcing strategy, other supporting plans, councillors, staff and community.

The community plan for the Shoalhaven over the next ten years is captured in the community strategic plan (CSP). While Council will use the plan to develop its goals and actions, other government and non-government organisations can and will use the CSP to align their activities to meet Shoalhaven's needs.

The resourcing strategy is used to address the budget needs through the long term financial plan, assets required through the asset plan and Council's workforce through the workforce plan. The four-year delivery program objectives are Council's response to the CSP. The one-year operational plan actions details what will be completed over each 12 month period.

This report provides an overview of Council's performance between October to December in delivering the 2022-23 delivery program and operational plan.



(Figure 1): Integrated Planning and Reporting Framework



Performance overview

The following section provides an overview of Council's progress with delivering on commitments in our Annual Plan.

This report provides a performance update on the 156 deliverables across the four key themes and eleven priority areas to 31 December 2022.

Overall progress shows:



7
Completed



137
On Track



9
On Hold



3 Needs
Attention



Resilient, safe, accessible & inclusive communities

- 1.1 Support inclusive, safe and connected communities
- 1.2 Preserve, support and develop cultural and creative vitality across our communities
- 1.3 Support community wellbeing through fostering active and healthy communities



Sustainable, liveable environments

- 2.1 Manage our infrastructure for long term sustainability to meet community need
- 2.2 Manage growth and development with respect for environmental and community values
- 2.3 Protect the natural environment and enhance sustainability



Thriving local economies that meet community needs

- 3.1 Strengthen and diversify the economy
- 3.2 Deliver safe, vibrant and attractive public spaces



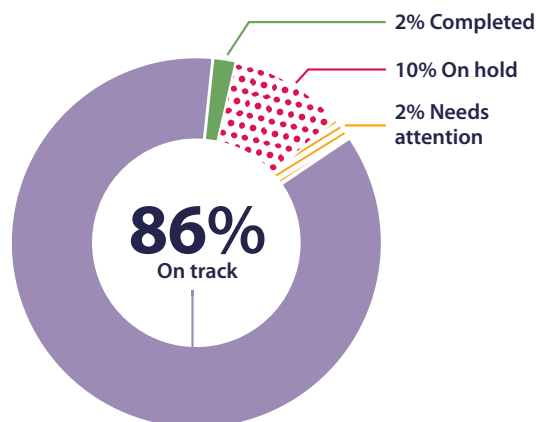
Effective, responsible & authentic leadership

- 4.1 Deliver reliable, high quality services
- 4.2 Provide transparent leadership through effective government and administration
- 4.3 Inform and engage with the community about the decisions that affect their lives



Resilient, safe, accessible & inclusive **communities**

Progress snapshot



Highlights

- Assessment of accessible parking is under way for Nowra and Ulladulla Administration Buildings
- Council resolved to prioritise a review of the Affordable Housing Strategy and investigate the potential to establish an Affordable Housing Development Contribution Scheme. Council received funding of \$200,000 from the NSW Government to assist this work.
- City Lifestyles teams have developed and promoted the "Hello Summer" holiday program across Destination Parks and Council facilities. Programs include Yoga / Pilates in the Park, Pop-up Library, Dive-in Movie Nights and NYE Pool Party
- Shoalhaven Regional Gallery major summer exhibition, 'Plant Your Feet' curated by Glenn
- Barkley includes works by the Shoalhaven community and borrowed from local museums
- Shoalhaven Entertainment Centre's last show for the 2022 'Dale Burridge - Back on the Boards' scored an excellent 96% for Local Impact and 94% for Presentation in our Culture Counts Social Impact Survey
- Nowra Micro Festival on 10 December included 38 performers performed on eight stages across the CBD including Jellybean Park and Shoalhaven Regional Gallery
- Social Recovery support through the Outreach team community connectedness and healing programs including 12 community events and gatherings, 12 Recovery HUB programs and 7 Art of Hosting and Gather Round events

Our performance for the last 3 months

A 'good' to 'excellent' safety rating for
95% of 192 food business



Proactive Ranger patrols

1,084



Virtual visits to libraries

383,682

Shoalhaven Regional Gallery attracts

13,674 guests



Nowra Micro Festival held with 38 performers on 10 December







Shoalhaven Regional Gallery Art After School Programs - Art After School






12 Programs held at Ulladulla Recovery Hub

<div><div>Action Key</div><div><div>✓ Completed</div><div>🔄 On Track</div><div>⚠ Needs Attention</div><div>⏸ On Hold</div></div><div>KPI Status</div><div><div>🔴 Critical</div><div>🟡 Needs Attention</div><div>🟢 On Track</div></div></div>							
Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment	
1.1.01.01 Facilitate the Local Emergency Management Centre operations by providing a dedicated Local Emergency Management Office							
Due the retirement of the LEMO and resignation of the Deputy LEMO recruitment has commenced with interviews of appropriate candidates to be undertaken as a priority.	Percentage of Shoalhaven Supporting Plans and Consequence Management Guides reviewed	40%	40%	🟢	Manager – Technical Services	Heatwave, Landslide and Pandemic Consequence Management Guides reviewed and endorsed by last meeting of the Local Emergency Management Committee (LEMC).	
1.1.01.02 Develop and implement initiatives to encourage help-seeking and to build community understanding of recovery and available supports							
<p>The Social Recovery team have been active in supporting communities affected by 2019/20 Bushfires, COVID and the recent floods and landslips by:</p> <ul style="list-style-type: none">• Outreach calls to community• Participation at key events to engage with community to build awareness of preparedness and recovery and for recovery assistance within Council• Assisted with the hosting of a community gathering at Kangaroo Valley Hall. Noting community concerns, the gathering was structured so Council was supported by Resilience NSW, Public Works, and Transport for NSW. The community received an update on the Roads Tender package with questions answered• Social Recovery is an active participant on the Shoalhaven Recovery Committee chaired by Resilience NSW where Federal, State and Council come together to solve problems for community.	Number of publications produced - includes leaflets, newsletters and website updates	Count	10	🟢	Manager - Community Connections	<p>Templates have now been established in Campaign Monitor both Flood Recovery and Bushfire Recovery Newsletters.</p> <p>These newsletters link to the Get Involved Pages for Flood and Bushfire. This has been well received by community.</p> <p>For this quarter there have been a total of 5 Newsletters and 5 updates on the Get Involved pages.</p>	

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
<ul style="list-style-type: none"> Participation at community events and activities continues with a focus on community healing programs and activities happening at the HUB at the Ulladulla Civic Centre 						<p>There has been an article published in Kangaroo Valley Voice - a publication supported and promoted by the Kangaroo Valley Community Consultative Body.</p> <p>All Newsletters have a Health & Wellbeing article to support community through difficult times.</p>
	Number of face to face programs and projects completed - including Recovery Hub, Recovery programs and Get Ready initiatives	Count	31		Manager - Community Connections	<p>Social Recovery support is important at community events. The Outreach team attend and encourage additional incidental support from Services. Community connectedness and healing programs have been held at the Ulladulla HUB and are well received. This quarter had:</p> <p>12 x community events and gatherings</p> <p>12 x HUB programs</p> <p>7 x Art of Hosting and Gather Round events</p> <p>Monthly network meetings continue.</p>



Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Number of phone calls made and taken resulting in assistance being provided to affected residents	Count	677		Manager - Community Connections	Calls in x 242; Calls out x 435. These calls can be complex and take a considerable amount of time and follow up needed. There has been a drop in the drop of the number of calls in. The last quarter saw an increase in calls to the storm, flood, road and landslip damage that occurred in June/July 2022.
 1.1.01.03 Develop community profiles in consultation with each town and village within the Shoalhaven identifying hazards, critical infrastructure and vulnerable facilities/groups						
In preparation for this project the LEMO has been involved in developing the Community-Led Adaption and Resilience Strategy for Shoalhaven through Workstream 1 of the Recovery to Resilience Project which includes the development of the Kangaroo Valley, Sussex Inlet and Bay & Basin sub strategies. This project will enhance and inform the development of community profiles moving forward into the future.	Number of community profiles developed which identify hazards, critical infrastructure and vulnerable facilities or groups	Count	3		Manager - Technical Services	Conversation with Kangaroo Valley ongoing as Sussex Inlet and Bay & Basin.





	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	1.1.01.04 Liaise with the Rural Fire Service Strategic Planning Committee to deliver assigned and future projects for emergency service facilities as per allocated funding						
	Scheduled meeting conducted on 16 November 2022, for the Rural Fire Service (RFS) Strategic Planning Committee and Shoalhaven RFS District Liaison Committee. Detailed project updates were provided, including current financial status. Future priority project for new builds and extensions discussed. Monthly project meetings were conducted at a departmental level between Building Services Project staff and RFS District staff.	Number of RFS Strategic Planning Committee meetings held	Q4	Due June 2023	N/A	Manager - Building Services	
	1.1.01.05 Build community awareness and encourage planning for disasters using tools such as Get Ready Shoalhaven and the Disaster Dashboard						
	Continue to build community awareness at every opportunity including referral of information to community displayed on the 25 Community Information Hubs throughout the Shoalhaven and continue to maintain the Get Ready Council website and promote the use of the Disaster Dashboard.	Number of community engagement sessions undertaken to enhance the understanding of and preparation for disasters	Count	5		Manager - Technical Services	Addressed the Executive CCB meeting at Ulladulla and attending a number of Recovery to Resilience Workshops with Workstream 1 promoting understanding and preparation for disasters by members of the community.



	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	1.1.01.06 Inspect Asset Protection Zones and fire trails for compliance against bushfire mitigation guidelines						
	Works in progress assessing and maintaining APZ throughout the regions by Council contractors.	Percentage of Asset Protection Zones inspected	50%	35%	●	Manager - Works & Services	Resources were redirected to coastal asset inspections as a result of predicted wetter weather conditions for Q2. Backlog will be addressed in Q3 to achieve a target of 75% in Q3.
		Percentage of Asset Protection Zones maintained	50%	45%	●	Manager - Works & Services	Round 1 scheduled works are completed and Round 2 are underway.
➤	1.1.01.07 Annual audit of Council's responsibilities within the Shoalhaven District Bushfire Plan						
	Review ongoing - next workshop in Quarter 3.	Audit completed, certified bushfire mitigation works assessed and asset custodians notified of rectification works by June 2023	50%	45%	●	Manager - Works & Services	Inspections are slightly behind target and additional resources will be allocated in Q3 to meet targets.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
<div> <div></div> 1.1.01.08 Investigate the opportunities for bushfire resilient buildings, such as FORTIS House, to be constructed within the LGA. </div>						
<p>A presentation on the outcome of the 2019/2020 bushfires was presented to BlueScope steel in their Wollongong Office on 19/01/2023. This was based on the study of Conjola Park and it included a discussion on the Fortis House project as an outcome.</p> <p>The discussion identified Council's desire to seek opportunities and gauge support for constructing Fortis dwellings to showcase this to the public. BlueScope would be interested in discussing this further.</p> <p>Consideration to be given to further detailed scoping for the project and the preparation of a report to Council to seek support for it moving forward.</p>	<p>Opportunities for demonstration bushfire resilient buildings investigated and reported to Council by June 2023</p>	50%	50%	●	Manager - Certification & Compliance	<p>A presentation to BlueScope steel included a discussion on the Fortis House project as an outcome. The discussion identified Council's desire to seek support for constructing Fortis dwellings to showcase this to the public. BlueScope would be interested in discussing this further.</p>





Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
<div> <div></div> 1.1.02.01 Engage the community to ensure representative views are considered and adopted in the development and planning of Community facilities </div>						
<p>During Q2 (Oct-Nov 22) CPP engaged with stakeholders on a number of projects: including Bomaderry Basketball stadium redesign, Lake Conjola/Hoylake MOU and Boongaree car parking. A number of projects are also being prepared to go out to community consultation early in 2023, including: Access Areas for Dogs Policy, Berry Showground Masterplan, Lake Conjola/Hoylake engagement activities, Bomaderry Basketball Stadium redesign continued, and Bay and Basin Leisure Centre Concept plan.</p>	Develop a prioritisation of masterplans and deliver a minimum of 3 annually for Council parks, reserves and sportsgrounds	Q4	Due June 2023	N/A	Manager - Community Planning & Projects	
	Finalise and adopt the Access Areas for Dogs Policy and progressively implement the funded actions	50%	50%	●	Manager - Community Planning & Projects	50% complete. Draft policy to be reported to elected Council February 2023 and released for public exhibition February/March 2023. Anticipated completion (adoption): Q4 2022/23. Implementation work to be ongoing throughout 2023/24 and future years.





Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.1.02.02 Work with community partners to deliver programs that build community strength and capacity						
<p>The team are planning and delivering initiatives that support social connection and wellbeing. As 2023 Youth Week, Seniors Festival and Harmony Week approaches, the team have been focused on planning events and activities, establishing community partnerships and administering grants.</p> <p>The team continues to work with community through new and established partnerships to coordinate and deliver initiatives, programs and events including IDPwD, Prosperity in the Park, Homelessness strategies and response activities.</p> <p>There is a focus on building capacity of community through grants clinics, working groups and our approach to engaging with interagencies and community sector organisations; moving away from delivery and towards building skills and agency in the community.</p>	Number of community events coordinated and supported	1	44		Manager – Community Connections	<p>Including supporting and working with</p> <ul style="list-style-type: none"> • 162 people (community members and service reps) • 3 Grant Programs - wellbeing, youth inclusion & seniors festival • 6 Interagencies and 2 Section 355 Committees.
						<p>Events and event planning:</p> <ul style="list-style-type: none"> • Community Workshop for Homelessness • Seniors Week • Thrive Together • Youth Week • Changemakers program • Community Cafe

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	1.1.02.03 Work with the NSW Government to finalise the Crown Lands plans of management						
	CPP are amending a number of Plans of Management (PoM), which have been returned (with comments) from Crown Lands. The General Community Use PoM is the first priority, with the remaining generic PoMs to follow. Mapping is also being coordinated with the GIS team.	Crown Lands plans of management finalised by June 2023	50%	25%		Manager - Community Planning & Projects	Additional work has been requested by Crown Lands and a requirement to re-submit the Plans of Management to Crown Lands. This is currently with CPP to action pending appropriate resourcing.
	1.1.03.01 Conduct and respond to biennial WHS inspections at public halls and management committee facilities across precincts						
	50% complete. Shoalhaven SSF Safety Implementation Officer and Facility Officers working through scheduled WHS inspections of public halls and management committee facilities. Program on track with all facilities to be inspected. Programmed: Q3 2022 / 23. <ul style="list-style-type: none"> Milton Showground (pre-show inspection) Worrigee Equestrian Common Yulunga Reserve 	Percentage of scheduled SSF facility WHS inspections completed and actioned	50%	50%		Manager – Shoalhaven Swim Sport Fitness	Completed: <ul style="list-style-type: none"> Huskisson Tennis Court Hall Kioloa Tennis Court Hall Pre-show inspections at Nowra, Berry and Kangaroo Valley Showgrounds


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.1.03.02 Collaborate across City Lifestyles departments to provide a range of programs to activate Destination Parks and showgrounds						
Shoalhaven Swim Sport Fitness, in collaboration with the Shoalhaven Regional Gallery and Shoalhaven Libraries, have developed and promoted the “Hello Summer” holiday program across Destination Parks and Council facilities. These programs include: <ul style="list-style-type: none"> • Yoga / Pilates in the Park • Bootcamp sessions • Pop-up Library and Craft Activities • Dive-in Movie Nights • NYE Pool Party • School Holiday Camps • Swim School Intensives 	Number of programs implemented at each destination park - Northern Precinct	2	2		Manager - Shoalhaven Swim Sport Fitness	Activation of each Destination Park across the LGA has occurred across Q1 and 2 - implementation of QR codes on signs at the Boongaree outdoor gymnasium. These QR codes link to online fitness tutorials on how to use the equipment safely and examples of workouts that can be done with the equipment in the park.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Number of programs implemented at each destination park - Central Precinct	2	4	●	Manager - Shoalhaven Swim Sport Fitness	White Sands Park and Voyager Park have scheduled programs running. Group Fitness Boot Camp and Pilates in the Park programs to run in conjunction with Pop-up Libraries throughout the summer school holidays. Additional bicycle rack stands and interactive single track pathways installed through White Sand Park. Preparation work completed at Voyager Park Memorial for the Remembrance Day Memorial Service.
	Number of programs implemented at each destination park - Southern Precinct	2	6	●	Manager - Shoalhaven Swim Sport Fitness	Activation of each Destination Park across the LGA has occurred across Quarters 1 and 2 including outdoor gymnasium guidance (Boongaree) Pilates in the Park (Whitesands), Yoga in the Park and Bootcamps (Mollymook).

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.1.03.03 Liaise with Management Committees within precincts to meet their financial reporting requirements						
All Management Committees are meeting financial reporting obligations. Staff are maintaining close communications with committees to assist with financial reporting requirements.	North: Percentage of Management Committees within precincts that meet their Committee Meetings reporting requirements	90%	90%		Manager - Shoalhaven Swim Sport Fitness	Northern Management Committees are required to meet at least quarterly. All Northern Management Committees are meeting this obligation and their reporting requirements.
	Central: Percentage of Management Committees within precincts that meet their Committee Meetings reporting requirements	90%	95%		Manager - Shoalhaven Swim Sport Fitness	Central precinct management committees are up to date and meeting the financial and reporting requirements.
	South: Percentage of Management Committees within precincts that meet their Committee Meetings reporting requirements	90%	95%		Manager - Shoalhaven Swim Sport Fitness	95% complete: All Financial Statements received for 21/22. Some Committee meetings cancelled in Q1 due to weather events. Internal auditor assisting in audit of statements.



Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.1.03.04 Conduct accessibility audits of public & community buildings						
<p>Nowra Administration Building level 2 amenity upgrade is in progress with completion due March 2023. An assessment of accessible parking is also in progress.</p> <p>An assessment of accessible parking has been designed for SES Ulladulla and awaiting funding to construct (23/24 budget bid).</p> <p>An assessment of accessible parking is under way for Ulladulla Administration Building.</p>	Number of accessibility audits of public & community buildings undertaken	Q4	Due June 2023	N/A	Manager - Buildings Operations	
 1.1.03.05 Continue to deliver priorities from the Disability Inclusion Action Plan						
<p>The team have worked hard to deliver on priorities from the plan including:</p> <ul style="list-style-type: none"> Supporting the Inclusion and Access Advisory Committee Delivery of the IDPWD Grants and events Staff and Councillor disability awareness training 	Number of activities to improve community awareness and understanding of disability	Count	6		Manager - Community Connections	Supported community events through the IDPWD Grant Program, and the sharing of the 'I Feel Included When' Video.
	Increased awareness of Council's inclusion initiatives and existing services	Count	1		Manager - Community Connections	13 Members coming together on the Inclusion and Access Advisory Section 355 Committee.
	Number of training sessions to improve skills and understanding of inclusion by Council staff and Councillors	Count	0	N/A	Manager - Community Connections	Supporting organisational learning and development to coordinate Council staff. Councillors have been provided with link to training, as yet no training modules have been accessed or completed.




	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	1.1.04.01 Engage with Community Service providers seeking opportunities to improve affordable transport options across the Shoalhaven to provide advice and advocacy						
	Council continue to work with the Nowra Youthie to fund their bus which allows young people in Nowra and the Shoalhaven to engage in youth projects and activities which support wellbeing, skills development and social connection with their community. The Community Capacity Building Team are keen to identify more opportunities to utilise this bus for the broader Shoalhaven community.	Number of affordable transport projects and programs supported	1	1	●	Manager - Community Connections	Support of the Nowra Youth Centre Bus for young people to access transport.
➤	1.1.04.02 Provide feedback and input into cross government strategy development and implementation that aligns with key regional priorities related to public transport and improved transport connectivity						
	Input and feedback provided on relevant Transport for NSW projects occurring in Shoalhaven. Council staff also participated in meetings related to the Illawarra-Shoalhaven Regional Plan and its related projects. Dialogue continued with the new Greater Cities Commission.	Number of meetings with government agencies that actively contribute to transport strategy development	Q4	Due June 2023	N/A	Manager - Strategic Planning	

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Number of submissions advocating for regional priorities that are made to government transport strategy work or plans	Count	6		Manager - Strategic Planning	<ul style="list-style-type: none"> Liaison Meeting held with Transport for NSW during November 2022. Comments and detailed feedback provided on relevant matters, including: Princes Highway Upgrade Projects - Council Briefing requested Milton-Ulladulla Bypass Moss Vale Road upgrade Nowra Place Based Transport Plan Sixteen Cities Program (public transport) Network Resilience program - Customer Journey Resilience Plans





	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	1.1.05.01 Undertake projects in the Strategic Planning Works Program regarding the built environment including continued implementation of the Affordable Housing Strategy, review of the Ulladulla Settlement Strategy and review of the Shoalhaven's economy						
	Strategic Planning Works Program for 2022/23 - Council workshop held in late November 2022. Council resolved in December 2022 to endorse the preparation of revised land use planning strategies and Local Environmental Plan, Development Control Plan and Developer Contributions Plan (collectively a Planning scheme) for the City. Work progressing and on-going in regard to projects arising from the Affordable Housing Strategy - Coomea Street Project etc. Council also resolved in November 2022 to prioritise a review of the Affordable Housing Strategy and investigate the potential to establish an Affordable Housing Development Contribution Scheme. Council received funding of \$200,000 from the NSW Government's Regional Housing Strategic Planning fund to assist this work. Initial community engagement associated with draft settlement options for the Milton-Ulladulla area commenced.	Annual Council report on Strategic Planning Works Program by June 2023	Q4	Due June 2023	N/A	Manager - Strategic Planning	



Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤ 1.1.06.01 Perform the duties required to ensure the satisfactory operation of on-site sewage management systems						
Program continued to uphold public safety and the protection of the environment. The adoption of On-Site Sewage Management charges onto annual rates notices will allow Environmental Health Officers to undertake inspections in more efficient manner and timely manner, meeting customer expectations.	Percentage of planned on-site sewage management systems inspections completed	100%	100%	●	Manager - Environmental Services	733 inspections YTD. Target was 600 inspections.
	Percentage of failed on-site sewage management system whereby regulatory action has commenced	100%	100%	●	Manager - Environmental Services	Follow-up regulatory action has commenced for 16 non-compliant systems.
➤ 1.1.06.02 Undertake environmental health regulatory inspections to ensure compliance with legislative standards						
Despite weather constraints, 100% of OSSMs have been completed, Food 100% of Skin penetration premises inspected by the end of October. All privately managed public access pool inspections are to be completed by the end of January 2023. Mosquito disease surveillance program (Japanese Encephalitis Virus (JEV)) commenced in December in partnership with NSW Health with trapping focused on Callala Beach.	Percentage of planned environmental health inspections completed	100%	90%	●	Manager - Environmental Services	45 privately managed public access pool inspections were completed with a target of 50. This is with one (1) District Environmental Health Officer away on Annual Leave. The remainder will be completed in January 2023.
	Percentage of failed environmental health inspections whereby regulatory action has commenced	100%	100%	●	Manager - Environmental Services	10 Improvement Notices and 1 Prohibition Order issued to operators of privately managed public access pool. 5 Improvement Notices Issued to Food Premises.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	1.1.06.03 Undertake swimming pool inspections in accordance with the adopted program						
	Compliance completed 104 private swimming pool inspections in the quarter resulting in the issue of 30 Certificate of Compliance and 28 Certificate of Non-Compliance.	Percentage of planned swimming pool inspections completed	95%	95%		Manager - Certification & Compliance	A total of 104 private swimming pool inspections were completed during the quarter.
>	1.1.06.04 Ranger Services undertake proactive patrols in order to meet the needs of the community and council						
	Rangers completed a total of 1084 proactive patrols during the period. Of these, there were 628 beach patrols, 294 other patrols (Council Showgrounds, camping hot spots, boat ramps, illegal dumping, and inland reserves), 117 proactive parking patrols and 45 school zone patrols.	Number of proactive ranger patrols	1,500	1,084		Manager - Certification & Compliance	Rangers completed a total of 1084 proactive patrols for the period. These include 628 beach patrols, 294 patrols other patrols (Council Showgrounds, camping hot spots, boat ramps, illegal dumping, and inland reserves), 117 proactive parking patrols and 45 school zone patrols.



Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.1.06.05 Undertake retail food regulatory inspections to ensure compliance with legislative standards						
95% of food businesses inspected received an Excellent / Very Good or Good food safety rating. 10 food businesses received follow up inspections and further regulatory action.	Percentage of businesses achieving 'good' or 'excellent' food safety star rating	80%	95%		Manager - Environmental Services	192 businesses were inspected between 1 October and 31 December 2022. 95% received Excellent, Very good or Good food safety rating. 10 food businesses failed their primary inspection.
	Percentage of failed food hygiene inspections whereby regulatory action has commenced	100%	100%		Manager - Environmental Services	From the 192 food businesses inspected between 1 October and 31 December, 10 failed their inspection. All 10 had follow up action including: Reinspections, 5 businesses received Improvement Notices, 1 business received 4 fines.


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
<div> <div></div> 1.1.06.06 Deliver initiatives that contribute towards improved Community Safety </div>						
<p>The Community Connections team continue to deliver projects to improve community safety. In the period, staff have facilitated the quarterly Safety Liaison meeting with Police, Southern Cross Housing and NSW Health, supported events to encourage ownership and pride in communities, attended interagencies and supported community members 'doing it tough'. Work was scheduled to commence on the Community Safety Plan but unfortunately the funding applied for through the Building Better Regions fund was discontinued so new sources of funding are currently being investigated.</p>	Number of Crime Prevention through Environmental Design (CPTED) safety assessments completed	Count	0	N/A	Manager - Community Connections	24/10/22 notice received that Building Better Regions Fund discontinued, no further funding available, our application to Community Investments Round 6 not proceeding. Eligible to apply for new Growing Regions Program, no information available at 22/12/22. Will continue investigating other funding opportunities to develop Community Safety Plan with safety audits of Nowra and Ulladulla CBDs.
	Number of projects undertaken to enhance community pride and safety	Count	43	<div></div>	Manager - Community Connections	Supporting and working with 346 people (community members and service reps) Examples: 2 Events, including Christmas in the Park, 5 Projects including the Sanctuary Pt Skate Park Mural, and 6 Interagencies.




	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	1.1.06.07 Develop a risk-based compliance and regulatory framework						
	The new Compliance Policy has a completed and presented to Council. This includes a risk-based compliance and regulatory framework. This item has been completed and will be reviewed and updated as the need arises.	Risk-based compliance and regulatory framework developed and endorsed by Council by June 2023	50%	100%		Manager - Certification & Compliance	The Compliance Policy including a risk based compliance and regulatory framework has been presented to Council.
	1.2.01.01 Undertake strategic investigations to support Arts & Culture in the Shoalhaven						
	Good progress has been made on all the separate initiatives that support strategic growth and development of Arts and Culture in the Shoalhaven. These include the contracting of a consultant to lead the development of the Arts Foundation and the gallery strategic plan ready for consultation with Councilors. The plans for a Creative Economy Strategy have been included in the advocacy document for state government and funding streams for this work continue to be investigated.	Secure necessary funding to finalise Shoalhaven Arts Foundation constitution and establishment costs by June 2023	50%	50%		Manager - Arts & Culture	Consultant has been appointed to project and work has commenced on key aspects of the project. A Project Control Group including the consultant, representatives from Council and an Arts Board member is being established to commence in January.


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Undertake planning and investigations for strategic plans and projects that support development of Arts and Culture	50%	50%		Manager - Arts & Culture	The Gallery strategic plan is progressing with staff consultation ongoing. Planned Councillor consultation to take place in February / March 2023. Collection Strategic Plan and Audience Development Plan continue to be progressed and will be presented as a suite of documents with the Gallery strategic plan in Q3. The establishment of the Arts Foundation has been awarded to a consultant with an internal Project Control Group established. A proposed Fundraising solution for the Gallery will be presented to the ICT Committee in Q3.
	Deliver a Children's Festival in conjunction with Shoalhaven Entertainment Centre and Shoalhaven Regional Gallery by June 2023	50%	50%		Manager - Arts & Culture	Staff continue to investigate delivery of a Children's Festival and are seeking grant funding and developing a program.


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
<div>➤</div> 1.2.01.02 Shoalhaven Regional Gallery to deliver a diverse program of arts and cultural activities that cater for audiences across the Shoalhaven						
<p>This quarter Shoalhaven Regional Gallery delivered a diverse program of arts and cultural activities. Five exhibitions were on display, showcasing the work of respected Australian and International artists in the media of painting, sculpture, ceramics and film. The major summer exhibition, 'Plant Your Feet' curated by Glenn Barkley, includes works by the Shoalhaven community and borrowed from local museums, has already received very positive feedback and media attention.</p> <p>A wide array of public programs were on offer, including artist talks and artist led workshops alongside term based classes for adults and children.</p>	Number of people paying to attend public programs	250	356	●	Manager - Arts & Culture	<p>The program delivered sold out workshops, with core offerings continuing to grow and diversify. Gallery educators were also engaged in a large-scale community engagement project involving over 800 participants decorating a ceramic tile. The project, funded by Reconnecting Regional Grant Fund, was an opportunity to strengthen the Gallery's profile and people's awareness of the Gallery program. The Opening celebration for the project attracted over two hundred people to the Gallery.</p>

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Number of visitors to Shoalhaven Regional Gallery	16,000	13,674		Manager - Arts & Culture	The gallery was only open for 11 days out of 31 in December, and still did considerable numbers. January has already been very busy. There were also off-site public programs that are not represented in these visitor statistics.
	Percentage of visitors 'likely or very likely' to recommend the gallery	50%	90%		Manager - Arts & Culture	90% of surveyed visitors during this quarter are likely or very likely to recommend the Gallery.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
1.2.01.03 Curate and deliver inclusive annual seasons of performing arts, events and public programs reflective of our diverse community						
<p>The 2023 Morning Matinee Season, the 2023 Season, and the 2023 Education Season launch was on December 7.</p> <p>23 shows were showcased to an enthusiastic audience of 400+.</p> <p>The last show for the 2022 season was performed on December 1, 'Dale Burrige - Back on the Boards' scoring an excellent 96% for Local Impact and 94% for Presentation in our Culture Counts Social Impact Survey</p>	Rebuild post-COVID attendance at ticketed performances at the Shoalhaven Entertainment Centre	Q4	Due June 2023	N/A	Manager - Shoalhaven Entertainment Centre	
	Percentage of audience members' positive perception of the Centre's contribution to cultural life in the Shoalhaven	85%	88%		Manager - Shoalhaven Entertainment Centre	For the period 1 October to 31 December, 88% of audience members who attended shows in the 2022 Season, 2022 Education and Families Season, and the 2022 Morning Matinees Season had a positive perception of the Centre's contribution to cultural life in the Shoalhaven.




Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.2.01.04 Deliver Live and Local Shoalhaven to engage with the sector and increase live music performance opportunities						
<p>The Nowra Micro Festival was delivered on Saturday December 10. Thirty-eight performers performed on eight stages in eight venues. Two were in public spaces – Jellybean Park and Shoalhaven Regional Gallery and six Nowra CBD businesses were also activated. The performances started at 9am and continued until 8pm, and feedback from venues, performers and audience members was positive.</p>	Program two Live and Local microfestivals featuring Shoalhaven musicians	1	1		Manager - Shoalhaven Entertainment Centre	The Nowra Micro Festival was delivered on Saturday December 10 with 38 performers in eight venues between 9am and 8pm. The second Micro Festival is being planned for March 2023.
	Live Music Action Plan prepared for Council adoption by September 2022	50%	20%		Manager - Shoalhaven Entertainment Centre	Progress on the plan has been slower to progress due to the bumper year of shows and events which has required re-prioritising of work programs to focus on operational aspects of delivering shows. It is expected sufficient resources will be available early in the 2023/24 financial year to finalise this plan.




Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
<div>➤</div> 1.2.01.05 Shoalhaven Regional Gallery to deliver Art Workshops and curriculum education programs across the Shoalhaven						
<p>The Gallery successfully delivered sixteen art workshops for children and adults that enhance and complement the exhibition program. The highest-ranking responses received in our culture-counts survey describing the activities were inspiring, fun, and informative, with 88% having an excellent experience, 86% strongly agreeing the activity was value for money and 89% stating the facilitator was engaging and knew their subject matter.</p> <p>The education program experienced 5 Primary and Secondary School excursions and incursions, including multiple visits by Shoalhaven River College and Nowra Anglican College. The Gallery delivered a total of seventeen workshops to 321 students.</p>	Number of Pop Up Art workshops delivered to outlying areas	Count	30		Manager - Arts & Culture	<p>The Gallery delivered pop-up workshops, as part of the tile project funded by Reconnecting Regional Grant Fund, which asked participants to decorate a ceramic tile reflecting on their connection to the Shoalhaven. To ensure it was representative of the Shoalhaven, educators delivered workshops at community Festivals across the municipality and to eleven community groups and organisations from Ulladulla to Nowra with participants diverse in age, culture, ability, and socio-economic backgrounds.</p>





Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Number of Students participating in curriculum based programs	100	306		Manager - Arts & Culture	Schools readily participated in curriculum-based programs, which included decorating a tile for inclusion in Plant Your Feet exhibition. In total there were 251 students who participated in incursions and excursions. In addition, each school was either hand-delivered or posted a 2023 Learn program, which ensures they can plan for 2023.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤ 1.2.01.06 Undertake investigations to articulate a vision for a new Shoalhaven Regional Gallery						
A Project plan has been developed and a request for quotation will be sent to suitable consultants to lead a visioning session with internal and external stakeholders in February. This session will ensure a clear vision for the new regional gallery is articulated and agreed on by key stakeholders. The project will then progress to establishment phase pending budget approval for concept designs and further community consultation.	Form a small working group to articulate the high level vision and site options for a new Shoalhaven Regional Gallery by June 2023	50%	50%	●	Manager - Arts & Culture	Quotes will be sourced from suitable consultants to lead a visioning session in February. The visioning will include a range of internal and external stakeholders and provide a clear vision for the future gallery and the role it should play within the Shoalhaven.
➤ 1.2.01.07 Increase diversification of income streams to support the activities of the Shoalhaven Regional Gallery						
The tap donation system took \$204 in donations for the period. A fundraising software solution has been identified and is progressing to implementation approval. Other revenue streams remain strong with Public Programs income very strong and shop sales on target.	Number of grant applications prepared and submitted	Q4	Due June 2023	N/A	Manager - Arts & Culture	
	Implement a software based solution to support increased fundraising and philanthropic donations by June 2023	50%	50%	●	Manager - Arts & Culture	Internal consultation for the approved solution is progressing. Awaiting advice from the software provider regarding records management and references, after which finance review will take place. A business case for ICT will be presented in early 2023.



	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	1.2.01.08 Work with local artists to create a mural on a Shoalhaven Water reservoir						
	Site has been selected and negotiation with company to deliver the project is currently under way, this will include community and local artist engagement.	One Shoalhaven Water reservoir mural completed by June 2023	Q4	Due June 2023	N/A	Manager - Water Business Services	
➤	1.2.02.01 Progress design and construction of a new Library at Sanctuary Point						
	The Sanctuary Point Library project continues to progress well. The DA is being assessed and construction documents are being finalised.	Commence construction for new Sanctuary Point Library by January 2023	50%	50%	●	Manager - Library Services	DA being assessed and tender documents are being reviewed. An EoI for a select tender list has been completed. Tender documentation is being finalised and subject to issuing of DA approval and Construction Certificate, construction commencement is anticipated later in 2023.
		Complete operational plan and budget for new Sanctuary Point Library	50%	50%	●	Manager - Library Services	A draft operational plan has been developed and is currently being reviewed prior to its approval.
		Complete the public art project with local community for the new Sanctuary Point Library	50%	50%	●	Manager - Library Services	All three artists have been selected and work is progressing on detailed designs.



	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	1.2.02.02 Investigate library service delivery options for the Sussex Inlet community						
	Investigations are ongoing into the requirement for a physical library building for Sussex Inlet and further reports will be provided to Council.	Complete investigation into the library service delivery options for the Sussex Inlet community	50%	50%		Manager - Library Services	Investigations are ongoing and further reports on options will be provided to Council as opportunities present.
	1.2.02.03 Implement the Strategic Business & Marketing Plan to support the future growth and development of the Shoalhaven Entertainment Centre						
	We have been unable to meet the project timelines due to the priority of operational demands at SEC, the bumper year post COVID and record number of shows and bookings combined with staff shortages. This Plan has been placed on hold until sufficient resources are available to complete and implement.	Percentage increase of food and beverage income stream at Encore Cafe and Dining	Q4	Due June 2023	N/A	Manager - Shoalhaven Entertainment Centre	
		Increase the number of Season Memberships to build audience engagement	Q4	Due June 2023	N/A	Manager - Shoalhaven Entertainment Centre	




	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	1.2.03.01 Undertake projects in the Strategic Planning Works Program to maintain and enhance Shoalhaven's cultural heritage, including continuing to run Council's annual local Heritage Assistance Grants						
	Proposed Shoalhaven Heritage Strategy 2022-2025 deferred by Council to enable further consideration. Range of other heritage related matters progressing, including continued work on possible Cultural Heritage Mapping project. Six local heritage grant offers issued for 22/23. Application for possible restoration of Graham Lodge under the new Activating State Heritage grant category of the 2023-25 NSW Heritage Grants Program proceeded to Stage 2, but advised ultimately unsuccessful. 2023-25 Local Government Heritage Grants - received \$25,000 to enable the continuation of the Heritage Advisory service.	Number of Heritage Assistance grants issued	Q4	Due June 2023	N/A	Manager - Strategic Planning	
	1.2.03.02 Provide support for volunteer led museums across the Shoalhaven						
	A new approach to the Museum Advisor Program will be trialed in the Shoalhaven over the next two years with two advisors appointed based on specialist knowledge and the needs of the local museums. These advisors are due to start in February. The museum digitization project is moving to phase 2 with a project officer appointed to work with each museum for 3-4 days and assist in bedding down skills and knowledge in this area.	Identify funding options and support needed to conserve the Jack Nicholson Collection and enhance the museum experience at Lake Tabourie Museum	50%	50%		Manager - Arts & Culture	A quote is being obtained to conserve and replace the display jars for the wet specimen collection, with work scheduled to take place in March / April 2023.






Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.2.03.03 Celebrate the contribution of aboriginal and multicultural communities in the Shoalhaven						
<p>The Community Capacity Builder, Aboriginal and Aboriginal Cadet have started planning work in partnership with other Councils and Committees for 2023 NAIDOC events.</p> <p>The team are planning for Harmony Week activities and events in partnership with the Committee and local multicultural organisations and services.</p>	Number of programs and initiatives delivered with and for Aboriginal Communities	Count	5		Manager - Community Connections	Including supporting and working with 42 people (community members and service reps). Examples: 2 Events, including LG Regional NAIDOC Awards Planning and 2 Interagencies.
	Number of programs and initiatives delivered with and for our Multicultural community	Count	2		Manager - Community Connections	Co-ordinating Harmony Week Activities for 2023 Participation in discussions with Regional NSW and the Multicultural Communities Council of the Illawarra regarding the establishment of a Multicultural Hub for Nowra.
	Number of programs and initiatives delivered to the Shoalhaven Community that raise the profile of Aboriginal and Multicultural communities	Count	2		Manager - Community Connections	19 Members attended 2 Aboriginal Advisory Section 355 Committee meetings 2023 NAIDOC Regional Awards planning meeting



Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
<p>➤ 1.3.01.01 Shoalhaven Libraries will create opportunities for diverse communities to be welcomed and celebrated in appropriate ways through a range of events</p>						
Shoalhaven Libraries programs and events are generating increased attendance and staff are working on expanding offerings.	Number of Library events delivered	250	321	●	Manager - Library Services	The number of Shoalhaven Libraries programs and events are above target for this quarter which is generating increased attendance.
	Number Library Visits	210,000	132,919	●	Manager - Library Services	These figures are lower than usual due to the Council Christmas shutdown and also ongoing impacts from COVID. Shoalhaven Libraries is running a membership campaign to increase physical visits. It is pleasing to see that virtual library visits are strong and exceed target, demonstrating that the demand for access to and use of library resources remains high and is being sought in a different format.
	Number of Virtual Visits at Council's Libraries	187,000	383,682	●	Manager - Library Services	Shoalhaven Libraries continues to increase its digital offerings in response to community needs.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	1.3.01.02 Develop new Shoalhaven Libraries Strategic Plan 2022-2025						
	The draft Strategic Plan will be presented at a Councillor Briefing in early 2023 prior to being adopted. Staff are beginning to work through actions.	Number of actions implemented from the Shoalhaven Libraries Strategic Plan 2022-2025	6	3		Manager - Library Services	Staff are beginning to work through actions in the draft Strategic Plan. The draft Plan will be presented at a Councillor Briefing in early 2023.
>	1.3.02.01 Deliver improved playing surfaces in precincts and Destination Parks in the Shoalhaven						
	<p>Delivery of improved playing surfaces to Shoalhaven's sporting precincts and Destination Parks is on track within acceptable time frame. Budget to fund turf related maintenance programs including soil testing, fertilizing, aeration, topdressing, broad leaf herbicide and other programs.</p> <p>Current Actions:</p> <ul style="list-style-type: none"> • Top dressing across multiple sites. Contractors confirmed, expected completion January 2023. • Growth regulator program across multiple key sites. Environmental Services team to roll out program. Expected completion January 2023. <p>Completed Programs:</p> <ul style="list-style-type: none"> • Soil Testing • Broadleaf Herbicide • Aeration • Fertilizer • Pesticide application 	Undertake annual sportsfield improvement program	50%	50%		Manager - Shoalhaven Swim Sport Fitness	<p>Annual sports field improvement program underway with relevant stakeholders. On track for delivery within acceptable time frame. Budget to fund turf related maintenance programs across SSF sporting precincts. Programs include soil testing and fertilizing, aeration and topdressing, broad leaf herbicide and other programs.</p> <p>Current Actions: Top dressing and turf growth regulator programs underway with completion expected by end of January.</p>

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	1.3.02.02 Staged Implementation of Asset Management Plans across Shoalhaven Swim Sport Fitness including destination parks, sporting precincts and showgrounds						
	<p>50% Complete.</p> <p>Asset Management Plans have been received for two Showgrounds - Nowra and Kangaroo Valley Showground with actions being categorised and implemented by Project Lead.</p> <p>Inspections have also been undertaken for Berry and Milton Showgrounds. The draft plans are expected January 2023.</p>	Complete Asset management plans for showgrounds by June 2023	50%	50%		Manager - Shoalhaven Swim Sport Fitness	Staff are currently developing a brief for the development and delivery of Asset Management plans for Destination Parks.




	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	1.3.02.03 Review and update the Community Infrastructure Strategic Plan together with other directorates, to form the strategic planning for future development						
	The review of the Community Infrastructure Strategic Plan (CISP) will be led by the Strategic Asset Advisor, as part of the Community Planning and Projects team. Interviews for this position are occurring in February 2023.	Playspace strategy to be incorporated in Community Infrastructure Strategic Plan by June 2023	50%	24%		Manager - Community Planning & Projects	The Playspace strategy will be incorporated into the Community Infrastructure Strategic Plan (CISP) as part of the review. Early workshops and research into CISP best practice is underway.
		Community Infrastructure Strategic Plan updated by June 2024	50%	24%		Manager - Community Planning & Projects	The Community Infrastructure Strategic Plan (CISP) will be reviewed by the Strategic Asset Advisor, as part of the Community Planning and Projects team. Interviews for this position are occurring February/March 2023. Early workshops and research into CISP best practice have begun.


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.3.02.04 Continue to implement outcomes from the Community Infrastructure Strategic Plan						
<p>50% complete. Ongoing. Flagship projects include:</p> <ul style="list-style-type: none"> • Boongaree • Showground Master Plans • Ulladulla Sports Park Master Plan <p>A significant amount of resourcing is also put towards delivering outcomes that arise from Notice of Motions and community requests. These are in addition to projects identified, funded and resourced through the adopted DPOP.</p>	Commence construction of fields and car park (Stages 5 & 7) at Boongaree by February 2023	50%	5%		Manager - Community Planning & Projects	Stages 5 and 7 of Boongaree are currently in the process of finalising detailed design, prior to preparing construction documentation seeking Request for Tender for construction and delivery of these stages.
	Commence construction of Bob Proudfoot Pavilion by April 2023	50%	25%		Manager - Community Planning & Projects	Construction tender documentation is currently being prepared.
	Commence construction of Skate Park at Bay & Basin by October 2022	75%	25%		Manager - Community Planning & Projects	Construction tender documents are currently being prepared.
	Complete Bay and Basin Leisure Centre design by December 2022	100%	25%		Manager - Community Planning & Projects	The community consultation activity will commence in the first half of 2023 pending approval via Council report in early 2023. The preliminary design development of the preferred concept option is progressing.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Finalise design of showground upgrades (BLERF) by June 2023	50%	25%		Manager - Community Planning & Projects	The design tender closes late January 2023. A design consultant will be appointed in February 2023 to develop the design and coordinate the DA preparation. A stakeholder consultation plan has been developed.
	Complete construction of pump track and skate park at Boongaree by June 2023	50%	95%		Manager - Community Planning & Projects	Construction of the skate park and pump is 95% completed. The facilities are scheduled to be opened early 2023. Additional work including turfing, pavement and irrigation works currently being prepared to go out to quote.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤ 1.3.02.05 Support Parkcare Group Volunteers to improve local parks and reserves						
<p>2 established and 1 new group currently have their Action Plans with management for approval. 2 established groups are currently in the planning/consultation stage.</p> <p>Current Parkcare figures;</p> <ul style="list-style-type: none"> • 47 Groups, 408 volunteers, 888 hrs for Oct/Nov/Dec 2022 • The Parkcare connect newsletter continues to be sent out seasonally 	Maintain Annual Parkcare volunteer hours	Q4	Due June 2023	N/A	Manager - Works & Services	
➤ 1.3.02.06 Develop new Shoalhaven Swim Sport Fitness Business Plan						
30% complete. Preferred consultant CT Management has been engaged and provided with purchase order to proceed with development of the plan. First workshop between consultant and SSF staff has taken place focusing on financials. Forthcoming workshops have been scheduled from February onward.	Swim Sport Fitness Business Plan developed by June 2023	25%	25%	●	Manager - Shoalhaven Swim Sport Fitness	Shoalhaven Swim Sport Fitness staff completed Business Planning workshops in November and December. This project is on track and further workshops are scheduled for early 2023 to develop targets and actions.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤ 1.3.03.01 Provide a range of programs and services to cater for community demand for aquatics, health and fitness programs						
<p>An extensive range of services and programs have been implemented for Aquatics and Health & Fitness throughout the second quarter including:</p> <ul style="list-style-type: none"> • Learn to Swim and Squad programs • Group fitness and aqua aerobics classes • Personal training sessions • Boot camp sessions • Pilates / Yoga in the Park sessions • 24/7 gymnasium access • Teen gym and other school age programs <p>Outdoor fitness classes have also proved to be popular over holiday periods at Destination Parks.</p>	Maintain the number of attendances at Council's aquatic and leisure centres	410,000	404,000	●	Manager - Shoalhaven Swim Sport Fitness	Patronage is returning to pre-COVID figures; however, this quarter is slightly down due to a cooler, wetter start to the spring and summer seasons.
➤ 1.3.03.02 Swim Sport Fitness customer satisfaction survey developed for programs and facilities						
A survey has been implemented in consultation with Culture Counts for Boongaree Nature Play Park. The survey provides users an opportunity to provide feedback about their experience visiting the park. A separate survey for Aquatic & Leisure facilities is currently being drafted and will be implemented March 2023.	Swim Sport Fitness customer survey results finalised to inform current and future programming by June 2023	50%	50%	●	Manager - Shoalhaven Swim Sport Fitness	A survey for Aquatic & Leisure Facilities is now in draft form and the survey will be launched in early 2023.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 1.3.04.01 Support local networks and encourage knowledge sharing to improve equitable access to information and opportunities						
Communications sent to Community Consultative Bodies with consultation opportunities, development application information, notification of amendments and community event information for distribution with community networks.	Number of supported community-led programs and activations which connect people	Count	1		Manager - Community Connections	The Community Voices program is currently being re-scoped to support the work of the Community Capacity Building team. Testing of model at existing events underway, including pop up at Prosperity in the Park event. Support of Community Consultative Body meetings through ongoing advice and guidance on community inclusion at community meetings.
	Increased ability for community groups to represent and advocate for their communities	Count	2		Manager - Community Connections	Community Consultative Body Executive Meeting held with 15 CCB's and 2 non CCB Community groups in attendance. Secondary meeting with Bay & Basin Community Led Strategic Plan Advisory Group held with representation from Council's Strategic Planning and Corporate Performance & Planning teams.

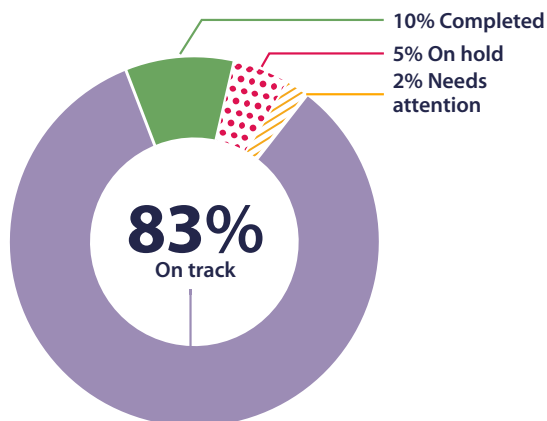
	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	1.3.04.02 Provide advice and support teams across Council to use the Wellbeing Plan and evaluation framework when considering future actions						
	Shoalhaven Community Wellbeing Strategy endorsed by Council 10/10/22. Digital Workplace service page created to help teams across Council access and use community wellbeing tools. Set up 2022-23 reporting process for Action Plan, planned communication. Prepared communication about 2023-24 reporting for Action Plan to support teams to integrate actions into DPOP. Provided advice for 'Community Needs Assessments in Bushfire Affected Communities' project about using Strategy to present information to inform future work.	Wellbeing Plan presented to Council teams by end of June 2023	25%	25%		Manager - Community Connections	Shoalhaven Community Wellbeing Strategy adopted by Council 10/10/22. Digital Workplace service page created to help teams across Council access and use community wellbeing tools. Launch for staff held 6/12/22, with 81 invited from 27 teams, 15 attended from 7 teams.
		Number of future actions scoped through the Wellbeing Plan evaluation framework	Q4	Due June 2023	N/A	Manager - Community Connections	Evaluation Framework promoted at staff launch event held 6/12/22. Service page created on Digital Workplace to help teams across Council access and use in their work, outlines process for tracking use of evaluation tools by saving to TRIM container.





Sustainable, liveable environment

Progress snapshot



Highlights

- Stage 2 of Lake Conjola Coastal Management Program is nearing completion with final version of reports being received by the project team
- Concept designs of South Mollymook Coastal Protection Works completed
- Eight Review of Environmental Factors (REFs) completed for proposed works on Shoalhaven Water assets
- Hosted a Solar & Battery 101 community workshop to assist residents better understand solar PV and battery installations
- Tenders for the repair of 38 landslips following damage from the March and July extreme weather were received and a comprehensive evaluation process has been completed and a recommendation has been forwarded to Public Work Advisory for endorsement
- 100% of Shoalhaven Water DA referrals completed within 21 days – well above target of 80%
- 100% of all approved Tradewaste discharge locations inspected – above target of 90%
- Sewer & Water projects to support Moss Vale Road Urban Release Areas are in construction phase with contracts awarded for all seven projects

Our performance for the last 3 months



59 Environmental assessments on Development Applications

517

Invasive Weed Inspections












58%

Subdivision Works Certificates completed within 28 days



38% of Development Applications processed within 40 days target 65%



<div><div>Action Key</div><div><div> Completed</div><div> On Track</div><div> Needs Attention</div><div> On Hold</div><div>KPI Status</div><div> Critical</div><div> Needs Attention</div><div> On Track</div></div></div>							
Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment	
2.1.01.01 Complete the Local Road Repair Program as listed in the 2022-23 adopted capital works program							
Works complete are Worrigee Road, Main Road Cambewarra Program approximately 65% expended. Works in progress currently include and Meroo Road Bomaderry and Shoalhaven Heads Road.	Percentage of planned road rehabilitation projects completed	20%	35%		Manager - Works & Services	Worrigee Rd, Main Rd, Village Dr, Callala Beach Rd, Tannery & Beach Rd, Kings Point Dr, Croobyar Rd and Mayfield Rd make up some of the 20 complete projects. A further 27 are at various stages of progress.	
2.1.01.02 Implement Council's Road Risk Management Procedure by ensuring reportable defects are repaired							
Road risk management procedure is in progress - Cameras are now deployed on garbage trucks to analyse road defects, Arterial Road inspections undertaken monthly continuing.	Percentage of reportable defects addressed within timeframes in the procedure	80%	75%		Manager - Works & Services	Due to the severe weather event in July it has been difficult to achieve the target due to the substantial amount of potholing encountered and the constant wet weather. Great progress was made in the last 8 weeks and in particular the 4 weeks lead up to the Christmas break.	




Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.1.01.03 Operate the Natural Disaster Project Office to coordinate the recovery of key road infrastructure						
The project team is now established, and major work packages are being delivered on ground. The first landslip package is expected to be awarded in February 2023.	Delivery of projects as per funding agreement milestones	Q4	Due June 2023	N/A	Manager - Works & Services	
2.1.02.01 Undertake Flood Studies and develop Flood Risk Management Studies and Plans						
The Lower Shoalhaven River and St Georges Basin Flood Studies have been completed and endorsed by the relevant FRMC for adoption by Council. Council has received grant funding from DPE (2:3 contribution) to complete a Floodplain Risk Management Study & Plan (FRMS&P) Review for the Lower Shoalhaven River and St Georges Basin catchments. DPE funding (2:3 contribution) has also been obtained for an update to the Broughton Creek Flood Study. Council needs to allocate 1:3 funding contributions to these projects. When Councils funding contribution has been confirmed the technical briefs will be prepared and procured in early 2023. Technical project briefs are currently being prepared for the Clyde River and Willinga Lake Flood Study and FRMS&P following Council obtaining grant funding from the Federal Government in 2022.	Lower Shoalhaven River and St Georges Basin Flood Risk Management Study and Plan adopted by Council by June 2023	Q4	Due June 2023	N/A	Manager - Environmental Services	



	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	2.1.02.02 Complete the Stormwater Drainage Program as listed in the 2022-23 adopted capital works program						
	Works in progress with 52% completion to date.	Percentage of planned stormwater drainage projects completed	25%	35%	●	Manager - Works & Services	Progressing well and Projects completed in first half of the year include Worrigee / Isa Road intersection, Judith Drive North Nowra GPT (design only) and pipe inspection program.
✓	2.1.02.03 Review the flood mitigation asset database and ensure it is up to date						
	Asset database for Flood Mitigation Asset is up to date.	Length of flood mitigation assets inspected	Q4	Due June 2023	N/A	Manager - Works & Services	
		Percentage of reported flood mitigation asset defects repaired	100%	55%	●	Manager - Works & Services	Resources were directed to potholing in Q2. As the weather improves in Q3 additional inspections will be scheduled to catchup. Aluminum floodgates are on order and will be installed once received in Q3.






Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.1.03.01 Complete the annual maintenance program for the renewal of pathways and cycleways						
These funds have been combined with Capital budget projects such as Murramarang Road cycleway.	Percentage of planned maintenance program for pathways and cycleways completed	25%	20%	●	Manager - Works & Services	Resources have been directed towards road repairs.
2.1.03.02 Review the Walking Track asset database and ensure it is up to date						
Walking Track asset data is up to date.	Percentage of reported walking track asset defects repaired	100%	20%	●	Manager - Works & Services	Districts are having difficulty prioritising and resourcing works identified as the focus has been on road repairs in Q2. An additional resource has been identified to assist completion of works in Q3.
2.1.04.01 Stage works greater than \$250,000 with a Design/Approval stage and Construction/Commissioning Stage in separate financial years						
Currently working on CAPEX 10yr to properly stage projects into two stage projects.	Percentage of works greater than \$250,000 staged in separate financial years	Q4	Due June 2023	N/A	Manager - Works & Services	


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	2.1.04.02 Identify projects to be delivered in the following financial year and plan and resource the delivery of designs and specifications where required						
	\$41 Million worth of infrastructure construction projects have been identified for the 23/24 financial year in the 10 year plan section of the 22/23 DPOP. 25% - Designs Not Started. 33% Designs Underway. 42% Construction Ready.	Percentage by value of projects in the Operational Plan that are construction ready for 1 July 2023	Q4	Due June 2023	N/A	Manager - Technical Services	\$41 Million worth of infrastructure construction projects have been identified for the 23/24 financial year in the 10 year plan section of the 22/23 DPOP. 25% - Designs Not Started. 33% Designs Underway. 42% Construction Ready

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	2.1.05.01 Develop an action plan to reduce backlog of data entry and capture relevant condition data in consultation with Asset Custodians for transport and stormwater assets						
	Continued development of Council's asset system has resulted in a thorough review of the classification of the Transport and Stormwater assets to allow for more efficient data entry via the integration with the Asset Design and as Constructed Data (ADAC) mechanism. This will greatly improve efficiency and accuracy of data capture in Transport and Stormwater	Action plan to reduce backlog of data entry and capture relevant condition data prepared in consultation with Asset Custodians for Transport Assets by June 2023	20%	20%	●	Manager - Technical Services	ADAC tool under development is stage 1 of action plan to reduce the backlog of data.
		Action plan to reduce backlog of data entry and capture relevant condition data prepared in consultation with Asset Custodians for Stormwater Assets by June 2023	20%	20%	●	Manager - Technical Services	ADAC tool under development is stage 1 of the action plan to reduce the backlog of data.
➤	2.1.05.02 Support the organisation to review and update Asset Management Plans						
	Implementation of the new financial attribute has been paused this quarter as the year end audit has been finalised. Implementation of this attribute will be progressed in early 2023. General support for custodians in updating asset data and information has been provided this quarter to enable effective revaluation of asset classes this financial year.	Developed and endorsed corporate template for Asset Management Plans by June 2023	40%	40%	●	Manager - Technical Services	Review of current templates commenced.


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 2.1.06.01 Maximise water reuse to reduce demand on drinking water supplies						
Project on hold following unsuccessful attempt to secure a Grant through National Water Grid. Alternative funding sources now being investigated.	Implement recommendation from Shoalhaven Water Yield Assessment	Q4	Due June 2023	N/A	Manager - Water Asset Planning & Development	
	Develop REMS 2.0 project to construction phase	50%	100%		Manager - Water Asset Planning & Development	Project Design now complete. Biodiversity Assessment - Preliminary Documentation referral approved by the Commonwealth Department of Climate Change, Energy, the Environment and Water. Project now awaiting funding opportunities to proceed to Procurement and Construction (Delivery) Phase.
	Review and assess redundancy in water supply schemes	50%	50%		Manager - Water Asset Planning & Development	Asset performance and review ongoing as part of asset management strategies. Asset risk mitigation of critical assets underway.



Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.1.06.02 Identify and mitigate risk to critical water supply and wastewater assets						
Risk assessment on critical water and wastewater assets continues. Development of mitigation measures and importing into TechOne software is the next phase which will continue into 2023.	Develop asset risk assessment, mitigation contingencies for critical water & wastewater assets	Q4	50	N/A	Manager - Water Asset Planning & Development	Critical Assets identified. Mitigation measures have begun to be identified for critical assets. Identification of mitigation measures in progress.
2.1.06.03 Plan for Sewer & Water infrastructure to support West Culburra & Mundamia Urban Release Areas						
Design for provision of water supply to Mundamia URA is well advanced. Process review well advanced for Culburra Wastewater Treatment Plant to support Development area. Design for wastewater transportation systems progressing in accordance with developers' current program.	Deliver Sewer & Water infrastructure concept design to support West Culburra Urban Release Areas	50%	50%		Manager - Water Asset Planning & Development	Sewage treatment plant assessment report is in progress. The report will provide necessary detail required to inform design. Works progression timing past initial assessment is developer driven.
	Deliver Sewer & Water infrastructure concept design to support Mundamia Urban Release Areas	50%	100%		Manager - Water Asset Planning & Development	Concept design completed. Addressing detail with detailed design development.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	2.1.06.04 Installation of Alternative Power Supplies to Critical Infrastructure						
	The alternative power supplies to Haviland Street, Pointer Road, Pointer Balance Tank, Conjola Reservoir, Bendalong Motorised Valve and Sussex Inlet Water Reservoir are completed. Only minor touch up work remains.	Implementation of works program for critical infrastructure alternative power supply	50%	98%		Manager - Water Asset Planning & Development	The alternative power supplies to Haviland Street, Pointer Road, Pointer Balance Tank, Conjola Reservoir, Bendalong Motorised Valve and Sussex Inlet Water Reservoir are completed. Only minor works remain
	2.1.06.05 Construct Sewer & Water infrastructure to support Moss Vale Road Urban Release Areas						
	Sewer and water projects are in construction phase with all seven contracts now awarded. Sewer works are well advanced and on track to be completed by mid-2023. Water supply works recently awarded with construction to commence in early 2023.	Percentage of annual capital works completed that support Moss Vale Road Urban Release Areas	Q4	Due June 2023	N/A	Manager - Water Asset Planning & Development	
	2.1.06.06 Investigate asset resilience and security of water supply opportunities						
	REMS Bulk Storage Dam and North-South transfer main are currently on hold due to funding constraints. Grant applications have been unsuccessful however ongoing work will continue to seek funding sources and further options.	Develop Northern to Southern Water Supply Project to Construction Phase	50%	25%		Manager - Water Asset Planning & Development	No work is planned in this quarter due to funding constraints. Investigation work will recommence March 2023.


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.1.06.07 Complete design for the water pipeline connection of Jervis Bay Territory to Shoalhaven systems						
Design is 50% complete, due for completion by April 2023. Review of Environmental Factors is completed and placed on public exhibition. Associated Reports (HAZOP, CHAIR and Water Quality) completed. Commencement of construction currently programmed for June 2023.	Design for water pipeline connection of Jervis Bay Territory to Shoalhaven systems completed by June 2023	50%	50%		Manager - Water Asset Planning & Development	Design progressing in accordance with program.
2.1.07.01 Implement Building Fire Compliance Action Plan						
Implementation of the Compliance Action Plan is achieved by using a software program to create datasheets to manage and program Asset Fire Safety Schedules and Preventative Maintenance to meet required results. Works are in progress to centralise maintenance schedules, compliance documentation files and all invoiced costings in the OneCouncil Asset Register. Improvement of business processes and workflows will standardise our approach and ensure consistency. Investigations are currently underway to combine various preventative maintenance services into one contractor/service provider to improve resource efficiencies.	Number of Building Fire Audits Complete	Q4	Due June 2023	N/A	Manager - Building Services	
	Maintain existing Fire Safety Statements for Council buildings	Q4	Due June 2023	N/A	Manager - Building Services	



Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.1.07.02 Improve Shoalhaven Water's levels of service for Development & Regulatory Function						
Development assessments and Tradewaste inspections have both achieved 100% of KPI. This is due to additional resourcing and process improvements. Ongoing monitoring to continue to ensure KPI's remain within expected range.	Percentage of Development Application and subdivision referrals completed within 21 days	80%	100%	●	Manager - Water Asset Planning & Development	Process improvements and full team has allowed for above KPI achievement.
	Percentage of all approved Tradewaste discharge locations inspected	90%	100%	●	Manager - Water Asset Planning & Development	Additional resourcing in the team and utilisation of Inspectors from Capital Program team have provided the opportunity to deliver above KPI levels for the quarter. Ongoing monitoring will continue to ensure performance remains high.
2.1.07.03 Implement initiatives to reduce the number of dry weather sewage overflow events						
The availability of the IOT device has delayed the project. The devices have arrived and installation is planned to commence in March.	Number of monitoring sensors installed and monitored using "Internet of Things" technology	100	0	●	Manager - Water Asset Planning & Development	The availability of the IOT device has delayed the project. The devices have arrived and installation to commence in March.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.1.07.04 Ensure serviceability of public amenity buildings to meet community expectations						
Building Services team are responsible for cleaning 96 amenities across the Shoalhaven. Council has only received 6 complaints between October and December, equating to 0.07% complaints per amenity per day.	Complete public amenity refurbishment or renewals as funded	50%	50%		Manager - Building Services	No Public Amenity refurbishments or renewals funded this quarter. Planning is in progress for works programmed for Q3 & Q4.
2.2.01.01 Prepare and maintain strategies and plans to support appropriate population growth or development, and environmental conservation in Shoalhaven, including progressing the detailed planning controls for the Moss Vale Road North Urban Release Area.						
Range of projects continuing and progressing in this regard including: <ul style="list-style-type: none"> • Work to finalise the detailed planning controls for the Moss Vale Road Urban Release area. • Callala Bay Urban Release Area Planning Proposal finalised and LEP amendment notified. • Initial community engagement of potential future growth scenarios for the Milton-Ulladulla area commenced. • Dec 2022 - Council endorse the preparation of revised land use planning strategies and Local Environmental Plan, Development Control Plan and Developer Contributions Plan (collectively a Planning scheme) for the City, including work on the inclusion of local character considerations. 	Annual Council report on Strategic Planning Works Program by June 2023	Q4	Due June 2023	N/A	Manager - Strategic Planning	

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 2.2.02.01 Assess and determine development applications within legislative timeframes and community expectations						
Council continues to improve processing times through recruitment processes, continual review of the DA assessment process, processing of older applications from the system and working with the Department of Planning and Environment to ensure agency referrals are received in a timely fashion.	Percentage of Development Applications processed within 40 days (DAs & S4.55s)	65%	38%		Manager - Development Services	Although KPI is below target, staff are continuing to work extraordinarily hard and have focused on determining older applications. A large number of applications have been lodged over the last 12-18 months resulting in the highest number for the last 7-10 years. A number of assessment staff vacancies within Development Services (33%). Council determined 17 applications which had been with Council for >200 days. Delays due to various reasons including complex and multi- agency referrals.



Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.2.02.02 Resolve Subdivision and Subdivision Works Certificates to meet applicant and community expectations						
Subdivision Certificates continue to be resolved efficiently within the target time frame. Staff undertaking assessment of Subdivision Works Certificates continue to work hard to improve timeframes whilst balancing demands on time with other business requirements.	Percentage of Subdivision Certificates resolved within 14 days	75%	100%	●	Manager - Development Services	Target exceeded this quarter.
	Percentage of Subdivision Works certificates completed in 28 days	65%	58%	●	Manager - Development Services	Results are just under target for this quarter. Upon review of the applications determined, a number of older applications have been resolved and coupled with staff vacancies that are to be filled, this is the reasoning behind the results. Results should improve over the next quarter given the team has addressed the majority of the backlog of applications.


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 2.2.03.01 Provide development compliance services to the community						
<p>Council has received 177 new complaints and actioned a total of 223 complaints within the period. At the end of the reporting period, there were 168 (OneCouncil requests) and 787 (Merit) outstanding complaint investigations on the system. Each Compliance officer is currently carrying approximately 112 complaint investigations. Staff will continue to finalise all complaints older than 2 years if there are no further issues.</p>	<p>Number of development non-compliance matters received</p>	<p>Count</p>	<p>177</p>	<p>N/A</p>	<p>Manager - Certification & Compliance</p>	<p>Of the matters were received, 89 related to unauthorised development and 27 for Non-Complying development. Within the above, 92 were building related, 12 land use (development without consent), 5 earth works (development without consent), 3 event related, 2 fencing related, 1 sign related, 1 waste related and 39 stormwater runoff/disposal issues. 22 Swimming Pool Compliance requests –</p> <ul style="list-style-type: none"> • 10 mandatory inspections • 4 pool fencing concerns • 4 private certifier referrals • 4 unfenced pool concerns

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Number of development non-compliance actions completed	Count	47		Manager - Certification & Compliance	A total of 47 development non-compliance matters were completed during the period. Of these matters, there were 11 related to unauthorised development (development without consent – building), 17 for stormwater runoff/disposal, 12 for not in accordance with development consent and 7 swimming pool fencing inspections.
 2.2.04.01 Provide strategic feedback to Government and others on policies and strategies impacting on strategic land use in Shoalhaven						
During the reporting period Council staff participated in meetings of the Illawarra-Shoalhaven Regional Plan Coordinating Committee, Illawarra-Shoalhaven Affordable Housing Round Table, Illawarra-Shoalhaven Greater Cities Partnership and with the Greater Cities Commission regarding their planning for the Illawarra-Shoalhaven Region. Advocacy undertaken in regard to relevant NSW Government land use planning reforms, including the agritourism planning proposals.	Number of submissions regarding strategic land use made to Federal and State Government	Q4	Due June 2023	N/A	Manager - Strategic Planning	





	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
✓	2.3.01.01 Develop an approved Shoalhaven Adaptation Plan						
	The updated Shoalhaven Adaptation Plan (2022) was endorsed at the 26 July Council meeting and with a review date and new climate change risk assessment to be completed in 2025. Actions were grouped by short or medium term with some actions ongoing.	Number of actions delivered from the approved Shoalhaven Adaptation Plan	Count	22	●	Manager - Technical Services	Five adaptive actions (R10, R14, R19, R21, R22) have been achieved and will remain ongoing (22% of actions), other actions and controls outlined in the Plan are underway, a report to EMT will be scheduled in line with the review cycle.
➤	2.3.01.02 Continue implementation of Council's Sustainable Energy Strategy 2020-25 to reduce carbon emissions and increase the uptake of renewable energy to achieve Sustainable Energy Policy targets						
	Initiatives completed in the past quarter include: <ul style="list-style-type: none"> Adopted a new Sustainability & Climate Policy including more ambitious netzero target by 2035, and places more emphasis on climate change action in the proposed Sustainability and Climate Action Plan. Council continues to work with Flow Power on initiatives from the recently signed renewable Power Purchase Agreement including participation in the Reliability & Emergency Reserve Trader scheme, new local solar farm site suitability, and smart metering. Hosted a Solar & Battery 101 community workshop to assist residents. A fast EV Charger has been approved by the NSW Government for the Ulladulla Town Centre. Installation of a 99-kW solar PV system at the Ulladulla Civic Centre funded by Council's Revolving Energy Fund will commence in Feb 2023. 	Number of Sustainable Energy Strategy initiatives implemented	Q4	Due June 2023	N/A	Manager - Technical Services	
		Value of projects funded through the Revolving Energy Fund	Q4	Due June 2023	N/A	Manager - Technical Services	
		Emissions saved through Sustainable Energy Strategy projects (tonnes CO2e-)	Q4	Due June 2023	N/A	Manager - Technical Services	


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.3.02.01 Develop an approved Sustainability Policy and Action Plan						
Sustainability and Climate Policy (POL22/177) presented to Council on 28 November 2022 and adopted. Corresponding Action Plan to be prepared with input from across Council with a target date of adoption by March 2023.	Number of initiatives implemented from the approved Sustainability Action Plan	5	5	●	Manager - Technical Services	Action Plan still in development with a target date of adoption by March 2023.
2.3.03.01 Undertake works within natural area reserves to improve biodiversity						
88 Natural Area reserves have been worked on by volunteers, staff, and/or contractors under operational and grant projects. Actions include weed control, revegetation, and signage installation with the objective of improving the biodiversity of these reserves and contiguous areas under the control and management of the Council.	Number of natural area reserves with works completed towards maintaining or improving biodiversity	Count	88	●	Manager - Environmental Services	This includes work by Bushcare volunteers, staff and contractors under operational and grant projects.
2.3.03.02 Support organisational environmental due diligence						
Eight Reviews of Environmental Factors (REFs) were completed for proposed works on Shoalhaven Water assets. Approximately 15 REFs for dog off-leash areas are near completion. The procurement process for contracting ecologists for a Constraints Assessment for South Nowra Industrial Area has been managed. Staff have liaised with the Biodiversity Conservation Trust to plan the Biocertification process for this project.	Number of environmental assessments completed	Count	59	●	Manager - Environmental Services	There have been 59 Development Application referrals completed. Reviews and advice were also provided on the principles of the biodiversity offset scheme and also targeted surveys for threatened species to ensure compliance with state and federal legislation.

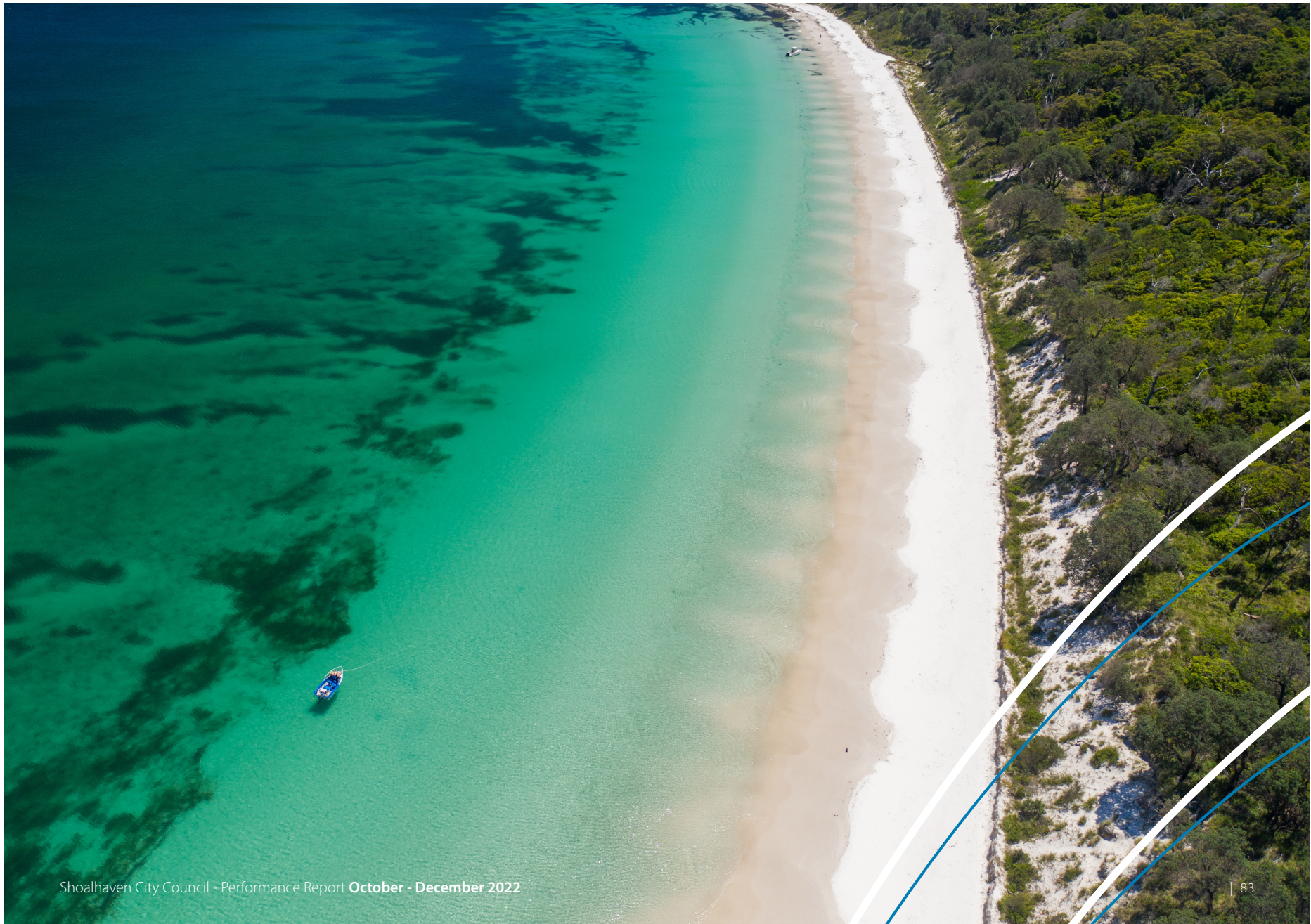
Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 2.3.03.03 Undertake water quality monitoring program of the Shoalhaven's estuaries, lakes, rivers and beaches						
<p>From October to December 2022, the following catchments were sampled: Lake Conjola, Conjola bores, Clyde River, Burrill Lake, Swan Lake, Lake Tabourie, Narrawallee Inlet, and Southern Bushfire sites (including Carbon sampling). A total of 27 non-reticulated drinking water samples were taken at 9 council buildings.</p>	Percentage of planned water quality monitoring program completed	50%	100%		Manager - Environmental Services	<p>During Q2 the following water sampling was undertaken - Lake Conjola, Conjola bores, Lake Tabourie, Narrawallee Inlet, Burrill Lake, and Monitoring, Evaluation Reporting (MER) Conjola, MER Tabourie, MER Burrill Lake, and MER Swan Lake + Carbon.</p> <p>The MER sampling is being undertaken as part of the Bushfire Recovery Grant in response to the 2019 bushfires.</p>

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Percentage of irregular water quality results whereby follow-up has occurred	100%	100%		Manager - Environmental Services	Increased workload and budgetary restrictions with increased frequency of natural disasters requiring specialised and targeted water sampling programs have adversely impacted on the ability to achieve this KPI. 100% reports of point source water pollution to Council were investigated and sampling was undertaken where necessary. Council staff are currently reviewing the monitoring program and aligning it to the NSW DPE's Water Quality Objectives.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
<div>➤</div> 2.3.03.04 Develop Coastal Management Programs as per the requirements of the NSW Coastal Management Act 2016 and the Coastal Manual						
Seven Coastal Management Programs (CMPs) as part of four projects are ongoing with four different technical consultants. Works are progressing along different schedules based on the associated scope of works and are being managed accordingly.	Shoalhaven Open Coast & Jervis Bay Coastal Management Programs completed by June 2023	Q4	Due June 2023	N/A	Manager - Environmental Services	
	Lower Shoalhaven River Coastal Management Program completed by June 2024	Q4	Due June 2023	N/A	Manager - Environmental Services	
	Lake Conjola Coastal Management Program completed by June 2023	30%	30%	●	Manager - Environmental Services	Stage 2 is nearing completion with final versions of reports being received by the project team. This will enable the project to progress into Stage 3 - the development and consultation of CMP management options/ actions. Milestone 1 revenue has been submitted with the last e-mail chasing revenue from the grant body sent on 16 December 2022.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 2.3.03.05 Implement high priority actions (0 -2 years) in the certified Coastal Zone Management Plan						
All actions from the 0–2 year schedule have now been completed, in-progress or are ongoing in nature.	Number of priority actions from the Coastal Zone Management Plan implemented	Q4	Due June 2023	N/A	Manager - Environmental Services	
 2.3.03.06 Prepare new, or review existing Bushcare Group Action Plans in consultation with community						
Four Bushcare Group Action Plans were reviewed and approved	Number of Bushcare Group Action Plans reviewed	Q4	Due June 2023	N/A	Manager - Environmental Services	
 2.3.03.07 Undertake compliance actions associated with priority weeds and biosecurity in accordance with the Regional Plan						
There have been 517 inspections for new incursions and prohibited weeds on private and public land. 394 inspections have resulted in other weeds observed with managers notified of control obligations. No observations requiring regulatory action have been made.	Number of priority weed inspections	Q4	Due June 2023	N/A	Manager - Environmental Services	
	Percentage of failed priority weed inspections whereby regulatory action has commenced	100%	100%		Manager - Environmental Services	Of 517 inspections no observations requiring regulatory action have been made. 394 inspections have resulted in other weeds observed with land managers notified of control obligations.

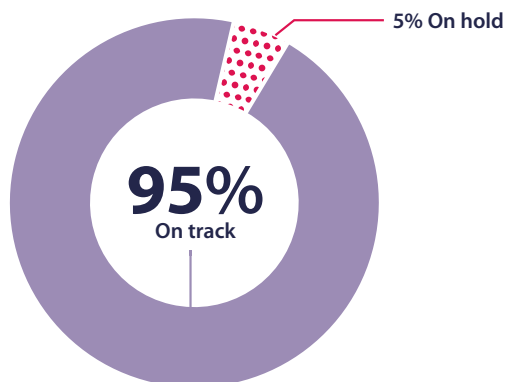
Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
2.3.03.08 Progress the South Mollymook Coastal Protection Works						
Concept design works are completed. The project is now progressing into the detailed design phase for the coastal protection works with input from landscape architects based on Community feedback on the concept designs.	Development of a South Mollymook Coastal Protection Works funding and partnership agreement by June 2023	Q4	Due June 2023	N/A	Manager - Environmental Services	
2.3.04.01 Develop Sustainable Living Guide and Sustainable Living program for community members						
Sustainable Living Guide developed, community sustainability events held in October and November 2022 to support energy reduction and solar uptake. Internal Environmental Awareness Group meeting monthly for further planning and coordination of environmental events and campaigns.	Development of the Sustainable Living Guide and Sustainable Living Program by June 2023	20%	50%		Manager - Technical Services	Sustainable Living Guide developed, community sustainability events held in October and November to support energy reduction and solar uptake. Environmental Awareness Group meeting monthly for further event planning.
2.3.05.01 Maximise recycling opportunities at Council's waste facilities						
Recycling opportunities maximised through the creation of partnerships and advertising high quality materials for on-sale	Increase the number of material types recycled year on year	Q4	Due June 2023	N/A	Manager - Waste Services	





Thriving local economies that meet **community needs**

Progress snapshot



Highlights

- Adoption of the Illawarra Shoalhaven Joint Organisation (ISJO) Statement of Strategic Regional priorities by the Board in November.
- Economic Development Team attended 19 events with key industry groups and government agencies including Regional Development Australia, Department of Regional NSW and Destination Sydney Surrounds South
- Tourism Team hosted an After Hours networking event in partnership with local Chambers and Destination Sydney Surrounds South of which 80 people attended
- Finalised the updated 2023 Advocacy Guide which draws attention to key projects and strategies identified for the Shoalhaven
- Council staff have made contributions to NSW Government initiatives: Strategic Environmental Assessment of the South Nowra Employment Precinct, Marine Tourism Strategy, Destination Management Plan, Regional Economic Development Strategy and Great South Coast Walks Project
- Council was successful in securing \$7.3 million to upgrade Boxsells Bridge, Smarts Bridge and Murrays Bridge through the Fixing Country Bridges Program
- Council endorsed the preparation of revised land use planning strategies and Local Environmental Plan, Development Control Plan and Developer Contributions Plan (collectively a Planning scheme) for the City, including work on the inclusion of local character considerations

Our performance for the last 3 months



14 events on
Council owned or
managed land



34,739
Calls to the Visitor Centre

39

blocks
of employment
land available








4.3 stars
Shoalhaven Visitor
Centre Rating








<div><div>Action Key</div><div><div> Completed</div><div> On Track</div><div> Needs Attention</div><div> On Hold</div></div><div><div>KPI Status</div><div><div> Critical</div><div> Needs Attention</div><div> On Track</div></div></div></div>							
Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment	
<div><div></div><div>3.1.01.01 Actively participate in networking opportunities that enhance strategic outcomes with both industry and government</div></div>							
<p>The Tourism and Economic Development Team actively coordinate and attend networking events and meetings with key stakeholders. This quarter the Economic Development Team attended 19 events with key industry groups and government agencies including Regional Development Australia, Department of Regional NSW and Destination Sydney Surrounds South.</p> <p>The Tourism Team coordinated an industry networking event in the southern part of the region and spoke to school leavers around careers in tourism. Day-to-day the department is in contact with chambers, businesses and key state government stakeholders, and provide strategic advice as needed.</p>	Number of networking and industry opportunities attended or facilitated	150	150		Manager - Economic Development	<p>Numerous networking events have been attended and facilitated. Highlights include an After Hours networking event with 80 attendees. Presenting at a year 11 Tourism Open Day educating 80 school leavers.</p> <p>Industry events including the Sussex Inlet AGM, the South Coast Tourism Industry Association Meeting, the Destination Sydney Surrounds South Christmas Party with key regional stakeholders, and an Events Industry night hosted by local organisers.</p>	

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 3.1.01.02 Review and update Council's Employment Land Strategy						
<p>The development of an Employment Land Strategy for Shoalhaven City Council is identified as an action in Council's Economic Development Strategy.</p> <p>An initial desktop review of all Council's industrial land stock has commenced. The review will outline past sales, future stages, and required approvals/investigations for all of Council's industrial land holdings.</p>	Council's Employment Land Strategy updated by June 2023	Q4	Due June 2023	N/A	Manager - Economic Development	
 3.1.01.03 Maintain stocks of employment land in line with Council's employment land strategy						
<p>Maintaining employment land stock continues as a priority within the Economic Development team. Further stages of industrial land subdivisions are progressing for Flinders, Woollamia and Albatross Aviation Technology Park.</p>	Number of blocks of employment land available	6	39		Manager - Economic Development	<p>In process of being subdivided:</p> <ul style="list-style-type: none"> • Woollamia Industrial Estate Stage 5A - 6 lots • Flinders Industrial Estate Stage 10 - 8 lots • Flinders Industrial Estate Stage 11 - 4 lots • Albatross Aviation Technology Park Stage 5 - 14 lots • Albatross Aviation Technology Park Stage 6 - 7 lots





	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	3.1.01.04 Review and update Council's Economic Development Strategy						
	<p>Financial and budget constraints are currently being identified for the review of the Economic Development Strategy.</p> <p>A desktop review of the objectives and actions in the current Economic Development Strategy has commenced.</p>	Councils Economic Development Strategy updated by June 2023	50%	50%		Manager - Economic Development	The current Shoalhaven Economic Development Strategy presents a 10 year vision spanning 2017-2026. During 2022, the Shoalhaven Economic Growth and Advocacy (SEGA) group was formed, providing a forum to discuss and develop the ongoing strategy for Economic Development in the Shoalhaven. The Economic Development Team have commenced a review of the strategy which has involved assessing the status of each identified action.




	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	3.1.02.01 Provide strategic advice on the development of infrastructure projects that meet the objectives of regional strategy and qualify for grant funding						
	The Tourism and Economic Development team have spent the last quarter of 2022 finalising the 2023 Advocacy Guide which draws attention to key projects and strategies identified for the Shoalhaven. The guide has been produced because of extensive stakeholder engagement in the lead up to the NSW state election occurring in March 2023. The new guide is a strategic overview of key projects, infrastructure improvements, urban planning, resilience strategies and facility upgrades. The document will drive ongoing discussions around future development opportunities and is available on council's website.	Increase in grant funds secured	Q4	Due June 2023	N/A	Manager - Economic Development	
		Number of grant applications submitted	Q4	Due June 2023	N/A	Manager - Economic Development	
>	3.1.02.02 Provide strategic advice to businesses for the purpose of seeking grant funding and provide support letters as appropriate						
	Regular fortnightly meetings have been established between council's Economic Development team and the Department of Regional NSW to discuss potential funding opportunities for council and Shoalhaven community groups. Ongoing grant information is provided via council newsletters, industry groups, chambers of commerce and letters of support. In addition to this, the Tourism and Economic Development team continue to liaise on a case-by-case basis with key industry stakeholders providing grant related advice and support where appropriate.	Number of grant support letters for businesses provided	Count	5		Manager - Economic Development	The Tourism and Economic Development team have written 5 letters of support throughout this period.


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	3.1.02.03 Actively participate in providing feedback to government strategy and planning to ensure major strategic projects are included in regional plans to assist in grant funding opportunities						
	Tourism and Economic Development staff continue to develop and maintain industry and government relationships. This quarter saw the team connect with the Shoalhaven Business Forum, the Nowra CBD committee, the Shoalhaven Professional Business Association, Shoalhaven Defence Industry Group, Regional Development Australia, The South Coast Tourism Association and many other networks to collaborate and participate in strategy development. More specifically, the team has given feedback on the South Coast Marine Tourism Strategy and the Regional Economic Development Strategy.	Number of active contributions (in person or written) to regional, state or federal strategy development. e.g. Regional Economic Development Strategy	Count	5		Manager - Economic Development	The Tourism and Economic Development Department has made contributions towards: <ul style="list-style-type: none"> • Strategic Environmental Assessment of the South Nowra Employment Precinct to the Department of Planning and Environment • Marine Tourism Strategy to the Department of Regional NSW • Destination Management Plan to Destination Sydney Surrounds South • Regional Economic Development Strategy to the Department of Regional NSW • Great South Coast Walks Project to Destination Sydney Surrounds South


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	3.1.02.04 Meet regularly with key industry segments with an objective to understand challenges and opportunities for government to assist business and advocate for cross government investment in game changing opportunities						
	<p>The new 2023 Advocacy Guide which draws attention to key projects and strategies identified for the Shoalhaven is available on the council website and is a product of meeting regularly with industry stakeholders.</p> <p>This quarter saw the first meeting of the newly formed Shoalhaven Economic Growth and Advocacy Committee, which is made up of industry professionals. This committee is positioned ready to advocate for industry and identify grant opportunities.</p> <p>Council has submitted ten applications to the \$200 million Infrastructure Betterment Fund, to improve local assets that are repeatedly affected by natural disasters.</p>	Number of meetings / opportunities identified for collaboration	Count	19		Manager - Economic Development	<p>Numerous meetings held with stakeholders to progress Council's economic development priorities.</p> <p>Council was successful in securing \$7.3 million to upgrade Boxsells Bridge, Smarts Bridge and Murrays Bridge through the Fixing Country Bridges Program. These are large wins for local communities which will benefit from the new infrastructure upgrades, economic injection and increased local employment opportunities.</p>

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	3.1.02.05 Build new strategic infrastructure in line with grant obligations and strategic community and Council expectations						
	The Ulladulla Harbour development has experienced some slight delays but is progressing. At this stage, no new Economic Development projects have commenced during this period. We have continued with infrastructure development in the maritime precincts, showgrounds, and multiple areas of industrial land.	Develop a berthing facility within Ulladulla Harbour by June 2023	Q4	Due June 2023	N/A	Manager - Economic Development	
		Investment attraction strategy developed by June 2023	Q4	Due June 2023	N/A	Manager - Economic Development	





Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 3.1.03.01 Promote the Shoalhaven as a diverse region with a focus on off-season visitation						
Feedback from tourism operators during this quarter showed a lack of confidence in summer bookings, so support for business was crucial. 80,000 Visitor Guides were produced and distributed throughout the region and beyond in early December. The 100 Beach Challenge campaign and Conscious Traveller campaigns were promoted within the region to encourage positive behaviour and dispersal from high trafficked areas. The 2022 Wine and Whales Campaign was awarded Silver in the Destination Marketing category of the NSW Tourism Awards, proving and effective off-season campaign to drive winter visitation and year-round jobs.	Number of marketing campaigns delivered	2	4		Manager - Tourism	The Wine & Whales off-season campaign finished in November, winning a silver award for marketing at the NSW Tourism Awards. This was followed by the dispersal and hygiene campaigns for summer: 100 Beach Challenge; new annual Visitor Guide; and Conscious Traveller campaigns.
	Increase the year-on-year total economic impact of expenditure in the Shoalhaven	1,000	1,300		Manager - Tourism	Year to September 2022 (3 months behind) is \$1.3 billion, a \$322 million increase year on year showing tourism recovery is in the right direction. *Tourism Research Australia
	Increase in total subscribers to the direct marketing consumer database	5%	11%		Manager - Tourism	Subscribers to the Consumer Newsletter has increased by 11% year-on-year. 3.2% of that growth occurred this quarter due to the new Visitor Guide and increased interest in our content during spring and summer.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 3.1.03.02 Deliver an event support program to drive off-season visitation to reduce seasonality of tourism employment opportunities						
<p>During this period 14 events were sponsored with a total economic impact of \$11,741,000. All supported events were held outside of December in the shoulder season. Over this period the events team worked with a research partner, Localis, who track mobility data and occupancy rates in the region. Localis Event Reports confirmed there was a direct correlation between increased occupancy and out of town visitation on the weekends of key events in this period. This is a good outcome, and it is exciting to see events return to the region.</p>	Maintain or increase number of supported events	9	14		Manager - Tourism	14 events were supported through both the Tourism Event Support Program and Kangaroo Valley Recovery Grants Program. This is a significant increase from the same quarter the year prior, where COVID heavily impacted event numbers.
	Increase total return on investment for supported events	5%	110%		Manager - Tourism	The total return on investment (ROI) for events was \$11.74M this quarter. This is a 110% increase when compared to the same quarter the year prior (ROI of \$5.58M) and a 56% increase from quarter one (ROI was \$7.54M).


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	3.1.03.03 Annual review and delivery of a strategic plan for visitors' services including growing ambassadors, delivery of operational visitors centres and mobile tourism services						
	<p>Visitor Services ceased online accommodation bookings through Bookeasy in November. Due to the competitive environment, bookings are at an all-time low, platform costs are no longer sustainable, showground bookings are handled by customer service, operators were not updating rates and causing customer dissatisfaction. The Team is actively working on replacing the income with online merchandise sales.</p> <p>High volume of Box Office bookings continue as the Entertainment Centre shows are back in full swing, with new shows on sale each week.</p> <p>Due to new Request Management system introduction, volunteer recruitment was halted to undertake system training and to review procedures for tourism ambassadors.</p> <p>Visitor Services switched to the new live chat system in October. The average 120 conversations per month are increasing as we play with the functionality of the new system.</p>	Maintain a high quality of service and achieve Google business reviews equal to or above 4 stars for the Shoalhaven Visitor Centre	4	4.3		Manager - Tourism	The Visitor Information Centres at Nowra and Ulladulla achieved an average 4.3 rating for their Google reviews. The reviews particularly highlight the knowledge and friendliness of the staff.


Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Grow the number of tourism ambassador volunteers	Count	0	N/A	Manager - Tourism	The active recruitment of volunteers has been on hold since COVID restrictions in April 2022. Volunteer services will recommence following the renovation shutdown at the Shoalhaven Entertainment Centre in March 2023. Management are undertaking training and reviewing the processes in place for onboarding and recruiting new Tourism Ambassadors in 2023.
	Maintain Customer Service enquiry numbers at Visitor Centres	14,000	34,739		Manager - Tourism	There has been considerable increase in counter enquiries, emails, phone calls and online Live Chats through www.shoalhaven.com. This increase in service enquiries is attributed to removal of COVID travel restrictions, SEC programming and the peak summer season.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	3.1.03.04 Deliver financial assistance for precinct marketing to support regional promotion						
	No Precinct Marketing grants were submitted or approved this quarter. Conversations were had with various groups and offers of support such as creating maps and signage were discussed. Spring and summer tend to be busy time for industry, accordingly it is not unusual for no grants to be submitted during this quarter. While no grants were issued, the Marketing Team continued having productive conversations with key stakeholders across the region and supported in other ways.	Number of precinct marketing grants awarded	Count	0	N/A	Manager - Tourism	No Precinct Marketing Grants were submitted or approved this quarter. A book called the "Islands of the Shoalhaven" was published in this period, this was born out of a previous Precinct Marketing Grant round.
➤	3.1.03.05 Deliver one-on-one mentoring to support aboriginal tourism operators in developing tourism businesses						
	Currently seven experiences are listed via ATDW and 15 are in the new Visitor Guide. The team organised a product development workshop with NATOC and Destination Sydney Surrounds South where four businesses were mentored in a full day workshop. This was followed by an industry 'famil' in Booderee where the team and key stakeholders experienced a new product and captured content for promotion. Throughout the year the team are in regular contact with cultural business operators and provide ongoing one-on-one business mentoring and product development support	Number of additional Australian Tourism Data Warehouse listings for Aboriginal Tourism Operators	1	1	●	Manager - Tourism	Seven experiences are listed via ATDW, and 15 experiences are promoted in the new Visitor Guide. In November, The Team organised a product development workshop in partnership NATOC and DSSS. This was followed by an industry 'famil' where content was collected for future promotion.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	3.2.01.01 Update the "Nowra Key Roads" document						
	Scope for update of document to be developed in February 2023.	Visual information material prepared to enhance community understanding of the "Nowra Key Roads" document	40%	40%		Manager - Technical Services	ENSA fly through published on Council website
	3.2.01.02 Support collaboration through Illawarra Shoalhaven Joint Organisation (ISJO) to advance Council and regional strategic objectives						
	<p>A number of ISJO facilitated projects have continued, including:</p> <ul style="list-style-type: none"> • Launch of the Illawarra Shoalhaven Greater Cities Partnership Prospectus with RDA Illawarra • Adoption of the ISJO Statement of Strategic Regional Priorities by the board in November • Awarded winner at the LG Environment Awards for the Enabling Water Sensitive Communities project 	Number of partnership initiatives for mutual benefit of ISJO stakeholders	2	2		Manager - Corporate Performance & Reporting	<p>New initiatives underway:</p> <ul style="list-style-type: none"> • Major study on key worker housing affordability • QBL assessment of the benefits of transitioning Council fleet to electric or hydrogen powered vehicles

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	3.2.02.01 Undertake projects in the Strategic Planning Works Program to activate and strengthen Shoalhaven's CBD's and town centres including progressing the activation of the Shoalhaven River-Front Precinct and the Nowra CBD revitalisation.						
	Range of projects being worked on and progressed related to CBD's and town centers. Relevant matters reported to the Nowra CBD Revitalisation Strategy Committee and discussed with the Nowra Riverfront Advisory Committee. Dec 2022 - Council endorse the preparation of revised land use planning strategies and Local Environmental Plan, Development Control Plan and Developer Contributions Plan (collectively a Planning scheme) for the City, including work on the inclusion of local character considerations.	Annual Council report on Strategic Planning Works Program by June 2023	Q4	Due June 2023	N/A	Manager - Strategic Planning	

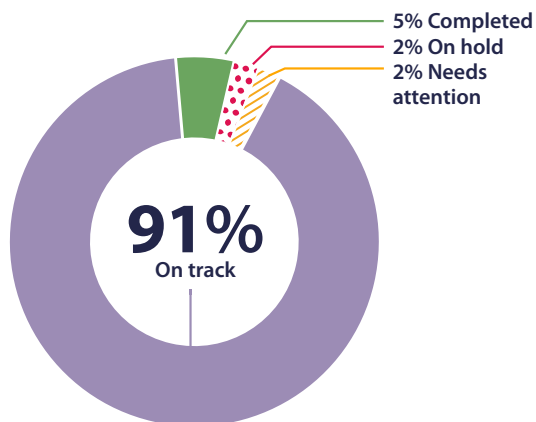
Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
 3.2.02.02 Investigate opportunities for strategic development of key projects in our City						
<p>The Economic Development department regularly engages with local business, which includes attendance at multiple events across the region, committee meetings, and meetings of industry groups. These interactions typically generate ideas and opportunities for the development of projects or initiatives. Potential opportunities are collated and tabled at both internal and at Shoalhaven Economic Growth and Advocacy. This is to clarify relevance prior to detailed investigation and subsequent action.</p>	<p>Identify potential, suitably zoned land in Nowra CBD for a Hotel site, explore various models of delivery, seek advice on market response to such a development opportunity and facilitate without prejudice conversations with potential investors.</p>	Q4	Due June 2023	N/A	Manager - Economic Development	
	<p>Define the parameters of the project to create a heart of Huskisson at 59 Owen Street Carpark Development</p>	Q4	Due June 2023	N/A	Manager - Economic Development	

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	3.2.03.01 Facilitate and support the delivery of community and tourism events striving to achieve engaged, activated and liveable communities						
	The Events Team continue to support community organisers with event applications and strategic advice. In this period, the Team assisted South Coast Food and Wine relocate their event one week out due to wet weather, the event when extremely well. They supported a new organiser deliver a local music festival at Nowra Showground (Local Motion), and supported the Kangaroo Valley Christmas Market develop a suitable Site Plan. The Team receives regular feedback thanking them for event delivery and development support. In this period 45 events were approved on council owned and managed land, this is a great success following two years of event restrictions. This volume of events has notable impact on creating a liveable city and enhancing sense of place for both residents and visitors.	Number of approved events on Council owned or managed land	30	45		Manager - Tourism	Events returned to pre covid numbers with 45 events taking place between October and December. Wet weather in October unfortunately resulted in 7 event cancellations, and December was our busiest month hosting 24 of the 45 events.



Effective, responsible & authentic **leadership**

Progress snapshot



Highlights

- Sourcing and Contracts module being configured with TechOne software with the test environment planned for February - March 2023
- Training in the prevention of harassment and bullying incorporated in the Corporate Induction Day
- 6 WHS audits completed with 54 opportunities for improvement issued
- Radio and media campaign for road worker safety was launched
- 98% of internal IT Service Desk requests completed within service level agreements
- Council maintained it's 'low risk' rating in the external self-insurance case management audit
- Adopted animal return rate at Shoalhaven Animal Shelter down to 2.3% from 8% last quarter.

Our performance for the last 3 months



2.9 minute
average wait time
at Nowra Customer
Service Centre
(5 min target)

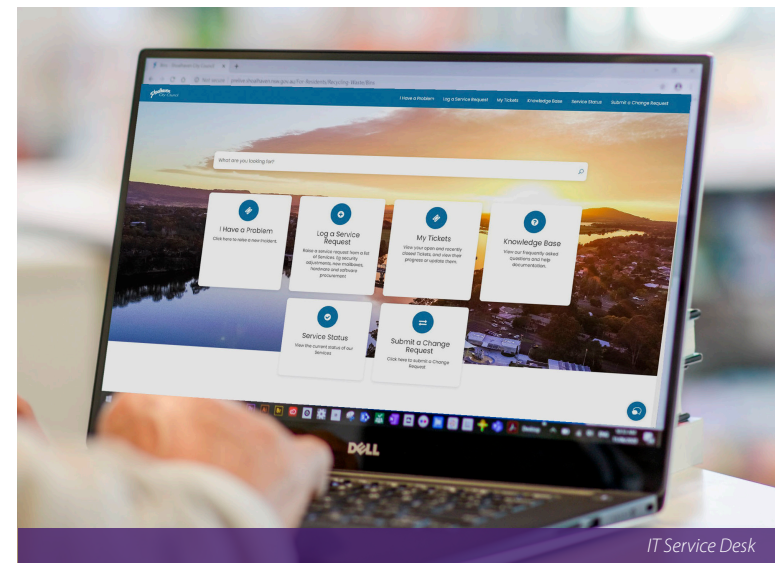
98%
of IT service desk requests
completed within SLAs





77%
of customer enquiries
resolved at first contact
(70% target)






131
people attending
a Civic event







<div><div>Action Key</div><div><div>✔ Completed</div><div>🔄 On Track</div><div>⚠ Needs Attention</div><div>🛑 On Hold</div></div><div><div>KPI Status</div><div><div>🔴 Critical</div><div>🟡 Needs Attention</div><div>🟢 On Track</div></div></div></div>							
Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment	
4.1.01.01 Provide an excellent customer experience through resolving customer enquiries at first contact							
<p>Customer Experience is on track.</p> <p>From October - December 2022, we handled over 28,000 calls and served over 3000 customers at the Counter. Our first contact resolution is improving (currently at 77%) with abandoned rate being maintained at 5%. The average speed to answer is still outside SLA, with 56% of calls answered within 30 seconds.</p> <p>This quarter, the Contact Centre has increased the scope of service to include Environmental and Compliance calls. We have also embedded the new Request Management system with over 19,000 requests being lodged (and 15,000 resolved) since the new system launched in September 2022.</p>	Calls to Contact Centre answered within 30 seconds	30	53	🔴	Manager - Customer Experience	The average speed of answer was 53 seconds in the Contact Centre from October - December 2022. 56% of calls were answered within 30 seconds.	
	Average wait time at the Customer Service Counter	5	3	🟢	Manager - Customer Experience	Average wait time at Nowra Front Counter was 2 min 56 sec from October - December 2022	
	Percentage of customer enquiries resolved at first contact	70%	77%	🟢	Manager - Customer Experience	Percentage of customer enquiries resolved at first contact from October to December 22 is 77%.	
	Percentage of customer contacts that abandoned before being answered by the Contact Centre	7%	5%	🟢	Manager - Customer Experience	5% of customer calls were abandoned before being answered in the Contact Centre from October - December 2022.	





	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.1.01.02 Ensure Council's website provides accurate and actionable customer service information and utilise the digital platform to improve service delivery						
	A large number of Customer requests are now available online for the public to lodge 24/7, improving the customer experience. The prescribed online form also allows for council to collect more accurate information to process and action the request more efficiently.	Number of customer service digital initiatives implemented	1	1		Chief Information Officer	Additional Customer Requests for water have gone live since the last report. The customer service module is being supported by the Customer Systems Lead.
➤	4.1.01.03 Provide graphics and cartography support to the organisation and issue Zoning (10.7) and dwelling entitlement certificates to the community						
	Range of detailed mapping (LEP etc.) updates undertaken during the period. Including mapping support provided to the NSW Department of Planning to assist with the LEP amendments associated with the Callala Urban Expansion and Shoalhaven Hospital rezoning's. 1,703 certificates (10.7 and dwelling entitlement) issued during the period.	Number of 10.7 dwelling entitlement certificates issued within the target timeframes	Count	100		Manager - Strategic Planning	1703 certificates issued in the quarter.


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.1.02.01 Coordinate the delivery of a high quality Family Day Care service						
	SFDC continues to operate effectively, meeting all regulatory requirements. All annual home safety audits have been completed on schedule with no outstanding actions. The SFDC team continues to monitor educator practices and provides ongoing support, information and assistance for quality education and care. Ongoing policy and procedure reviews form part of the continuous improvement cycle for the service.	Maintain and increase the number of Family Day Care Educators	Q4	Due June 2023	N/A	Manager - Community Connections	
		Percentage of scheduled Family Day Care inspections undertaken	100%	100%	●	Manager - Community Connections	All educator home visits were completed within the month for their due date. All visits completed for 2022 with no outstanding actions.
>	4.1.03.01 Prepare a Bereavement Services Business Plan with similar outlooks to the Community Strategic Plan and Delivery Program						
	Business Plan complete. Management summary being prepared for presentation to Council.	Bereavement Services Business Plan considered by Council before 31 December 2022	50%	50%	●	Manager - Commercial Services	Management summary being prepared.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.1.04.01 Ensure minimal returns of adopted animals to the Shoalhaven Animal Shelter						
	The Shelter will continue to work in this field to ensure dogs and cats are placed in the right home by working on applications matching the right adoptee.	Percentage of adopted animal return rate less than 3.5%	4%	2%		Manager - Certification & Compliance	This is down from over 8% on the previous quarter. More work is being done at the front end to ensure the animals are a match for the new owners.
>	4.1.05.01 Provide excellent customer service for waste and recycling collection services						
	Ongoing collection provided efficiently with very few complaints received	Number of justified complaints annually (per 10,000 bin pick-ups)	92	51		Manager - Waste Services	23 justified complaints in first quarter and 28 in second quarter.
		Number of compliments per month	6	8		Manager - Waste Services	Two compliments received in the second quarter, waste depot staff and domestic service collection drivers.


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.1.06.01 Provide potable water supply in accordance with Australian Drinking Water Guidelines.						
	Council continues to provide water in accordance with the Australian Drinking Water Guidelines.	Number of E-Coli incidents encountered through testing program	Count	0		Manager - Water Asset Planning & Development	There have been no E-Coli incidents.
>	4.1.06.02 Ensure water is affordable for our customers						
	National Performance Reporting data for Water Utilities is released in March each year. Report to be submitted to Council once performance data has been released and analysed.	Maintain ranking in the top 10% of the most affordable water price in utility category	10%		N/A	Manager - Water Business Services	Data from National Performance Reporting on Water Utilities is released in March each year. Once data has been released and analysed a report will be submitted to Council outlining the performance against this KPI and our comparable Local Water Utilities across Australia.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.2.01.01 Manage the organisational corporate planning and reporting needs and continue to provide improvements in business planning and reporting						
	<ul style="list-style-type: none"> July - Sept Q1 2022-23 Delivery Program Operational Plan Performance report completed and reported to 14 November Ordinary Meeting Annual report 2021-22 finalised and reported to 5 December Ordinary Meeting, Financial Statements to be added following finalisation of Audit Timetable for development of draft DPOP 2023-24 endorsed Configured and commenced status reporting on grant funded projects through IPR software. 	Undertake the Community Satisfaction Survey by October 2022	100%	50%		Manager - Corporate Performance & Reporting	Initial planning complete, survey is now scheduled for February 2023.
		Produce the Annual Report by November 2022	100%	100%		Manager - Corporate Performance & Reporting	Annual report endorsed and available on Council's website.
		Develop new Delivery Program Operational Plan by June 2023	Q4	Due June 2023	N/A	Manager - Corporate Performance & Reporting	
➤	4.2.01.02 Coordinate Audit, Risk and Improvement Committee functions & responsibilities and deliver the planned internal audits						
	The ARIC and Internal audit activities are on track as planned.	Audit, Risk and Improvement Committee meetings delivered as per the Charter requirements	2	2		Chief Executive Officer	The scheduled Audit Risk and Improvement Committee meetings have occurred.
➤	4.2.01.03 Process application requests for access to public information						
	The majority of GIPA applications are being processed within the relevant timeframes. Casual staff are assisting with research, scanning and other tasks to improve processing times.	Percentage of formal GIPA requests met within statutory requirements	Q4	Due June 2023	N/A	Manager - Business Assurance & Risk	


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	4.2.01.04 Review and update Council's Business Continuity Planning Documents						
	Currently reviewing BCP plans against the relevant Australian Standard for managing disruption-related risk.	Staff provided training on revised Business Continuity Plans	50%	0%		Manager - Business Assurance & Risk	Training to be undertaken following the review and update of the BCP.
	4.2.01.05 Formalisation of Legislative Compliance Framework						
	Work has commenced on establishing the register - report will be provided to the Executive Management Team in first quarter 2023 to confirm parameters meet the desired approach.	Legislative Compliance Register and policy developed and implemented	50%	25%		Manager - Business Assurance & Risk	Work has commenced on establishing a legislative compliance register but behind schedule.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.2.02.01 Ensure currency of Council's Risk Management Framework						
	Enterprise Risk Management framework is up to date, consisting of: <ul style="list-style-type: none"> • Risk Appetite Statement (PRD22/228), annual review, next review date due 29/03/23 • Risk Management Policy (POL22/90), next review due 1/12/24 • Risk Assessment Procedure (PRD21/140), next review due 9/11/2025 • ERM Framework overview, next review due 20/09/24 • Strategic Risk Register review with EMT was completed on 2 November 2022 • Operational Risk Register, continuous cycle of review meetings with management teams (City Services and City Performance Departments scheduled in for Jan & Feb 2023). 	Risk Register reported to Executive Management Team and Audit Committee	2	2		Manager - Business Assurance & Risk	Risk Register Reports provided to ARIC on 2 August and 7 November 2022. Strategic Risk Register review with EMT on 1 November 2022.
➤	4.2.02.02 Manage Workers Compensation Self -Insurers Licence						
	The external Case Management audit was completed in December 2022, with council maintaining it's 'low risk' rating for council. Strong result with an overall result of 97.5%, comprising of Compliance 97%, Case Management Practice 100% and Data Quality 96%. Monthly claims data submissions with SIRA are being completed within the required deadlines.	Achieve SIRA Auditing requirements for Workers Compensation Insurers Licensees	Q4	Due June 2023	N/A	Manager - Business Assurance & Risk	


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.2.03.01 Annual review and update of Council's Workforce Plan to ensure strategies are updated and implemented						
	<p>The strategies in the Workforce Plan for the Human Resources team and Organisational Development team have been identified and processes in place to review and identify specific action plans for these teams. The following actions are complete:</p> <ol style="list-style-type: none"> 1.A grievance process is available to all employees and Council addresses and monitors grievances and harassment allegations in accordance with the Grievance Procedure. 2.Training in the prevention of harassment and bullying during Corporate Induction 3.Offer an exit interview to all employees to ensure that they are not leaving due to a negative workplace culture or have been exposed to bullying and/or discrimination. 	Number of Equal Opportunity Plan initiatives implemented	Count	3	●	Manager - People & Culture	Three initiatives implemented: grievance process, prevention of bullying training, exit interviews
		Leadership Development Program implemented by June 2023	50%	50%	●	Manager - People & Culture	As part of Council's Organisational Development program (the 'FOCUS Program') 360 feedback reviews were undertaken for the Shoalhaven Leadership Team and action plans developed for those individuals.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.2.03.02 Implement initiatives identified in the Work Health Safety & Injury Management Strategic Business Plan						
	<p>There were 200 spot checks completed for plant and equipment safety with an overall improvement in housekeeping noted.</p> <p>120 workers attended back to basics safety sessions, focusing on risk assessment, plant operation checklists and safe work method statements.</p> <p>There were 55 random drug and alcohol tests conducted, all producing negative results.</p> <p>Following incidents relating to road worker safety, a radio campaign was launched that focuses on driver awareness, in slowing down and following traffic control around road work sites.</p> <p>There were 49 safety pats on the back recognised, along with 14 WHS milestone committee members acknowledged during the annual safety awards.</p>	Number of Strategic WHS Plan initiatives implemented	4	4		Manager - People & Culture	<p>OneCouncil hazard and incident reporting soft launch commenced in December.</p> <p>120 workers attended back to basics safety sessions.</p> <p>200 spot checks of the plant pre-operation checklist and the associated item of plant completed.</p> <p>55 random drug and alcohol tests were conducted, all negative.</p> <p>6 audits completed, 54 opportunities for improvement issued.</p> <p>Radio and media campaign for road worker safety was launched.</p> <p>49 safety pats on the back and 14 WHS milestone WHS committee members were acknowledged this year.</p> <p>The electronic security gate has been installed at Woollamia Depot.</p>

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.2.03.03 Ensure Safety Performance improvement compared to previous 3 year period						
	Safety performance continues to be monitored and reported to the Executive Management Team. Target aims for a reduction of more than 5% in lost time injury rate.	Reduction in Lost time Injury Frequency Rate	Q4	Due June 2023	N/A	Manager - People & Culture	
>	4.2.03.04 Provide effective, proactive and strategic support to the organisation for Human Resources						
	The Human Resources Business Partner model continues to operate with the support of the HR Lead and Manager People & Culture.	Number of workplace change initiatives implemented	Count	8	●	Manager - People & Culture	The workplace changes for Customer Experience, Business Systems and IT Support (City Performance) as well as the workplace changes for Water Assets Planning & Development (Shoalhaven Water), Building and Compliance Certification Team (City Development) and Design Services (City Services) were presented to the Consultative Committee in December 2022.




	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.2.03.05 Continue to improve operating efficiencies in Payroll Unit						
	The Pay Office continues to improve work processes and individual training to Pay Office Employees as well as SCC Staff in general.	Number of timesheet employees transitioned to electronic time and attendance system	Q4	Due June 2023	N/A	Manager - People & Culture	
>	4.2.04.01 Implement an effective business partnership structure in supporting corporate information systems						
	The Business System Partner roles are being finalised in the new organisation structure and recruitment for the permanent positions will begin shortly.	Corporate Information systems business partnership structure implemented by June 2023	50%	50%		Chief Information Officer	Systems Business Partner roles have been created and the restructure is underway. Permanent employees within the current structure have been consulted and their feedback has been taken into consideration. Business areas have been contacted to review and identify upcoming projects that will impact their areas. A Corporate Systems project list/roadmap is being collated by in readiness to be presented to EMT in February.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.2.04.02 Provide spatial services including Council's cadastre and land information maintenance, online GIS, mapping systems integration, road and place naming and property addressing.						
	GIS Unit provides spatial services to all Council's departments with GIS layers maintenance, online map development, mapping systems integration, road naming and property addressing services.	Percentage of Addressing and Road Naming applications processed within 7 days	100%	99%	●	Chief Information Officer	110 out of 111 property addressing applications processed within 7 days. 1 road naming application received and in progress.
		Percentage of registered plans processed within 2 days of Land Registry Services notification	100%	100%	●	Chief Information Officer	85 out of 85 registered plan lots mapped in GIS and recorded in OneCouncil within 2 days.
➤	4.2.04.03 Maintain and improve Council's corporate business systems to ensure legislative compliance, effective operation and security						
	The system administrator is continuing to evaluate the correct level of security for technical staff that require access to back end functions and ensure the conflict of duties is reduced or eliminated.	Council software licences renewed in a timely manner and compliance maintained	100%	100%	●	Chief Information Officer	All software is currently in use under the relevant software and support licensing agreements.


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.2.04.04 Provide effective, secure and efficient record keeping frameworks and services to meet strategic, legislative and operational requirements of the organisation						
	Council continues to meet its record keeping obligations in a challenging environment. The implementation of the new OneCouncil customer request system has encouraged self-service from customers and helped to improve correspondence processing times over the quarter. Opportunities for integration are continuing to be pursued to ensure enterprise information creation & access is timely, accurate and stored appropriately.	Percentage of strategic Information Management Service Review recommendations implemented	20%	30%		Chief Information Officer	14 out of 47 recommendations from the Information Management Strategy have been completed and a number of other tasks are partially complete. The implementation of OneCouncil Request Management is continuing to provide efficiencies and responsiveness around customer experience. Impacts include correspondence processing times overall have reduced over this quarter. A Helpdesk solution has been rolled out to key Records Staff. Further investment and resourcing are required to pursue other initiatives.



	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.2.04.05 Provide efficient and secure Information Technology Support Services and Systems						
	Council's IT services have been improved over the quarter, namely through the delivery of projects to renew networking, WiFi and digital signage solutions across the LGA. Council has also continued to improve its cyber security posture through the replacement/ implementation of our corporate anti-virus software.	Percentage of service desk requests completed within service level agreements	80%	98%	●	Chief Information Officer	Reporting out of the new ITSM tool for this quarter - resolved 2,031 within SLA of 2,068 incidents across the IT Service Desk and Technical Support teams. Satisfaction scores for post completion surveys were 98% for the period.
		Critical systems Up Time	99.9%	99.9%	●	Chief Information Officer	No significant outages occurred with critical systems this quarter.
➤	4.2.05.01 Collaborate with the NSW Government to achieve positive rating legislative reforms through membership of the LG Rating Reference Group and the NSW Revenue Professionals South Coast Region						
	The OLG have held no meetings of the LG Rating Reference Group in this quarter. In relation to rating reform, IPART conducted workshops on the Rate Peg Methodology which was attended on 22 November 2022. On 25 October 2022 NSW Revenue Professionals held a Rating Reform Training Session which was attended. Council made a submission to IPART supporting NSW Revenue Professionals submission, notably that consideration be given to separate rate pegs being set for Metro, Regional and Rural councils that recognise different cost pressures outside the metro area.	Number of ratings reform meetings attended and submissions provided	Q4	Due June 2023	N/A	Chief Financial Officer	There have been no meetings in this quarter.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.2.05.02 Manage Council's Investment Portfolio to maximise returns with due consideration for risk, liquidity and security						
	Council's investment portfolio continues to be managed in accordance with our Investment Policy in consultation with our External Investment Advisor.	Investment portfolio performance above AusBond Bank Bill Index	Count	0.01	●	Chief Financial Officer	The investment returns for December 2022 excluding growth fund 2.97% p.a., underperformed the benchmark AusBond Bank Bill Index (2.98% p.a.) by 1bp p.a.
✓	4.2.05.03 Comply with the engagement timetable for the 2022/23 financial statements						
	<p>This comment relates to the preparation of the 2021/22 financial statements.</p> <p>Some delays in the original engagement timetable were experienced arising from asset revaluations and recognition of Rural Fire Service assets. As a result, Council applied for and received two extensions, the second of which was granted by the Office of Local Government to 23 December 2022.</p> <p>Council adopted its statement of certification for the financial statements on 14 November 2022 and formally referred them for audit.</p>	Annual audited statement adopted without qualified comments by October 2022	100%	100%	●	Chief Financial Officer	Extension to October deadline granted - new deadline of 23 December 2022. 2021-22 financial statements audit completed and unqualified audit opinion received on 23 December 2022. The financial statements were submitted to the OLG the same day, meeting the submission deadline.


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	4.2.05.04 Develop realistic budget development timetable and meet deadlines						
	Timetable developed. 2023/24 annual budget preparation process began in October 2022.	Budget developed and endorsed by June 2023	Q4	Due June 2023	N/A	Chief Financial Officer	A budget timetable was developed, and budget assumptions were approved in November 2022.
	4.2.05.05 Streamline reconciliation processes and financial reporting						
	Action relates to 2021-22 Financial Statements. Preparation of end of month are being completed routinely and in a more timely manner. This assisted with Council's external financial reporting. To further streamline the financial statements preparation and audit process key staff were identified and detailed process documents created as well as updating financial reporting mapping in Council's financial system.	Annual Financial Statement prepared prior to commencement of audit	100%	100%		Chief Financial Officer	The audit of the 2021/22 financial statements commenced based on a first draft sent to auditors 7 September 2022 (2 weeks later than audit engagement timetable). Asset revaluations were not completed at this time. First complete set of financial statements and supporting workpapers (including revaluations) sent 31 October 2022.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.2.05.06 Optimise usage of new Finance system through developing reports and dashboards that provide meaningful financial information to users across the organisation						
	Reports are continually being developed and distributed to budget managers to assist them to manage their budget.	Number of finance system reporting initiatives implemented	Count	1	●	Chief Financial Officer	Additional fields were added to the capital budget request form to improve data integrity of the 10 year capital plan.
➤	4.2.06.01 Research and develop a Council Service Review Program						
	Research into best practice Council service review programs has been completed and draft principles to be considered by Executive Management Team in early 2023.	Council Service Review Program endorsed and commenced implementation by June 2023	50%	45%	●	Manager - Corporate Performance & Reporting	Program development and trial will follow the endorsement of service review program principles.
➤	4.2.07.01 Analyse fleet replacement schedule, ensure appropriate budget planning and order completion						
	Constant supply chain issues driving prices up, fuel price increases way above planned.	Deliver plant and vehicles in accordance with the approved Replacement Program	55%	50%	●	Manager - Commercial Services	Current Supply Chain issues increasing delivery times, forecast to get worse.


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.2.08.01 Actively monitor and maximise tenancy rates to ensure councils property are let						
	Reports are provided to the CEO/Council for all lease/licence renewals/new agreements and exercise of options. Reports refer to rental options and opportunities to increase rental consistent with market conditions and to minimise financial impacts to Council, costs incurred and subsidised rental over the term are detailed.	Vacancy rate (across all categories) of Council tenanted buildings	5%	0%		Manager - Building Services	Vacant Properties – Nil Properties currently vacant and not suitable for leasing include 16 Berry Street Nowra (former Betta site), Graham Lodge and Pleasant Way (former Bee Thai) due to works required and proposed EOI. Properties approved subject to DA for change of use prior to occupation include 177 Illaroo Road, North Nowra & 100 St Vincent Street, Ulladulla. An EOI for Licensing of Wondalga Farm is closing on 13 January 2023.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	4.2.08.02 Create a strategy with measurable actions for Council's strategic property assets, including investigation into alternate revenue streams						
	Preliminary work commenced however, work has been placed on hold as it is intended that a new approach and direction will be pursued to formulate a new strategy with the new Council. Meetings to be organised with relevant stakeholders to decide on a new strategy moving forward.	Final strategic properties approach endorsed by Council by June 2023	50%	0%		Strategic Property Officer	Preliminary work commenced in reviewing the 2016/2017 Property Strategy however, this work has been placed on hold as a new strategy has been determined that takes a different approach and direction that would be preferable rather than a review. This requires internal dialogue and then discussion with the new Council. This project is also being impacted by competing priorities and staffing changes/vacancies.


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	4.2.09.01 Implement the Holiday Haven Business Plan to achieve investment and growth targets						
	The Business plan is awaiting approval by Management.	Deliver accommodation and facility investment per adopted Holiday Haven capital plan	Q4	Due June 2023	N/A	Manager - Commercial Services	
		Deliver occupancy growth targets per Holiday Haven marketing strategy	Q4	Due June 2023	N/A	Manager - Commercial Services	
		Deliver membership growth targets per Holiday Haven marketing strategy	Q4	Due June 2023	N/A	Manager - Commercial Services	
		Deliver operating profit growth targets per adopted Holiday Haven business plan and operating budget	Q4	Due June 2023	N/A	Manager - Commercial Services	


	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.2.10.01 Implement the Contracts Register						
	Sourcing and Contracts module being configured with Tech One with the test environment planned for February - March 2023. After testing has been completed the register will roll out to staff via a soft launch. The Contract Register will draw data from Sourcing to generate a contract and require approval by Procurement. Completion of the GIPA Notification form and process requires attention.	Contracts register implemented by June 2023	50%	75%		Chief Financial Officer	Sourcing and Contract module being configured. User acceptance testing planned for January - February 2023. Once completed will roll out to staff. This data will populate the contract register.
➤	4.2.10.02 Continue to improve procurement business partner relationships across the organisation to deliver projects with compliance to policies, procedures and regulatory requirements						
	Procurement Business Partner relationships working well across all areas of Council. Procurement Team involved in all Tender evaluation meetings. Procurement Team providing training and support to all staff on all aspects of procurement, purchase orders, and tendering requirements.	Improvement in positive feedback from stakeholders on Procurement business partner model	Q4	Due June 2023	N/A	Chief Financial Officer	
➤	4.2.10.03 Continue to improve finance business partner relationships across the organisation to deliver projects with compliance to policies, procedures and regulatory requirements						
	Finance business partners regularly hold meetings with budget managers and provide information to assist with decision-making. The feedback resulting from consultations with budget managers is further used to improve the quality of internal reporting.	Improvement in positive feedback from stakeholders on Finance business partner model	Q4	Due June 2023	N/A	Chief Financial Officer	

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.3.01.01 Provide engagement opportunities for the community both online and face to face						
	Several community engagement activities were held during this period, with input gathered via the Get Involved website complemented by some in-person consultation held for projects such as the Milton/Ulladulla Growth Structure plan.	Number of people attending a Civic event	Count	131	●	Manager - Media & Communications	Official Opening and 3 x Citizenship Ceremonies were held this quarter.
		Number of Get Involved surveys completed and reach of engagement	Count	269	●	Manager - Media & Communications	Council's engagement platform, Get Involved published 11 consultations/ projects during the quarter with 13,692 visits to the site and 269 engaged in a Council project by providing feedback/surveys.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Number of click-throughs from Council's e-newsletter	Count	620		Manager - Media & Communications	We transitioned to a monthly newsletter (previously fortnightly) in November and increased the volume of news content by 30% to provide a wider representation of Council's news. Currently, 3,969 people subscribe to the newsletter. There were 4 editions this quarter with an average of 47% opening the newsletter and average 8.3% clicking on content to learn more. Government industry standard for open rates of EDMs is on average 20%.

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
➤	4.3.01.02 Explain to our local community the impacts of strategic planning as required by legislation and ensure appropriate consultation is undertaken and information is available						
	Engagement and consultation undertaken during the period regarding relevant Planning Proposals/LEP Amendments, DCP Amendments and Contribution Planning Projects.	Number of formal exhibitions or consultations	Count	4	●	Manager - Strategic Planning	4 formal exhibitions during the period.
➤	4.3.02.01 Continuous improvement of Council's website, social media and media content						
	<ul style="list-style-type: none"> Council's website homepage and online forms were updated to reflect the changes and improvements to the Request management system. Council expanded their media monitoring platform capacity to allow for better management of corporate social media accounts (including mediating comments, publishing content and campaign evaluations). 	Number of Council website pages reviewed and updated	Count	140	●	Manager - Media & Communications	140 Council website pages were reviewed and updated.
		Number of Get Involved website project pages created	Count	3	●	Manager - Media & Communications	Three new Get Involved pages were created during this time and other surveys and engagement activities continue to run during this time.

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Media coverage generated from media releases	Count	30		Manager - Media & Communications	Media mentioning Shoalhaven Council * Stats on all media coverage, not just from 30 media releases. Broadcast: Sentiment - 93% neutral, 5% positive and 2% negative Total mentions - 2.13k (a 5% increase on Q1) Mentions/day (average) – 23 * includes radio advertising Online: Sentiment - 70% neutral, 20% positive and 10% negative Total mentions - 864 (a 81% increase on Q1) Mentions/day (average) – 9 * includes things like liquidations listings

Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
	Quality and reach of top social media posts	Count	See comment		Manager - Media & Communications	<p>106 Facebook posts Top performer: Promotion of River Festival (17 Oct) Reach 17,475. Reactions 191. Link clicks 184. Comments 36. Shares 25.</p> <p>46 Instagram Posts Top performer: New Lake Conjola Boat Ramp (24 Oct) Reach 1593. Reactions 108. Comments 0.</p> <p>4 Twitter posts (+17 Retweets) Top performer: Freedom of Entry (15 Oct) Reactions 7. Comments 1. Retweets 2.</p> <p>23 LinkedIn posts (+16 reposts) Top performer: Circular Economy Award (19 Dec) Impressions 2088. Reactions 30. Comments 1. Link clicks 19.</p>

	Action Comment	Reporting Measure	Target / Timeframe	Q2 Achieved	KPI Status	Responsible Manager	Reporting Measure Comment
>	4.3.03.01 Build Council's reputation through communication and engagement activities						
	Building reputation through communication and engagement activities is one of the key roles of the Communications and Community Engagement Team, and this can be quantified through the key performance indicators.	Number of planned communications and engagement activities including Civic Event planning	Count	162	●	Manager - Media & Communications	162 tasks completed. (communications, media, graphic design, engagement and events) in the quarter.
		Number of timely media enquiries provided	Count	19	●	Manager - Media & Communications	A new process for media enquiries ensures all requests are responded to within 24hrs. 19 responses provided. Most frequent media outlets include: South Coast Register, ABC Illawarra, WIN News
		Improvement in sentiment of media coverage	10	See comment	N/A	Manager - Media & Communications	Media monitoring platform allows sentiment tracking. In general, sentiment of media coverage was neutral - positive. Broadcast media: Sentiment - 93% neutral, 5% positive and 2% negative Online Media: Sentiment - 70% neutral, 20% positive and 10% negative



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Quarterly Budget Review

31 December 2022



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Quarterly Review Headlines

General Fund

Council adopted a balanced budget, December QR adjustments have a nil effect on unrestricted cash.

General Fund is forecasting an end of year operating result deficit excluding capital grants and contributions of \$12.7M in December.

Operating Revenue (excluding capital grants and contributions) has increased by \$5.3M (favourable); and December QR budget adjustments have increased Operating Expenses by \$5.4M (unfavourable) this quarter.

Capital Revenue has increased by \$986K mainly due to anticipation of Natural Disaster grant funding. Capital Expenditure is also expected to increase by \$4M mainly in natural disaster recovery and restoration works.

Water Fund

Water Fund is forecasting a surplus before capital grants and contributions of \$2.2M, an improvement from the current adopted budget deficit of \$512K.

Operating Revenue (excluding capital grants and contributions) has increased by \$3.7M (favourable); and Operating Expenses have increased by \$990K (unfavourable) this quarter.

Capital Revenue forecast has decreased by \$147K, Capital Expenditure forecast has increased by \$4.1M.

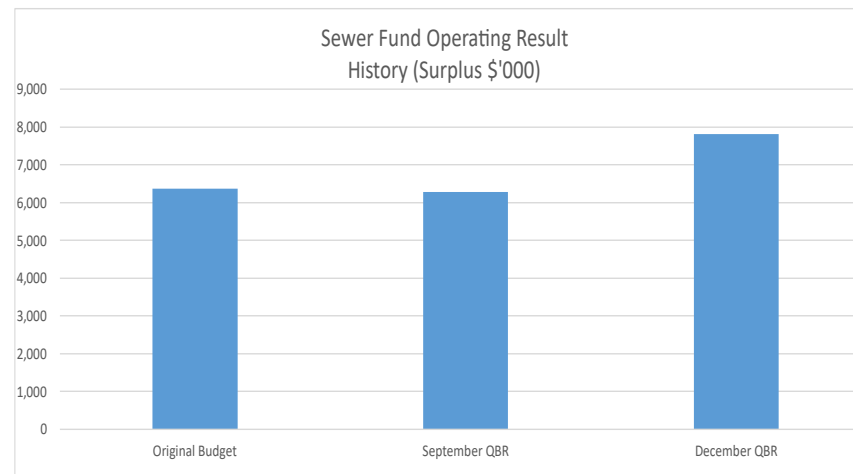
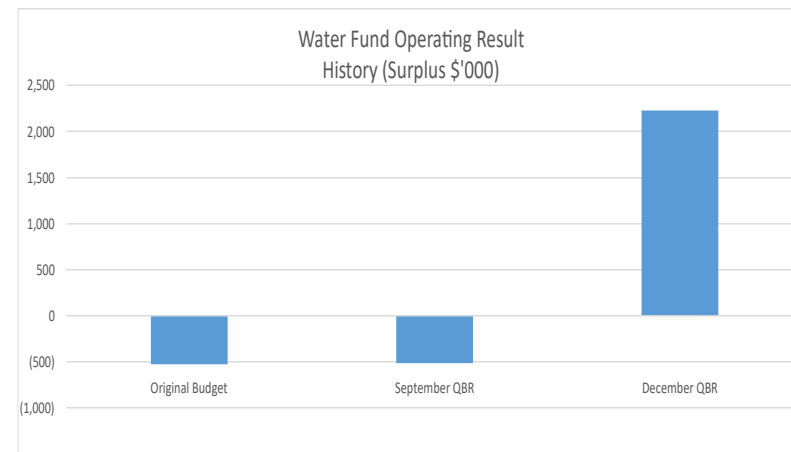
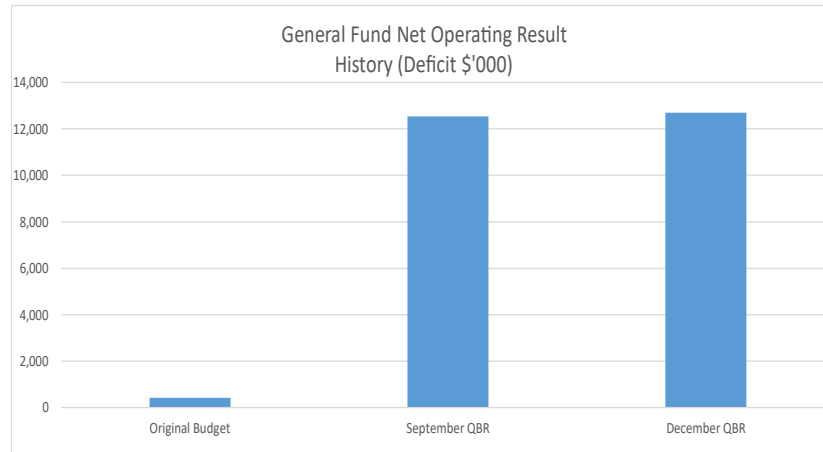
Sewer Fund

Sewer Fund is forecasting a surplus before capital grants and contributions of \$7.8M, an increase from the current adopted budget surplus of \$6.3M.

Operating Revenue (excluding capital grants and contributions) has increased by \$881K (favourable); and Operating Expenses have decreased by \$607K (favourable) this quarter.

Capital Revenue has increased by \$1.9M, Capital Expenditure forecast has increased by \$583K.

The following charts show the forecast movement of net operating results excluding capital grants and contributions from the original budget over the second quarter of the financial year by Fund:



Summary of Movements and Projected Budget by Council Funds

General Fund

Financial Position Overview

The Shoalhaven City Council General Fund Financial Position is presented in the table below.

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Rates & Annual Charges	113,845	113,267	578	114,726	114,764	0	114,764	99%
User Charges and Fees	30,759	30,719	40	63,399	63,722	(10)	63,712	48%
Interest and Investment Revenue	2,117	1,744	373	1,809	3,406	592	3,998	62%
Other Revenues	2,891	2,212	679	4,051	4,407	746	5,153	66%
Internal Revenue	32,065	31,837	229	62,346	63,162	(87)	63,075	51%
Grants and Contributions provided for Operating Purposes	6,942	10,438	(3,496)	20,427	31,263	4,096	35,359	22%
Grants and Contributions provided for Capital Purposes	24,413	30,331	(5,919)	38,072	86,971	986	87,957	28%
Total Income	213,032	220,547	(7,515)	304,831	367,694	6,324	374,018	58%
Employee Benefits and On-Costs	42,686	41,006	(1,680)	78,099	82,321	1,296	83,617	52%
Borrowing Costs	927	1,222	295	2,790	2,790	(16)	2,773	33%
Materials and Services	48,663	44,212	(4,451)	72,766	87,185	3,903	91,088	56%
Depreciation and Amortisation	26,822	26,822	0	48,031	53,643	0	53,643	50%
Other Expenses	8,041	7,737	(305)	15,695	16,745	1	16,745	48%
Internal Expenses	27,308	26,394	(914)	49,800	50,651	237	50,888	54%
Total Expenses	154,447	147,393	(7,054)	267,181	293,334	5,421	298,755	53%
Net Operating Results	58,585	73,154	(14,569)	37,650	74,360	903	75,263	
Net Operating Result before capital grants and contributions	34,172	42,822	(8,650)	(423)	(12,611)	(83)	(12,694)	

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Other Cash Adjustments								
Capital Expenditure	(63,177)	(116,180)	53,003	(178,570)	(249,216)	(3,987)	(253,203)	25%
New Borrowings	37,657	40,968	(3,311)	21,080	62,049	(6,154)	55,895	61%
Loan Principal Repayments	(4,428)	(6,927)	2,498	(13,832)	(13,832)	1,523	(12,309)	32%
Disposal of Assets	1,114	1,112	2	7,653	8,765	0	8,765	13%
Depreciation Adjustment	26,822	26,822	(0)	48,031	53,643	0	53,643	50%
Debtor / Credit Movement	(53,035)	(86,045)	33,010	0	0	0	0	0
Net Cash Movement	3,537	(67,096)	70,633	(77,987)	(64,231)	(7,715)	(71,946)	
Reserve Movements								
Transfers from Reserves	108,781	163,911	(55,130)	259,912	341,345	6,013	347,358	32%
Transfers to Reserves	(122,738)	(148,414)	25,676	(181,844)	(281,842)	1,669	(280,173)	44%
Net Transfers from Reserves	(13,956)	15,497	(29,454)	78,068	59,502	7,682	67,185	
General Fund carried forward from previous year			0		4,711		4,711	0%
General Fund Net Cash Movement	(10,419)	(51,599)	41,179	81	(17)	(33)	(50)	

The net operating result before capital revenue is \$8.6M lower (unfavourable) than the year-to-date adopted budget of \$42.8M at the December Quarterly Review.

Current Operating Revenue Position and Budget Adjustments

A table below summarises the key movements by revenue category:

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Rates & Annual Charges	113,845	113,267	578	114,726	114,764	0	114,764	99%
User Charges and Fees	30,759	30,719	40	63,399	63,722	(10)	63,712	48%
Interest and Investment Revenue	2,117	1,744	373	1,809	3,406	592	3,998	62%
Other Revenues	2,891	2,212	679	4,051	4,407	746	5,153	66%
Internal Revenue	32,065	31,837	229	62,346	63,162	(87)	63,075	51%
Grants and Contributions provided for Operating Purposes	6,942	10,438	(3,496)	20,427	31,263	4,096	35,359	22%
Total Operating Income	188,619	190,216	(1,596)	266,759	280,723	5,338	286,061	67%

As at 31 December 2022, General Fund operating revenue (excluding capital revenue) has achieved 67% of the adopted budget, excluding rates and annual charges 45%.

Comments on major year to date variances are tabled below:

Category	Variance (\$'000)	Comment
Rates & Annual Charges	578	+557K increase in Domestic Waste Management +17K additional ordinary rates income
User Charges and Fees	40	+478K increase in revenue in Shoalhaven Swim Sport Fitness -127K decrease in revenue in Sewage Management Assessment -123K decrease in revenue in Family Day Care -74K decrease in revenue in Waste Management Services -53K decrease in Food Premises Inspection -40K decrease in revenue in Bereavement Services
Interest and Investment Revenue	373	+639K positive investment return on term deposits and floating rate notes (including \$592K one-off distribution from Lehman Brothers Australia Ltd liquidation) +41K surplus in interest on overdue rates -307K unfavourable movement in long-term growth fund

Category	Variance (\$'000)	Comment
Other Revenues	679	+602K property insurance received - February / March 2022 East Coast Low -220K reduced revenue from Building Compliance and Ranger Operations +151K increase in City Development revenue +84K Waste insurance claim received for fleet/plant +30K increase in Holiday Haven revenue +27K increase in Council Reserve minor improvement reimbursements +5K increase in Bushfire community grants
Internal Revenue	229	-429K Reduction in revenue from Waste Administration & Waste Plant & Fleet Operation -97K Reduction in revenue from job cost recovery - Graphic Design -80K Reduction in internal revenue from Tourist Park Reservations and Cabin Lease charges -39K Reduction in revenue from Property Management +19K Increase in revenue - Southern SCARP - Artie Smith +47K Additional revenue from SISC Operations & Berry Showground Management Committee +88K Increase in revenue from Building management services +100K Increase revenue from Catering and Venue hire (SEC) +159K Increase in revenue from Fleet & Mechanical Services +462K Increase revenue from Waste Operations
Grants and Contributions provided for Operating Purposes	(3,496)	-3.68M unreceived grant funding for Natural Disaster March-July flood event from Transport NSW +100K additional Faster Local Assessment grant received +44K Regional Illegal Dumping prevention grant received

The December Quarterly Budget Review recommends an increase in operating revenue of \$5.3M.

Proposed budget adjustments are summarised in the table below:

Category	Amount (\$'000)	Reason
User Charges and Fees	(10)	-200K adjustment due to implementation of staged approach for OSSM fees +185K adjustment to Shoalhaven Community Transport fuel charges - offset by Shoalhaven Community Transport expenditure
Interest and Investment Revenue	592	Recognise one-off distribution from Lehman Brothers Australia Ltd liquidation
Other Revenues	746	+602K property insurance received - February / March 2022 East Coast Low +151K increase in City Development revenue
Internal Revenue	(87)	-97K Reduction in additional internal property premium charged -19K Reduction in income for Graphic Design, no longer cost recovery +29K Additional income from Waste, Water & Libraries to fund Store Training

Category	Amount (\$'000)	Reason
Grants and Contributions provided for Operating Purposes	4,096	+3.2M additional grant to be received for Natural Disaster flood event from Transport NSW +620.8K new grant to be received for local roads pothole repair +140K to be received for Garrard Reserve maintenance for the period from FY16-17 to current FY +100K to recognise additional Faster Local Assessment Grant received +44K to recognise Regional Illegal Dumping grant received

Current Operating Expenditures Position and Budget Adjustments

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Employee Benefits and On-Costs	42,686	41,006	(1,680)	78,099	82,321	1,296	83,617	52%
Borrowing Costs	927	1,222	295	2,790	2,790	(16)	2,773	33%
Materials and Contracts	48,663	44,212	(4,451)	72,766	87,185	3,903	91,088	56%
Depreciation and Amortisation	26,822	26,822	0	48,031	53,643	0	53,643	50%
Other Expenses	8,041	7,737	(305)	15,695	16,745	1	16,745	48%
Internal Expenses	27,308	26,394	(914)	49,800	50,651	237	50,888	54%
Total Expenses	154,447	147,393	(7,054)	267,181	293,334	5,421	298,755	53%

Comments on major variances are tabled as follows:

Category	Variance (\$'000)	Comment
Employee Benefits and On-Costs	(1,680)	-522.1K overspend in City Lifestyle mainly due to maintenance work required for Parks Precincts staff due to bad weather events -594K overspend in Waste Management Services due to additional staff as per workplace change - to be funded from Waste Reserve -365K overspend in Technical Services due to under recovery of labour pending a new cost recovery model to be implemented -275.6K overspend in Works and Services due to under recovery of labour and increased overtime & training following Natural Disasters Events -122K overspend in Customer Experience due to additional casual staff needed to maintain required service level +195K savings in City Development due to staff vacancies +250K unspent Faster Local Assessment grant
Borrowing Costs	295	+295K variance in loan interests due to new loans drawn down late
Materials and Contracts	(4,451)	-3088K Works and Services overspend in Emergency Events and Recovery -1149K overspend in Road Maintenance -234K overspend in Development Planners -300K overspend in SEC in Labour Hire \$139K and Food Supplies \$145K +252K underspend in Waste Services +215K underspend in Shoalhaven Family Day Care -108K Bushfire Recovery Operational Support
Other Expenses	(305)	-320K Contributions Waste Levy - Waste Depot -49K Government Levies - Holiday Haven -30K Reduction in Donations - Tourism -2K Government Levies - Coastal Villages Traffic Management +97K Government Levies - Nowra CBD Contributions Subsidy
Internal Expenses	(914)	-476K Increase in Internal Building Maintenance -420K Increase in Internal Plant Charges -375K Increase in Waste Management Charges -343K Increase in Internal Motor Vehicle Expense -202K Increase in Internal Mechanical Services -137K increase in Rates Charges -88K Increase in Internal Expenses - Entertainment centre -57K increase in Sewer Usage charges -47K Increase In Holiday Haven Reservations Charge -31K Increase In Renewable Energy +29K Savings in Internal Cabin Lease Charges +67K Savings in Additional Insurance Premiums +1.16M Savings In Other Internal Expenses

The December Quarterly Budget Review recommends an increase in operating expenditure of \$5.4M. Proposed major budget adjustments to operating expenditure are summarised in the table below:

Category	Amount (\$'000)	Reason
Employee Benefits and On-Costs	1,296	Adjustments for new Natural Disaster grants to be received
Borrowing Costs	(16)	-16K adjustment for loan interests
Materials and Contracts	3,903	+3320K allocation of natural disaster funding +385K transfer to Bereavement Services Final Filer replacement from capital to operational -208K move budget from Lake Conjola CMP to Environmental Services capital projects +151K increase in City Development - offset by additional revenue +136K increase to City Futures to fund Koori Knockout security and NSW Police services +121K Shoalhaven Community Transport fuel - offset by Shoalhaven Community Transport revenue
Other Expenses	1	-5K Reduction in Grant funding for Skills Development - Addressing Employment in East Nowra +6K New Grant Funding - Summer Holiday Break Program 2022/23
Internal Expenses	237	+124K Increase in expenditure in recognition of Natural Disaster funding for Fixing Local Roads Pothole Repair Round 1 which is offset by an increase in Revenue +65K Increase in expenditure for Natural Disaster Funding for Mar 2022 & July 2022 Flood Events which is offset with an increase in revenue +31K Transfer from Tech Services for Nowra CBD Routine Maintenance +6k Increase in expenditure for Tech Services Blue finger boards and proposed sale of land +5k Increase in expenditure for Median Maintenance offset with an increase in revenue +4K Increased expenditure from new grant funding - Summer Holiday Break Program 2022/23 - Dept of Regional NSW +4K Increase in expenditure relating to vacated/demolished Properties (Works & Services) +4k Transfer from other project to Fire Trail Maintenance -7K Transfer of budget to other project to show grant expenditure for Homelessness Officer

Capital Revenue Position and Budget Adjustments

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Capital Grants	22,504	28,157	(5,652)	33,556	82,621	986	83,607	27%
Capital Contributions	1,908	2,175	(267)	4,350	4,350	0	4,350	44%
Grants and Contributions provided for Capital Purposes	24,413	30,331	(5,919)	37,906	86,971	986	87,957	28%

Comments on major variances are tabled below:

Category	Variance (\$'000)	Comment
Capital Grants	(5,652)	-5.4M Economic Development area potential grants removed from this year's budget as longer relevant. -1.7M Industrial Land purchases grant no longer anticipated this financial year. +2.2M Grant received from Natural Disasters Project Office +224K grant received for Moss Vale Rd South Urban Release Area Road -1M Flinders Roadworks - Stage 10 grant not received
Capital Contributions	(267)	-267K Decrease in Section 7.11 contributions

Proposed budget adjustments to capital revenue are summarised in the table below:

Category	Amount (\$'000)	Reason
Capital Grants	986	+7.4M Increased Natural Disaster Grant funding +923K AATP Stage 5 grant to be received +445K Additional approved grant funding for Koloona Bridge from "Safer Roads Program" -5M Economic Development grants adjusted to align with the new expectations -2.8M Sussex Inlet project completed under budget, removed budget for remaining grant

Capital Expenditures Position and Budget Adjustments

Capital expenditures by Directorate are summarised in the table below:

Directorate	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	December Actuals	Favourable / (Unfavourable) Variance	Actual % of QR Proposed Budget
City Performance	500	691	597	1,288	911	376	71%
City Services	106,990	160,659	4,183	164,842	48,941	115,902	30%
City Development	3,136	2,003	400	2,403	332	2,070	14%
City Lifestyle	36,162	48,584	(784)	47,800	10,949	36,851	23%
City Futures	31,781	37,524	(409)	37,115	2,044	35,071	6%
General Fund Total	178,570	249,460	3,987	253,447	63,177	190,271	25%

Comments

Capital Expenditure as at 31 December 2022 is 25% of the proposed budget (excluding commitments). Including commitments, capital expenditures are at 57.95%.

The December Quarterly Budget Review recommends a budget net increase of \$3.9M due to the net effect of approved Natural Disaster Grant funding from Transport NSW (\$5M), NSW Government grant received towards the Albatross Aviation Technology Park Stage 5 project (\$923K), grant funding received for "Get NSW Active Program" (\$705K) and adjustments for decrease in budget for Sussex Inlet Springs Road shared user path project (\$2.9M).

Commentary on the progress on major capital works is provided as a separate attachment to the Report to Council.

As a result of the December budget review, the following major adjustments, greater than \$100k, were made to the capital projects:

Project Description			December Actuals	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Corporate Buildings	Administrative Building Management - Capital	Nowra Admin Building - Renew Western Foyer Glasswork Seals	2,592	1,281	158,719	160,000	1,311	Increase budget to fund repairs
Swim and Fitness	Aquatics Capital Program	Bomaderry Aquatic Centre Capital Program	268,649	60,000	326,000	386,000	208,649	Reallocation of capital budget from various Swim Sports and Fitness projects
Cemeteries	Bereavement Services Capital Expenditure	BER - CORP - Mgmt software & Tech1 interface purchase FY22	0	385,000	(385,000)	0	(385,000)	Project reclassified from capital to operational
Coastal and Estuary Management	Coastal Programme	South Mollymook Coastal Protection Design	63,898	398,972	(200,000)	198,972	(335,074)	Carry forward to FY23-24
Coastal and Estuary Management	Coastal Programme	Beach Access Upgrades	0	16,200	179,701	195,901	(16,200)	Savings identified in OPEX to fund required upgrade works at beach accessways
Bridges	Concrete and Timber	FCB - Yarramunmun Ck Culvert - Yalwal Rd, Buangla	(109,693)	704,979	109,280	814,259	(814,672)	Increased in Approved Grant Funding
Bridges	Concrete and Timber	Boondobah Bridge Disaster Assistance Repair	0	485,786	(485,786)	0	(485,786)	Project completed remaining unspent budgets removed
Bridges	Concrete and Timber	FCB - Koloona Bridge - Koloona Drive, Bangalee	302,837	444,788	395,000	839,788	(141,950)	Increased in Approved Grant Funding
Bridges	Concrete and Timber	FCB - Chisolms Ck Culvert - Bundewallah Bridge, Bundewallah	262,680	563,797	115,733	679,530	(301,117)	Increased in Approved Grant Funding
Bridges	Concrete and Timber	FCB - Henrys Bridge - Main Rd Cambewarra	281,185	84,854	175,340	260,194	196,330	Increased in Approved Grant Funding Plus reallocation of general funds across the FCB Program inline with the Grant Funding Deed
Community, Residential and Commercial Buildings	Destination Parks Buildings	Boongaree Park (Plant and Equipment)	0	240,451	(245,500)	(5,049)	(240,451)	Reallocation of capital budget to Bomaderry Aquatic Centre Capital Program

Project Description			December Actuals	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Emergency Events / Recovery	Disaster Recovery Restoration	Shoalhaven Heads - DiscoveryPI/NoakesSt - Sinkholes - Remedi	0	94,899	250,000	344,899	(94,899)	Increased in Approved Grant Funding - Natural Disasters
Emergency Events / Recovery	Disaster Recovery Restoration	Wogamia Rd - Natural Disaster Mar22 - Landslip SH00276	24,905	238,990	(214,085)	24,905	(214,085)	Correction of Grant Funding inline with Actual Expenditure - Natural Disasters
Emergency Events / Recovery	Disaster Recovery Restoration	Bunkers Hill Rd - Natural Disaster Mar22 - Landslips	353,669	4,693	348,976	353,669	348,976	Increased in Approved Grant Funding - Natural Disasters
Emergency Events / Recovery	Disaster Recovery Restoration	Wattamolla Rd - Natural Disaster Mar22 - Landslips	403,907	226,394	177,513	403,907	177,513	Increased in Approved Grant Funding - Natural Disasters
Emergency Events / Recovery	Disaster Recovery Restoration	Moderate Severity Landslips - Natural Disaster Mar-Jul22	546,671	244,858	301,813	546,671	301,813	Increased in Approved Grant Funding - Natural Disasters
Emergency Events / Recovery	Disaster Recovery Restoration	Woodhill Mountn Rd - Natural Disaster Mar22 - Landslips	586,229	227,827	358,403	586,229	358,403	Increased in Approved Grant Funding - Natural Disasters
Emergency Events / Recovery	Disaster Recovery Restoration	Natural Disaster 2022 - Flood Levees	0	0	5,084,473	5,084,473	0	Increased in Approved Grant Funding - Natural Disasters
Stormwater	Drainage	Did-dell St coastal erosion - Ulladulla	177,529	52,388	158,015	210,403	125,141	Transfer from other projects to fund shortfalls
Stormwater	Drainage	Worrigeer - Worrigeer Rd/Isa Rd Intersection - Drainage Const	201,761	25,127	176,836	201,962	176,634	Transfer from other projects to fund shortfalls
Stormwater	Drainage	Bawley Point Rd - Drainage CH0.46 Culv Works Urban Renewal	0	100,000	(100,000)	0	(100,000)	Project on hold used to fund shortfalls on other projects, will be re-entered initofuture years as unfunded project
Economic Development	Economic Development Area Projects	Ulladulla Maritime - Berthing Facility	121,891	2,699,459	127,443	2,826,902	(2,577,569)	Reconciliation of project as per the Deed agreement
Economic Development	Economic Development Area Projects	EDO - Ulladulla Boardwalk and Ulladulla Harbourside	47,288	5,951,261	(1,559,903)	4,391,358	(5,903,973)	Reconciliation of project as per the Deed agreement
Coastal and Estuary Management	Estuary Programme	S'Heads River Rd Foreshore Precinct Rehab	0	0	350,000	350,000	0	Additional investment revenue identified to fund required Rock Revetment Rectification work at River Road

Project Description			December Actuals	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Coastal and Estuary Management	Estuary Programme	CnjlaPrk Frshr - Est Prog Recovery Urban Upgrade/New	0	637,000	(637,000)	0	(637,000)	Removed Duplicate Project of 106477
Tourist Parks	Holiday Haven Amenities	Lk Tabourie Amenities Build	469,246	550,000	785,000	1,335,000	(80,754)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Bendalong Capital Works	HH - BP -Manager Res/Office - New - FY23	7,442	500,000	(460,000)	40,000	(492,558)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Bendalong Capital Works	HH - BP -Other Recreation - New - FY23	15,110	150,000	(130,000)	20,000	(134,890)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Cabin Development	Holiday Haven Cabins	0	1,666,632	(1,666,632)	0	(1,666,632)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Cabin Development	HH – BP – 2 Bed Accessible Cabin (grant funded)	640	641,165	(341,165)	300,000	(640,525)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Cabin Development	HH - CG - Safari Tents - New	107,776	0	130,000	130,000	107,776	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Ensuite Development	Holiday Haven Ensuites	0	121,535	(121,535)	0	(121,535)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Huskisson Beach Capital Works	HH - HB -Redevelopment - Upg - FY23	0	100,000	(100,000)	0	(100,000)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Kangaroo Valley Capital Works	HH - KV - Relocate Cabins 1 & 2 - Upg	80,411	0	100,000	100,000	80,411	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Other Buildings	HH - KV - Conference/Multi Use Building	15,249	269,580	(239,580)	30,000	(254,331)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Other Buildings	Holiday Haven Other Build	0	494,496	(494,496)	0	(494,496)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Other Buildings	HH - LT - Furniture /Fitout - FY22/23	141,202	40,000	100,000	140,000	101,202	Reallocation of capital budget across various HH projects

Project Description			December Actuals	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Tourist Parks	Holiday Haven Other Infrastructure	Holiday Haven Other Infrastructure	0	167,749	(167,749)	0	(167,749)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Recreation	HH - LC - Aquatic Recreation Area	160,452	0	200,000	200,000	160,452	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Recreation	Holiday Haven Recreation	0	263,437	(263,437)	0	(263,437)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Recreation	HH - BP -Pool/ Splash - New	681,941	160,000	1,190,000	1,350,000	521,941	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Roadworks	HH - LT - Roadworks - Ref - FY22	150,232	0	173,000	173,000	150,232	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Roadworks	HH - LT - Roadworks - New - FY23	0	100,000	(100,000)	0	(100,000)	Reallocation of capital budget across various HH projects
Tourist Parks	Holiday Haven Siteworks	Holiday Haven Siteworks	0	232,662	(232,662)	0	(232,662)	Reallocation of capital budget across various HH projects
Economic Development	Industrial Land Development	AATP Stage 5 - Subdivision	725,448	1,000,000	923,445	1,923,445	(274,552)	Grant funding received
Insurance and Risk Management	Insurance & Claims	Insurance - Property - February / March 2022 East Coast Low	463,483	10,321	602,122	612,444	453,162	Insurance settlement claim received to offset costs incurred due to property damage in East Coast lows event in Feb/March 2022
Parks, Reserves, Sport and Recreation Areas	Open Space - Major Projects	Boongaree - Stage 1 - (BBRF, ECF, ECP)	(8,688)	146,041	(137,019)	9,022	(154,728)	Reallocated capital budget to Boongaree Stage 2 to 7 on completion of Boongaree Stage 1
Parks, Reserves, Sport and Recreation Areas	Open Space - Major Projects	Boongaree - Stage 2 to 7	2,977,343	7,160,887	137,019	7,297,905	(4,183,544)	Reallocated capital budget to Boongaree Stage 2 to 7 on completion of Boongaree Stage 1
Parks, Reserves, Sport and Recreation Areas	Open Space - Major Projects	Ulladulla Sports Complex - Design & Invest	0	100,000	(100,000)	0	(100,000)	Budget moved to Shoalhaven Community and Recreational Precinct
Parks, Reserves, Sport and Recreation Areas	Open Space - Major Projects	S'haven Com and Rec Precinct SCARP-Northern Sect- Invest/Des	0	700,000	(600,000)	100,000	(700,000)	Returned loans to reserve

Project Description			December Actuals	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Parks, Reserves, Sport and Recreation Areas	Open Space - Playgrounds	Marriot Park Playspace and Parkland - Design	0	295,808	(300,000)	(4,193)	(295,808)	Returned grant since project cannot be completed
Parks, Reserves, Sport and Recreation Areas	Open Space - Playgrounds	Kioloa Playground	0	200,000	(100,000)	100,000	(200,000)	Removed fund allocated since no election commitment fund shall be received
Parks, Reserves, Sport and Recreation Areas	Open Space - Roads	SSF - Milton Showground - Internal Roads Upgrade	629,836	1,302,297	242,224	1,544,522	(672,461)	Variation request for off-site disposal of contaminated material at Milton Showground
Urban Roads	Pathways	Nowra CBD Renewal	16,560	1,693,408	(300,000)	1,393,408	(1,676,848)	Transfer of budget to Nowra CBD Routine Maintenance as agreed by the Nowra CBD Committee
Urban Roads	Pathways	Sussex Inlet - The Springs Road Shared User Path Bridge(D&C)	332,932	3,217,589	(2,872,992)	344,598	(2,884,657)	Project completed under budget, removed remaining budgets
Urban Roads	Pathways	River Rd, Shoalhaven Heads-SUP Stage 2-CH 0.650 to CH 0.970	0	0	704,692	704,692	0	Adding approved grant funding "Get NSW Active Program - 2022/23
Urban Roads	Pathways	Nowra CBD Active Transport Improvements - Glass Lane	240	0	250,000	250,000	240	Adding Approved Grant Funding - Active Transport Grant
Community, Residential and Commercial Buildings	Public Amenities	Public Amenity - Hyams Beach Reserve - Design	310,248	294,415	(100,000)	194,415	15,833	Remove grant portion of budget. Grant not expected to be received
Community, Residential and Commercial Buildings	Public Buildings	SEC - Compliance Works	(770)	666,243	(666,243)	0	(667,013)	Reallocate funding to SEC Upgrade and Cladding
Community, Residential and Commercial Buildings	Public Buildings	Ulladulla Civic Centre Solar PV installation	0	0	111,687	111,687	0	Allocation of funding from REFund
Strategic Roads and Bridges	Regional, Sub-Arterial and Industrial	Croobyar Rd, Milton - Road Rehab & Widening	761,389	721,283	183,033	904,316	40,106	Transfer from other projects to fund shortfalls
Rural Roads	Rural Roads	Old Coach Road Re-wall Disaster Assist Rebuild	0	368,861	(368,861)	0	(368,861)	Project completed in prior FY, removing budgets

Project Description			December Actuals	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Rural Roads	Rural Roads	Callala Bch Rd - LRRP CH0.54 - CH1.82 Rd&Culv Rural Renewal	510,182	691,188	(149,280)	541,908	(181,006)	Transfer to other Project for Callala Bch Rd CH2.58-3.00
Rural Roads	Rural Roads	Callala Bch Rd - LRRP - CH2.58 - CH3.00 Rd Rehab	0	0	208,000	208,000	0	New Project Transfer from other Calla Bch Rd Project and balance from Local Road Repair Program
Entertainment Centre	SEC Capital	SEC Upgrade & Cladding	340,656	508,738	666,243	1,174,981	(168,082)	Reallocate funding from SEC - Compliance Works
Land Use Planning	Strategic Planning	Moss Vale Rd Nth - Engineering Design Investigations	60,147	0	100,000	100,000	60,147	Grant funding received
Tourism and Events	Tourism Projects	Project Management / Design (Sus Tour Infr Grant)	98,812	1,386,838	(161,099)	1,225,739	(1,288,026)	Reallocation of Grant funding between Sustainable Tourism Projects
Tourism and Events	Tourism Projects	Hyams Beach (Sus Tour Infr Grant)	799,857	340,000	164,405	504,405	459,857	Reallocation of Grant funding between Sustainable Tourism Projects
Urban Roads	Urban Roads	Local Road Repair Program (LRRP)	0	280,950	(255,720)	25,230	(280,950)	Transfer to other projects in works & Services
Urban Roads	Urban Roads	Local Road Repair Program - Resurface	0	610,600	(500,000)	110,600	(610,600)	Transfer to other projects in works & Services
Urban Roads	Urban Roads	North - LRRP - Resheet / Reseal	106,958	976,518	(127,287)	849,231	(869,560)	Transfer to various projects to fund shortfalls
Urban Roads	Urban Roads	Central - LRRP - Resheet / Reseal	3,328	849,090	(312,266)	536,824	(845,763)	Transfer to various projects to fund shortfalls
Urban Roads	Urban Roads	South - LRRP - Resheet / Reseal	200,243	1,114,505	(197,027)	917,478	(914,263)	Transfer to various projects to fund shortfalls
Urban Roads	Urban Roads	Currambene/Bowen St, Huskisson - R/bout Safer Roads Project	0	433,730	248,690	682,420	(433,730)	Increase in budget in recognition of additional grant funding
Urban Roads	Urban Roads	Old Southern Rd - LRRP BrwnsRd/ Twin Wtrs Sth Urban Renewal	7,445	700,000	(250,000)	450,000	(692,555)	Transfer to other projects to fund shortfalls
Urban Roads	Urban Roads	Island Point Rd - LRRP CH1340 CH1515 Cons Urban Renewal	16,383	196,072	647,000	843,072	(179,689)	Allocation from LRRP & LRRP Resurface bucket

Project Description			December Actuals	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Urban Roads	Urban Roads	Forest Rd - SRP CH4.1 CH6.8 Urban Upgrade	0	100,000	(100,000)	0	(100,000)	Project on hold, removed grant funding and reentered into 10 year plan for future years
Urban Roads	Urban Roads	SRV resurfacing	0	7,057	260,306	267,363	(7,057)	Transfer from Boondabah Bridge Natural Disaster Project, to be relocated in Q3 to new Boondabah Bridge project under the Fixing Country Bridges Program
Landfill and Transfer Station Operations	Waste Capital Expenditure	Shoalhaven MICROfactories	399,023	422,000	100,000	522,000	(22,977)	Grant funding received

Capital Projects Reforecast into 2022/23

The projects reforecast during the December Quarterly Budget Review are listed below:

Project	Reforecast Amount	Funding Source		
		General Fund	Internal Reserves	External Reserves
LGA-wide Floor Level Survey for Flood Risk Management	97,500	0	0	97,500
South Mollymook Coastal Protection Design	200,000	0	66,324	133,676
Total	297,500	0	66,324	231,176

Water Fund

Financial Position Overview

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Rates & Annual Charges	2,137	2,133	5	4,495	4,495	154	4,649	48%
User Charges and Fees	9,759	10,894	(1,135)	23,109	23,283	(637)	22,645	42%
Interest and Investment Revenue	833	451	383	831	831	400	1,231	100%
Other Revenues	76	66	11	6	79	12	91	97%
Internal Revenue	1,122	1,137	(14)	2,511	2,511	3,805	6,316	45%
Grants and Contributions provided for Operating Purposes	1	6	(5)	0	6	(5)	1	9%
Grants and Contributions provided for Capital Purposes	1,887	2,001	(114)	3,664	4,697	(147)	4,551	40%
Total Income	15,815	16,686	(871)	34,616	35,901	3,583	39,484	44%
Employee Benefits and On-Costs	4,042	3,838	(204)	6,545	7,433	605	8,038	54%
Borrowing Costs	0	0	0	0	0	0	0	0
Materials and Services	3,280	3,195	(85)	7,859	7,206	490	7,696	46%
Depreciation and Amortisation	5,293	5,344	51	10,688	10,688	0	10,688	50%
Other Expenses	23	24	2	38	38	0	38	59%
Internal Expenses	3,282	3,473	190	6,346	6,353	(105)	6,248	52%
Total Expenses	15,920	15,873	(47)	31,475	31,717	990	32,707	50%
Net Operating Results	(104)	813	(918)	3,141	4,185	2,593	6,778	
Net Operating Result before capital grants and contributions	(1,991)	(1,188)	(803)	(523)	(512)	2,740	2,227	
Other Cash Adjustments								
Capital Expenditure	(8,086)	(9,860)	1,773	(28,807)	(29,827)	(4,104)	(33,931)	27%
Disposal of Assets	8	10	(2)	120	120	0	120	7%
Depreciation Adjustment	5,293	5,344	(51)	10,688	10,688	0	10,688	50%
Dividend to General Fund	0	0	0	(458)	(458)	0	(458)	0%
Debtor / Credit Movement	178	551	(373)	1,119	1,119	0	1,119	16%
Net Cash Movement	(2,712)	(3,142)	430	(11,775)	(14,174)	(1,511)	(15,685)	

The net operating result before capital revenue is \$803K lower (unfavourable) when comparing to the year to date adopted budgeted deficit of \$1.2M as at the December quarter. Operating income is \$756K lower (unfavourable) than year to date budget, while expenditures are \$47K higher (unfavourable) as at the December quarter.

The net cash movement is \$430K higher (favourable) than the year-to-date adopted budget deficit of \$3.1M as at 31 December 2022.

Current Operating Revenue Position and Budget Adjustments

A table below summarises the key movements by revenue category:

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Revised Budget
Rates & Annual Charges	2,137	2,133	5	4,495	4,495	154	4,649	48%
User Charges and Fees	9,759	10,894	(1,135)	23,109	23,283	(637)	22,645	42%
Interest and Investment Revenue	833	451	383	831	831	400	1,231	100%
Other Revenues	76	66	11	6	79	12	91	97%
Internal Revenue	1,122	1,137	(14)	2,511	2,511	3,805	6,316	45%
Grants and Contributions provided for Operating Purposes	1	6	(5)	0	6	(5)	1	9%
Total Operating Income	13,929	14,685	(756)	30,952	31,204	3,730	34,934	45%

Comments on major variances are tabled below:

Category	Variance (\$'000)	Comment
Rates & Annual Charges	5	+\$5K increase in residential access charge
User Charges and Fees	(1,135)	-\$1M decrease in residential & non-residential usage revenue -\$52K decrease in private works revenue -\$45K decrease in communication tower income +\$9K increase in revenue from water regulatory applications
Interest and Investment Revenue	383	+\$383K increase in interest on investment revenue
Other Revenues	11	+\$6K increase in fuel tax credit revenue +\$4K increase in recovery of costs

Category	Variance (\$'000)	Comment
Internal Revenue	(14)	-\$14K decrease in Internal revenue
Grants and Contributions provided for Operating Purposes	(5)	-\$5K decrease in operating grant

The December Quarterly Budget Review recommends an increase in operating revenue of \$3.9M. Proposed major budget adjustments to operating revenue are summarised in the table below:

Category	Amount (\$'000)	Reason
Rates & Annual Charges	154	+\$154K increase in residential access charge
User Charges and Fees	(637)	-\$1M decrease in residential & non-residential usage revenue +\$401K increase in private works revenue
Interest and Investment Revenue	400	+\$400K increase in interest on investments
Other Revenues	12	+\$12K increase in fuel tax credit
Internal Revenue	3,805	+\$3.8M increase in internal contribution from Sewer Fund
Grants and Contributions provided for Operating Purposes	(5)	-\$5K decrease in grant revenue

Current Operating Expenditures Position and Budget Adjustments

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Employee Benefits and On-Costs	4,042	3,838	(204)	6,545	7,433	605	8,038	54%
Materials and Contracts	3,280	3,195	(85)	7,859	7,206	490	7,696	46%
Depreciation and Amortisation	5,293	5,344	51	10,688	10,688	0	10,688	50%
Other Expenses	23	24	2	38	38	0	38	59%
Internal Expenses	3,282	3,473	190	6,346	6,353	(105)	6,248	52%
Total Expenses	15,920	15,873	(47)	31,475	31,717	990	32,707	50%

As at 31 December 2022, Water Fund operating expenditure (excluding capital) has achieved 50% of the adopted budget.

Comments on major variances are tabled below:

Category	Variance (\$'000)	Comment
Employee Benefits and On-Costs	(204)	-\$144K Overspend in operational overtime and allowances -\$72K Workers' compensation payments +\$16K RDO accrual
Materials and Contracts	(85)	-\$65K Overspend in fuel costs -\$65K Overspend in motor vehicle and machinery parts -\$25K Overspend in chemical costs -\$51K Increase in material & freight charges +\$80K Insurance charges reallocated to Sewer Fund +\$41K Other material and contractor costs
Depreciation and Amortisation	51	Depreciation adjustments based on 2022 financial statements have been made in period 7
Other Expenses	2	+\$2K Rainwater tank rebate
Internal Expenses	190	+\$300K Bridge project reclassified as capital -\$65K OneCouncil & Worx Online implementation costs -\$28K Internal welder and mechanical costs -\$17K Waste management charges

The December Quarterly Budget Review recommends a budget increase in operating expenditure of \$990K. Proposed major budget adjustments to operating expenditure are summarised in the table below:

Category	Amount (\$'000)	Reason
Employee Benefits and On-Costs	605	+\$353K Increase in operational overtime and allowance +\$72K Additional workers compensation payments +\$120K Increase in training and conference costs +\$60K Job cost expense on meter repairs
Materials and Contracts	490	+\$250K Additional material costs on meter repairs and replacements +\$120K Increase in fuel costs +\$80K Increase in motor vehicle & machinery costs +\$40K Additional contractor costs for easements and other land matters
Internal Expenses	(105)	-\$300K Internal other expenses reclassified to capital program +\$195K Additional OneCouncil & Worx Online implementation costs

Capital Revenue Position and Budget Adjustments

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Capital Grants	1,480	1,594	(114)	1,464	2,497	(147)	2,351	59%
Capital Contributions	407	407	(0)	2,200	2,200	0	2,200	18%
Grants and Contributions provided for Capital Purposes	1,887	2,001	(114)	3,664	4,697	(147)	4,551	40%

Comments on major variances are tabled below:

Category	Variance (\$'000)	Comment
Capital Grants	(114)	-\$114K Grants from other sources not yet received

The December Quarterly Budget Review recommends a budget decrease in capital revenue of \$147K. Proposed major budget adjustments to capital revenue are summarised in the table below:

Category	Amount (\$'000)	Reason
Capital Grants	(147)	+\$147K BLERF grant rephased to next year

Capital Expenditures Position and Budget Adjustments

Capital expenditure as at 31 December is 27% of the current adopted budget (excluding commitments). Including commitments, capital expenditure is at 76%.

An increase of \$4.1M is recommended for this review. This increase is mostly offset by the increase in internal revenue of \$3.8M attributable to the Flinders Depot project. As a result of the December budget review, the following major adjustments, greater than \$100k, were made to the capital projects:

Project Description	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Bendeela Reservoir	890,000	550,000	1,440,000	(637,822)	Reallocation of funds between projects
Danjera Dam Bridge	0	825,000	825,000	241,203	Project transferred from operating with additional funds reallocated from other capital projects
Extension of JBT Water Infrastructure to existing assets	84,220	415,780	500,000	204,579	Project is full cost recovery
Nowra Sth, Flinders Depot electrical work	3,135,000	4,535,000	7,670,000	(345,075)	Sewer Fund contribution and reallocation of funds between projects
Nth-Sth transfer system improvements	500,000	(130,000)	370,000	(500,000)	Reallocation of funds between projects
Sussex Badgee Lagoon trunk main extension. Suncrest Ave (220mmx1.8km)	285,000	(285,000)	0	(285,000)	Reallocation of funds between projects
Water Moss Vale Road expansion area	6,909,922	736,133	7,646,055	(6,228,898)	Reallocation of funds between projects
Water Renewals Unallocated	0	135,000	135,000	54,741	Reallocation of funds between projects
Yalwal tourist upgrade	3,390,000	(2,360,000)	1,030,000	(3,278,873)	Reallocation of funds between projects

Commentary on the progress on major capital works is provided in a separate attachment to the Report to Council.

Sewer Fund

Financial Position Overview

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Rates & Annual Charges	24,870	24,148	722	48,434	48,434	702	49,136	51%
User Charges and Fees	1,914	2,058	(145)	4,127	4,177	(140)	4,037	46%
Interest and Investment Revenue	546	289	257	379	475	299	774	115%
Other Revenues	12	0	12	0	0	12	12	0
Internal Revenue	610	690	(80)	1,798	1,583	8	1,591	39%
Grants and Contributions provided for Capital Purposes	1,428	805	623	2,400	2,452	1,947	4,399	58%
Total Income	29,380	27,991	1,389	57,138	57,121	2,828	59,949	51%
Employee Benefits and On-Costs	5,534	5,367	(167)	10,270	11,074	128	11,202	50%
Borrowing Costs	1,715	1,715	0	3,360	3,360	0	3,360	51%
Materials and Services	5,239	5,234	(5)	11,393	10,709	261	10,970	49%
Depreciation and Amortisation	7,282	8,208	925	16,416	16,416	(996)	15,420	44%
Other Expenses	35	35	0	35	35	0	35	100%
Internal Expenses	3,286	3,236	(50)	6,899	6,748	0	6,748	49%
Total Expenses	23,092	23,795	703	48,373	48,341	(607)	47,734	48%
Net Operating Results	6,288	4,196	2,093	8,765	8,780	3,435	12,215	
Net Operating Result before capital grants and contributions	4,860	3,391	1,470	6,365	6,328	1,488	7,815	
Other Cash Adjustments								
Capital Expenditure	(14,989)	(12,337)	(2,652)	(39,572)	(36,476)	(583)	(37,059)	41%
Loan Principal Repayments	(3,374)	(3,374)	0	(6,535)	(6,535)	0	(6,535)	52%
Disposal of Assets	0	0	0	100	100	0	100	0%
Depreciation Adjustment	7,282	8,208	(925)	16,416	16,416	(996)	15,420	44%
Dividend to General Fund	0	0	0	(1,536)	(1,536)	0	(1,536)	0%
Debtor / Credit Movement	(60)	0	(60)	0	0	0	0	0

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Net Cash Movement	(4,853)	(3,307)	(1,545)	(22,362)	(19,251)	1,855	(17,396)	

The net operating result before capital revenue is \$1.4M higher (favourable) comparing to the year to date adopted budget surplus of \$3.3M. Operating income is \$766K higher (favourable) than year to date budget, while expenditures are \$703K lower (favourable) as at the December quarter.

The net cash movement is \$1.5M lower (unfavourable) than the projected movement as at 31 December 2022.

Current Operating Revenue Position and Budget Adjustments

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Revised Budget
Rates & Annual Charges	24,870	24,148	722	48,434	48,434	702	49,136	51%
User Charges and Fees	1,914	2,058	(145)	4,127	4,177	(140)	4,037	46%
Interest and Investment Revenue	546	289	257	379	475	382	857	115%
Other Revenues	12	0	12	0	0	12	12	0
Internal Revenue	610	690	(80)	1,798	1,583	8	1,591	39%
Total Operating Income	27,952	27,186	766	54,738	54,669	964	55,633	51%

Comments on major variances are tabled below:

Category	Variance (\$'000)	Comment
Rates & Annual Charges	722	+\$698K increase in Access charges +\$10K increase in Liquid trade waste charge +\$13K increase in Effluent access charge

Category	Variance (\$'000)	Comment
User Charges and Fees	(145)	-\$172K decrease in Non-residential usage charge +\$30K increase in Private works revenue -\$3K decrease in Other user fees
Interest and Investment Revenue	257	+\$257K increase in Interest on investments
Other Revenues	12	+\$10K increase in Other revenue +\$2K increase in Fuel tax credit
Internal Revenue	(80)	-\$80K decrease in Internal revenue

The December Quarterly Budget Review recommends a budget adjustment in operating revenue of \$964K. Proposed major budget adjustments to operating revenue are summarised in the table below:

Category	Amount (\$'000)	Reason
Rates & Annual Charges	702	+\$692K increase in Access charges +\$10K increase in Liquid trade waste charge
User Charges and Fees	(140)	-\$170K decrease in Usage charge +\$30K increase in Private works revenue
Interest and Investment Revenue	299	+\$250K increase in Interest on investments +\$49K increase in Interest on overdue accounts
Other Revenues	12	+\$10K increase in Other revenue +\$2K increase in Fuel tax credit
Internal Revenue	8	+\$8K increase in Septic tank charge

Current Operating Expenditures Position and Budget Adjustments

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Employee Benefits and On-Costs	5,534	5,367	(167)	10,270	11,074	128	11,202	50%
Borrowing Costs	1,715	1,715	0	3,360	3,360	0	3,360	51%
Materials and Contracts	5,239	5,234	(5)	11,393	10,709	261	10,970	49%

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Depreciation and Amortisation	7,282	8,208	925	16,416	16,416	(996)	15,420	44%
Other Expenses	35	35	0	35	35	0	35	100%
Internal Expenses	3,286	3,236	(50)	6,899	6,748	0	6,748	49%
Total Expenses	23,092	23,795	703	48,373	48,341	(607)	47,734	48%

Comments on major variances are tabled below:

Category	Variance (\$'000)	Comment
Employee Benefits and On-Costs	(167)	-\$89K Overspend in casual and relief salaries -\$46K Overspend in operations overtime and allowances -\$22K Overspend in staff training -\$10K Other labour costs
Materials and Contracts	(5)	-\$5K Materials & contracts
Depreciation and Amortisation	925	Depreciation adjustments based on 2022 financial statements have been made in period 7
Internal Expenses	(50)	-\$33K Overspend on internal welders' expense -\$18K Overspend on internal fleet expenses

The December Quarterly Budget Review recommends a budget adjustment in operating expenditure of \$996K. Proposed major budget adjustments to operating expenditure are summarised in the table below:

Category	Amount (\$'000)	Reason
Employee Benefits and On-Costs	128	+110K Increase in operational overtime and allowances +\$16K Increase in staff training +\$2K Additional workers compensation payments
Materials and Contracts	261	+\$160K Additional contractor and compensation payments for easement and land matters +\$100K Reclassification of project from capital to operating +\$1K Additional legal fees
Depreciation and Amortisation	(996)	-\$996 Align depreciation charge with actuals following completion of 2022 financial statements

Capital Revenue Position and Budget Adjustments

	Year to Date (\$'000)			Full Year (\$'000)				
	December Actuals	Adopted Budget	Favourable/ (unfavourable) Variance	Original Budget	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Actual % of Adopted Budget
Capital Grants	916	0	916	0	52	2,747	2,799	1753%
Capital Contributions	512	805	(293)	2,400	2,400	(800)	1,600	21%
Grants and Contributions provided for Capital Purposes	1,428	805	623	2,400	2,452	1,947	4,399	58%

Comments on major variances are tabled below:

Category	Variance (\$'000)	Comment
Capital Grants	916	+\$916K Restart NSW grant for Wastewater Capital Works Program Moss Vale Rd
Capital Contributions	(293)	-\$293K Developer contributions revenue

The December Quarterly Budget Review recommends a budget adjustment in capital revenue of \$1.9M. Proposed major budget adjustments to capital revenue are summarised in the table below:

Category	Amount (\$'000)	Reason
Capital Grants	2,747	+\$2.7M Restart NSW grant for Wastewater Capital Works Program Moss Vale Rd
Capital Contributions	(800)	-\$800K Developer contributions revenue

Capital Expenditures Position and Budget Adjustments

Capital expenditure as at 31 December is 41% of the current adopted budget (excluding commitments). Including commitments, capital expenditure is at 72%.

An increase of \$583K is recommended. This increase is fully offset by the increase in capital grants of \$2.7M. As a result of the December budget review, the following major adjustments, greater than \$100k, were made to the capital projects:

Project Description	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Callala SPS 3 RM Replacement	830,000	(770,000)	60,000	(794,406)	Reallocation of funds between projects
Coastal Zone Management -Sewer Asset Protection	250,000	(250,000)	0	(250,000)	Reallocation of funds between projects
Electrical protection upgrade - RCD for EOne Systems	100,000	(100,000)	0	(100,000)	Project reclassified as operating
Erowal Bay Sewer Protection	500,000	(500,000)	0	(500,000)	Reallocation of funds between projects
Flinders Depot Extension - Sewer Fund contribution	3,135,000	700,000	3,835,000	(3,135,000)	Reallocation of funds between projects
Husk Vincentia SPS 7 RM & GM upgrade	395,000	(180,000)	215,000	(395,000)	Carried forward to 2023-24 due to delivery reschedule
Moss Vale Rd expansion area - WasteWater	22,670,000	(900,000)	21,770,000	(11,941,247)	Recognition of additional grant offset by reallocation of funds between projects
Nowra Lyrebird SPS2 GM Upgrade	570,000	(382,000)	188,000	(570,000)	Carried forward to 2023-24 due to delivery reschedule
Nowra Nth surcharge main upgrade stage1	1,400,000	(340,000)	1,060,000	(734,598)	Reallocation of funds between projects
Nowra Sewer Main Upgrade Program	700,000	(700,000)	0	(700,000)	Reallocation of funds between projects
Nowra Sth Residential SPS D (179D)	430,000	(430,000)	0	(430,000)	Reallocation of funds between projects

Project Description	Current Adopted Budget	December QR Adjustments	December QR Proposed Budget	Full Year Variance	Comments
Pressure Sewer System Installation	50,000	400,000	450,000	242,680	Reallocation of funds between projects
REMS 2.0 - New 900ML Storage Dam	(2,495,880)	2,655,880	160,000	2,569,842	Reallocation of funds between projects
Sewer NW AE Unallocated	0	250,000	250,000	0	Reallocation of funds between projects
Sewer NW Growth Unallocated	0	150,000	150,000	0	Reallocation of funds between projects
South Nowra Surcharge Main	320,000	130,000	450,000	(75,955)	Reallocation of funds between projects
St Anns and Lyrebird Park SPS Upgrade	2,430,000	1,230,000	3,660,000	(696,586)	Reallocation of funds between projects
Sussex Inlet STP Augmentation	300,000	(300,000)	0	(300,000)	Reallocation of funds between projects
Various Sewerage Strategy	250,000	(250,000)	0	(250,000)	Reallocation of funds between projects

Commentary on the progress on major capital works is provided in a separate attachment to the Report to Council

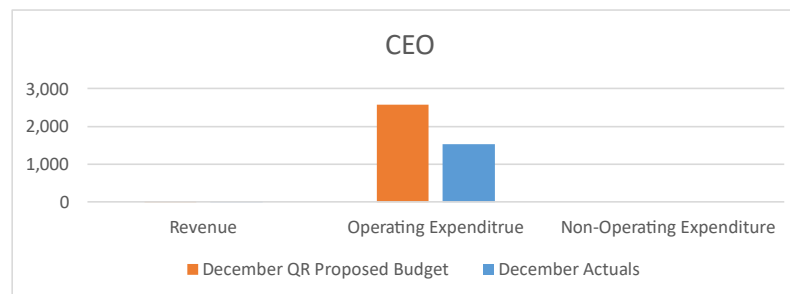
Capital Projects Reforecast into 2022/23

The projects reforecast during the December Quarterly Budget Review are listed below:

Project	Reforecast Amount
Bomaderry sludge lagoon odour control	100,000
FY- SPS Electrical Control Panel Replacements	60,000
Husk Vincentia SPS 7 RM & GM upgrade	180,000
Nowra Lyrebird SPS2 GM Upgrade	382,000
Total	722,000

Summary of General Fund Movements and Projected Budget by Directorate

Chief Executive Office



The recommended budget changes, revised budget and result to date for the Chief Executive Office are summarised below.

\$'000	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	December Actuals	%
Revenue	25	25	(19)	6	4	71.70%
Operating Expenditure	2,081	2,602	(26)	2,576	1,525	59.20%

Comments:

The **Chief Executive Officer** group finished close to budget for the quarter. Spending for Situational Leadership and Corporate Improvement costs were funded from budgets set aside for this purpose.

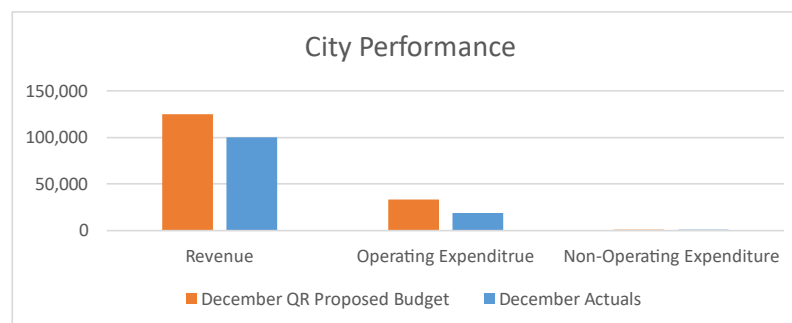
Media and Communications finished the quarter close to budget.

Work continues to develop processes to improve the flow of information to communities both during and after an emergency event. While communicating about road upgrades has been a priority for the team, the promotion of more than 150 events and activities has been managed through the Communications team during this quarter.

Council continues to provide opportunities for the community to engage with Council consultations, projects and information. Adjustments have been made to enhance the quality and accessibility of information through our website and media platforms. Strategies to maintain the flow of critical information, such as road remediation continues to be developed with teams across Council.

Internal Audit finished the quarter close to budget and met all Key Performance Indicators for the period.

City Performance Directorate



The recommended budget changes, revised budget, and result to date for the City Performance Directorate are summarised below.

\$'000	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	December Actuals	%
Revenue	121,301	123,587	1,127	124,714	99,850	80.06%
Operating Expenditure	32,226	32,944	241	33,185	18,872	56.87%
Non-Operating Expenditure	500	691	597	1,288	911	70.77%

Comments:

Overall, the Directorate has an income surplus due to positive investment returns and increased ordinary rates income during the quarter.

Operating expenditure is slightly over budget, mainly in Finance due to Technology One consulting fees required to address system issues and Customer Experience due to required casual staff to meet community's service expectation.

Financial Services

Council has a surplus in investment return on term deposits and floating rate notes, offsetting continued unfavourable movement in long-term growth fund. It is also noted that in December, Council received a distribution of \$592K from the liquidator of Lehman Brothers Australia Ltd, relating to the investments held by Council back in 2008 when Lehman Brothers went into bankruptcy. This additional income will be used to offset budget deficits in another areas.

Ordinary rates have just exceeded the full year budget with expectation of additional surplus in the coming quarters.

Information Services finished the quarter close to budget with some savings in Materials and Services that will be offset by additional software costs expected for the full year.

The enterprise software projects continued to be delivered through the quarter and are tracking on budget. Finalisation on Request Management implementation occurred this quarter, with the next and final implementation management for Project Q to be the Regulatory implementation. These implementations are projected to finish in this financial year. The remaining budget is proposed to be carried forward and transferred to Business Systems. This team will continue the Regulatory Applications and commence Certificates and Enforcements implementation as part of business as usual.

Business Assurance & Risk tracked closely to budget in this quarter with minor overrun in Workers Compensations due to higher cost claims. This will be monitored in quarter 3 to project total spending for the remainder of the year.

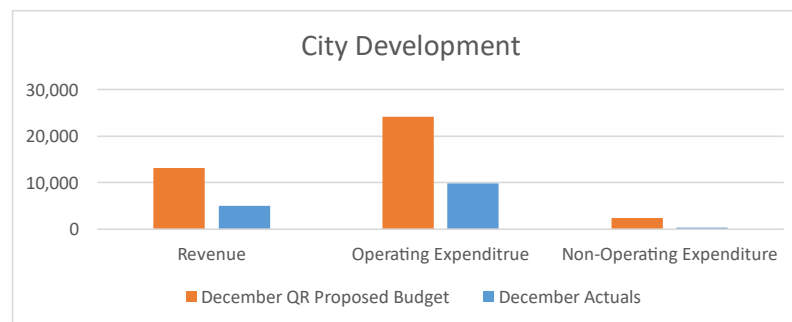
Budget has been adjusted by \$602K for insurance settlement income received.

People & Culture tracked closely to budget in this quarter.

Budget for Corporate Training has been increased by \$70K to cover essential staff training planned for the remainder of the year.

Customer Experience was over budget in employee costs due to higher demand for casual staff to meet required service level.

City Development Directorate



The recommended budget changes, revised budget and result to date for the City Development Directorate are summarised below:

\$'000	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	December Actuals	%
Revenue	10,126	13,021	187	13,208	4,968	37.62%
Operating Expenditure	19,190	24,116	115	24,231	9,832	40.58%
Non-Operating Expenditure	3,136	2,003	400	2,403	332	13.83%

Overall income is tracking slightly under budget, mainly in Certification and Compliance fines income. Excluding grants income yet to be received of \$3.3M, operating income has achieved 47.5% of the proposed full year budget.

Operational expenditure across the Directorate continued to track under budget, with savings mainly in employee costs due to staff vacancies.

Development Services

Development Services revenue continued to track above budget by \$53.6K due to higher number of development applications lodged during the quarter. However, this has slowed down compared to quarter 1 and is projected to continue a declining trend in coming months due to ongoing increases in interest rates weakening property prices and inflating building costs.

Employee costs tracked below budget with savings of \$111.8K due to staff vacancies.

Environmental Services

Due to recent implementation of staged approach for OSSM fees, which replaced a 5-year cycle upfront charge with quarterly payments as part of Annual Rates Notice, only 1/5 of the total budgeted income is expected for this financial year, resulting in an expected budget shortfall of \$350K. A portion of this expected shortfall (\$200K) has been addressed this quarter, with the remainder to be addressed in the coming quarters when savings are identified.

Operating expenditure is tracking to budget with minor overrun in employee costs.

Capital projects continued to deliver throughout the quarter, achieving 23.4% of full year budget. The remaining budget is committed for the remainder of the FY with some proportion of this was attributed to work executed/ work in progress that had not been invoiced by the relevant contractor/consultant.

\$350K has been identified this quarter from extra investment income to fund the Rock Revetment Rectification work at River Road.

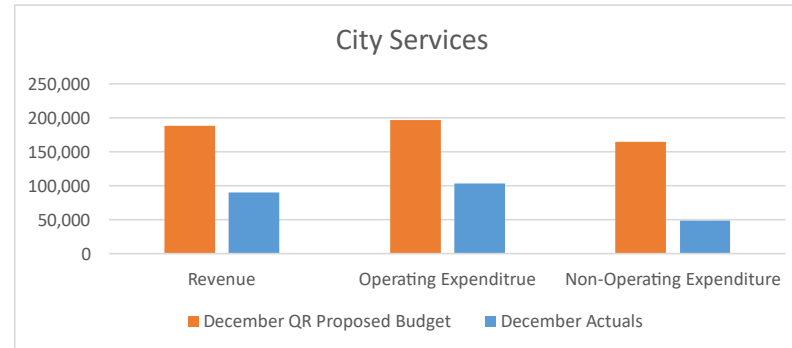
Certification and Compliance Services

Fines income was under budget in both Building Compliance and Rangers (\$120K and \$107K respectively). Rangers have experienced one of the busiest summer periods with fines income expected to increase in early quarter 3 and subside shortfalls in previous months.

Overall operating expenditure is tracking to budget with some savings in materials and contract across the whole department.

Business Support finished the quarter with salary savings of \$165K. This will be used to fund additional administrative support needed for regulatory implementation in quarter 3.

City Services Directorate



The recommended budget changes, revised budget and result to date for the City Services Directorate are summarised below:

\$'000	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	December Actuals	%
Revenue	141,846	179,084	9,559	188,643	90,842	48.16%
Operating Expenditure	175,387	191,479	5,242	196,721	103,152	52.44%
Non-Operating Expenditure	106,990	160,659	4,183	164,842	48,941	29.69%
Asset Sales	2,033	3,145	0	3,145	1,115	35.45%

Comments:

Overall Revenue is behind forecast by \$1.6M with Capital Income behind by \$2.8M and Operating Income is ahead by \$1.2M. Capital expenditure is \$19M behind forecast and operating expenditure is over budget by \$6.4M. Commentary on specific items is detailed below:

Roads and Transport

Revenue is on slightly behind, with additional new grants added of \$2.9M, which relates to \$1M from “Get NSW Active” Program, \$1M for Safer Roads and Fixing Country Bridges Programs and \$620K for Fixing Local Roads Pothole Repair Program – Round 1 this is offset by a reduction in grant funding \$3.6M of which \$2.8M relates to the Springs Rd Sussex Inlet which was completed under budget

Operating expenditure is \$971K overspent due to increased expenditure in Roads Maintenance, new grant has been awarded for \$620K for the fixing local roads pothole repairs – round 1, with further funding anticipated under round 2. Capital Expenditure is \$939K overspent this has mostly been funded through the existing capital works program and increase in Grants from Natural Disasters and Fixing Country Bridges Program.

The Special Local Roads Improvement Program is progressing with \$2.6M still to be spent it and is expected to be completed by end of quarter 3.

The capital works program is progressing with 38% of the 2022/23 budget being either spent or committed.

Fire Protection and Emergency Services

Revenue is \$1.3M lower than forecast. There is additional \$10.7M of new grants of which \$5M relates to Flood Levees and \$6.1M relates to increase in grant funding relating to the March, July and September flood events. This is partially offset by a \$500K transfer of grant funding to City Lifestyles relating to the July Flood Event.

Operating expenditure is \$3.3M over spent this is mostly relates to the March, July and September Flood events which are 100% claimable from Transport for NSW and budgets adjustments have been made. Capital Expenditure is on track with adjustments of \$5M primarily for the Flood Levees

Parks and Reserves

Operating income is \$4K ahead of forecast from additional income relating to tree removal and reserve hire. Operating Expenditure is \$482K overspent which relates to increased expenditure of \$430K in Parks & Reserve & Tree Maintenance which continues to be overspent partially contributed to by recent flood events and \$145K overspent in Public Bins & Litter Collection this is offset by savings in Asset Protection Zones and Carpark Maintenance. An adjustment for the maintenance of the Nowra CBD has been completed for \$300k from Technical Services Department.

Drainage

Stormwater operating expenditure is \$449K overspent of which \$65K relates to Roskell Rd & Albion Street which is being yet to be determined whether it meets criteria for natural disaster funding. Capital Expenditure is \$411K overspent but has been funded from within the existing capital works program or increase in Natural Disaster funding.

Building and Property

Operating income is tracking slightly above budget for the quarter due to higher than anticipated internal building maintenance income plus additional revenue from public hall and premises hire. Operating expenditure is over budget mainly due to overruns in Property Management and the Building Services Unit. This has been offset by under expenditure in the Rural Fire Service area.

The capital works program is progressing with 62% of the 2022/23 budget being either spent or committed. A capital budget adjustment includes an increase of \$111K to the Ulladulla Civic Centre Solar PV installation from the REFund reserve.

Tourist Parks

Tourist Park income is \$240K behind forecast at the end of December, however this deficit has been recouped over the holiday period in January. Holiday van owner fees exceeds budget however this is offset by the increased park manager fees for the quarter.

The capital works program is progressing with over 60% of the 2022/23 budget being either spent or committed.

Waste Services

Operational income is exceeding budget due to additional domestic and commercial annual charges. Grant funding of \$100K has been received for the Shoalhaven MICROfactorie and a budget adjustment has been processed to reflect this. Overall, operational expenditure is slightly under budget with lower than anticipated internal expenses for the quarter, however this offset by additional employee costs as a result of the workplace change.

The capital works program is progressing with over 70% of the 2022/23 budget being either spent or committed. A construction certificate for the Materials Recovery Facility has been submitted, and stage one of Bioelektra is due for completion by May 2023.

Bereavement Services

Bereavement Services operating income is \$30K behind budget for the quarter. Fewer chapel services and café functions has seen a decrease in materials and services, while staff vacancies have resulted in lower than anticipated employee costs.

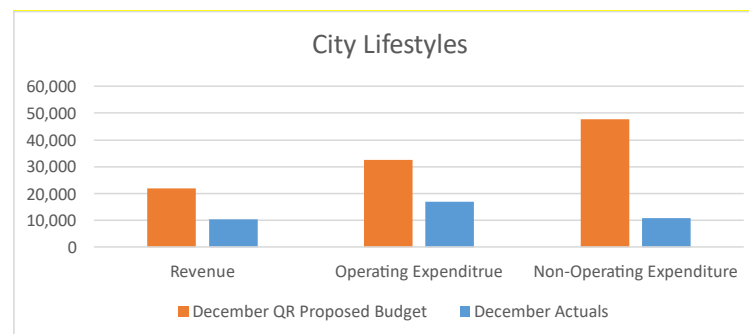
The capital works program is progressing with 50% of the 2022/23 budget being either spent or committed. Work is being carried out in house ready for the implementation of the software replacement for Final Filer.

Fleet and Mechanical Services

Operational revenue for Fleet and Mechanical Services is in line with forecast for the quarter. Operational expenditure is over budget due to increased maintenance costs on an aging fleet, increased fuels costs, and additional expenditure on motor vehicle and machinery parts. An adjustment of \$121K has been made this quarter to offset a portion of this.

Fleet and plant purchases are ongoing, with deliveries dependant on external supply factors. Comerong ferry flood pier construction scope and design is expected to commence next quarter, while advice has been sought on minimum design requirements of the ferry precinct, in anticipation of scope development and RFQ. .

City Lifestyles Directorate



The recommended budget changes, revised budget and result to date for the City Lifestyles Directorate are summarised below:

\$'000	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	December Actuals	%
Revenue	13,510	22,302	(331)	21,971	10,352	47.12%
Operating Expenditure	30,323	32,696	(51)	32,644	16,870	51.68%
Non-Operating Expenditure	36,162	48,584	(784)	47,800	10,949	22.90%

Whilst December actuals are 22.9% of budget at the end of Q2, actual and commitments are 54.5% of budget over the same time period.

Comments:

Shoalhaven Entertainment Centre (SEC)

The operating income was 37% ahead of budget with a favourable variance of \$378K mainly due to an increase in Entertainment Centre ticket sales.

The operating expenditure was 17% over budget with an unfavourable variance of \$352K predominantly due to an increase in expenses on food and beverages for resale.

Operating grants were received from Reconnecting Regional NSW – Community Events Program towards the Shoalhaven Let's Celebrate, Create and Laugh program.

Swim, Sport, Fitness (SSSF)

Operating revenue was 19% over budget with a favourable variance of \$478K. This is attributed to strong performances from Swimming Pool operations and Sporting facilities. The major contributors towards revenue from swimming pool operations were Health & Fitness services, Learn to Swim lessons, and Café/Retail Services. Additional revenues have also been earned from hire of premises.

Operating expenses were 7% over budget with an unfavourable variance of \$590K on account of increased employee costs to meet the increased demand for Learn to Swim lessons and Health and Fitness services.

Libraries

Operating income from Library services was lower than budget by about 29% due to local priority grants and State government grants yet to be received.

Operating expenses showed a favourable variance of \$63K owing to savings in material costs and property maintenance costs at Ulladulla Civic Centre and Nowra Library.

Shoalhaven Regional Gallery

Operating income is 11% ahead of forecast mainly due to grant receipts for the '*Plant Your Feet*' exhibition by Glenn Barkley, and revenues from Regional Gallery Public Programs and art and shop sales.

The operating expenditure has a favourable variance of \$93K, finishing 13% below budget. This was brought about by lower actual materials and services expenses.

Community Planning and Projects

Operating income showed a favourable variance of \$39K due to revenues from minor improvement programs.

Capital income is 25% below budget due to grants awaited from the State and Federal government for various projects.

Employee costs savings of \$163K led to operating expenditure being 7% lower than budget. This is due to ongoing vacancies (five of which are in the Recreation and Open Space Planning team) in this department and four unsuccessful recruitment processes.

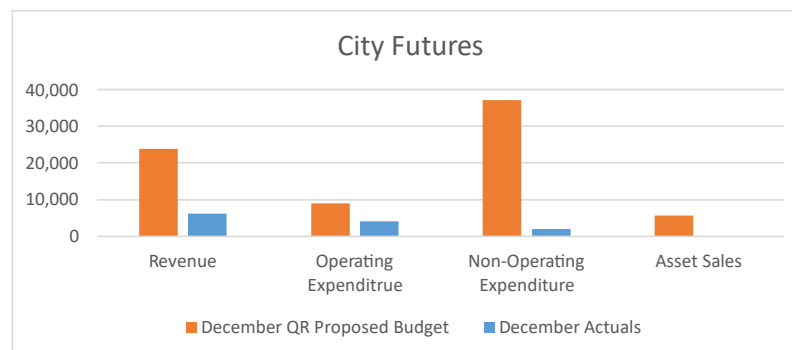
Community Connections

Operating income from Community Connections was 6% below forecast owing to user charges from family day care services being lower than the budget. This decrease was offset to a certain extent by a decrease in expenditure and from increased operational grants from the State and Federal government.

Capital income was ahead of budget by \$915K on account of the Recovery and Resilience BLERF grant that was received from the Federal and State governments.

Operating expenditure was 22% under budget due to savings in employee costs associated with the Bushfire Community Recovery and Resilience Fund and materials and services costs associated with family day care services.

City Futures Directorate



The recommended budget changes, revised budget and result to date for the City Futures Directorate are summarised below.

\$'000	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	December Actuals	%
Revenue	16,603	28,044	(4,199)	23,845	6,101	25.59%
Operating Expenditure	7,390	8,902	96	8,998	3,992	44.37%
Non-Operating Expenditure	31,781	37,524	(409)	37,115	2,044	5.51%
Asset Sales	5,620	5,620	0	5,620	0	0.00%

Comments:

Economic Development

Overall, Economic Development capital income is lower than forecast mainly due to Council not expecting additional grant funding for Ulladulla Boardwalk and Ulladulla Harbour. Grant funding of \$743K has been received this quarter for AATP Stage 5. A full year budget adjustment has been made to reflect these variances. Operating revenue is on track for the quarter while operating expenditure is under budget due to staff vacancies in key positions.

Capital expenditure across existing projects is on track. Ulladulla Maritime Berthing Facility progress is pending resolution with Ulladulla fishermen's co-op to agree on fees for inconvenience and vessel relocation. It is estimated that construction on the Huskisson Mangrove Boardwalk will commence in February 2023.

Strategic Land Use Planning

Land Use Planning operating revenue has ended the quarter ahead of budget due to increased planning services (\$21K) and additional interest received on S7.11 contributions (\$119K). However, this has been offset by the COVID Contributions Discount Subsidy (\$120K). The subsidy is funded by the S7.11 reserve and the budget will be adjusted accordingly next quarter.

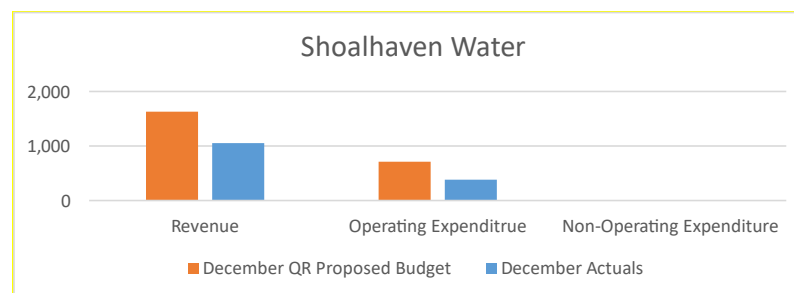
Additional grant funding of \$223K has been received for Moss Vale Road URA and capital expenditure is on track with phased budget.

Tourism and Events

Tourism and Events operating income is behind budget for the quarter. This is due to the reduction in income received by the Visitor Information Centre for Showgrounds bookings. An adjustment of \$61K has been made this quarter to offset a portion of this. Marketing and Events revenue is in line with forecast.

Operating expenditure across the department is on track.

Shoalhaven Water



The recommended budget changes, revised budget and result to date for Shoalhaven Water (General Fund) are summarised below.

\$'000	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	December Actuals	%
Revenue	1,582	1,631	0	1,631	1,058	64.84%
Operating Expenditure	676	718	(0)	717	391	54.46%

There are no major capital works (>\$100k) in Shoalhaven Water (General Fund).

Comments:

Communication Towers GF

Communications income is tracking slightly ahead of budget. No adjustment has been recommended in this review.

Operating expenditure is on track with the year to date budget. A minor adjustment of \$0.2K to the training budget has been recommended in this review.

Shoaltech

Revenue is on track with budget. No adjustment has been recommended in this review

Operating expenditure is tracking slightly ahead of the year to date budget. No adjustment has been recommended in this review.

Cash and Investments

Cash & Investments – Estimated Balance at Year Ending 30 June 2023

	Estimated Balance 30 June 2023				December 2022 Actual Balance
	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	
	\$'000	\$'000	\$'000	\$'000	\$'000
Externally Restricted					
Specific Purpose Unexpended Grants	0	5,031	(3,736)	1,295	14,725
Specific Purpose Unexpended Loans	2,500	0	(5,454)	(5,454)	34,610
Developer Contributions - General Fund	10,321	9,511	0	9,511	18,212
Developer Contributions - Water Fund	19,148	19,148	0	19,148	19,818
Self Insurance Claims	2,304	4,047	0	4,047	4,162
Special Rates Variation	0	(794)	9	(785)	1,923
Stormwater Levy	0	0	0	0	389
Domestic Waste Management	4,275	7,002	775	7,778	12,554
Water Supplies	19,296	21,286	(1,582)	19,704	33,019
Sewer Services	13,438	11,410	8,604	20,014	26,297
Total Externally Restricted	71,282	76,642	(1,384)	75,258	165,709
Internally Restricted					
Arts Collection	70	39	0	39	42
Cemeteries	31	60	0	60	38
Coastal Management	0	2	88	91	386
Committed Capital Works	0	(0)	0	0	1,673
Communication Towers	315	(0)	0	0	0
Critical Asset Compliance	0	1	0	1	407
Dog-Off leash	0	0	0	0	95
Economic Development Projects	41	0	357	357	587
Employee Leave Entitlement	7,050	5,880	0	5,880	5,880
Financial Assistance Grant	0	3,904	0	3,904	0
General Insurance	8	518	(97)	421	0
Industrial Land Development	1,824	1,417	0	1,417	5,258
Jervis Bay Territory Contract	0	93	0	93	39

	Estimated Balance 30 June 2023				December 2022 Actual Balance
	Original Budget	Current Adopted Budget	December Review Adjustment Recommended	December QR Proposed Budget	
	\$'000	\$'000	\$'000	\$'000	\$'000
Jetty Licensing	19	19	0	19	19
Land Decontamination	0	0	0	0	0
Plant Replacement	0	(1)	74	73	558
REFund Reserve	100	375	(138)	237	100
S7.11 Matching Funds	0	0	0	0	213
S7.11 Recoupment	3,463	825	432	1,258	327
Shoalhaven Foreshore Development	1,050	986	0	986	1,064
Sporting Facilities	55	6	0	6	0
Strategic Projects	0	0	0	0	427
Strategic Property Reserve	677	721	7	728	715
Trust - Mayors Relief Fund	0	0	0	0	109
Trust - General Trust	3,018	4,862	0	4,862	4,960
Water Communication Towers	5,361	4,431	0	4,431	5,211
Total Internally Restricted	23,082	24,138	723	24,863	28,108
Total Restricted	94,364	100,781	(660)	100,121	193,817
Total Cash and Investments	144,025	103,362	(693)	102,668	194,915
Available Unrestricted Cash	49,661	2,581	(33)	2,547	1,098

Notes:

The available cash position excludes restricted funds. External restrictions are funds that must be spent for a specific purpose and cannot be used by council for general operations. Internal restrictions are funds that council has determined will be used for a specific future purpose.

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISED Budget

REVISED Budget +/- recommended changes this quarter = PROJECTED year end result

Cash and Investments

Statements

Investments

The restricted funds are invested in accordance with Council's investment policy

Cash

Cash was last reconciled with the bank statement for this quarterly budget review on the 31 December 2022

Reconciliation

Cash Reconciliation 31/12/2022

Bank Balance per statement	10,676,598
Unpresented cheques / Deposits	(218,663)
Cash on hand	20,191
Total Cash on Hand Balance	10,478,126
Term Deposits	114,077,000
AMP At Call Account	693
AMP Notice Account	2,210,761
CBA Business Saver	1,196,723
Managed Funds	19,133,326
Bonds	5,000,000
FRN	42,900,000
Restrict Invest - Trust	108,587
Fair Value adjustment	(189,779)
Total Investments	184,437,311
Total Cash & Investments balance	194,915,437
Total Cash & Investments per Ledger	194,915,437

Contracts and Other Expenses

Consultancy and Legal Expenses

Expense	Expenditure YTD	Budgeted Y/N
Consultancies	995,490	Yes
Legal Fees	594,273	Yes

Definition of Consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendation or high-level specialist or professional advice to assist decision-making by management. Generally, it is the advisory nature of the work that differentiates a consultant from their contractors.

Responsible Accounting Officers Report

Responsible Accounting Officer's Statement Quarterly Budget Review

For the period 1 October 2022 to 31 December 2022

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review for Shoalhaven City Council for the quarter ended 31 December 2022 indicates that Council's projected financial position at 31 December 2022 will be satisfactory at year-end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



Olena Tulubinska

Responsible Accounting Officer



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The Chief Executive Officer

PO Box 42, Nowra NSW 2541

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Current Capital Projects over \$400K as at 24 Jan 2022

● On Track ● On Hold ● Under Close Monitoring ● Completed

Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Current Status	Last Comment
Bridges	Boondabah Bridge Disaster Assistance Repair	-	-	485,786	0%	City Services	●	Fixing Country Bridges application successful. Jason Heffernan engaged as external PM . Geotech investigation commenting January. REF & Tender preparation in progress.
	FCB - Chisolms Ck Culvert - Bundewallah Bridge, Bundewallah	263,080	656,021	679,530	97%	City Services	●	Construction in progress - Traffic now opened on new Bridge structure - Completion planned end of January
	FCB - Croobyar Rd - Bridge Pettys Rural Upgrade/New	467,853	481,765	548,335	88%	City Services	●	Construction commenced in September. Project was impacted by weather caused delays. Project is now nearing practical completion. Traffic is now opened on the new bridge. Line markings in progress. Driveways reinstated Clean up works are on schedule for completion
	FCB - Koloona Bridge - Koloona Drive, Bangalee	417,210	602,970	839,788	72%	City Services	●	Construction in progress- revised program sought from contractors due to latent issues - grant variation submitted for these additional works.
	FCB - Yarramunmun Ck Culvert - Yalwal Rd, Buangla	73,574	814,259	814,259	100%	City Services	●	Construction works commenced in October 2022 & is scheduled for completion in April 2023.
	FCB2 - Boondabah Bridge-Brooman, The River Rd	2,133	66,820	530,000	13%	City Services	●	Fixing Country Bridges application successful. Jason Heffernan engaged as external PM . Geotech investigation commenting January. REF & Tender preparation in progress.
	FCB2 - Bridge Creek Bridge-Mogood, The River Rd	2,163	80,260	960,000	8%	City Services	●	Fixing Country Bridges application successful. Jason Heffernan engaged as external PM . Survey commencing early January, Geotech investigation commenting late January. REF & Tender preparation in progress.
Buildings and Property	Depot safety improvement works	23,223	46,632	675,808	7%	City Services	●	Woollamia Depot: The vehicular automatic security gate has been commissioned and is operational. A swipe access pedestrian gate is currently being manufactured and is proposed to be installed in February. Ulladulla Depot: The design for an access controlled site security gate, pedestrian, parking, lighting and stormwater improvements are at 90% and under final review. Construction is programmed to be undertaken in third quarter 22/23 post tender phase. The design for a secondary access road to the east of the administration building has commenced. Bomaderry Depot: The design to improve the stormwater system at the NW corner of the site is complete and construction cost estimates are being sought. New pallet racking has been installed in the Stores area to free up areas and assist with housekeeping.
	Greenwell Point-Titania reserve- New Public Toilet-Construct	214,708	418,923	507,492	83%	City Lifestyles	●	Progress Currently in construction. Due to be completed mid February.
	Nowra Admin Building - Fire Compliance, BCA NCC	58,070	71,820	898,554	8%	City Services	●	AED, the fire consultant has provided a Fire Upgrade Strategy Report , Dec 2022 to address identified BCA issues. Building Compliance will be consulted on the contents of the report and the recommendations agreed upon by 1/7/2023 before it being referred to Fire & Rescue NSW. A separate order will be issued prior to the works being undertaken.
	Nowra Players Theatre-Stage 2 Compliance Construction & Acc	2,160	2,160	406,615	1%	City Services	●	A preliminary scope and estimate has been identified to address NSIO works. Awaiting report outcome to progress design and procurement. The Nowra Players Committee have been requested to sort and remove the mezzanine and stored items. Further consultation will be undertaken when staging the works.
	Sanctuary Point - Francis Ryan Reserve - New Amenities	17,583	19,003	1,438,000	1%	City Lifestyles	●	The detailed design task is 99% completed. Invitation to tender documentation is currently being prepared. Construction works are planned to commence in April 2023.
	SEC - Compliance Works	17,045	30,123	666,243	5%	City Services	●	Duratec have been engaged as a variation to the current contract to undertake the BCA upgrades. Site was established 6/1/2023 with demolition works commencing 16/1. Shows have not been scheduled for Jan and Feb to enable the works to be completed. Duratec provided an extended program with an EOT submitted claiming supplier delays. AED (the Fire Consultant) will provide certification on satisfactory completion of all works. The PCG continue to meet regularly.
	Shoalhaven Heads - Jerry Bailey Oval - New Public Toilet	398,396	403,305	585,666	69%	City Lifestyles	●	Progress Construction completed. Contractor currently addressing defects. Building is now open to the public. Practical Completion was achieved on 23.12.22.

<div> ● On Track ● On Hold ● Under Close Monitoring ● Completed </div>							
Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Last Comment
	Ulladulla Civic Centre Improvements	37,640	208,311	404,429	52%	City Services	The exterior cladding replacement has been awarded to Batmac Constructions with construction due to commence early Feb 23'. Solar Professionals have been awarded the Solar Upgrade works and are due to commence onsite on the 30/1/23. The design for the Storeroom extension is currently being undertaken by Edmiston Jones Architects.
Commercial Undertakings	Fleet Plant Purchases	1,028,264	2,498,423	2,498,423	100%	City Services	Forms and Spec's progressing, Global supply issues increasing
	HH – BP – 2 Bed Accessible Cabin (grant funded)	640	179,221	641,165	28%	City Services	Tender awarded and cabin delivery expected mid-May.
	HH - BP -Manager Res/Office - New - FY23	7,442	11,541	500,000	2%	City Services	Due to start January 2023
	Holiday Haven Other Build	-	-	494,496	0%	City Services	Works in progress scheduled for completion Q4
	Lk Tabourie Amenities Build	494,307	550,000	550,000	100%	City Services	Project on track for completion March April
	Mechanical Workshop Capital	10,450	10,450	410,338	3%	City Services	Gas lines for welding shop scoped and pending installation Awaiting relocation of Shoalwater to scope redesign of Mechanical Workshop before committing further funds
	SEC Upgrade & Cladding	512,954	512,954	508,738	101%	City Services	Installation, testing and commissioning of the sprinklers has been completed with minor defects being attended to. Contractor records have been provided to AED (the Fire Consultant) to issue certification for the sprinklers which will address the Fire Order requirements. Chubb are undertaking the annual Fire Safety schedule testing. No shows have been scheduled in Jan and Feb allowing the BCA works to be undertaken. The PCG continue to meet regularly.
Community and Culture	Books & Audio Visual	206,453	414,000	414,000	100%	City Lifestyles	44% of budget to date has been expended on purchasing stock for the Shoalhaven Libraries collection. Purchases to date have covered adult and junior fiction and non-fiction across all formats of books, audiovisual and digital. This budget is on track and will be fully expended before the end of the financial year.
	Project Management / Design (Sus Tour Infr Grant)	101,182	101,182	1,390,143	7%	City Services	Project D1 & 2 completed D3 - Stage 1 to be completed. Stage 2 Completed D4 to Bherwerre Wetland to commence January 2023 D5 - Hyams Beach works in progress. All SCC works completed - Boardwalk and playground to be constructed in the New Years D6 - Ulladulla Headland Walks Nth and Sth to be tendered and constructed D7 - Murramarang Walk to be costed and implemented
	Recovery and Resilience Grant - capital components	873,951	899,775	955,441	94%	City Lifestyles	The installation of equipment including data cabling, screens, satellite phones and satellite dishes is 99% complete. Community owned facilities at Erawal Bay and Wandandian still require the installation of satellite dishes, however this is the only outstanding component. All other equipment is now active and was in use over the Christmas period.
Economic Development	AATP Fire Reticulation	410,322	598,435	644,823	93%	City Futures	Stage 3 Community Consultation of management options and actions has been completed with over 1300 submissions from 540 individuals. The project team is working through all the feedback, including new management options/actions, in order to consolidate the list and write the CMP Stage 3 Business Plan. The initial milestone claim was submitted to the NSW Department of Planning and Environment in September 2022 and revenue was received in mid-November.
	AATP Fire Water Storage	539,196	1,487,043	1,680,730	88%	City Futures	Contractor completing the works has gone into voluntary administration. A new contractor will be sought through a formal RFT process. Delays to works will be at minimum 4 months and additional cost unknown at this stage.
	AATP Stage 5 - Subdivision	727,670	903,605	1,000,000	90%	City Futures	Civil works are on track for completion JAN 2023 with water tanks and reticulation still under construction. The Tanks contractor (MMA Civil) has gone into administration and as such a new contractor will need to be sought to complete the project. This may delay the project by as much as 4 months.

		● On Track	● On Hold	● Under Close Monitoring	● Completed		
Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Last Comment
	EDO - Huskisson Mangrove Boardwalk	8,400	9,325	2,439,928	0%	City Futures	Contract for construction to be awarded pending Council approval by early Feb 2023
	EDO - Ulladulla Boardwalk and Ulladulla Harbourside	48,168	145,780	5,951,261	2%	City Futures	Request for Tender is expected to be issued late Jan or early feb pending DA approval. Works on track for completion by end of year.
	Flinders Roadworks - Stage 10	1,859,567	2,227,789	2,227,789	100%	City Services	The bulk of the earthworks is now completed with works on completing the stormwater drainage being the key item to finalise. Electrical reticulation works for the 11KV have been undertaken to divert power around the site and new reticulation works now being installed. 33KV sub-transmission lines are being prepared for raising with an additional pole. Road works will be commencing in the coming months with completion expected May 2023
	Flinders Units	-	-	2,000,000	0%	City Futures	This project is on hold and will be the subject of a review within City Futures.
	Industrial Land Flinders	3,373	9,832	1,500,000	1%	City Futures	Delivery of Flinders Stage 10 continues to progress with a target availability for release in early 2023. Planning for the final layout for Flinders Stage 11 is ongoing. There continues to be strong interest from the market to procure land in this area.
	Industrial Land Purchases	-	-	3,000,000	0%	City Futures	Industrial land purchases by Council will be the subject of a strategic review. The sale of industrial land by Council continues where land stocks permit, and where buyers have been identified through EOI and sales treaties.
	Ulladulla Maritime - Berthing Facility	122,881	211,930	2,699,459	8%	City Futures	Pending resolution with the Ulladulla fishermen's co-op to agree on fees for inconvenience and vessel relocation, the Tender will be issued in early February. Works may be expected to start late April to early May 2023 and completed by the end of year.
	Woollamia Units	-	-	2,020,000	0%	City Futures	The progression of Woollamia Units will be the subject of review within City Futures.
Fire Protection and Emergency Services	BLD Lake Conjola RFS Upgrade Existing Station	4,725	4,725	701,663	1%	City Services	Landowners consent from the crown received on the 23/12/22 and uploaded to the DA Planning Portal. All additional information has now been provided and the DA is under assessment.
	BLD Manyana Bendalong new RFS station	74,975	175,725	1,741,718	10%	City Services	The level 3 electrical and detailed building designs are progressing. E-Lab consulting have been engaged to undertake a Fire Engineering assessment of the project. City Development issued a letter, 21/12/2022 apologizing for delays to the Development assessment. SCC surveyors will be engaged to identify the building footprint, APZ and retained trees. Budget has been identified as a risk. The next BLERF Grant report is due at the end of January.
	Natural Disasters 2022 -Flood Levees- P1L1/P1L2-Nowra Terara	27,439	27,439	1,260,083	2%	City Services	Site audit is completed by PWA. Levee design 95% complete and currently being reviewed. REF commenced. Tender process to commence in February 2023
	Natural Disasters 2022 -Flood Levees- P2L1/P5L1- O'Keefe's Pt	13,535	13,535	2,971,165	0%	City Services	Site audit is completed by PWA. Levee design 100% complete and currently being reviewed. REF commenced. Tender process to commenced.
	Natural Disasters 2022-Flood Levees-P11L1 Comerong Island Rd	-	-	1,235,412	0%	City Services	Works complete. Claims finalised & submitted to Public Works Authority on 17/09/2022
	Reconstruct Wheelbarrow Rd CH4.9 - Natural Disaster	15,599	875,917	875,917	100%	City Services	Stage 2 draft reports have been reviewed with final versions of the reports from the consultant nearing completion. The project has progressed into Stage 3 - the development and consultation of Coastal Management Program (CMP) management options/actions. Milestone claim revenue of \$158k has been received in mid-November, and another Milestone to NSW Department of Planning and Environment will be submitted in March
	Shoalhaven Fire Control Centre - roads and parking LCLI	783,388	945,343	1,164,455	81%	City Services	Helicopter Landing Site (HLS) and Secured Overflow Carpark are now practically complete. Exterior security fence to enclose HLS due to commence in Feb '23. Pricing being sort for a concrete hardstand extension to the southern end of the SES garage and to formalise the Sandbag filling area.

● On Track ● On Hold ● Under Close Monitoring ● Completed							
Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Last Comment
Internal Corporate Services	Bushfire Green Waste Cleanup - Plant Purchase	124,062	445,725	445,725	100%	City Services	Chipper delivered and in use EWP Truck expected end of January Chipper Truck mid March, at this stage - due to supply interruptions of critical parts.
	Fleet Vehicle Purchases	912,142	4,488,933	5,868,395	76%	City Services	Vehicle replacement forms sent through one council to drivers. Those forms that have been finalized have been ordered.
Open Space, Sport and Recreation	Bay and Basin Leisure Centre Redevel - Design & Invest	187,278	1,155,548	1,155,548	100%	City Lifestyles	A community engagement plan is currently being developed. A report to Council will be issued January 2023 seeking endorsement of the proposed concept design option. Preliminary site investigations are in progress. The current project status is 20% completion.
	Boongaree - Stage 2 to 7	3,061,891	3,288,980	7,297,905	45%	City Lifestyles	Stages 2 /3 - skate park and pump track is 95% completed and is scheduled to be opened to the public early 2023. Stage 4a - Netball courts (2) and cricket nets (4) was completed on 30 November 2022. Stage 4b - Internal design investigations underway to confirm viability of preliminary draft landscape plan. Additional engagement activities required (engagement planning ongoing). Future reports to be provided to advisory committees (pending outcome of design investigations). Future report to be provided to the elected Council prior to handover to Community Projects for implementation. Stages 5 / 7 - design review and refresh are underway and is 80% completed. Stage 6 - Dog FOLA-Engagement activity (public exhibition of plans) concluded 31 October. Engagement report submitted to Lead Open Space and Recreation Planning for review. Further action required, pending review of engagement report.
	Original Bomaderry Basketball Stadium Redesign	293,540	393,916	487,445	81%	City Lifestyles	The detailed design development is currently at 90%. The project team is currently reviewing it. Consultation with key stakeholders (including the sporting bodies) on the design is also currently in progress. DA approval has not yet been awarded.
	Park Road Netball Court Redev - Sth Nowra	52,620	3,599,241	5,092,967	71%	City Lifestyles	Tender has been awarded and the contractor started construction in November 2022 Budget: Sufficient budget for the project Construction Period: November 2022 until April 2023 pending weather
	Ray Brooks Reserve Boardwalk	111,479	604,521	632,426	96%	City Lifestyles	Current Status: Progress: Under Construction. PC is predicted for Early April 2023.
	Regional Skate Park Area 3 - Bay & Basin	945	945	593,870	0%	City Lifestyles	Tender documentation is currently being generated. The invitation to tender process will comprise this project and the Ulladulla Skate Park as a combined tender.
	Sanctuary Point Library - Design & Invest	161,656	1,003,707	3,329,203	30%	City Lifestyles	Detailed design documentation is 97% completed. The construction tender documentation is being progressed and is 75% completed. Planned activities for January-February include: * A Value Engineering review of the design and cost analysis. * Safety in design workshop * Generation of response for request for information for the DA from the Regional Planning Panel.
	SCARP Croquet	86,809	1,918,256	2,532,500	76%	City Lifestyles	Construction of the Croquet car park and installation of services to the future club house is well advanced. The erection of the croquet clubhouse structure has been completed and internal works have commenced. The estimated project completion date is 16 June 2023. The project is 55% completed.

<div> ● On Track ● On Hold ● Under Close Monitoring ● Completed </div>							
Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Last Comment
Roads and Transport	Southern SCARP - Artie Smith	3,161,452	5,030,330	5,030,330	100%	City Lifestyles	The external building works for the AFL clubhouse has been completed. Internal fit-out has commenced. The Cricket clubhouse building works is progressing with structural framing works completed and roofing works to commence in January 2023. The main oval and landscaping irrigation systems are nearing completion. The off-street carpark has been completed. Turf on the main oval will be laid in January 2023. The project is 65% completed and the completion date is estimated to be 16 June 2023.
	SSF - Milton Showground - Internal Roads Upgrade	638,516	1,117,110	1,302,297	86%	City Lifestyles	Project is under construction and will be temporarily halted for the 2023 Milton show, but will recommence soon after. Construction Period: Project is still on track and to be delivered in April 2023.
	Ulladulla Skate Park	16,328	44,524	3,329,900	1%	City Lifestyles	Detailed design of the skate park is 97% completed. Tender documentation for construction is currently being prepared. One combined invitation to tender process for this skate park and the Bay and Basin Leisure Centre Skate Park is planned.
	Ulladulla Tennis Lighting Upgrade	330,485	366,470	453,399	81%	City Lifestyles	Practical completion reached. Asset in use and handed over to custodian.
	Basin - LRRP - Resheet / Reseal	280,231	304,162	725,028	42%	City Services	The initial scope of works including revoted works are 100% completed and an additional round of resealing works are being scoped relative to remaining budget following a review of the work orders.
	BBRF3 Myola Active Transport	26,469	32,369	778,114	4%	City Services	Tender closed in mid-September 2022. However, no tender was submitted which resulted in some delay. The project was retendered. However, the proposal does not meet Grant funding requirement and requires additional fund.
	Bolong Rd 9.46-10.08 widen shldr	-	-	839,343	0%	City Services	Finance review in progress Design works are complete, and the works have been tendered. Returned tenders show a budget shortfall of at least \$850,000, predominantly due to Acid Sulfate Soil constraints not fully considered in the project cost estimates. Additional grant funding has been sought from TfNSW; however, this request has been rejected. Works can only proceed once additional funding is allocated.
	Braidwood Road - Safer Roads Project	486,773	559,370	559,370	100%	City Services	The stabilisation, sealing, and audible linemarking portion of works complete. Minor works including guideposting and general clean up to be completed before end of the month.
	Callala Bch Rd - LRRP CH0.54 - CH1.82 Rd&Culv Rural Renewal	510,682	541,908	541,908	100%	City Services	Asphalt surface constructed and linemarking complete
	Central - LRRP - Resheet / Reseal	3,328	12,745	849,090	2%	City Services	Preparation works have commenced.
	Culburra - Culburra Rd (R2R) - CH 0.760 to 1.13km	26,121	37,239	502,656	7%	City Services	Tender for construction work complete. Awaiting additional fund to award the contract.
	Currambene/Bowen St, Huskisson - R/bout Safer Roads Project	-	-	682,420	0%	City Services	No Current Budget Allocation - previously there was a budget shortfall 200K for actual cost of Construction and current Proposed Budget in 21/22 year. Grant funding variation has been applied for and the aim is to take the project to tender with the Sydney/Bowen st upgrade project to maximise efficiencies.
	Curarong - Curarong Rd Rehab - CH 7.5-1 CH 11.4	49,420	75,569	422,292	18%	City Services	Stage 1 Chainage 7.50km to 11.40km Construction works complete. Telstra has raised an issue with a Telstra conduit that appears to be still active under the new road profile. Remedial actions being negotiated with the various stakeholders. Potential for additional costs to Council. Stage 2 Chainage 11.40km to 11.70km Design completed to 90%. Geo-tech field work completed and awaiting report for final structural design to be completed.
	Island Point Rd - LRRP CH1340 CH1515 Cons Urban Renewal	19,528	744,550	843,072	88%	City Services	Contracts have been signed, commencement of project after Australia Day and competition scheduled end of Q3.

		● On Track	● On Hold	● Under Close Monitoring	● Completed			
Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Current Status	Last Comment
	Lake Conjola Ent Rd - LRRP Various Sites Urban Upgrade	946,860	1,020,057	1,717,956	59%	City Services	●	Stage 1 road reconstruction is complete (Boeing Avenue and Carroll Avenue). Design is currently taking place for Stage 2 (Lake Conjola Entrance Rd west of Boeing Ave and east of Carroll Ave).
	Lake Conjola, LC Entrance Road - SUP Bridge - BLERF	10,548	50,908	971,215	5%	City Services	●	Community consultation is complete. Concept design and REF being finalised for tendering early in 2023.
	Loralyn Av - Pedestrian Walmer SUP Urban Upgrade/New	-	-	450,000	0%	City Services	●	Tender submissions currently being reviewed.
	Main Rd, Cambewarra (SRV 2014)	652,790	652,790	633,320	103%	City Services	●	Preliminary works underway. Rehabilitation scheduled for Q4
	Matron Porter/Bishop Dr - Pedestrian SUP Con Urban New	-	-	650,000	0%	City Services	●	Works in progress under VPA, the shared user path is to be delivered as part of the works. Wet weather is delaying completion now expected in Q3.
	Meroo Rd - LRRP CH0.3 CH1.5 Cons Urban Renewal	15,637	19,477	1,509,782	1%	City Services	●	Project is scheduled for Q4 construction. Updated drawings are confirmed as received by Jemena. Awaiting design approval from Jemena Engineering Team.
	Murramarang Rd – Shared User Path (Bawley Point - Kioloa)	445,674	445,674	473,808	94%	City Services	●	Construction of 1km of path from the Racecourse Beach access carpark towards Kioloa is complete. Asset capitalisation in progress. Further construction pending funding allocation.
	Murramarang Rd Bawley Pt CH0.320-1.360	5,650	1,460,516	1,500,000	97%	City Services	●	Contract awarded. Contractor to commence on site mid-Feb 2023.
	North - LRRP - Resheet / Reseal	106,958	205,673	976,518	21%	City Services	●	Scope identified as unfeasible due to insufficient internal resources for resheet preparation works and inadequate budget to Contract the preparation works. Alternative roads are being considered for resheet/ improvements that are not impacted by high preparation requirements. Alternate road repairs planned to commence in Q3.
	Nowra CBD Renewal	16,560	19,287	1,393,408	1%	City Services	●	A consultant Nowra CBD Place Manager has been appointed to deliver this project. The most recent event was the Christmas Wonderland in Junction Court.
	Old Southern Rd - LRRP BrwnsRd/ Twin Wtrns Sth Urban Renewal	7,445	8,545	450,000	2%	City Services	●	Survey has been completed. Design works in progress for the SUP, Q4 delivery for design. Roads unit undertaking pavement design Q3. Roads unit rehab commencement & delivery scheduled for Q4.
	Placemaking for Vincentia Village BBRF	1,388,098	2,455,793	2,455,793	100%	City Services	●	The Northern Carpark was opened prior to the Christmas period and it has been well received by the community. This opening now allows for circulation across the mall and easier access to shops. Works are now proceeding on the central areas, toilets and southern car park with an aimed completion of May 2023. Areas will open progressively during this time.
	River Rd, Shoalhaven Heads- SUP Stage 2- CH 0.650 to CH 0.970	-	-	704,692	0%	City Services	●	Grant funding was awarded in late 2022 with a design change stipulation. Redesign works are in progress; however, time impacts are not yet known. In principle, the grant body, TfNSW, has given approval to extend the completion date and increase the grant funding amount to accommodate the design changes.
	Sanctuary Point Carparking	-	-	702,961	0%	City Services	●	Concept access way developed from Kerry St to future carpark. Further investigation can commence once the design and impact from the library development has been quantified.
	Shoalhaven Hds Rd - LRRP CH0 CH1 Cons Urban Renewal	52,437	52,537	400,000	13%	City Services	●	Works are on track for a reduced scope of works due to budget constraints resulting in the shortening of proposed works from 1000 m to approximately 300 m. Works scheduled for Q4.
	South - LRRP - Resheet / Reseal	212,984	703,258	1,114,505	63%	City Services	●	Projects for the southern resheet program has been finalised and preparation works will commence in Q3.
	Special Local Roads Improvement Program	1,346,199	2,615,230	4,001,444	65%	City Services	●	Works scheduled for Q3 in 22/23 FY are being reviewed due to pavement damage from the March 2022 severe weather event. All funding is now committed with works continuing during Q2 and Q3 of 22/23 FY.
	St Vincent St - Pedestrian High Schl Safety Const Urban New	57,177	94,495	1,638,789	6%	City Services	●	Design handover expected early in 2023 for tendering soon after.
	Terara Rd - LRRP Various Constr Renewal	13,814	16,395	535,308	3%	City Services	●	Service location and geotechnical works in progress, project scheduled for construction Q4 - Roads Team

<div> ● On Track ● On Hold ● Under Close Monitoring ● Completed </div>							
Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Last Comment
	The Wool Rd - RRRP CH1.9 CH2.4 Design Urban Renewal	-	-	800,000	0%	City Services	Details of additional Federal grant funding for The Wool Road are being finalised with an aim to redirect the regional road repair funding to an alternative priority site in collaboration with Council's Assets team. The natural disasters component under Basin package 1 has been completed with sections of The Wool Road in Basin View.
	Thomson St, Sussex Inlet - Raised Median, Cyclist Treatment	20,255	44,700	571,073	8%	City Services	Design is complete. Tender submissions for construction are due 02/02/2023.
	Upper Kangaroo River Rd, Kangaroo Valley - Safer Roads Proj	-	-	685,000	0%	City Services	Project scheduled to commence 30/1/23
	Worrigee - Worrigee Rd - Fixing Local Roads Program	1,285,606	1,398,390	1,556,718	90%	City Services	Construction work 95% complete.
Stormwater	Moss Vale Road South URA Drainage	-	-	4,304,782	0%	City Futures	Wetland for Stage 1 subdivision now complete. Supporting drainage work for future subdivision stages is however development dependent and as such is not able to progressed at this point.
Strategic Roads and Bridges	Croobyar Rd, Milton - Road Rehab & Widening	763,906	763,906	721,283	106%	City Services	Project completed in December 2022.
	Far North Collector Road D & C	9,496,657	22,292,587	22,443,243	99%	City Services	All Bridge Girders have landed and been placed. Embankment foundation treatments have continued to progress through the low-lying soft soils areas with these now being substantially completed. Earthworks general fill placement is ongoing. The cattle crossing is complete and being back filled. The first gas protection structure is now complete, and the second is nearing completion Possession of the final part of the site at Moss Vale Road has been granted to the Contractor and final preparations are underway prior to works commencing on the State road network within the next month.
	Huskinson Service Lane - Morton Street	-	-	1,631,240	0%	City Services	Project has been allocated to a new resource within the strategic planning department to take forward. Project was previously on hold due to resourcing and other priorities.
	Kings Point Drive (2kms from Princes Highway)	896,845	896,845	956,948	94%	City Services	Construction complete. Capitalisation of assets and financial completion in progress.
	Moss Vale Road South URA land acquisitions	2,896	2,896	970,213	0%	City Services	8 identified parcels of land for open space have been acquired successfully. This will allow embellishment to occur and usable for the first residents of the URA. 1 allotment to be dedicated as part of subdivision consent. 1 allotment not proceeding and will be dedicated to SCC in a future development.
	Moss Vale Road URA Road Construction	-	-	3,475,187	0%	City Futures	Early lead in roads within the Moss Vale Road South urban release area have been completed. Other remaining future road works are development development and will need to be progressed accordingly.
	Mundamia Urban Release Area - Roads LCL	-	-	5,596,651	0%	City Futures	Designs on the 3 x Yalwal Rd intersections progressing. Timing & priority of future construction will need to be considered alongside Yalwal Rd repair & rehabilitation work. Will be reported to Council as needed. Progressing a proposed planning agreement with the Mundamia developer for the delivery of lead-in roads.
	Sydney/Bowen St - Rds Strtgy CP03ROAD2115 Con Urban Upgrade	47,516	50,966	1,310,403	4%	City Services	Amendments have been made the design following feedback from the community. Detailed design plans complete project tendering start of Q3 construction phase Q4.
	Biolektra Resource Recovery Facility RRF	1,002,992	8,286,799	8,286,799	100%	City Services	Stage 1 work well underway
Waste and Recycling Program	Landfill Extension - West Nowra	434,832	517,681	590,000	88%	City Services	reparatory earthworks commenced for completion at end of 22/23

<div> ● On Track ● On Hold ● Under Close Monitoring ● Completed </div>							
Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Last Comment
	Materials Recovery Facility	5,264,918	16,262,797	19,822,432	82%	City Services	Development Consent attained on 22 December 2022. Quotations for Building certifier being obtained, with the building contractor ready to mobilise on site. Equipment supplier is in the process of fabricating the sorting equipment.
	Shoalhaven MICROfactorie	411,164	422,000	422,000	100%	City Services	Power supply delayed due to lack of distribution board availability in Australia, which affects final commissioning. Four presses installed in place.
	Waste Education Centre	167,706	400,000	400,000	100%	City Services	Architectural design underway
	Waste Hardstands and Roads	39,230	85,793	768,017	11%	City Services	Weather issues delay and lack of interested tenderers. Redesign and reissue tenders
	Waste Landfill Cell Construction - West Nowra	252,600	594,197	1,169,679	51%	City Services	Floor level constructed and rolled, ready for lining. Drainage material delivered. Lining works are particularly vulnerable to wet weather (welding of joints must be dry) so have been put off until a predicted dry spell. Completion by end of third quarter depending on continuation of El Nina weather events.
	Waste Plant and Vehicle Purchases	647,378	817,253	817,253	100%	City Services	Procurements in progress - long delays in delivery
Water and Sewer Services	Bendeela Reservoir	252,800	950,000	950,000	100%	Shoalhaven Water	Project is on track and progressing well with major construction work on the reservoir to commence early 2023 with completion expected late 23.
	Brundee WPS 33kv substation	281,006	1,004,508	1,060,000	95%	Shoalhaven Water	Procurement of materials progressing. Long lead time materials issued to Contractor by Council to arrive shortly. Construction works currently scheduled to be completed post peak holiday period (after Easter) to ensure minimal interruptions to service.
	Burrier WPS 33 kv Substation	545,288	928,595	1,140,000	81%	Shoalhaven Water	Works progressing well, with substation materials to commence at the same time as Stage 2. This is to ensure minimise outage and minimise impact to water supply. Procurement of pump station switch-gear progressing well with works to commence early 2023 post arrival of procurement items.
	Callala SPS 3 RM Replacement	35,594	62,545	830,000	8%	Shoalhaven Water	Final Design received and considered. Further investigations have been conducted by Shoalhaven Water and determined works are no longer required, and project to be closed out following completion of final financial commitments.
	Erowal Bay Sewer Protection	-	-	500,000	0%	Shoalhaven Water	Design is in progress for diversion of sewer rising main and part of gravity network to reduce the consequence of failure. When completed construction work will commence subject to funding. This project has also been included in the draft Coastal Zone Management Plan, to investigate options to further reduce the risks.
	FY- SPS Electrical Control Panel Replacements	144,963	463,899	570,000	81%	Shoalhaven Water	Electrical Design Finalised and accepted by SW Electrical Department on 23/12/22 Manufacturing of the SCA panels has commenced by Metroid Electrical Engineering and first progress claim has been paid 11/01/23. Will attend the Factory Acceptance Testing in February. First Batch of SCA panels are on track to be delivered to SW Flinders Depot in March.
	Moss Vale Rd expansion area - WWTr	11,404,670	21,031,168	22,670,000	93%	Shoalhaven Water	Works progressing well with the Southern pump station circa 98% complete. Pump station commissioning to commence in the new year. Gravity sewer and sewer rising mains from Far North Collector Road to Northern pump station nearing completion. Northern pump station site establishment has commenced with excavation of Northern pump station to commence in the new year. Mobilisation East of the Princes Highway has commenced with sewer rising main construction continuing behind Emerald Drive in January.
	Nowra Lyrebird SPS2 GM Upgrade	-	-	570,000	0%	Shoalhaven Water	The scope of this project remains unclear. No brief has been provided by the client. Awaiting additional input (brief) prior to commencing.
	Nowra Nth surcharge main upgrade stage1	244,116	554,964	1,400,000	40%	Shoalhaven Water	Project back on track following resolution of construction related issues. Further remediation works to commence in January when access to the area is provided by the Contractor.

Program Description	<div><div>● On Track</div><div>● On Hold</div><div>● Under Close Monitoring</div><div>● Completed</div></div>							
	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Current Status	Last Comment
	Nowra Sewer Main Upgrade Program	-	-	700,000	0%	Shoalhaven Water	●	Project not yet scheduled to start before second half of this financial year.
	Nowra Sth Residential SPS D (179D)	-	-	430,000	0%	Shoalhaven Water	●	The Twin Nowra pumping station project is developer driven. Discussions have been held with the developer regarding a delivery model. A price to deliver has been received from the developer. Next step will be a formal Deed.
	Nowra Sth, Flinders Depot electrical work	3,703,584	3,703,584	3,135,000	118%	Shoalhaven Water	●	Rain delays have slowed progress and the estimated completion date is April 2022. Internal fit out has commenced on the training room end. All steel work is completed, windows installed and roof is 70% complete.
	Nth-Sth transfer system improvements	-	-	500,000	0%	Shoalhaven Water	●	Project scheduled to commence in March 2023
	REMS 2.0 - New 900ML Storage Dam	76,922	90,788	802,060	11%	Shoalhaven Water	●	Project Design Phase Works are completed and closed, Project now largely awaiting funding opportunities to proceed to Procurement and Construction (Delivery) Phase.
	Sewer Vehicle Purchases	42,099	292,381	794,299	37%	Shoalhaven Water	●	Forms and Spec's progressing, Global supply issues increasing
	Sewer Plant Purchases	59,233	379,459	1,200,500	32%	Shoalhaven Water	●	Vehicle replacement forms sent through one council to drivers. Those forms that have been finalized have been ordered.
	St Anns and Lyrebird Park SPS Upgrade	1,877,049	2,430,000	2,430,000	100%	Shoalhaven Water	●	Project progressing although requires attention by increasing site coverage SPS 2 and SPS 3 pump station testing is to be completed. All major in ground structures are complete. Switch room work is continuing. Manhole construction works at SPS 3 nearing completion. Electrical installation and switch room building to be finalised shortly. Commissioning works and cutovers are to commence in the new year.
	Upgrade Telecommunications Sites BLERF-0263	222,919	540,781	540,781	100%	Shoalhaven Water	●	Resource and supply line constraints have impacted the project. The impact of the Pandemic on the delivery timeframes and budgets has been recognised by DRNSW. At the invitation of DRNSW an additional funding request has been submitted for consideration and a new timeline for delivery of the project identified. The major electrical components are on track to be delivered this financial year. Water deluge and environmental monitoring systems installation works have been delayed until the first two quarter of the 2023-24 Financial year. A new project completion date of 20th Dec 2023 has been identified.
	Water Moss Vale Road expansion area	834,750	7,594,961	7,594,961	100%	Shoalhaven Water	●	Moss Vale Road Urban Release Area Water works are on track and progressing under separate construction projects being: 1. Design Funding Completion report submitted. 2. Cambewarra Reservoir - Structural design and site establishment in progress during this reporting period. 3. Stage 2 Water pipelines and Illaroo Rd Water Pumping Station - Tender submissions received, assessed and Council approval obtained to award the project.
	Water New services instal & relocate	405,722	409,502	500,000	82%	Shoalhaven Water	●	In progress
	Water Plant Purchases	847,794	1,441,218	2,629,978	55%	Shoalhaven Water	●	Forms and Spec's progressing, Global supply issues increasing
	Water TM relining - Currumbene Crk Woollamia	606,058	880,000	880,000	100%	Shoalhaven Water	●	Final design solution has been submitted and design hold point released, procurement of lining material on track with material to arrive to council compound before Christmas. Execution of works to occur after Christmas & Easter Peak flow periods.
	Water Various Main Replacements	676,136	1,137,420	3,360,000	34%	Shoalhaven Water	●	Project progressing and is on track. Concept Designs for Works Package 2 and Works Package 3 progressing.
	Water Vehicle Purchases	344,489	1,786,975	1,786,975	100%	Shoalhaven Water	●	Forms and Spec's progressing, Global supply issues increasing

● On Track
 ● On Hold
 ● Under Close Monitoring
 ● Completed


Program Description	Project Description	Actuals	Actuals & Commits	Proposed Budget	% Complete Inc Commits	Directorate Description	Current Status	Last Comment
	Yalwal tourist upgrade	114,884	125,627	3,390,000	4%	Shoalhaven Water	●	Only 1 non-conforming Tender submission received, Council rejected tender and accepted the recommendation to go again for the Tender 2nd release (public tender). The project progressing well to attain the required documentation associated with the attainment of the Construction Certificate to be able to start construction activities.
Waterways Infrastructure	Conjola Park Rehabilitation	27,826	45,566	430,644	11%	City Services	●	Design and REF in progress. Handover due May 2023. Expect to tender in Q4.
	St George Basin – Fishing Access Improvements	39,820	64,340	447,830	14%	City Services	●	Concept designs received - internally reviewed
	Woollamia Industrial - Stage 5 - APZ Trail	-	-	495,060	0%	City Services	●	Initial planning for delivery of APZ trail has identified significant challenges in constructing the trail in the current proposed location within the Huskisson Recycling & Waste Depot. Stakeholders are being consulted to identify a solution.
Total:		68,577,149	151,058,186	259,529,362	58%			



Monthly Investment Report

January 2023

CL23.48 - Attachment 1

 IMPERIUM MARKETS	<p>Imperium Markets Pty Ltd ABN: 87 616 579 527 Authorised Representative of Libertas Financial Planning Pty Ltd AFSL 429 718 Phone: +61 2 9053 2987 Email: michael.chandra@imperium.markets Level 9 Suite 06, 70 Phillip Street, Sydney NSW 2000</p>

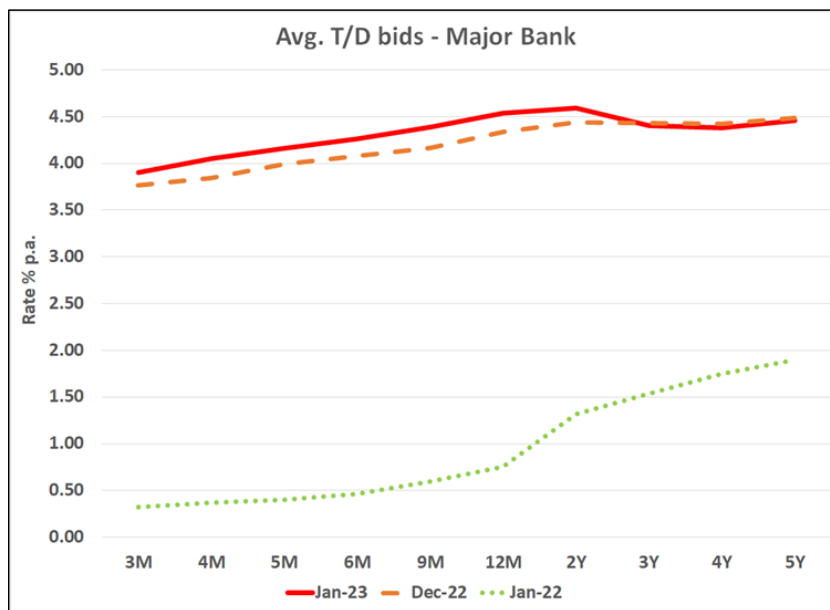


Market Update Summary

Risk markets were aided in January as recent data indicated there were signs the global economy may be weathering inflation better than previously anticipated. Several global central banks also hinted they may pause their aggressive rate hike cycles in the near future.

Domestically, the labour market remains tight, but timely indicators of labour demand are off their peaks as labour supply has normalised and frictions associated with rapid employment growth out of pandemic impacts moderate. Although labour costs pressures are evident in the latest CPI figures for Q4 2022, there are reasons to be optimistic that some stabilisation in wages growth can occur without a sharply higher unemployment rate, including the normalisation in labour supply. For now, the RBA continues to signal that it expects to increase interest rates further over the period ahead, with up to 2-3 hikes already largely priced into the market by Q2-Q3 2023, taking the cash rate up to 3%. Thereafter, noting the lags in monetary policy, a pause around the end of Q2-Q3 is likely whilst the RBA monitors the economic data.

Despite more rate rises on the horizon, given an upward sloping deposit curve, maintaining a slightly longer average duration position on deposits will continue to outperform shorter durations. The deposit market has largely already factored in the current rate hike cycle, reflected by the flattening of the curve demonstrated by the longer-term tenors (+2yrs) over the past few months (the market is also factoring in a recession over coming years). Interestingly, amongst the major banks, some 2-5 year deposit rates are now being offered slightly below 12 month rates:



Source: Imperium Markets



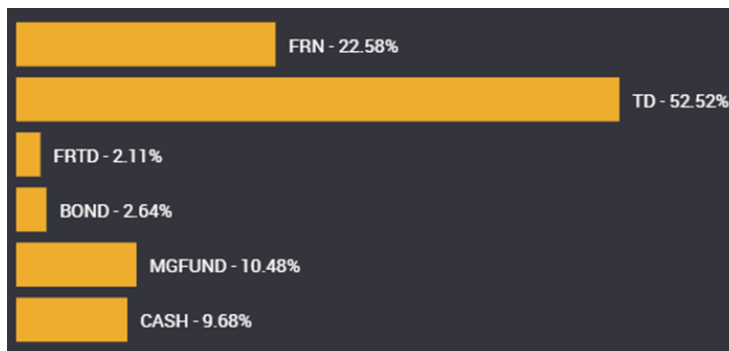
'New' investments above 4%-4½% p.a. is now possible if Council can place the majority of its surplus funds for terms of 12 months to 2 years. With recessionary fears being priced in coming years, investors may take an insurance policy by investing across 3-5 year fixed deposits and locking in rates above 4½% p.a. (small allocation only), ahead of any potential rate cuts should inflation be under control.

Council's Portfolio & Compliance

Asset Allocation

The majority of the portfolio is directed to fixed and floating rate term deposits, followed by liquid senior FRNs. The remainder of the portfolio is directed to the managed with TCorp, the introduction of fixed bonds with Northern Territory, as well as cash accounts.

Senior FRNs are now becoming more attractive as spreads have widened over the past year – new issuances should now be considered again on a case by case scenario. In the interim, fixed deposits for 12 months to 3 years appear quite appealing following the spike in medium-to longer-term yields during the rate hike cycle. With recessionary fears being priced in coming years, those investors that can allocate longer-term surplus funds may take an insurance policy by investing across 3-5 year fixed deposits, locking in and targeting yields above 4½% p.a.





Term to Maturity

All maturity limits (minimum and maximum) comply with the Investment Policy. Short-Medium Term (1-2 years) assets account for around 11% of the total investment portfolio, with capacity of ~\$111m remaining.

We recommend surplus funds be allocated to 1-3 year fixed rate term deposits in combination with any attractive new FRNs (3-5 years) as they come to market (refer to respective sections below).

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 - 90 days	\$37,343,283	19.71%	0%	100%	\$152,119,408
✓	91 - 365 days	\$72,000,000	38.00%	0%	100%	\$117,462,691
✓	1 - 2 years	\$21,489,333	11.34%	0%	70%	\$111,134,551
✓	2 - 5 years	\$38,783,685	20.47%	0%	50%	\$55,947,660
✓	5 - 10 years	\$19,846,390	10.48%	0%	25%	\$27,519,283
		\$189,462,691	100.00%			



Individual Counterparty Limits

As at the end of January 2023, all counterparty exposures comply within the Policy limits. Capacity limits are also dependent on the movement in the cash balances. Overall, the portfolio is well diversified across the entire credit spectrum, including some exposure to the regional bank (lower rated) ADIs.

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	Bendigo Covered	AAA	\$4,007,844	2.12%	100.00%	\$185,454,847
✓	ING Covered	AAA	\$2,204,857	1.16%	100.00%	\$187,257,834
✓	ANZ	AA-	\$3,228,179	1.70%	100.00%	\$186,234,511
✓	CBA	AA-	\$29,771,418	15.71%	100.00%	\$159,691,273
✓	NAB	AA-	\$44,203,854	23.33%	100.00%	\$145,258,836
✓	Northern Terr.	AA-	\$5,000,000	2.64%	100.00%	\$184,462,691
✓	NSW (SIRA)	AA+	\$3,077,000	1.62%	100.00%	\$186,385,691
✓	Westpac	AA-	\$20,004,287	10.56%	100.00%	\$169,458,404
✓	Citibank	A+	\$1,000,147	0.53%	100.00%	\$188,462,544
✓	Macquarie	A+	\$5,945,504	3.14%	100.00%	\$183,517,187
✓	Rabobank	A+	\$5,979,688	3.16%	100.00%	\$183,483,003
✓	Suncorp	A+	\$6,743,576	3.56%	100.00%	\$182,719,115
✓	Bank of China	A	\$2,484,899	1.31%	100.00%	\$186,977,791
✓	ING Bank	A	\$18,000,000	9.50%	100.00%	\$171,462,691
✓	BoQ	BBB+	\$5,000,000	2.64%	10.00%	\$13,946,269
✓	Bendigo	BBB+	\$1,649,648	0.87%	10.00%	\$17,296,621
✓	AMP Bank	BBB	\$4,717,954	2.49%	5.00%	\$4,755,181
✓	Auswide Bank	BBB	\$1,499,704	0.79%	5.00%	\$7,973,430
✓	MyState Bank	BBB	\$3,000,000	1.58%	5.00%	\$6,473,135
✓	Newcastle PBS	BBB	\$2,097,742	1.11%	5.00%	\$7,375,392
✓	NSW TCorp LTG	Unrated	\$19,846,390	10.48%	100.00%	\$169,616,301
			\$189,462,691	100.00%		

In late June 2022, Standard & Poor's downgraded Suncorp-Metway from AA- to A+ (negative watch). Suncorp recently announced that it is undertaking a strategic review of its banking operations. The downgrade reflects S&P's view that the Suncorp Group's likelihood of support for the bank had "slightly" diminished and that it was no longer a core part of the Group. In July 2022, ANZ (AA-) announced it was putting a bid to buy Suncorp's banking division for ~\$3.9bn. Should that takeover be formalised, Suncorp-Metway's (A+) current credit rating is likely to be upgraded to ANZ's (AA-).

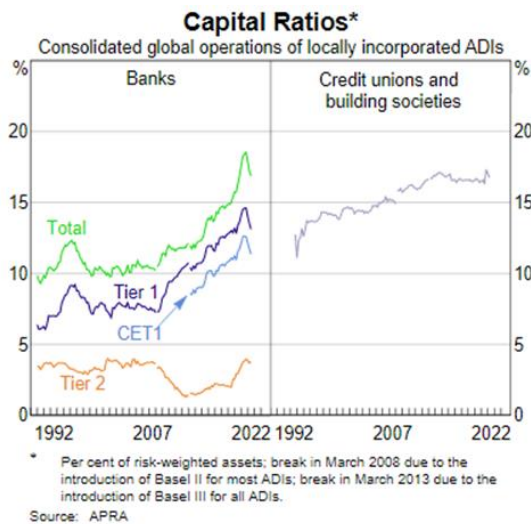
We remain supportive of the regional and unrated ADI sector (and have been even throughout the post-GFC period). They continue to remain solid, incorporate strong balance sheets, while exhibiting high levels of capital – typically, much higher compared to the higher rated ADIs. Some unrated ADIs have up to 25-40% more capital than the domestic major banks, and well above the Basel III requirements.



Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). APRA's outgoing Chair Wayne Byres recently noted that the Common Equity Tier 1 capital of Australian banks now exceeds a quarter of a trillion dollars. It has increased by \$110 billion, or more than 70%, over the past eight years. Over the same time, banks' assets have grown by 44%. Some of the extra capital is supporting growth in the banking system itself but clearly, there has been a strengthening in overall resilience and leverage in the system is lower.

We believe that deposit investments with the lower rated ADIs should be considered going forward, particularly when they offer 'above market' specials. Not only would it diversify the investment portfolio and reduce credit risk, it would also improve the portfolio's overall returns. The lower rated entities are generally deemed to be the more 'ethical' ADIs compared to the higher rated ADIs.

In the current environment of high regulation and scrutiny, all domestic (and international) ADIs continue to carry high levels of capital. There is minimal (if any) probability of any ADI defaulting on their deposits going forward – this was stress tested during the GFC and the pandemic period. **APRA's mandate is to "protect depositors" and provide "financial stability".**





Overall Credit Quality Limits

The portfolio is well diversified from a credit ratings perspective. The portfolio is predominately invested amongst the investment grade ADIs (BBB- or higher). The allocation to the Unrated category reflects the investment in the TCorp Long-Term Growth Fund.

All ratings categories are within the Policy limits:

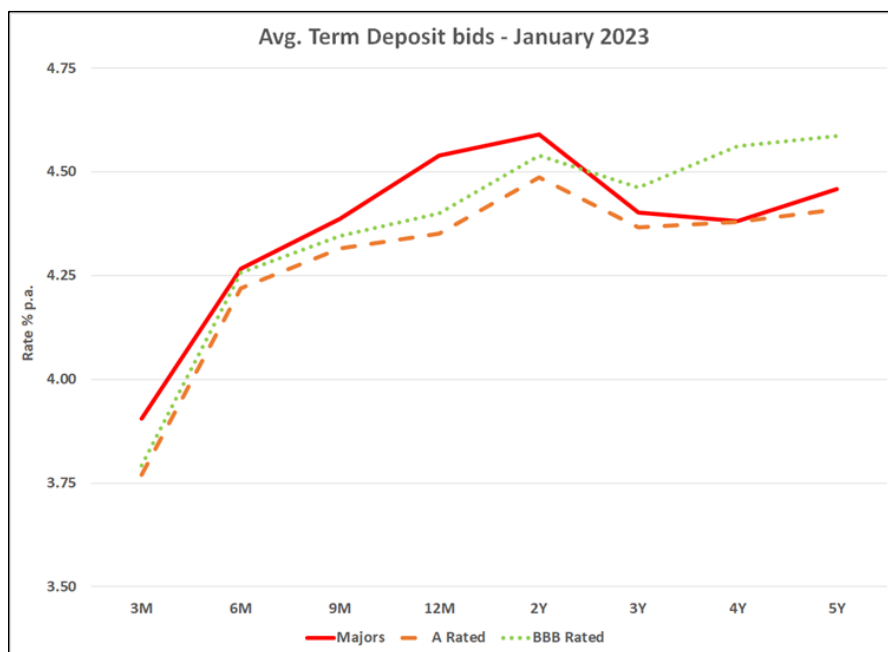
Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	AAA Category	\$6,212,701	3%	100%	\$183,249,990
✓	AA Category	\$105,284,738	56%	100%	\$84,177,953
✓	A+ to A Category	\$40,153,814	21%	100%	\$149,308,877
✓	A- Category	\$0	0%	40%	\$75,785,076
✓	BBB+ to BBB Category	\$17,965,048	9%	30%	\$38,873,759
✓	BBB- & NR Category	\$0	0%	5%	\$9,473,135
✓	NSW TCorp LTGF	\$19,846,390	10%	100%	\$169,616,301
		\$189,462,691	100.00%		

Pre-pandemic (March 2020), a 'normal' marketplace meant the lower rated ADIs (i.e. BBB category) were offering higher rates on term deposits compared to the higher rated ADIs (i.e. A or AA rated). But due to the cheap funding available provided by the RBA via their Term Funding Facility (TFF) since mid-2020¹, allowing the ADIs to borrow as low as 0.10% p.a. fixed for 3 years, those lower rated ADIs (BBB rated) did not require deposit funding from the wholesale deposit from the likes of Council. Given the higher rated banks had more capacity to lend (as they have a greater pool of mortgage borrowers), they subsequently were offering higher deposit rates. In fact, some of the lower rated banks were not even offering deposit rates at all. As a result, most investors placed a higher proportion of their deposit investments with the higher rated (A or AA) ADIs over the past three years.

In the interim, the 'abnormal' marketplace still largely exists, with the higher rated banks (majors) often paying a higher rate of return over the lower rated institutions across various parts of the curve on any particular day. Over the next few years, with the RBA now removing these cheap borrowing facilities, this should result in some of the lower rated banks (BBB rated) starting to become more competitive as the market starts to 'normalise'. Council should have a larger opportunity to invest a higher proportion of its surplus funds with the lower rated institutions (up to Policy limits), from which the majority are not lending to the Fossil Fuel industry or considered more 'ethical'.

We are slowly seeing this trend emerge, as has been the case in recent months:

¹ The RBA's Term Funding Facility (TFF) allowed the ADI to borrow as low as 0.10% fixed for 3 years: <https://www.rba.gov.au/mkt-operations/term-funding-facility/overview.html>



Source: Imperium Markets



Performance

Council's performance for the month ending January 2023 (excluding cash) is summarised as follows:

Performance (Actual)	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.26%	0.75%	1.32%	1.44%	1.56%
AusBond Bank Bill Index	0.27%	0.77%	1.31%	1.44%	1.52%
T/D Portfolio	0.24%	0.60%	0.97%	1.06%	1.45%
FRT/D Portfolio	0.36%	1.04%	2.01%	2.28%	3.58%
FRN Portfolio	0.34%	1.01%	1.99%	2.39%	4.01%
Bond Portfolio	0.09%	0.27%	0.55%	0.64%	1.08%
Council's Fixed Interest[^]	0.26%	0.71%	1.22%	1.40%	2.13%
TCorp LTGF	3.73%	3.40%	3.49%	7.29%	-3.36%
TCorp Long-Term Target ^{^^}	0.50%	1.48%	2.98%	3.49%	6.00%
Council's Total Portfolio	0.65%	1.03%	1.49%	2.03%	1.39%
Performance (to Bank Bills)	0.39%	0.27%	0.18%	0.59%	-0.12%

[^]Council's Fixed Interest portfolio returns excludes Council's cash account holdings.

^{^^}TCorp has a target of 3.5% above inflation of ~2.5%. The long-term target is therefore 6% p.a. on an ongoing basis.

Performance (Annualised)	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	3.10%	3.02%	2.64%	2.45%	1.56%
AusBond Bank Bill Index	3.18%	3.08%	2.63%	2.46%	1.52%
T/D Portfolio	2.80%	2.39%	1.93%	1.81%	1.45%
FRT/D Portfolio	4.29%	4.20%	4.04%	3.90%	3.58%
FRN Portfolio	4.13%	4.07%	3.99%	4.09%	4.01%
Bond Portfolio	1.11%	1.09%	1.09%	1.09%	1.08%
Council's Fixed Interest[^]	3.15%	2.83%	2.44%	2.39%	2.13%
TCorp LTGF	53.85%	14.17%	7.05%	12.69%	-3.36%
TCorp Long-Term Target ^{^^}	6.00%	6.00%	6.00%	6.00%	6.00%
Council's Total Portfolio	7.94%	4.16%	2.99%	3.47%	1.39%
Performance (to Bank Bills)	4.76%	1.08%	0.36%	1.02%	-0.12%

[^]Council's Fixed Interest portfolio returns excludes Council's cash account holdings.

^{^^}TCorp has a target of 3.5% above inflation of ~2.5%. The long-term target is therefore 6% p.a. on an ongoing basis.

For the month of January, the total portfolio (excluding cash) provided a return of +0.65% (actual) or +7.94% p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.27% (actual) or +3.18% p.a. (annualised). Over the past year, the portfolio returned a positive return of +1.39% p.a., underperforming bank bills by 0.12% p.a.

The longer-term positive performance continues to be anchored by the handful of deposits that were originally placed for terms greater than 12 months. Going forward, despite additional rate hikes over



coming months, Council's interest income can be increased significantly by undertaking a slightly longer duration position (12-24 months), with rates on offer along this part of the curve likely to be offered up to ¼-½% higher than the rate compared to shorter tenors. However, the volatility of the TCorp Long-Term Growth Fund will also greatly impact returns on any month.

The T-CorpIM Growth Fund was a strong contributor to performance this month, with the Fund returning +3.73% (net actual) as shares (domestic and international) rebounded. Despite the volatility in the Fund over the past few years, the Growth Fund has performed well over longer-term time periods.



NSW T-CorpIM Growth Fund

The Growth Fund returned +3.73% (actual) for the month of January. The gains this month were attributed to international shares (the MSCI World ex-Australia Index rose +6.92%) and domestic shares (the S&P ASX 200 Accumulation Index added +6.23%). Also contributing to the gains was the exposure to fixed bonds (AusBond Composite Bond Index rose +2.76%).

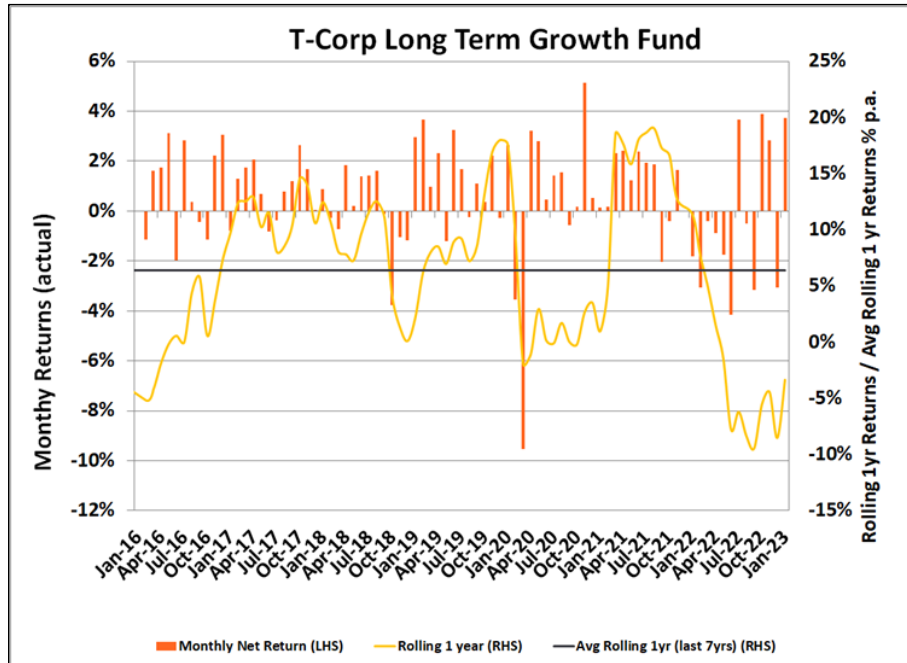
The past year has been dominated by escalating supply tensions emanating from the war in Ukraine which pushed inflation much higher and for longer than anyone was expecting. The ramped-up response by central banks, in retrospect, was largely expected.

Looking into 2023, asset markets will have to work through the consequences of the above events of 2022. Geopolitical tensions are likely to remain elevated and these tensions could take an unexpected turn at any time. Be warned and be prepared to adapt. Many supply problems have dissipated and while there is no return to the pre-Covid norm, the economic impact from supply is likely to be much less in 2023. The year ahead may see some demand destruction wreaked by the most aggressive monetary policy tightening cycle since the 1980s. The prevailing conditions for households and corporates have been robust compared to past tightening cycles, however the signalling from central banks is they intend to cause stress for both groups.

Overall, we remain cautious on the future performance of the T-Corp Growth Fund given the high volatility associated with a diversified growth fund, which generally allocates a range of 60%-80% in domestic and international shares. Investors are bracing for central banks to raise official rates more aggressively than previously anticipated to combat inflation driven by supply-chain bottlenecks, a global energy crunch and ongoing geopolitical risks.

The Fund should be looked at with a long-term view, with a minimum holding period of +7 years. Given the exposure to the volatile asset of shares, Council should expect to see, on average, a negative month once every 3 months over a long-term holding period.

Since Inception	T-Corp Long Term Fund
Negative Months	138 (~1 in 3 months)
Positive Months	265
Total Months	403 (33.6 yrs)
Average Monthly Return	+0.64% (actual)
Median Monthly Return	+1.02% (actual)
Lowest 1 year Rolling Return	-21.12% p.a. (Nov 2008)
Highest 1 year Rolling Return	+29.89% p.a. (Jan 1994)



CL23.48 - Attachment 1



Council's Term Deposit Portfolio & Recommendation

As at the end of January 2023, Council's deposit portfolio was yielding 2.83% p.a. (up 12bp from the previous month), with a weighted average duration of ~222 days (7½ months).

Over a longer-term cycle, investors are rewarded if they can continue to maintain a slightly longer average duration. In a 'normal' marketplace, yields at the long-end are generally offered at a slight premium over shorter tenors.

At the time of writing, we see value in:

	LT Credit Rating	Term	T/D Rate
ING	A	3 years	4.62% p.a.
ING	A	2 years	4.61% p.a.
CBA	AA-	2 years	4.64% p.a.
BoQ	BBB+	2 years	4.55% p.a.
Westpac	AA-	2 years	4.50% p.a.
NAB	AA-	2 years	4.50% p.a.
Hume Bank	BBB+	2 years	4.50% p.a.
Suncorp	A+	2 years	4.45% p.a.

The above deposits are suitable for investors looking to maintain diversification and lock-in a premium compared to purely investing short-term. For terms under 12 months, we believe the strongest value is currently being offered by the following ADIs (dependent on daily funding requirements):



ADI	LT Credit Rating	Term	T/D Rate
CBA	AA-	12 months	4.69% p.a.
NAB	AA-	12 months	4.60% p.a.
Westpac	AA-	12 months	4.59% p.a.
ING	A	12 months	4.55% p.a.
Suncorp	A+	12 months	4.50% p.a.
BoQ	BBB+	12 months	4.50% p.a.
Hume Bank	BBB+	12 months	4.50% p.a.
CBA	A+	6 months	4.41% p.a.
BoQ	BBB+	6 months	4.40% p.a.
CBA	AA-	3 months	4.13% p.a.

If Council does not require high levels of liquidity and can stagger its investments longer-term, it will be rewarded over coming years if it can roll for an average min. term of 12 months - 2 years (this is where we see current value), yielding, on average, up to ¼% p.a. higher compared to those investors that entirely invest in short-dated deposits (under 6-9 months).

With recessionary fears being priced in coming years, assuming inflation is under control, Council may consider taking an insurance policy by investing across 3-5 year fixed deposits and locking in rates above 4½ p.a., ahead of any potential future rate cuts.

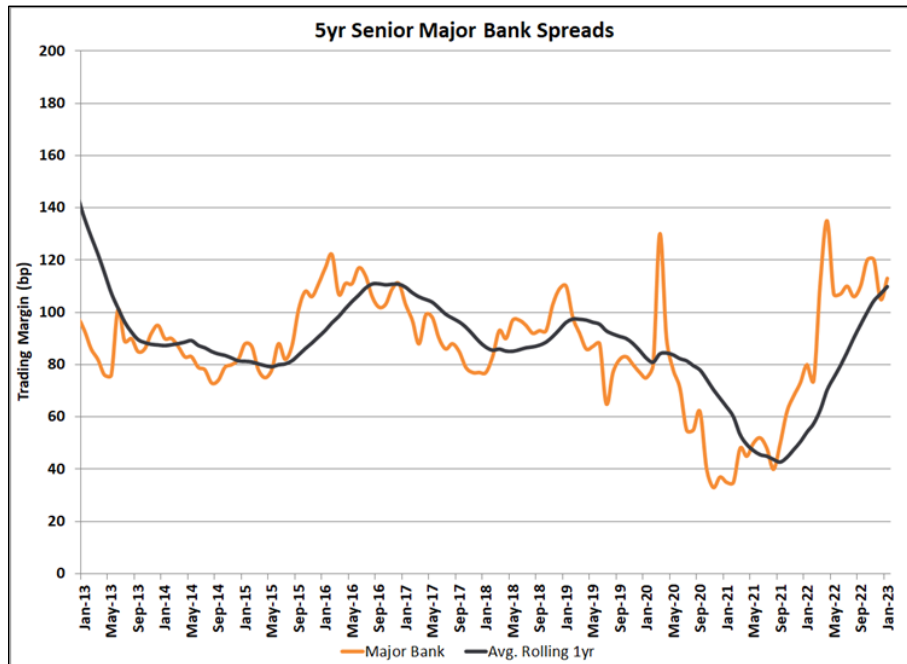
AMP Business Saver & Notice Account

We note the AMP Business Saver and AMP 31 Day Notice Account are now sub-optimal investments given the rise in deposit yields in recent months. We recommend switching into short-dated fixed deposits with the major banks yielding a considerably higher rate of return.



Senior FRNs Review

Over January, amongst the senior major bank FRNs, physical credit securities widened up to 10bp at the long-end of the curve. This was mainly driven by CBA's (AA-) dual 3 and 5 year primary issuance at +90bp and +115bp respectively. Major bank senior securities are now looking fairly attractive again in a rising rate environment (5 year margins above the +110bp level):



Source: IBS Capital

During January, there were other noticeable new primary issuances from:

- ICBC, Sydney Branch (A) 3 year senior 'green' FRN at 103bp
- Rabobank, Australian Branch (A+) 5 year senior FRN at +118bp
- Bendigo-Adelaide (BBB+) 4 year senior FRN at +135bp
- BoQ (BBB+) 4 year senior FRN at +135bp
- Great Southern Bank (BBB) 4 year senior FRN at +165bp

Amongst the "A" rated sector, the securities were marked up to 5bp wider at the 5 year part of the curve, whilst the "BBB" rated sector was marked up to 15bp tighter (on the 3 year part of the curve) due to recent new issuances.



Credit securities are looking much more attractive given the widening of spreads in 2022. FRNs will continue to play a role in investor's portfolios mainly on the basis of their liquidity and the ability to roll down the curve and gross up returns over ensuing years (in a relatively stable credit environment).

Senior FRNs (ADIs)	31/01/2023	31/12/2022
"AA" rated – 5yrs	+113bp	+105bp
"AA" rated – 3yrs	+88bp	+82bp
"A" rated – 5yrs	+130bp	+125bp
"A" rated – 3yrs	+103bp	+105bp
"BBB" rated – 3yrs	+150bp	+165bp

Source: IBS Capital

We now generally recommend switches ('benchmark' issues only) into new primary issues, out of the following senior FRNs that are maturing:

- On or before early 2025 for the "AA" rated ADIs (domestic major banks);
- On or before early 2024 for the "A" rated ADIs; and
- Within 6-9 months for the "BBB" rated ADIs (consider case by case).

Investors holding onto the above senior FRNs ('benchmark' issues only) in their last few years are now generally holding sub-optimal investments and are not maximising returns by foregoing realised capital gains. In the current challenging economic environment, any boost in overall returns should be locked in when it is advantageous to do so, particularly as switch opportunities become available.

Primary (new) FRNs are now looking more appealing and should be considered on a case by case scenario.



Council's FRN Portfolio – Sale/Switch Recommendations

Over the next few months, we recommend Council sells out of the following FRN as it is yielding a low rate to maturity (less than 4% p.a.):

Issuer	Rating	Maturity Date	ISIN	Face Value	Trading Margin	Capital Price (\$)	Unrealised Gain (\$)
WBC	AA-	16/08/2024	AU3FN0048187	\$1,000,000	+57.5bp	\$100.429	\$4,287

A switch into a newly issued (attractive) FRN is suitable. Alternatively, a switch into a term deposit yielding above 4.50%-4.65% p.a. can be achieved with the major banks if replacing for a term between 1-3 years.

We recommend that Council retain all its FRNs at this stage. We will continue to monitor them individually and will advise when it is appropriate to sell to boost the overall returns of the portfolio.

Council's Senior Fixed Bonds

In September 2020, Council has invested into the following NTTC (AA-) fixed bonds:

Investment Date	Maturity Date	Principal	Rate % p.a.	Interest Paid
15/09/2021	15/12/2024	\$3,000,000	1.00%	Annually
15/09/2021	15/12/2025	\$2,000,000	1.10%	Annually
Totals / Wgt. Avg.		\$5,000,000	1.04%	

We believe this was prudent given the low rate environment and particularly after the RBA's easing decision in early November 2020 and forward guidance towards official interest rates (no rate rises "until at least 2024").

The NTTC bonds are a 'retail' offering and not 'wholesale' issuances. Given the lack of liquidity and high penalty costs if they were to be sold/redeemed prior to the maturity date, they are considered to be a hold-to-maturity investment and will be marked at par value (\$100.00) throughout the term of investment.



Senior Fixed Bonds – ADIs (Secondary Market)

As global inflationary pressures have escalated, this has seen a significant lift in longer-term bond yields (valuations fell) as markets have reacted accordingly.

This has resulted in some opportunities in the secondary market. We currently see value in the following fixed bond lines, with the majority now being marked at a significant discount to par (please note supply in the secondary market may be limited on any day):

ISIN	Issuer	Rating	Capital Structure	Maturity Date	~Remain. Term (yrs)	Fixed Coupon	Indicative Yield
AU3CB0255776	ING	AAA	Covered	07/09/2023	0.60	3.00%	4.21%
AU3CB0258465	Westpac	AA-	Senior	16/11/2023	0.79	3.25%	4.17%
AU3CB0265403	Suncorp	AA-	Senior	30/07/2024	1.50	1.85%	4.53%
AU3CB0265593	Macquarie	A+	Senior	07/08/2024	1.55	1.75%	4.53%
AU3CB0265718	ING	AAA	Covered	20/08/2024	1.55	1.45%	4.39%
AU3CB0266179	ANZ	AA-	Senior	29/08/2024	1.59	1.55%	4.30%
AU3CB0266377	Bendigo	BBB+	Senior	06/09/2024	1.62	1.70%	4.57%
AU3CB0268027	BoQ	BBB+	Senior	30/10/2024	1.76	2.00%	4.65%
AU3CB0269710	ANZ	AA-	Senior	16/01/2025	1.98	1.65%	4.37%
AU3CB0269892	NAB	AA-	Senior	21/01/2025	1.98	1.65%	4.32%
AU3CB0270387	Macquarie	A+	Senior	12/02/2025	2.05	1.70%	4.56%
AU3CB0287415	Westpac	AA-	Senior	17/03/2025	2.14	2.70%	4.30%
AU3CB0291508	Westpac	AA-	Senior	11/08/2025	2.54	3.90%	4.34%
AU3CB0291672	CBA	AA-	Senior	18/08/2025	2.56	4.20%	4.30%
AU3CB0280030	BoQ	BBB+	Senior	06/05/2026	3.26	1.40%	4.97%
AU3CB0234623	CBA	AA-	Senior	11/06/2026	3.35	4.20%	4.47%
AU3CB0282358	ING	AAA	Covered	19/08/2026	3.56	1.10%	4.61%
AU3CB0284149	BoQ	BBB+	Senior	27/10/2026	3.75	2.10%	4.89%
AU3CB0286037	Westpac	AA-	Senior	25/01/2027	4.00	2.40%	4.55%



Economic Commentary

Risk markets were aided in January as recent data indicated there were signs the global economy may be weathering inflation better than previously anticipated. Several global central banks also hinted they may pause their aggressive rate hike cycles in the near future.

Across equity markets, the S&P 500 Index rose +6.18%, while the NASDAQ surged +10.68%. Europe's main indices also gained, led by France's CAC (+9.40%), Germany's DAX (+8.65%) and UK's FTSE (+4.29%).

The US core CPI index, which excludes volatile food and energy items, rose +0.3% m/m, in line with the consensus. Encouragingly for the Fed, the core PCE printed +4.4% y/y, the lowest since October 2021, generating a 3-month annualised rate to +2.9% from +3.5%, the lowest read since January 2021.

US Q4 GDP beat expectations at +2.9% quarter annualised versus +2.6% expected. US headline retail was -1.1% m/m versus -0.9% expected. The important core control measure was also weak at -0.7% m/m against -0.3% expected.

The Bank of Canada (BoC) explicitly signalled a pause to the hiking cycle after hiking by 25bp during the month. Their explicit pause signal has many thinking whether other central banks will do likewise noting they were one of the first to start the initial hiking cycle. Canadian CPI data supported the theme of slower global inflationary pressure, with the headline and core measures falling to +6.3% and +5.6% respectively.

The Bank of Japan (BoJ) bought ¥5 trillion of JGBs to defend the target, its largest ever daily amount of bond buying, which followed ¥4.6 trillion of purchases earlier.

Eurozone Q4 GDP surprised at +0.1% q/q against -0.1 expected, raising hopes that a recession may be avoided. However, Italian GDP was weaker at -0.1% q/q, along with German GDP at -0.2% q/q with the possibility of downward revisions given German retail sales for December printed at -5.3% m/m against -0.2% expected.

Chinese trade data saw exports at -9.9% y/y (consensus -11.1%) and imports down -7.5% y/y (consensus -10.0%), though the impact of Covid in December clouds the numbers. China's population dropped in 2022 for the first time since 1961, by 850,000 to 1.412 billion. There are fears that as China's population declines, this will constrain potential growth. Meanwhile, China's re-opening continues to drive optimism, resulting in most commodity prices to trade higher.

The MSCI World ex-Aus Index rose +6.92% for the month of January:

Index	1m	3m	1yr	3yr	5yr	10yr
S&P 500 Index	+6.18%	+5.28%	-9.72%	+8.12%	+7.62%	+10.53%
MSCI World ex-AUS	+6.92%	+9.06%	-9.32%	+5.98%	+4.78%	+7.29%
S&P ASX 200 Accum. Index	+6.23%	+9.59%	+12.21%	+5.96%	+8.51%	+8.75%

Source: S&P, MSCI



Domestic Market

The unemployment rate in December was unchanged at 3.5% from an upwardly revised November figure. The participation rate fell 0.2% to 66.6% from 66.8%, back to its October level after the bounce in November, and has also been broadly steady at 66.6% in H2 2022.

With unemployment hovering around a 48-year low, businesses are finding it incredibly difficult to find workers. About 90% of bosses expect staffing shortages will affect their business this year, according to the Australian Industry Group's annual survey of CEO expectations.

Q4 CPI rose more than expected at +1.9% (consensus +1.5%), taking the annual rate to +7.8%, the highest peak since 1990, driven by increases in domestic holidays, international travel and higher electricity prices. The trimmed mean rose +1.7% over the quarter, with the annual rate coming in at +6.9%.

Sydney house prices have had their steepest annual fall on record, declining 10.9% last year as rising interest rates took a toll on buyer demand and spending power. House prices are now 11.3% below their early 2022 peak, but is still 24.2% higher than they were when the market troughed in mid-2020.

Dwelling approvals fell -9.0% m/m in November (consensus 0%). That's the third consecutive month of decline and follows October's 5.6% fall.

Retail sales fell a sharp -3.9% m/m in December (consensus -0.2%), following an upwardly revised November to +1.7% m/m (from 1.4%). The key implication is that we may be starting to see the first signs that monetary tightening is starting to weigh on consumption.

The November trade balance was up 0.5bn to \$13.2bn from an upwardly revised October figure.

The Australian dollar gained +3.87%, finishing the month at US70.37 cents (from US67.75 cents the previous month).

Credit Market

The global credit indices tightened significantly over January in the 'risk-on' environment. They are now back to their levels in early 2022 (prior to the rate hike cycle from most central banks):

Index	January 2023	December 2022
CDX North American 5yr CDS	72bp	86bp
iTraxx Europe 5yr CDS	79bp	98bp
iTraxx Australia 5yr CDS	82bp	91bp

Source: Markit



Fixed Interest Review

Benchmark Index Returns

Index	January 2023	December 2022
Bloomberg AusBond Bank Bill Index (0+YR)	+0.27%	+0.25%
Bloomberg AusBond Composite Bond Index (0+YR)	+2.76%	-2.06%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.42%	+0.34%
Bloomberg AusBond Credit Index (0+YR)	+2.19%	-0.62%
Bloomberg AusBond Treasury Index (0+YR)	+2.94%	-2.37%
Bloomberg AusBond Inflation Gov't Index (0+YR)	+4.87%	-2.74%

Source: Bloomberg

Other Key Rates

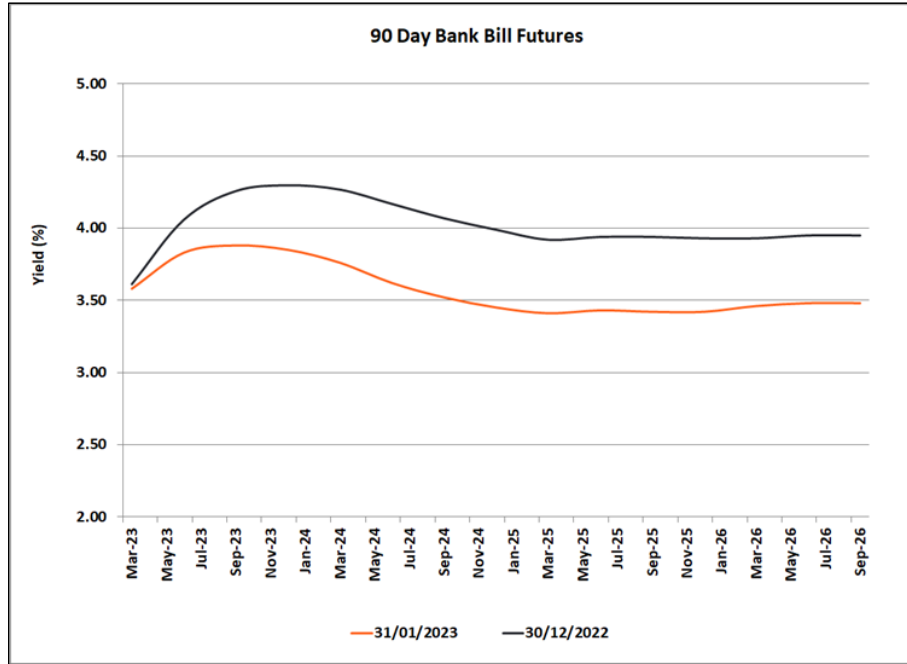
Index	January 2023	December 2022
RBA Official Cash Rate	3.10%	3.10%
90 Day (3 month) BBSW Rate	3.37%	3.26%
3yr Australian Government Bonds	3.17%	3.51%
10yr Australian Government Bonds	3.55%	4.05%
US Fed Funds Rate	4.25%-4.50%	4.25%-4.50%
3yr US Treasury Bonds	3.90%	4.22%
10yr US Treasury Bonds	3.52%	3.88%

Source: RBA, AFMA, US Department of Treasury



90 Day Bill Futures

Over January, bill futures fell across the board, with the market reacting to central bank rhetoric, hinting that a pause in the rate hike cycle was fast approaching. The markets continue to factor in the possibility of a global recession over the next few years, highlighted by the drop in the futures pricing in early 2024:



Source: ASX



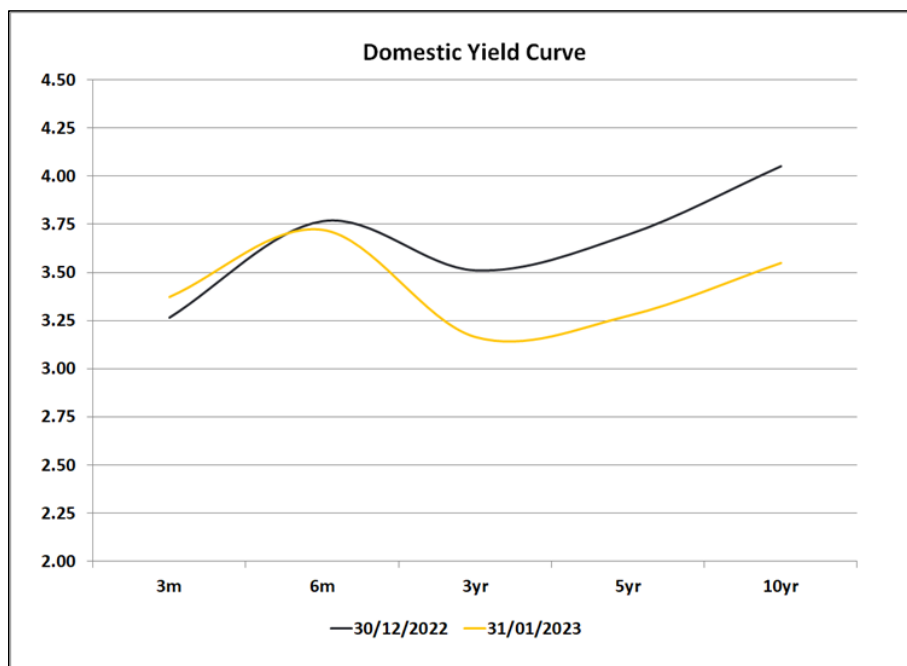
Fixed Interest Outlook

Following the recent soft inflation figures in the US, Fed Funds pricing is now expecting a 25bp hike on 1st February, with around a 40% chance they may also leave rates unchanged.

Domestically, the headline inflation outlook has somewhat receded with growing confidence that construction inflation is in retreat and signs of goods disinflation globally. The labour market remains tight, but timely indicators of labour demand are off their peaks as labour supply has normalised and frictions associated with rapid employment growth out of pandemic impacts moderate. Although labour costs pressures are evident in the latest CPI figures for Q4 2022, there are reasons to be optimistic that some stabilisation in wages growth can occur without a sharply higher unemployment rate, including the normalisation in labour supply.

For now, the RBA continues to signal that it expects to increase interest rates further over the period ahead, with up to 2-3 hikes already largely priced into the market by Q2-Q3 2023, taking the cash rate up to 3¼%. Thereafter, noting the lags in monetary policy, a pause around the end of Q2-Q3 is likely whilst the RBA monitors the economic data.

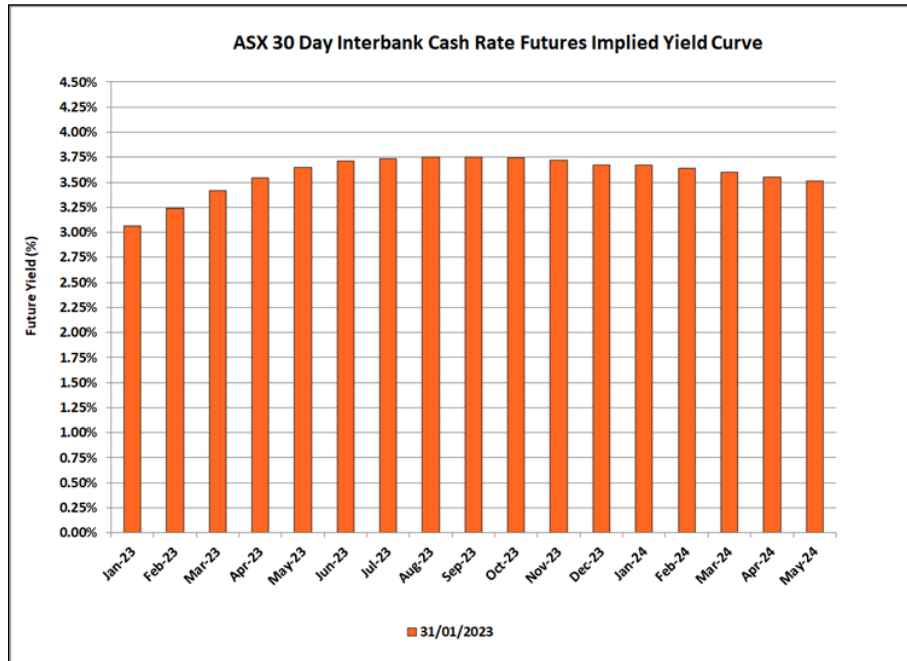
Over the month, yields fell up to 50bp at the long-end of the curve:



Source: AFMA, ASX, RBA



Markets are currently pricing in around 2-3 additional rate rises into mid-2023 (up to 3.75%). Fears of a looming global recession have actually seen rate cuts start to be priced in towards the start of 2024, although this seems unlikely for now.



Source: ASX

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