

Ordinary Meeting

Meeting Date: Monday, 03 June, 2024

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

Attachments (Under Separate Cover)

Index

13. Reports

CL24.159	ARIC Committee Membership, ARIC Terms of Reference and Internal Audit Charter	
	Attachment 2 ARIC Terms of Reference	2
	Attachment 3 Internal Audit Charter	22
CL24.161	Investment Report - April 2024	
	Attachment 1 Shoalhaven Monthly Investment Report - April 2024	35
CL24.167	Development Application – DA24/1188 - 9 Jindalee Crescent, NOWRA - Lot 915 DP 1240172	
	Attachment 1 Draft Notice of Determination - DA24/1188 - 9 Jindalee Cres NOWRA, Lot 915 DP 1240172.....	58
	Attachment 2 Sect 4.15 Assessment Report DA2024/1188 - 9 Jindalee Crescent NOWRA - Lot 915 DP 1240172.....	76



Audit, Risk & Improvement Committee Terms of Reference (Charter)

Version:	1.0
ARIC Endorsement: <i>(Minute and Date)</i>	13 May 2024
Council Adoption: <i>(Minute and Date)</i>	
Next Review Date:	June 2025
Directorate:	CEO Directorate
Record Number:	D24/202739

Shoalhaven City Council – Audit Risk and Improvement Committee Terms of Reference (Charter)

TABLE OF CONTENTS

1. Introduction	3
2. Objective.....	3
3. Independence	3
4. Authority	3
5. Composition and tenure	4
6. Role	5
7. Responsibilities of members	6
8. Work plans.....	7
9. Reporting	8
10. Administrative arrangements	8
11. Remuneration	10
12. Review arrangements	10
Schedule 1: Audit, risk and improvement committee responsibilities.....	12
Schedule 2: Audit Risk and Improvement Committee Communications Guidelines.....	16
Schedule 3: Procedure – Recruitment of Members to Audit, Risk and Improvement Committee (ARIC).....	18

1. Introduction

Shoalhaven City Council (Council) has established an audit, risk and improvement committee (ARIC, the committee) in compliance with section 428A of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021* and the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*. These terms of reference set out the committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

2. Objective

The objective of Council's ARIC is to provide independent advice to Council by monitoring, reviewing and providing feedback about the Council's governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

3. Independence

The committee is to be independent to ensure it has no real or perceived bias or conflicts of interest that may interfere with its ability to act independently and to provide Council with robust, objective and unbiased advice.

The committee is to have an advisory role only and is to exercise no administrative functions, delegated financial responsibilities or any management functions of the Council. The committee will provide independent advice to the Council that is informed by the Council's internal audit and risk management activities and information and advice provided by staff, relevant external bodies and subject matter experts.

The committee must always ensure it maintains a direct reporting line to and from the Council's internal audit function and act as a mechanism for internal audit to report to the governing body and the Chief Executive Officer on matters affecting the performance of the internal audit function.

4. Authority

Council authorises the committee, for the purposes of exercising its responsibilities, to:

- access any information it needs from the Council
- use any Council resources it needs
- have direct and unrestricted access to the Chief Executive Officer and senior management of the Council
- seek the Chief Executive Officer's permission to meet with any other Council staff member or contractor
- discuss any matters with the external auditor or other external parties
- request the attendance of any employee at committee meetings,
- receive information from Councillors in accordance to clause 7.3 of Council's Code of Conduct and

- with the approval of the Chief Executive Officer and/or the Mayor, obtain external legal or other professional advice in line with councils' procurement policies. Details of any costs incurred shall be included in the ARIC annual report to Council.

Information and documents pertaining to the committee are confidential and are not to be made publicly available. The committee may only release Council information to external parties that are assisting the committee to fulfil its responsibilities with the approval of the Chief Executive Officer, except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

5. Composition and tenure

The committee consists of an independent Chair and two independent members who have voting rights and one non-voting councillor, as required under the *Local Government (General) Regulation 2021* (216C Composition of Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B).

The governing body is to appoint the Chair and members of the committee. Current committee members are:

Donna Rygate	Independent Chair (voting)
John Gordon	Independent member (voting)
Deborah Goodyer	Independent member (voting)
Clr Patricia White	Councillor member (non-voting)
Clr Gillian Boyd	Alternate Councillor member (non-voting)]

All committee members must meet the independence and eligibility criteria prescribed under the *Local Government (General) Regulation 2021* (216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B, 216E Eligibility for appointment as independent member—the Act, Sch 6, cl 19B and 216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B).

The appointment of independent ARIC members, ARIC Chair and non – voting Councillor member will be guided by the procedure on 'Recruitment of Members to Audit Risk and Improvement Committee' attached as schedule 3 to the ARIC Charter.

Members will be appointed for up to a four-year term in accordance to *Local Government (General) Regulation 2021*, 216G Term of office—the Act, Sch 6, cl 19B. Members can be reappointed for one further term, but the total period of continuous membership cannot exceed eight years. This includes any term as Chair of the committee. Members who have served an eight-year term (either as a member or as Chair) must have a two-year break from serving on the committee before being appointed again. To preserve the committee's knowledge of the Council, ideally, no more than one member should retire from the committee because of rotation in any one year.

The terms and conditions of each member's appointment to the committee are to be set out in a letter of appointment. New members will be thoroughly inducted to their role and receive

relevant information and briefings on their appointment to assist them to meet their responsibilities.

Prior to approving the reappointment or extension of the Chair's or an independent member's term, the governing body is to undertake an assessment of the Chair's or committee member's performance. Reappointment of the Chair or a committee member is also to be subject to that person still meeting the independence and eligibility requirements prescribed under the *Local Government (General) Regulation 2021 (216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B and 216E Eligibility for appointment as independent member—the Act, Sch 6, cl 19B and 216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B)*.

Members of the committee must possess and maintain a broad range of skills, knowledge and experience relevant to the operations, governance and financial management of the Council, the environment in which the Council operates, and the contribution that the committee makes to the Council. At least one member of the committee must have accounting or related financial management experience with an understanding of accounting and auditing standards in a local government environment. All members should have sufficient understanding of the Council's financial reporting responsibilities to be able to contribute to the committee's consideration of the Council's annual financial statements.

6. Role

As required under section 428A of the *Local Government Act 1993* (the Act), the role of the committee is to review and provide independent advice to the Council regarding the following aspects of the Council's operations:

- compliance
- risk management
- fraud control
- financial management
- governance
- implementation of the strategic plan, delivery program and strategies
- service reviews
- collection of performance measurement data by the Council, and
- internal audit.

The committee must also provide information to the Council for the purpose of improving the Council's performance of its functions.

The committee's specific audit, risk and improvement responsibilities under section 428A of the Act are outlined in Schedule 1 to these terms of reference.

The committee will act as a forum for consideration of the Council's internal audit function and oversee its planning, monitoring and reporting to ensure it operates effectively.

The committee has no power to direct external audit or the way it is planned and undertaken but will act as a forum for the consideration of external audit findings.

The committee is directly responsible and accountable to the governing body for the exercise of its responsibilities. In carrying out its responsibilities, the committee must at all

times recognise that primary responsibility for management of the Council rests with the governing body and the Chief Executive Officer.

The responsibilities of the committee may be revised or expanded in consultation with, or as requested by, the governing body from time to time.

7. Responsibilities of members

Independent members

The Chair and members of the committee are expected to understand and observe the requirements of the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*. Members are also expected to:

- make themselves available as required to attend and participate in meetings
- contribute the time needed to review and understand information provided to it
- apply good analytical skills, objectivity and judgement
- act in the best interests of the Council
- have the personal courage to raise and deal with tough issues, express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of inquiry
- maintain effective working relationships with the Council
- have strong leadership qualities (Chair)
- lead effective committee meetings (Chair), and
- oversee the Council's internal audit function (Chair).

Councillor members

To preserve the independence of the committee, the Councillor member of the committee is a non-voting member. Their role is to:

- relay to the committee any concerns the governing body may have regarding the Council and issues being considered by the committee
- provide insights into local issues and the strategic priorities of the Council that would add value to the committee's consideration of agenda items
- advise the governing body (as necessary) of the work of the committee and any issues arising from it, and
- assist the governing body to review the performance of the committee.

Issues or information the councillor member raises with or provides to the committee must relate to the matters listed in Schedule 1 and issues being considered by the committee.

The Councillor member of the committee must conduct themselves in a non-partisan and professional manner. The Councillor member of the committee must not engage in any conduct that seeks to politicise the activities of the committee or the internal audit function or that could be seen to do so.

If the Councillor member of the committee engages in such conduct or in any other conduct that may bring the committee and its work into disrepute, the Chair of the committee may recommend to the Council, that the Councillor member be removed from membership of the committee. Where the Council does not agree to the committee Chair's recommendation, the Council must give reasons for its decision in writing to the Chair.

Conduct

The chair and independent committee members are required to comply with the Council's code of conduct.

Complaints alleging breaches of the Council's code of conduct by the Chair or an independent committee member are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*. The Chief Executive Officer must consult with the governing body before taking any disciplinary action against the Chair or independent committee member in response to a breach of the Council's code of conduct.

Conflicts of interest

Once a year, committee members must provide written declarations to the Council stating that they do not have any conflicts of interest that would preclude them from being members of the committee. Independent committee members are 'designated persons' for the purposes of the Council's code of conduct and must also complete and submit returns of their interests.

Committee members and observers must declare any pecuniary or non-pecuniary conflicts of interest they may have in a matter being considered at the meeting at the start of each meeting or as soon as they become aware of the conflict of interest. Where a committee member or observer declares a pecuniary or a significant non-pecuniary conflict of interest, they must remove themselves from committee deliberations on the issue. Details of conflicts of interest declared at meetings must be appropriately minuted.

8. Work plans

The work of the committee is to be thoroughly planned and executed. The committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the committee and considered by the internal audit function when developing their risk-based program of internal audits. The strategic work plan must be reviewed at least annually to ensure it remains appropriate.

The committee may, in consultation with the governing body, vary the strategic work plan at any time to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the strategic work plan. Any decision to vary the strategic work plan must be made by the committee.

The committee must also develop an annual work plan to guide its work, and the work of the internal audit function over the forward year.

The committee may, in consultation with the governing body, vary the annual work plan to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the annual work plan. Any decision to vary the annual work plan must be made by the committee.

When considering whether to vary the strategic or annual work plans, the committee must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under the work plan.

9. Reporting

The committee must regularly report to the Council to ensure that it is kept informed of matters considered by the committee and any emerging issues that may influence the strategic direction of the Council or the achievement of the Council's goals and objectives.

The committee will provide an update to the governing body and the Chief Executive Officer of its activities and opinions after every committee meeting.

The committee will provide an annual assessment to the governing body and the Chief Executive Officer on the committee's work and its opinion on how the Council is performing.

The committee will provide a comprehensive assessment every council term of the matters listed in Schedule 1 to the governing body and the Chief Executive Officer.

The committee may at any time report to the governing body or the Chief Executive Officer on any other matter it deems of sufficient importance to warrant their attention. The Chair Mayor and the Chair of the committee may also meet at any time to discuss issues relating to the work of the committee.

Should the governing body require additional information, a request for the information may be made to the Chair by resolution. The Chair is only required to provide the information requested by the governing body where the Chair is satisfied that it is reasonably necessary for the governing body to receive the information for the purposes of performing its functions under the Local Government Act. Individual councillors are not entitled to request or receive information from the committee.

10. Administrative arrangements

Meetings

The committee will meet at least 4 times per year, and where required, hold special meeting to review Council's financial statement in accordance to *Local Government (General) Regulation 2021* (216J Meetings of Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B)

The committee can hold additional meetings when significant unexpected issues arise, or if the Chair is asked to hold an additional meeting by a committee member, the Chief Executive Officer or the governing body.

Committee meetings can be held in person, by telephone or videoconference, with in person attendance required for at least 2 of the scheduled quarterly meetings. Proxies are not permitted to attend meetings if a committee member cannot attend.

A quorum will consist of a majority of independent voting members. Where the vote is tied, the Chair has the casting vote.

The Chair of the committee will be consulted on items for inclusion on the agenda for each committee meeting. Each committee meeting is to be minuted to preserve a record of the issues considered and the actions and decisions taken by the committee.

The following officers should attend committee meetings as non-voting observers:

Mayor (standing invite)

Shoalhaven City Council – Audit Risk and Improvement Committee Terms of Reference (Charter)

Chief Executive Officer
Chief Internal Auditor
Audit & Assurance Officer
Lead Enterprise Risk Management
Manager Business Assurance & Risk
Director City Performance
Director City Development
Director City Services
Director City Futures
Director City Lifestyle
Executive Manager Shoalhaven Water
Chief Financial Officer
Chief Information Officer

The external auditor (or their representative) is to be invited to each committee meeting as an independent observer.

The Chair can request the any employee/contractor of the council and any subject matter expert to attend committee meetings. Where requested to attend a meeting, persons must attend the meeting where possible and provide any information requested.

Observers have no voting rights and can be excluded from a meeting by the Chair at any time.

The committee can hold closed meetings whenever it needs to discuss confidential or sensitive issues with only voting members of the committee present.

The committee must meet separately with the Chief Internal Auditor and the Council's external auditor at least once each year.

Dispute resolution

Members of the committee and the Council's management should maintain an effective working relationship and seek to resolve any differences they may have in an amicable and professional way by discussion and negotiation.

In the event of a disagreement between the committee and the Chief Executive Officer or other senior managers, the dispute is to be resolved by the governing body.

Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Departmental Chief Executive of the Office of Local Government in writing.

Administrative Support

The Chief Internal Auditor will provide administrative support to the committee in accordance with *Local Government (General) Regulation 2021 (216L Assistance to Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B)*. The Chief Internal Auditor will ensure the agenda for each meeting and supporting papers are circulated at least 1 week before the meeting and ensure that minutes of meetings are prepared and maintained. Minutes must be approved by the Chair and circulated within 3 weeks of the meeting to each member.

Resignation and dismissal of members

Where the Chair or a committee member is unable to complete their term or does not intend to seek reappointment after the expiry of their term, they should give 3 months notice to the

Chair and the governing body prior to their resignation to allow the Council to ensure a smooth transition to a new Chair or committee member.

The governing body can, by resolution, terminate the appointment of the Chair or an independent committee member before the expiry of their term where that person has:

- breached the Council's code of conduct
- performed unsatisfactorily or not to expectations
- declared, or is found to be in, a position of a conflict of interest which is unresolvable
- been declared bankrupt or found to be insolvent
- experienced an adverse change in business status
- been charged with a serious criminal offence
- been proven to be in serious breach of their obligations under any legislation, or
- experienced an adverse change in capacity or capability.

This should be done in accordance with *Local Government (General) Regulation 2021* (216H Removal of members—the Act, Sch 6, cl 19B)

The position of a Councillor member on the committee can be terminated at any time by the governing body by resolution.

11. Remuneration

In accordance with *Local Government (General) Regulation 2021* (216I Remuneration—the Act, Sch 6, cl 19B), the independent members of the Committee will be entitled to remuneration on the basis of a fee determined by Council. In addition to the fee, independent members will be paid for all expenses incurred in relation to their responsibilities as members of the Committee, including travel costs, accommodation, attendance at inductions, training and personal development opportunities. The fee will be payable following each meeting of the Committee, and upon receipt of an invoice. In the absence of the Council appointed Chair at a meeting, the Committee member who chairs the meeting will be paid the usual Committee member fee.

12. Review arrangements

At least once every Council term, the governing body must review or arrange for an external review of the effectiveness of the committee.

These terms of reference must be reviewed annually by the committee and once each council term by the governing body. Any substantive changes are to be approved by the governing body.

For further information on Council's audit, risk and improvement committee, contact Internal Audit Team on internalaudit@shoalhaven.nsw.gov.au or by phone 1309 293 111.

Reviewed by Chair of the audit, risk and improvement committee

13 May 2024

Reviewed by Council in accordance with a resolution of the governing body.

Shoalhaven City Council – Audit Risk and Improvement Committee Terms of Reference (Charter)

[date]

[resolution reference]

Next review date: *ARIC – June 2025*

CL24.159 - Attachment 2

Schedule 1: Audit, risk and improvement committee responsibilities

Note: The responsibilities of the Audit, Risk and Improvement Committee is limited by the information provided to the committee in accordance with the workplan.

1. Audit

1.1 Internal audit

- 1.1.1 Provide overall strategic oversight of internal audit activities
- 1.1.2 Act as a forum for communication between the governing body, Chief Executive Officer, senior management, the internal audit function and external audit
- 1.1.3 Oversee, as far as is practicable, the work programs of internal audit and other assurance and review functions
- 1.1.4 Review and advise the Council:
 - (i) on whether the Council is providing the resources necessary to successfully deliver the internal audit function
 - (ii) if the Council is complying with internal audit requirements, including conformance with the International Professional Practices Framework
 - (iii) if the Council's internal audit charter is appropriate and whether the internal audit policies and procedures and audit/risk methodologies used by the Council are suitable
 - (iv) of the strategic four-year work plan and annual work plan of internal audits to be undertaken by the Council's internal audit function
 - (v) if the Council's internal audit activities are effective, including the performance of the Chief Internal Auditor and the internal audit function
 - (vi) of the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised
 - (vii) of the implementation by the Council of these corrective actions
 - (viii) on the appointment of the Chief Internal Auditor and external providers, and
 - (ix) if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities

1.2 External audit

- 1.2.1 Act as a forum for communication between the governing body, Chief Executive Officer, senior management, the internal audit function and external audit
- 1.2.2 Oversee as far as is practicable, the work programs of internal audit and external audit
- 1.2.3 Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided
- 1.2.4 Review all external plans and reports in respect of planned or completed audits and monitor council's implementation of audit recommendations
- 1.2.5 Provide advice to the governing body and/or Chief Executive Officer on action taken on significant issues raised in relevant external audit reports and better practice guides

2. Risk

2.1 Risk management

2.1.1 Review and advise the Council:

- (i) if the Council's has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard
- (ii) whether the Council is providing the resources necessary to successfully implement its risk management framework
- (iii) whether the Council's risk management framework is adequate and effective for identifying and managing the risks the Council faces, including those associated with individual projects, programs and other activities
- (iv) if risk management is integrated across all levels of the Council and across all processes, operations, services, decision-making, functions and reporting
- (v) of the adequacy of risk reports and documentation, for example, the Council's risk register and risk profile
- (vi) whether a sound approach has been followed in applying risk management methodology into plans for major projects or undertakings
- (vii) whether appropriate policies and procedures are in place for the management and exercise of delegations
- (viii) if the Council has taken steps to embed a culture which is committed to ethical and lawful behaviour
- (ix) if there is a positive risk culture within the Council and strong leadership that supports effective risk management
- (x) of the adequacy of staff training and induction in risk management
- (xi) how the Council's risk management approach impacts on the Council's insurance arrangements
- (xii) of the effectiveness of the Council's management of its assets, and
- (xiii) of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

2.2 Internal controls

2.2.1 Review and advise the Council:

- (i) whether the Council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective
- (ii) whether the Council has in place relevant policies and procedures and that these are periodically reviewed and updated
- (iii) whether appropriate policies and procedures are in place for the management and exercise of delegations
- (iv) whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with
- (v) if the Council's monitoring and review of controls is sufficient, and
- (vi) if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.

2.3 Compliance

Review and advise the Council of the adequacy and effectiveness of the Council's compliance framework, including:

- (i) if the Council has appropriately considered legal and compliance risks as part of the Council's risk management framework

- (ii) how the Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- (iii) whether appropriate processes are in place to assess compliance.

2.4 Fraud and corruption

Review and advise the Council of the adequacy and effectiveness of the Council's fraud and corruption prevention framework and activities, including whether the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

2.5 Financial management

Review and advise the Council:

- (i) if the Council is complying with accounting standards and external accountability requirements
- (ii) of the appropriateness of the Council's accounting policies and disclosures
- (iii) of the implications for the Council of the findings of external audits and performance audits and the Council's responses and implementation of recommendations
- (iv) whether the Council's financial statement preparation procedures and timelines are sound
- (v) the accuracy of the Council's annual financial statements prior to external audit, including:
 - a. management compliance/representations
 - b. significant accounting and reporting issues
 - c. the methods used by the Council to account for significant or unusual transactions and areas of significant estimates or judgements
 - d. appropriate management signoff on the statements
- (vi) if effective processes are in place to ensure financial information included in the Council's annual report is consistent with signed financial statements
- (vii) if the Council's financial management processes are adequate
- (viii) the adequacy of cash management policies and procedures
- (ix) if there are adequate controls over financial processes, for example:
 - a. appropriate authorisation and approval of payments and transactions
 - b. adequate segregation of duties
 - c. timely reconciliation of accounts and balances
 - d. review of unusual and high value purchases
- (x) if policies and procedures for management review and consideration of the financial position and performance of the Council are adequate
- (xi) if the Council's grants and tied funding policies and procedures are sound.

2.6 Governance

Review and advise the Council regarding its governance framework, including the Council's:

- (i) decision-making processes
- (ii) implementation of governance policies and procedures
- (iii) reporting lines and accountability
- (iv) assignment of key roles and responsibilities

- (v) committee structure
- (vi) management oversight responsibilities
- (vii) human resources and performance management activities
- (viii) reporting and communication activities
- (ix) information and communications technology (ICT) governance, and
- (x) management and governance of the use of data, information and knowledge

3. Improvement

3.1 Strategic planning

Review and advise the Council:

- (i) of the adequacy and effectiveness of the Council's integrated, planning and reporting (IP&R) processes
- (ii) if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- (iii) whether the Council is successfully implementing and achieving its IP&R objectives and strategies.

3.2 Service reviews and business improvement

- (i) Act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies)
- (ii) Review and advise the Council:
 - a) If the Council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance
 - b) if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
 - c) how the Council can improve its service delivery and the Council's performance of its business and functions generally

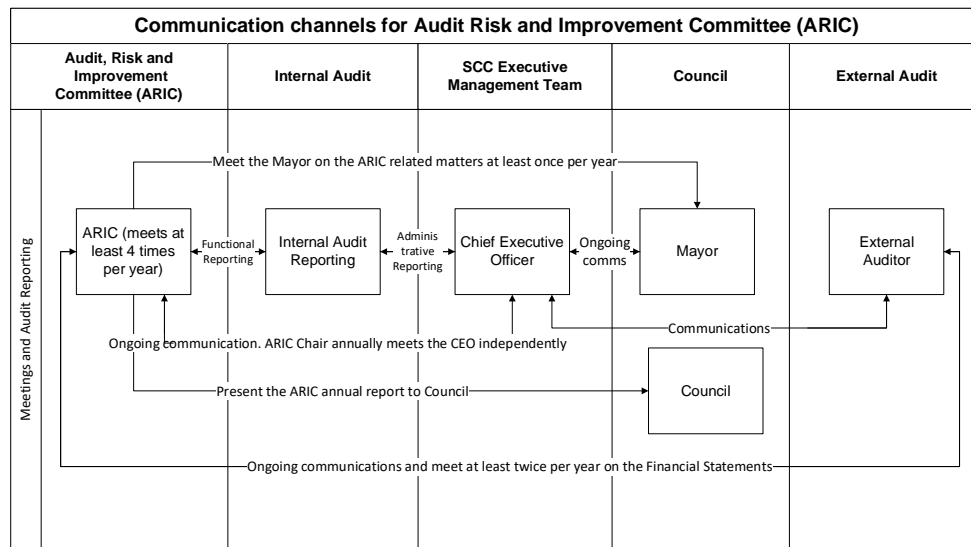
3.3 Performance data and measurement

Review and advise the Council:

- (i) if the Council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
- (ii) if the performance indicators the Council uses are effective, and
- (iii) of the adequacy of performance data collection and reporting.

Schedule 2: Audit Risk and Improvement Committee Communications Guidelines

The following diagram depicts communication channels:



Chief Internal Auditor:

- Provide administrative support to ARIC to meet the ARIC Charter requirements.
- Will report to the ARIC with full independence from Council, management and staff.
- Will seek information from staff or request staff to report on certain matters to the ARIC.
- Will provide feedback to staff from decisions / recommendations by the ARIC.
- Attends all ARIC meetings.

Chief Executive Officer:

- Provides “administration” supervision and direction to the Chief Internal Auditor. Reports directly to the ARIC on strategic risks as requested by the ARIC.
- Attends ARIC meetings (unless excluded by Committee).

Executive Management Team (Directors):

- Report directly to the ARIC on strategic risks within their responsibility areas as requested by the ARIC or General Manager.
- Attend ARIC meetings (unless excluded by Committee).

Audit Risk and Improvement Committee:

- Meets minimum four times per year.
- Undertakes role in accordance with ARIC Terms of Reference (Charter).
- Reports annually to Council on its annual activities. The ARIC Chair presents the ARIC annual report to Council.

Shoalhaven City Council – Audit Risk and Improvement Committee Terms of Reference (Charter)

- ARIC Chair meets with Mayor at least once per annum.
- ARIC Chair meets with the Chief Executive Officer regularly.
- Meets the external auditor at least twice per year to discuss the financial statements.

CL24.159 - Attachment 2

Schedule 3: Procedure – Recruitment of Members to Audit, Risk and Improvement Committee (ARIC)

Purpose:

This procedure documents the expected process for the appointment of independent member, Chair and Councillor non-voting member to the ARIC.

Procedure

The process will be coordinated by the Chief Internal Auditor. The Chief Internal Auditor will have no decision making rights.

ARIC independent members are appointed on a staggered basis to ensure continuity and succession.

Recruitment of an Independent ARIC Member

- An eligibility criteria for appointment for independent ARIC member will be established as per *Local Government (General) Regulation 2021 (216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B, 216E Eligibility for appointment as independent member—the Act, Sch 6, cl 19B and 216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B)*. The applicant will be required to demonstrate how they meet the legislative requirements. A current resume and referees will be required.
- A panel for selection and recruitment will be established. The panel will consist of the CEO, The Mayor (or a nominated Councillor) and the ARIC Chair (or a nominated in an advisory role).
- An expression of interest (EOI) will be advertised through various recruitment channels (seek, Council's website, Council's social media, local newspaper, advertisement through Institute of Internal Auditors and circulation of EOI on professional network bodies such as Local Government Internal Audit Network).
- In instances where Council had received generic EOI's from member of public which had been received through Records section, those persons would be notified via email on the current vacancy at the time of advertisement.
- Advertisement period will be 3 weeks. No late submissions will be considered unless there is no merit based applications received.
- Upon closing of the advertisement, all involved in the selection process will be required to complete conflict of interest declaration form.
- Applications will be shortlisted and selected candidate/s will be offered an interview.
- Where required, referee check will be conducted by the ARIC Chair.
- The panel will make an assessment and recommend the person for appointment. A selection report will be prepared.

Shoalhaven City Council – Audit Risk and Improvement Committee Terms of Reference (Charter)

- The selection report will be provided at the Council meeting for approval of the selected member to the ARIC.
- The period of appointment will be for 2 to 4 years with an option to extend for a further 4 years.

Appointment of a Councillor non-voting member

- When core committees are determined by Council, the Council will appoint and reconfirm the non-voting Councillor member to ARIC. An alternate non-voting Councillor member can be appointed to the ARIC.

Nomination and selection of Independent ARIC Chair

- Upon vacancy, a nomination process will be called via an email prior to the ARIC meeting by the CEO or appointed delegate.
- Only independent members will be invited in the nomination process.
- The nomination process will include a confirmation on whether nominees meet the ARIC Chair criteria as per the *Local Government (General) Regulation 2021 (216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B and 216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B)*.
- At the beginning of the ARIC meeting, the ARIC Chair will be determined.
- If only one nomination is received, that person is declared as elected
- If more than one nomination is received, the independent ARIC members will be asked to resolve whether the election is to take place by open voting (i.e. show of hands) or ordinary ballot (i.e. written votes recorded and provided in secret).
- In the event of equal nominations, the position shall be determined by draw. The name drawn by the CEO will be appointed to the position.
- A report on the appointment of ARIC Chairperson will be provided at the Council meeting for approval.
- The period of appointment shall be equivalent to the existing term of the appointment as an independent ARIC member, as stipulated in the Guidelines.

Shoalhaven City Council – Audit Risk and Improvement Committee Terms of Reference (Charter)



Address all correspondence to:
The Chief Executive Officer
PO Box 42, Nowra NSW 2541
shoalhaven.nsw.gov.au/contact
1300 293 111

shoalhaven.nsw.gov.au   



Internal Audit Charter

Version number	1.0
ARIC Endorsement <i>(Minute and Date)</i>	13 May 2024
Council Adoption <i>(Minute and Date)</i>	
Next Review Date:	June 2025
Directorate:	CEO Directorate
Record Number:	D24/202739

Shoalhaven City Council – Internal Audit Charter

TABLE OF CONTENTS

1. Introduction	3
2. Purpose of internal audit	3
3. Independence	3
4. Authority	4
5. Role	5
6. Performing internal audit activities	6
7. Conduct	6
8. Administrative arrangements	7
9. Review arrangements	7
10. SCHEDULE 1: INTERNAL AUDIT FUNCTION RESPONSIBILITIES	9

Shoalhaven City Council – Internal Audit Charter

1. Introduction

Shoalhaven City Council has established the Internal Audit Department as a key component of the Council's governance and assurance framework, in compliance with the *Local Government (General) Regulation 2021* and the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*. This charter provides the framework for the conduct of the Internal Audit Department in the Council and has been approved by the governing body taking into account the advice of the Council's Audit, Risk and Improvement Committee (ARIC) or committee.

2. Purpose of internal audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes¹.

Internal audit provides an independent and objective review and advisory service to provide advice to the governing body, Chief Executive Officer and audit, risk and improvement committee about the Council's governance processes, risk management and control frameworks and its external accountability obligations. It also assists the Council to improve its business performance.

The scope of Internal Audit work embraces the wider concept of corporate governance and risk, recognising that controls exist in the Council to manage risks and promote effective and efficient governance and performance.

Internal Audit services may include:

- Assurance Services – objective examination of evidence for the purpose of providing an independent assessment of risk management, control and governance processes.
- Advisory Services – advisory and related activities, the nature and scope of which are agreed upon with the governing body and/or senior management and the ARIC. Advisory services are intended to add value and improve business operations."

Internal Audit will offer a service catalogue, including:

- Internal audit engagements with a compliance, financial or performance improvement focus.
- Management requested services where business areas within the Council may request Internal Audit services, usually in response to an issue or an emerging risk.
- Multi-stage audit engagements at key project milestones.

3. Independence

Council's Internal Audit Department is to be independent of the Council so it can provide an unbiased assessment of the Council's operations and risk and control activities in accordance

¹ As defined by the International Standards for the Professional Practice of Internal Auditing (2017)

Shoalhaven City Council – Internal Audit Charter

with *Local Government (General) Regulation (216P Internal audit co-ordinator—the Act, Sch 6, cl 8A)*

Internal Audit Department reports functionally to the Council's ARIC on the results of completed audits, and for strategic direction and accountability purposes, and reports administratively to the Chief Executive Officer to facilitate day-to-day operations. Internal audit activities are not subject to direction by the Council and the Council's management has no role in the exercise of the Council's internal audit activities.

The ARIC is responsible for communicating any internal audit issues or information to the governing body. Should the governing body require additional information, a request for the information may be made to the ARIC Chair by resolution. The ARIC Chair is only required to provide the information requested by the governing body where the ARIC Chair is satisfied that it is reasonably necessary for the governing body to receive the information for the purposes of performing its functions under the Local Government Act. Individual councillors are not entitled to request or receive information from the committee.

The Chief Executive Officer must consult with the ARIC Chair before appointing or making decisions affecting the employment of the Chief Internal Auditor.

Where the Council's ARIC Chair has any concerns about the treatment of the Chief Internal Auditor, or any action taken that may compromise their ability to undertake their functions independently, they can report their concerns to the governing body.

The Chief Internal Auditor is to confirm at least annually to the ARIC on the independence of internal audit activities from the Council.

4. Authority

Council authorises the Internal Audit Department to have full, free and unrestricted access to all functions, premises, assets, personnel, records and other documentation and information that the Chief Internal Auditor considers necessary for the Internal Audit Department to undertake its responsibilities. This is in accordance with *Local Government (General) regulations 216Q Persons exercising internal audit functions—the Act, Sch 6, cl 8A*.

All records, documentation and information accessed while undertaking internal audit activities are to be used solely for the conduct of those activities. The Chief Internal Auditor and individual internal audit staff are responsible and accountable for maintaining the confidentiality of the information they receive when undertaking their work.

All internal audit documentation is to remain the property of Council, including where internal audit services are performed by an external third-party provider.

Information and documents pertaining to the Internal Audit Department are not to be made publicly available. The Internal Audit Department may only release Council information to external parties that are assisting the Internal Audit Department to undertake its responsibilities with the approval of the Chief Executive Officer, except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

5. Role

The Internal Audit Department is to support the Council's ARIC to review and provide independent advice to the Council in accordance with section 428A of the *Local Government Act 1993*. This includes conducting internal audits of Council and monitoring the implementation of corrective actions.

The Internal Audit Department is to also play an active role in:

- developing and maintaining a culture of accountability and integrity
- facilitating the integration of risk management into day-to-day business activities and processes, and
- promoting a culture of high ethical standards.

The Internal Audit Department has no direct authority or responsibility for the activities it reviews. The Internal Audit Department has no responsibility for developing or implementing procedures or systems and does not prepare records or engage in Council functions or activities (except in carrying out its own functions).

Chief Internal Auditor

In-house internal audit function

Council's Internal Audit Department is to be led by a member of Council's staff with sufficient skills, knowledge and experience to ensure it fulfils its role and responsibilities to the Council and the ARIC. The Chief Internal Auditor must be independent, impartial, unbiased and objective when performing their work and free from any conflicts of interest.

Responsibilities of the Chief Internal Auditor include:

- managing the day-to-day activities of the Internal Audit Department
- managing the Council's internal audit budget
- Coordinating any outsourced audits; acting as a liaison, contract management and oversight of external providers
- supporting the operation of the Council's ARIC
- approving internal audit project plans, conducting or supervising audits and assessments and providing independent advice to the ARIC
- monitoring the Council's implementation of corrective actions that arise from the findings of audits
- implementing the ARIC's annual work plan and four-year strategic work plan
- ensuring the Council's internal audit activities comply with the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*, and

Internal Audit Team

In-house internal audit team

Members of the Internal Audit Department are responsible to the Chief Internal Auditor.

Individuals that perform internal audit activities for Council must have:

- an appropriate level of understanding of the Council's culture, systems and processes

Shoalhaven City Council – Internal Audit Charter

- the skills, knowledge and experience necessary to conduct internal audit activities in the Council
- effective interpersonal and communication skills to ensure they can engage with Council staff effectively and collaboratively, and
- honesty, integrity and diligence.

6. Performing internal audit activities

The work of the Internal Audit Department is to be thoroughly planned and executed. The Council's ARIC must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the committee and considered by the internal audit function when developing their risk-based program of internal audits. The strategic work plan must be reviewed at least annually to ensure it remains appropriate.

The committee must also develop an annual work plan to guide the work of the internal audit function over the forward year.

All internal audit activities are to be performed in a manner that is consistent with relevant professional standards including the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and Australian risk management standard.

The Chief Internal Auditor is to provide the findings and recommendations of internal audits to the ARIC at the end of each audit. Each report is to include a response from the relevant senior manager.

The Chief Internal Auditor is to establish an ongoing monitoring system to follow up Council's progress in implementing corrective actions.

The Chief Executive Officer, in consultation with the ARIC, is to develop and maintain policies and procedures to guide the operation of the Council's Internal Audit Department.

The Chief Internal Auditor is to ensure that the ARIC is advised at each of the committee's meetings of the internal audit activities completed during that quarter, progress in implementing the annual work plan and progress made implementing corrective actions.

7. Conduct

Internal audit personnel must comply with the Council's code of conduct. Complaints about breaches of Council's code of conduct by internal audit personnel are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*. The Chief Executive Officer must consult with the Council's ARIC before any disciplinary action is taken against the Chief Internal Auditor in response to a breach of the Council's code of conduct.

Internal auditors must also comply with the Code of Ethics for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

8. Administrative arrangements

Audit, risk and improvement committee meetings

The Chief Internal Auditor will attend ARIC meetings as an independent non-voting observer. The Chief Internal Auditor can be excluded from meetings by the committee at any time.

The Chief Internal Auditor must meet separately with the ARIC at least once per year.

The Chief Internal Auditor can meet with the ARIC Chair at any time, as necessary, between committee meetings.

External audit

Internal and external audit activities will be coordinated to help ensure the adequacy of overall audit coverage and to minimise duplication of effort.

Periodic meetings and contact between internal and external audit shall be held to discuss matters of mutual interest and to facilitate coordination.

External audit will have full and free access to all internal audit plans, working papers and reports.

Dispute resolution

Internal Audit Department should maintain an effective working relationship with the Council and the ARIC and seek to resolve any differences they may have in an amicable and professional way by discussion and negotiation.

In the event of a disagreement between the Internal Audit Department and the Council, the dispute is to be resolved by the Chief Executive Officer and/or ARIC. Disputes between the Internal Audit Department and the ARIC are to be resolved by the governing body.

Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Departmental Chief Executive of the Office of Local Government in writing.

9. Review arrangements

The Council's ARIC must review the performance of the internal audit function each year and report its findings to the governing body. A strategic review of the performance of the Internal Audit Department must be conducted each council term that considers the views of an external party with a strong knowledge of internal audit and reported to the Council in accordance with Local Government (General) Regulation (216R Audit, Risk and Improvement Committee to oversee and report on internal audit activities—the Act, s 428A(2)(i)).

This charter is to be reviewed annually by the committee and once each council term by the governing body. Any substantive changes are to be approved by the governing body.

For further information on Council's internal audit activities, contact Internal Audit Team on internalaudit@shoalhaven.nsw.gov.au or by phone 1309 293 111.

Shoalhaven City Council – Internal Audit Charter

Reviewed by Chief Internal Auditor

13 May 2024

Reviewed by chairperson of the Council's ARIC

13 May 2024

Reviewed by Chief Executive Officer

13 May 2024

Reviewed by Council in accordance with a resolution of the governing body

[date]

[resolution reference]

10. SCHEDULE 1: INTERNAL AUDIT FUNCTION RESPONSIBILITIES

The below responsibilities of the Internal Audit Department is limited by the audit work undertaken during the year, scope of the audits, budget and information availability at the time of reviews.

AUDIT

Internal audit

- Conduct internal audits as directed by the Council's audit, risk and improvement committee.
- Implement the Council's annual and four-year strategic internal audit work plans.
- Monitor the implementation by the Council of corrective actions.
- Assist the Council to develop and maintain a culture of accountability and integrity.
- Facilitate the integration of risk management into day-to-day business activities and processes.
- Promote a culture of high ethical standards.

External audit

- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided.
- Review all external plans and reports in respect of planned or completed audits and monitor the Council's implementation of audit recommendations.
- Provide advice on action taken on significant issues raised in relevant external audit reports and better practice guides.

RISK

Risk management

Review and advise:

- if the Council has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard
- whether the Council's risk management framework is adequate and effective for identifying and managing the risks the Council faces, including those associated with individual projects, programs and other activities
- if risk management is integrated across all levels of the Council and across all processes, operations, services, decision-making, functions and reporting
- of the adequacy of risk reports and documentation, for example, the Council's risk register and risk profile
- whether a sound approach has been followed in developing risk management plans for major projects or undertakings
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- if the Council has taken steps to embed a culture which is committed to ethical and lawful behaviour

Shoalhaven City Council – Internal Audit Charter

- if there is a positive risk culture within the Council and strong leadership that supports effective risk management
- of the adequacy of staff training and induction in risk management
- how the Council's risk management approach impacts on the Council's insurance arrangements
- of the effectiveness of the Council's management of its assets, and
- of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

Internal controls

Review and advise:

- whether the Council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective
- whether the Council has in place relevant policies and procedures and that these are periodically reviewed and updated
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with
- if the Council's monitoring and review of controls is sufficient, and
- if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.

Compliance

Review and advise of the adequacy and effectiveness of the Council's compliance framework, including:

- if the Council has appropriately considered legal and compliance risks as part of the Council's risk management framework
- how the Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- whether appropriate processes are in place to assess compliance.

Fraud and corruption

Review and advise of the adequacy and effectiveness of the Council's fraud and corruption prevention framework and activities, including whether the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

Financial management

Assist the Audit, Risk and Improvement Committee as needed to review and advise:

- if the Council is complying with accounting standards and external accountability requirements
- of the appropriateness of the Council's accounting policies and disclosures
- of the implications for the Council of the findings of external audits and performance audits and the Council's responses and implementation of recommendations
- whether the Council's financial statement preparation procedures and timelines are sound
- the accuracy of the Council's annual financial statements prior to external audit, including:

Shoalhaven City Council – Internal Audit Charter

- management compliance/representations
- significant accounting and reporting issues
- the methods used by the Council to account for significant or unusual transactions and areas of significant estimates or judgements
- appropriate management signoff on the statements
- if effective processes are in place to ensure financial information included in the Council's report is consistent with signed financial statements
- if the Council's financial management processes are adequate
- the adequacy of cash management policies and procedures
- if there are adequate controls over financial processes, for example:
 - appropriate authorisation and approval of payments and transactions
 - adequate segregation of duties
 - timely reconciliation of accounts and balances
 - review of unusual and high value purchases
- if policies and procedures for management review and consideration of the financial position and performance of the Council are adequate
- if the Council's grants and tied funding policies and procedures are sound.

Governance

Review and advise of the adequacy of the Council governance framework, including the Council's:

- decision-making processes
- implementation of governance policies and procedures
- reporting lines and accountability
- assignment of key roles and responsibilities
- committee structure
- management oversight responsibilities
- human resources and performance management activities
- reporting and communication activities
- information and communications technology (ICT) governance, and
- management and governance of the use of data, information and knowledge.

IMPROVEMENT

Strategic planning

Review and advise:

- of the adequacy and effectiveness of the Council's integrated, planning and reporting (IP&R) processes
- if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- whether the Council is successfully implementing and achieving its IP&R objectives and strategies.

Service reviews and business improvement

Review and advise:

Shoalhaven City Council – Internal Audit Charter

- if the Council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance
- if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
- how the Council can improve its service delivery and the Council's performance of its business and functions generally

Performance data and measurement

Review and advise:

- if the Council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
- if the performance indicators the Council uses are effective, and
- of the adequacy of performance data collection and reporting.

Shoalhaven City Council – Internal Audit Charter



Address all correspondence to:
The Chief Executive Officer
PO Box 42, Nowra NSW 2541
shoalhaven.nsw.gov.au/contact
1300 293 111

shoalhaven.nsw.gov.au   



Monthly Investment Review



April 2024

Arlo Advisory Pty Ltd
ABN: 55 668 191 795
Authorised Representative of InterPrac Financial Planning Pty Ltd
AFSL 246 638
Phone: +61 2 9053 2987
Email: michael.chandra@arloadvisory.com.au / melissa.villamin@arloadvisory.com.au
125 Middle Harbour Road, East Lindfield NSW 2070

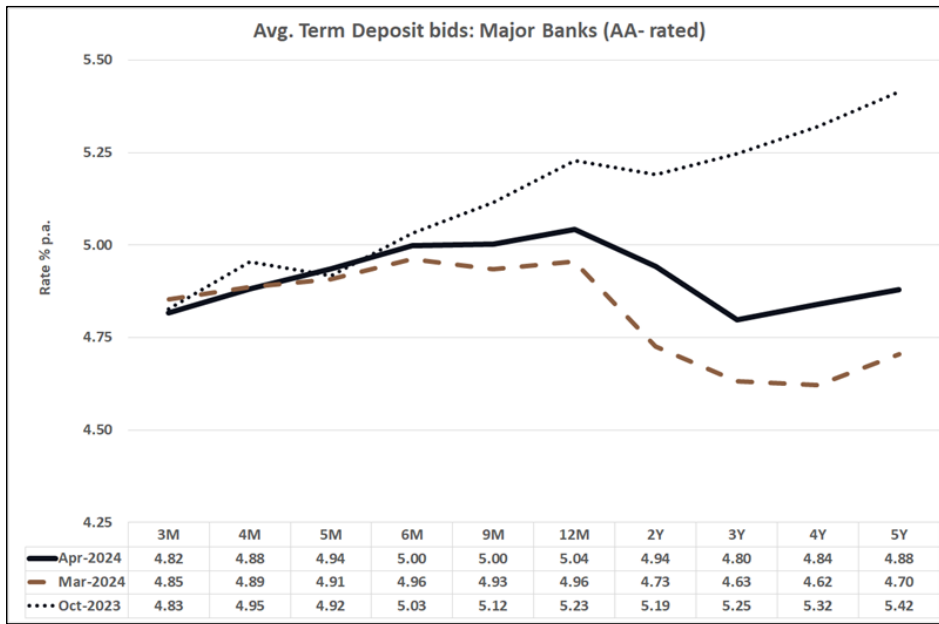
CL24.161 - Attachment 1



Market Update Summary

In April, risk assets finally parred back some of their strong gains in recent months. Inflation readings in the US have been higher than anticipated, pushing back the US Fed’s expectations of when interest rates would fall. Bonds were subsequently sold off, with longer-term yields rising significantly.

Over April, there was a flattening of the deposit curve at the longer-end, reflective of the movement in global bond yields. Markets have seemingly pushed back expectations of the first rate cut to at least late 2024, if not early 2025. On average, major bank deposit rates were around 15-20bp higher at the long-end (2-5 year) part of the curve (compared to March) in response to market movements.



Source: Imperium Markets

With a global economic downturn and interest rate cuts being priced over the next 12 months, investors should consider diversifying and taking an ‘insurance policy’ against a potentially lower rate environment by investing across 2-5 year fixed deposits, targeting rates above 5% p.a. (small allocation only).



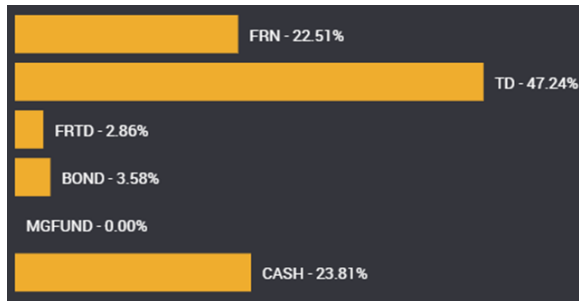
Shoalhaven City Council 's Portfolio & Compliance

Asset Allocation

The majority of the portfolio is directed to cash or cash notice accounts followed by fixed and floating rate term deposits. The remainder of the portfolio is directed to liquid senior FRNs and fixed bonds.

Senior FRNs remain relatively attractive as spreads have generally widened over the past 2 years. New issuances may be considered again on a case by case scenario. In the interim, staggering a mix of fixed deposits between 9-12 months to 3 years remains a more optimal strategy to maximise returns over a longer-term cycle.

With interest rate cuts and a global economic downturn being priced in coming years, investors can choose to allocate a small proportion of longer-term funds and undertake an insurance policy against any potential future rate cuts by investing across 2-5 year fixed deposits, locking in and targeting yields close to or above 5% 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 12% of the total investment portfolio, with capacity of ~\$81m remaining.

Once the immediate capital projects are completed, we recommend a proportion of longer-dated funds be allocated to 1-3 year fixed 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	\$59,261,674	42.42%	0%	100%	\$80,440,019
✓	91 - 365 days	\$37,101,714	26.56%	0%	100%	\$102,599,979
✓	1 - 2 years	\$17,086,081	12.23%	0%	70%	\$80,705,104
✓	2 - 5 years	\$26,252,224	18.79%	0%	50%	\$43,598,622
✓	5 - 10 years	\$0	0.00%	0%	25%	\$34,925,423
		\$139,701,693	100.00%			



Counterparty

As at the end of April 2024, 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 (\$)
✓	DBS Cov	AAA	\$1,001,589	0.72%	100.00%	\$138,700,104
✓	Suncorp Cov	AAA	\$2,012,210	1.44%	100.00%	\$137,689,483
✓	ANZ	AA-	\$2,510,653	1.80%	100.00%	\$137,191,040
✓	CBA	AA-	\$32,560,950	23.31%	100.00%	\$107,140,743
✓	HSBC Bank	AA-	\$2,010,680	1.44%	100.00%	\$137,691,013
✓	NAB	AA-	\$37,004,696	26.49%	100.00%	\$102,696,997
✓	Northern Terr.	AA-	\$5,000,000	3.58%	100.00%	\$134,701,693
✓	NSW (SIRA)	AA+	\$4,115,000	2.95%	100.00%	\$135,586,693
✓	Westpac	AA-	\$4,000,000	2.86%	100.00%	\$135,701,693
✓	Macquarie	A+	\$3,992,772	2.86%	100.00%	\$135,708,921
✓	Rabobank	A+	\$4,003,280	2.87%	100.00%	\$135,698,413
✓	Suncorp	A+	\$16,044,989	11.49%	100.00%	\$123,656,703
✓	ING Bank	A	\$19,000,000	13.60%	100.00%	\$120,701,693
✓	Bendigo-Adel.	A-	\$2,000,000	1.43%	20.00%	\$25,940,339
✓	AMP Bank	BBB+	\$2,343,161	1.68%	5.00%	\$4,641,924
✓	Newcastle PBS	BBB+	\$2,101,714	1.50%	5.00%	\$4,883,371
			\$139,701,693	100.00%		

In February 2024, ANZ’s takeover of Suncorp was given the green light by the Australian Competition Tribunal (ACT), six months after the Australian Competition and Consumer Commission (ACCC) blocked the deal on the grounds that it could lessen competition in the mortgage market. As such, Suncorp’s assets are likely to be upgraded to AA- in the near future by S&P (but also, they may be flagged as an ADI lending to the fossil fuel industry in future).

In early April 2024, BoQ and Bendigo-Adelaide were upgraded by S&P from BBB+ to A-. Separately, several other regional banks were upgraded from BBB to BBB+, as well as BBB- to BBB. This has resulted in increased capacity to invest in some of these individual institutions from a counterparty perspective, as well as the aggregate “BBB” rated category (see Credit Quality section).



Credit Quality

The portfolio is well diversified from a credit ratings perspective. The portfolio is predominately invested amongst the investment grade ADIs (BBB- or higher). There is no exposure to Unrated assets now following the disposal of the TCorp Long-Term Growth Fund.

All ratings categories are within the Policy limits:

Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	AAA Category	\$3,013,799	2%	100%	\$136,687,894
✓	AA Category	\$87,201,978	62%	100%	\$52,499,715
✓	A+ to A Category	\$43,041,041	31%	100%	\$96,660,651
✓	A- Category	\$2,000,000	1%	40%	\$53,880,677
✓	BBB+ to BBB Category	\$4,444,874	3%	30%	\$37,465,634
✓	BBB- & NR Category	\$0	0%	5%	\$6,985,085
✓	NSW TCorp LTGF	\$0	0%	100%	\$139,701,693
		\$139,701,693	100.00%		

CL24.161 - Attachment 1



Performance

Council's performance for the month ending April 2024 (excluding cash) is summarised as follows:

Performance (Actual)	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.35%	1.06%	2.15%	3.54%	4.21%
AusBond Bank Bill Index	0.35%	1.07%	2.17%	3.62%	4.24%
T/D Portfolio	0.42%	1.23%	2.40%	3.82%	4.37%
FRT/D Portfolio	0.44%	1.30%	2.62%	4.42%	5.31%
FRN Portfolio	0.43%	1.26%	2.53%	4.26%	5.11%
Bond Portfolio	0.09%	0.27%	0.54%	0.90%	1.08%
Council's Fixed Interest[^]	0.41%	1.19%	2.35%	3.81%	4.42%
Council's Total Portfolio^{^^}	0.41%	1.73%	4.28%	5.21%	6.00%
Relative (to Bank Bills)	0.06%	0.66%	2.11%	1.58%	1.76%

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

^{^^} Total portfolio returns includes historical holdings in the TCorp LTGF.

Performance (Annualised)	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	4.35%	4.35%	4.35%	4.25%	4.21%
AusBond Bank Bill Index	4.37%	4.40%	4.40%	4.35%	4.24%
T/D Portfolio	5.23%	5.09%	4.87%	4.59%	4.37%
FRT/D Portfolio	5.48%	5.36%	5.33%	5.32%	5.31%
FRN Portfolio	5.32%	5.19%	5.14%	5.12%	5.11%
Bond Portfolio	1.12%	1.09%	1.09%	1.08%	1.08%
Council's Fixed Interest[^]	5.08%	4.92%	4.77%	4.58%	4.41%
Council's Total Portfolio	5.08%	7.18%	8.77%	6.26%	6.00%
Relative (to Bank Bills)	0.70%	2.78%	4.37%	1.91%	1.76%

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

^{^^} Total portfolio returns includes historical holdings in the TCorp LTGF.

For the month of April, the total portfolio (excluding cash) provided a return of +0.41% (actual) or +5.08% p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.35% (actual) or +4.37% p.a. (annualised). The longer-term positive performance continues to be anchored by the handful of deposits that were originally placed for terms greater than 12 months.



Recommendations for Council

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, or simply just redeem to replenish capital reserves.

Term Deposits

As at the end of April 2024, Council’s deposit portfolio was yielding 5.07% p.a. (down 1bp from the previous month), with a weighted average duration of ~247 days (~8 months).

Going forward, once immediate capital projects are completed, a more optimal strategy would be staggering deposits across 9–24 months terms – this is likely to earn up to ¼–½% p.a. higher compared to shorter tenors in a normal market environment. There is growing belief that interest rate cuts and a global economic downturn is forthcoming and so locking in rates close to or above 5% p.a. across 1-5 year tenors may provide some income protection against a lower rate environment.

Please refer to the section below for further details on the Term Deposit market.

Securities

Primary (new) Senior FRNs (with maturities between 3–5 years) continue to be appealing (particularly for those investors with portfolios skewed towards fixed assets) and should be considered on a case by case scenario. Please refer to the section below for further details on the FRN market.

Council’s FRN Portfolio

We recommend that Council retains all its FRNs at this stage (most are marked at a slight discount to par at month-end). We will continue to monitor them individually and will advise when it is appropriate to sell to boost the overall returns of the portfolio in future.

Should there be a compelling new issue available, the following two FRNs are up for consideration to be sold:

Issuer	Rating	Maturity Date	ISIN	Face Value	Trading Margin	~Capital Price (\$)	~Unrealised Gain (\$)
CBA	AA-	14/01/2027	AU3FN0065579	\$2,750,000	+66.0bp	\$100.071	\$1,939
NAB	AA-	25/02/2027	AU3FN0066528	\$4,000,000	+67.0bp	\$100.117	\$4,696



Council's Senior Fixed Bonds

In September 2020, Council 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 at the time of investment given the low rate environment and particularly after the RBA's easing decision in early November 2020 to 0.10% and their 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.



Term Deposit Market Review

Current Term Deposits Rates

As at the end of April, we see value in the following:

ADI	LT Credit Rating	Term	Rate % p.a.
Rabobank	A	5 years	5.35%
Bank of China, Sydney	A	2-3 years	5.35%
Rabobank	A	4 years	5.25%
Westpac	AA-	5 years	5.20%
NAB	AA-	2 years	5.20%
Westpac	AA-	2 years	5.19%
Westpac	AA-	3 years	5.13%
NAB	AA-	3-5 years	5.10%
ING	A	5 years	5.10%
P&N Bank	BBB+	2 years	5.00%

The above deposits are suitable for investors looking to maintain diversification and lock-in a slight 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 (*we stress that rates are indicative, dependent on daily funding requirements and different for industry segments*):



ADI	LT Credit Rating	Term	Rate % p.a.
ICBC	A	12 months	5.35%
BankVIC	BBB+	12 months	5.31%
Westpac	AA-	12 months	5.30%
NAB	AA-	11-12 months	5.25%
Westpac	AA-	11 months	5.23%
Hume Bank	BBB+	12 months	5.21%
NAB	AA-	8-10 months	5.20%
Bendigo-Adelaide	A-	9 months	5.19%
NAB	AA-	6-7 months	5.15%
Westpac	AA-	6 months	5.15%
BoQ	A-	6-12 months	5.15%
Bendigo-Adelaide	A-	12 months	5.14%
ING	A	12 months	5.10%
NAB	AA-	3 months	5.00%

If Council does not require high levels of liquidity and can stagger a proportion of its investments across the longer term horizons (1-5 years), it will be rewarded over a longer-term cycle. Investing a spread of 12 months to 3 year horizons is likely to yield, on average, up to ¼-½% p.a. higher compared to those investors that entirely invest in short-dated deposits (under 6-9 months).

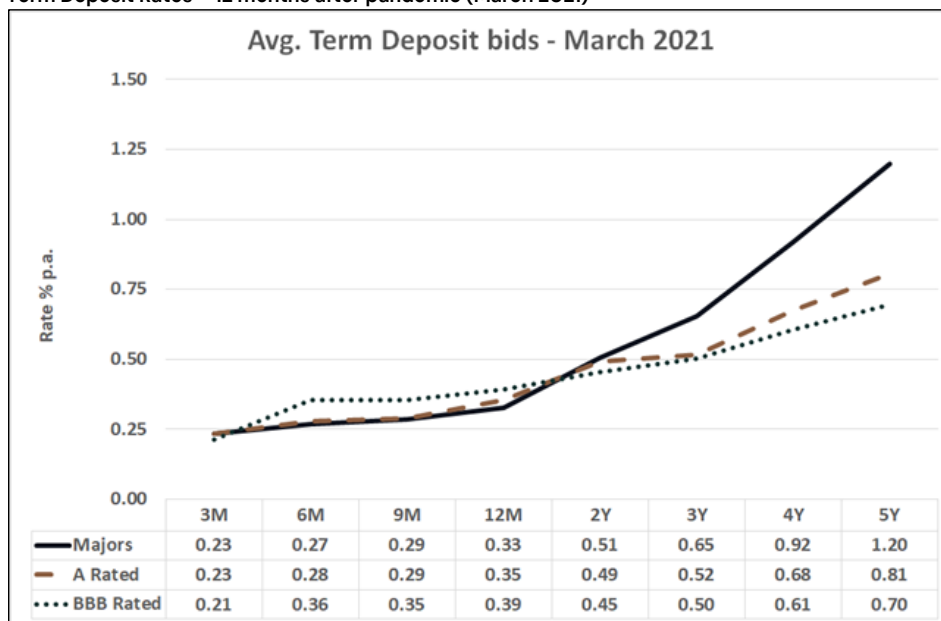
With a global economic slowdown and interest rate cuts being priced over the next 12 months, investors should strongly consider diversifying by allocating some longer term surplus funds and undertake an insurance policy by investing across 2-5 year fixed deposits and locking in rates close to or above 5% p.a. This will provide some income protection with central banks now looking to cut rates by calendar year-end.



Term Deposits Analysis

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) during mid-2020, 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. 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.

Term Deposit Rates – 12 months after pandemic (March 2021)



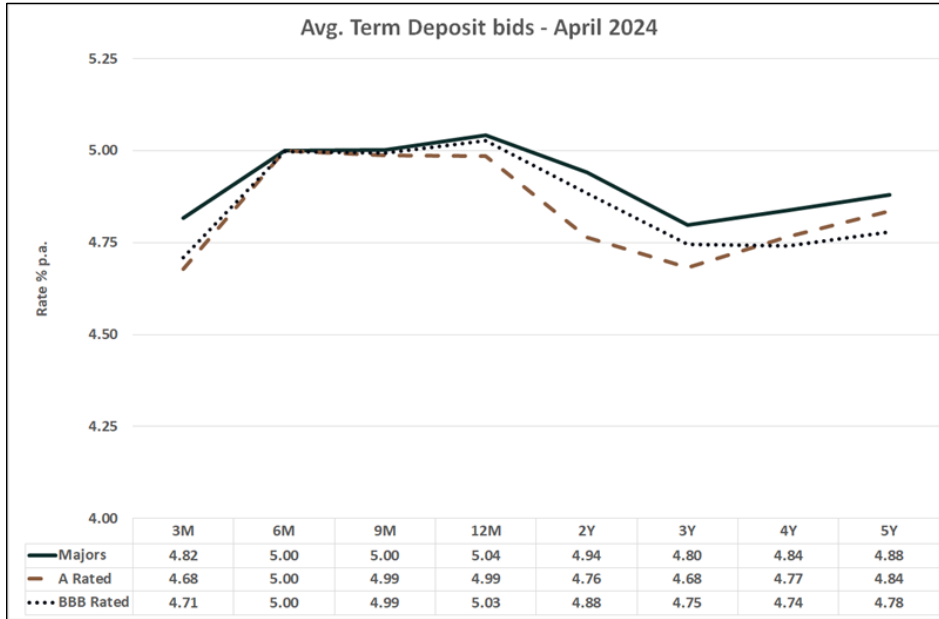
Source: Imperium Markets

The abnormal marketplace experienced during the pandemic is starting to reverse as the competition for deposits slowly increases. In recent months, we have started to periodically see some of the lower rated ADIs ("A" and "BBB" rated) offering slightly higher rates compared to the domestic major banks ("AA" rated) on different parts of the curve (i.e. pre-pandemic environment). Some of this has been attributed to lags in adjusting their deposit rates as some banks (mainly the lower rated ADIs) simply set their rates for the week.



Going forward, Council should have a larger opportunity to invest a higher proportion of its funds with the lower rated institutions (up to Policy limits), from which the majority are not lending to the Fossil Fuel industry or considered 'ethical'. We are slowly seeing this trend emerge, although the major banks always seem to react to volatility more quickly than the rest of the market, as was the case this month:

Term Deposit Rates – Currently (April 2024)



Source: Imperium Markets

Regional & Unrated ADI Sector

Ratings agency S&P has commented that "mergers remain compelling for mutual lenders" in providing smaller lenders greater economies of scale and assisting them in being able to price competitively and will see "the banking landscape will settle with a small number of larger mutual players". S&P expects that consolidation to continue over the next two years.

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.

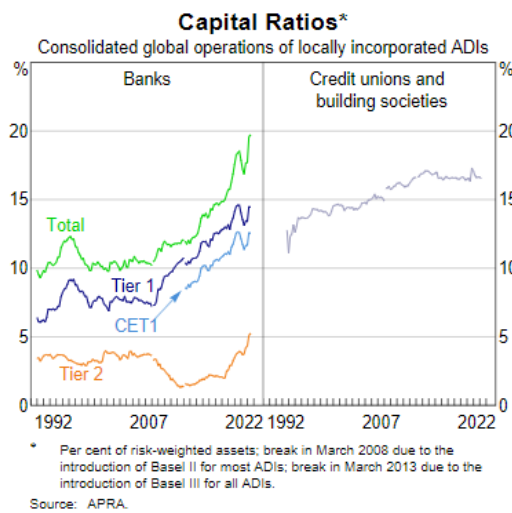
Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). The financial regulator, APRA has noted that



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 decade. 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".

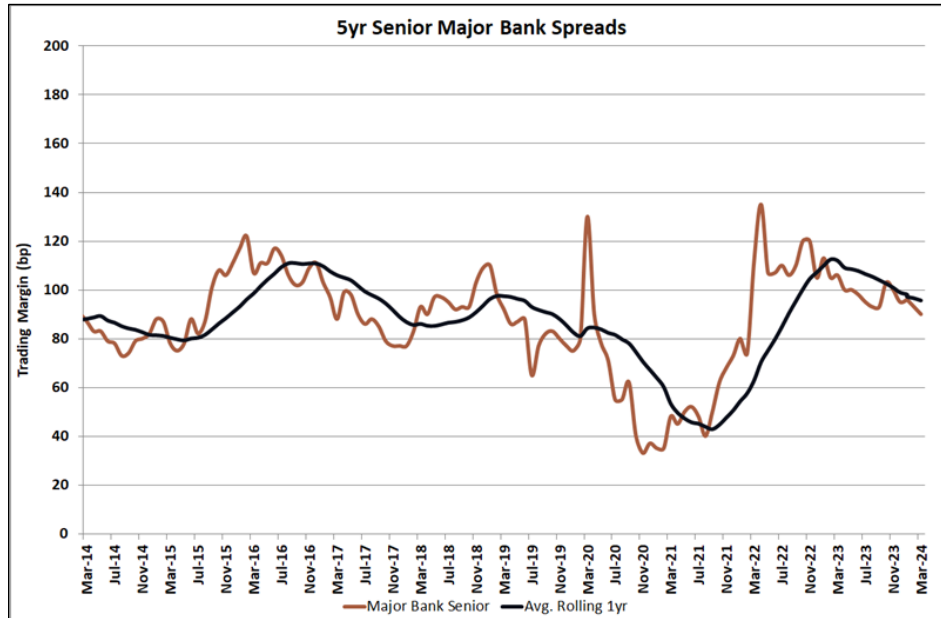


CL24.161 - Attachment 1



Senior FRNs Market Review

Over April, amongst the senior major bank FRNs, physical credit securities widened by around 2-7bp at the long-end of the curve. Major bank senior securities remain at fair value on a historical basis (5yr margins around +97bp level).



Source: IBS Capital

There was very little notable issuances during the month apart from BoQ's (A-) 5 year senior security at +128bp. Amongst the "A" rated sector, the securities widened by around 5-15bp at the longer-end of the curve, whilst the "BBB" rated sector remained flat at the 3 year part of the curve. Overall, credit securities are looking much more attractive given the widening of spreads over the past 2 years and as more primary issuances become available. FRNs will continue to play a role in investors' 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)	30/04/2024	28/03/2024
"AA" rated – 5yrs	+97bp	+90bp
"AA" rated – 3yrs	+66bp	+64bp
"A" rated – 5yrs	+115bp	+100bp
"A" rated – 3yrs	+88bp	+83bp
"BBB" rated – 3yrs	+160bp	+160bp

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 mid-2026 for the "AA" rated ADIs (domestic major banks);
- On or before mid-2025 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.



Senior Fixed Bonds – ADIs (Secondary Market)

With global inflation still high by historical standards, this has seen a significant lift in longer-term bond yields over the past 2 years (valuations have fallen) as markets have reacted sharply.

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
AU3CB0278174	UBS	A+	Senior	26/02/2026	1.83	1.10%	5.45%
AU3CB0280030	BoQ	BBB+	Senior	06/05/2026	2.02	1.40%	5.53%
AU3CB0299337	Bendigo	BBB+	Senior	15/05/2026	2.04	4.70%	5.45%
AU3CB0296168	BoQ	BBB+	Senior	27/01/2027	2.75	4.70%	5.52%

CL24.161 - Attachment 1



Economic Commentary

International Market

In April, risk assets finally parred back some of their strong gains in recent months. Inflation readings in the US have been higher than anticipated, pushing back the US Fed's expectations of when interest rates would fall. Bonds were subsequently sold off, with longer-term yields rising significantly. The ongoing tensions in the Middle East conflict also contributed to financial market volatility during the month.

Across equity markets, the S&P 500 Index fell -4.16% over the month, whilst the NASDAQ lost -4.41%. Europe's main indices also experienced losses, led by Germany's DAX (-3.03%) and France's CAC (-2.69%). UK's FTSE (+2.41%) bucked the global trend, providing a positive return.

The US Core PCE inflation for March came in at +0.32% m/m vs. +0.30% consensus, broadly in line with expectations, despite fears it could print as high as +0.5% m/m. The annual figure was +2.8% y/y, whilst the 6m annualised sits at +3.0% and the 3m annualised more worrying at +4.4%.

US annualised GDP decelerated from +3.4% to +1.6% in Q1, well below market expectations of +2.5%.

The Bank of Canada held official rates at 5.00% as universally expected. Whilst the post-meeting statement says they believed they would be in a position to cut interest rates this year, members apparently disagreed on when inflation would be deemed to have slowed enough to trigger the first move. Employment has weakened in Canada, falling -2.2k in March and the unemployment rate rose from 5.9% to 6.1%.

German inflation fell to +2.3% y/y in March, a tick weaker than expected, following recent data showing falls for France, Italy and Spain. Inflation heading towards target across the region will support the call for the ECB to cut rates in coming months.

UK annual headline and core CPI inflation were +3.2% y/y and +4.2% y/y respectively, which were both slightly above expectations of +3.1% y/y and +4.1% y/y respectively. This "sticky" UK inflation also resulted in markets pushing back the timing of interest rate cuts by the UK central bank.

China's GDP grew by +5.3% in the first quarter, exceeding analysts' expectations of +4.8%, and slightly faster than the +5.2% recorded in the previous three months.

The MSCI World ex-Aus Index fell -3.85% for the month of April:

Index	1m	3m	1yr	3yr	5yr	10yr
S&P 500 Index	-4.16%	+3.92%	+20.78%	+6.39%	+11.32%	+10.33%
MSCI World ex-AUS	-3.85%	+3.24%	+16.83%	+4.13%	+8.83%	+7.15%
S&P ASX 200 Accum. Index	-2.94%	+1.04%	+9.07%	+7.30%	+8.00%	+7.76%

Source: S&P, MSCI



Domestic Market

The RBA Minutes contained little new information on top of Governor Bullock’s post-Meeting press conference. The case for a rate hike was not explicitly discussed and balance of risks “had become a little more even”.

Australia’s unemployment rate increased to 3.8% in March from 3.7% in February as the economy shed 6,600 jobs in March after strong gains of +117,600 in February. The RBA has forecasted the unemployment rate to reach 4.2% by October 2024.

Q1 CPI came in on the high side of expectations, at +1.0% q/q on both the headline and trimmed mean measure. That is stronger than the +0.8% q/q the RBA had pencilled in the February SoMP. On an annual basis, CPI rose to +3.6% to the end of March 2024 (from +3.5% in February).

The most significant contributors to the March quarter rise were education (5.9%), health (2.8%), housing (0.7%), and food and non-alcoholic beverages (0.9%).

Dwelling prices rose +0.6% m/m and +8.8% y/y in March. The +0.6% m/m pace of growth is broadly similar to February, but is certainly a step up on the growth seen in December and January.

The February trade balance narrowed to \$7.3bn, its lowest since August, while surpluses recorded in December and January were revised about \$1bn lower.

The Australian dollar marginally fell by -0.11%, finishing the month at US65.25 cents (from US65.32 cents the previous month).

Credit Market

The global credit indices remained relatively flat in the US and Europe, whilst they widened in Australia. They are now back to their levels in early 2022 (prior to the rate hike cycle from most central banks):

Index	April 2024	March 2024
CDX North American 5yr CDS	52bp	52bp
iTraxx Europe 5yr CDS	55bp	55bp
iTraxx Australia 5yr CDS	73bp	66bp

Source: Markit



Fixed Interest Review

Benchmark Index Returns

Index	April 2024	March 2024
Bloomberg AusBond Bank Bill Index (0+YR)	+0.35%	+0.37%
Bloomberg AusBond Composite Bond Index (0+YR)	-1.98%	+1.12%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.48%	+0.50%
Bloomberg AusBond Credit Index (0+YR)	-0.91%	+0.90%
Bloomberg AusBond Treasury Index (0+YR)	-2.03%	+1.15%
Bloomberg AusBond Inflation Gov't Index (0+YR)	-1.82%	+1.34%

Source: Bloomberg

Other Key Rates

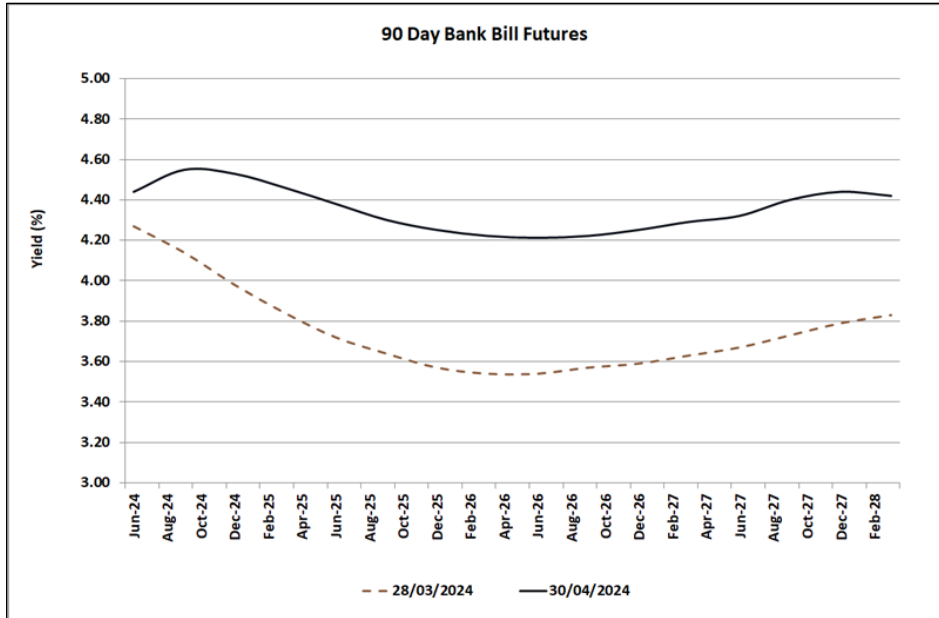
Index	April 2024	March 2024
RBA Official Cash Rate	4.35%	4.35%
90 Day (3 month) BBSW Rate	4.41%	4.34%
3yr Australian Government Bonds	4.03%	3.59%
10yr Australian Government Bonds	4.42%	3.97%
US Fed Funds Rate	5.25%-5.50%	5.25%-5.50%
2yr US Treasury Bonds	5.04%	4.59%
10yr US Treasury Bonds	4.69%	4.20%

Source: RBA, ASX, US Department of Treasury



90 Day Bill Futures

Bill futures significantly rose this month, following the movement in the global bond market. Markets have pushed back their expectations of when the first rate cut will be delivered:



Source: ASX

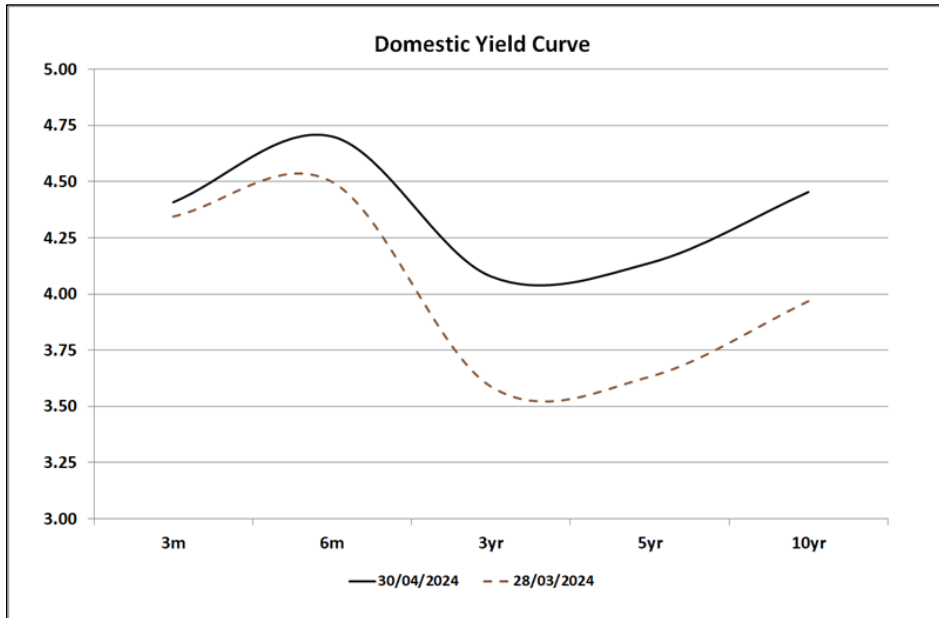


Fixed Interest Outlook

US Fed commentary continued to point towards a cautious FOMC, concerned about the stalling or re-acceleration of inflationary pressures. 10 year Treasury yields hit a year to date high during the month of April, as markets continue to push back expectations for the number and timing of FOMC cuts this year. US Fed pricing for 2024 now stands at around just 34bp of cuts (November 2024 is almost fully priced), noting that at the beginning of April, as much as 67bp was priced.

Domestically, Australian inflation is lagging, but expectations is that the RBA is likely to join once the US Fed finally decides to pull the trigger. The RBA is perceived to adopt a slightly more neutral approach to monetary policy; however, the addition of *“the Board is not ruling anything in or out”* in its latest policy statement suggests the Board wants to keep the optionality in the event of future shocks. Additional rate rises are now totally not out of the equation if inflation continues to disappoint.

Over the month, longer-term yields rose up to 50bp at the very long end of the curve (remains an inverse yield curve):

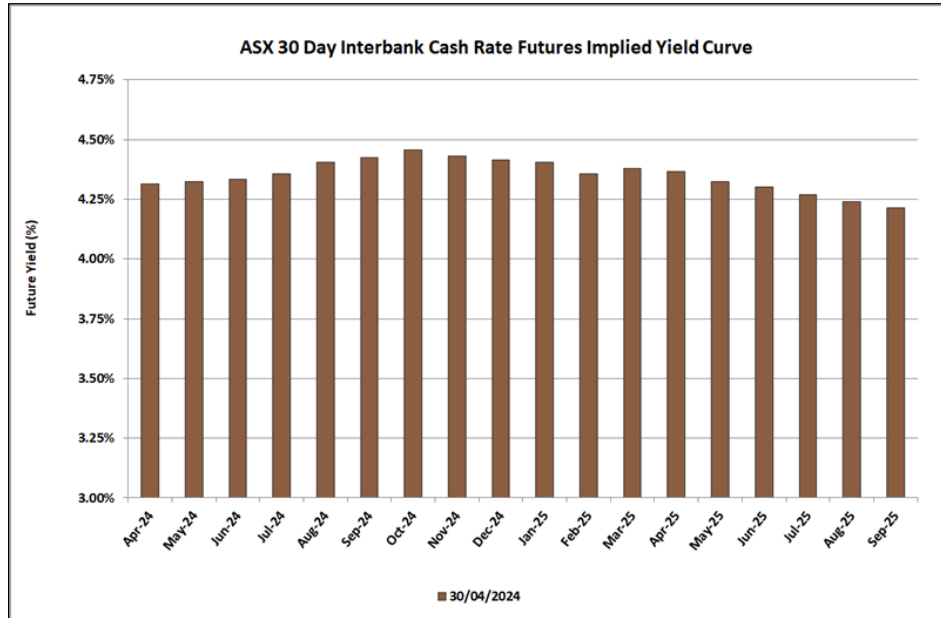


Source: ASX, RBA

CL24.161 - Attachment 1



For the time being, the consensus from the broader market is that we have reached the peak of the interest rate cycle. Financial markets have pushed back their expectations of the first rate cut to early-mid 2025.



Source: ASX

DISCLAIMER

This document has been prepared by Arlo Advisory Pty Ltd ("Arlo"), ABN 55 668 191 795, an authorised representative of InterPrac Financial Planning Pty Ltd (ABN 14 076 093 680) AFS Licence No. 246638. Arlo provides fixed income investment advisory services to wholesale investors only. The information in this document is intended solely for your use. This document may not otherwise be reproduced and must not be distributed or transmitted to any other person or used in any way without the express approval of Arlo.

General Advice Warning

The information contained in this document is general in nature and does not take into account your individual investment objectives and adopted policy mandate. Arlo monitors the fixed income market and recommends the best rates currently available to the investors. You are responsible for deciding whether our recommendations are appropriate for your particular investment needs, objectives and financial situation and for implementing your decisions.

Accuracy & Reliability of Information

Arlo sources and uses information provided by third parties from time to time, including from Imperium Markets Pty Ltd ABN 87 616 579 527, a sister company of Arlo. Although every effort has been made to verify the accuracy of the information contained in this document, Arlo, its officers, employees and agents disclaim all liability (except for any liability which by law cannot be excluded), for any error, inaccuracy in, or omission from the information contained in this document or any loss or damage suffered by any person directly or indirectly through relying on this information.



Address all correspondence to: The Chief Executive Officer,
PO Box 42, Nowra NSW 2541 Australia
shoalhaven.nsw.gov.au/contact | 1300 293 111

shoalhaven.nsw.gov.au    

NOTICE OF DETERMINATION OF A DEVELOPMENT APPLICATION

Application number	DA2024/1188
Applicant	Cowman Stoddart Pty. Limited
Description of development	Torrens Title subdivision of existing dual occupancy (attached) and associated sewer realignment works.
Property	9 Jindalee Crescent Nowra, Lot 915 DP 1240172
Determination	Approval
Date of determination	
Date from which the consent operates	
Date on which the consent lapses	

Under section 4.18(1) of the EP&A Act, notice is given that the above development application has been determined by the granting of consent using the power in section 4.16(1)(a) of the EP&A Act, subject to the conditions specified in this notice.

Reasons for Grant of Consent

- a) The development proposal, subject to the recommended conditions is consistent with:
 - i) the objects of the Environmental Planning and Assessment Act, 1979.
 - ii) the aims, objectives and provisions of the applicable environmental planning instruments,
 - iii) the aims, objectives and provisions of applicable development control plans
 - iv) the aims, objectives and provisions of relevant Council policies.
- b) The likely impacts of the proposed development are considered acceptable.
- c) The site is suitable for the proposed development.
- d) Any submissions received during the public notification period have been considered and issues and concerns raised by the community in submissions have been addressed in the assessment.
- e) The proposed development does not conflict with the public interest.

Right of appeal / review of determination

If you are dissatisfied with this determination:

Request a review

You may request a review of the consent authority’s decision under section 8.3(1) of the EP&A Act. The application must be made to the consent authority within 6 months from the

date that you received the original determination notice provided that an appeal under section 8.7 of the EP&A Act has not been disposed of by the Court.

Rights to appeal

You have a right under section 8.7 of the EP&A Act to appeal to the Court within 6 months after the date on which the determination appealed against is notified or registered on the NSW planning portal.

Dictionary

The Dictionary at the end of this consent defines words and expressions for the purposes of this consent.

Person on behalf of the consent authority

[#Contact Name#]

[#Contact Position#]

Terms and Reasons for Conditions

Under section 88(1)(c) of the EP&A Regulation, the consent authority must provide the terms of all conditions and reasons for imposing the conditions other than the conditions prescribed under section 4.17(11) of the EP&A Act. The terms of the conditions and reasons are set out below.

GENERAL CONDITIONS																																			
CONDITIONS					REASON																														
1.	<p>Approved plans and supporting documentation</p> <p>Development must be carried out in accordance with the following approved plans and documents, except where the conditions of this consent expressly require otherwise.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5">Approved Plans</th> </tr> <tr> <th style="width: 15%;">Plan Number</th> <th style="width: 15%;">Revision Number</th> <th style="width: 30%;">Plan Title</th> <th style="width: 15%;">Drawn by</th> <th style="width: 25%;">Date of Plan</th> </tr> </thead> <tbody> <tr> <td>131064-02 Sheet 01 of 01</td> <td>PO</td> <td>Plan of proposed subdivision</td> <td>Allen Price & Scarratts Pty Ltd</td> <td>14/02/2024</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5">Approved Document</th> </tr> <tr> <th style="width: 15%;">Document Number</th> <th style="width: 15%;">Revision Number</th> <th style="width: 20%;">Document Title</th> <th style="width: 15%;">Prepared By</th> <th style="width: 35%;">Date of Document</th> </tr> </thead> <tbody> <tr> <td>131064-CS</td> <td></td> <td>Statement of Environmental Effects</td> <td>Cowman Stoddart P/L</td> <td>11/03/2024</td> </tr> </tbody> </table> <p>In the event of any inconsistency with the approved plans and a condition of this consent, the condition prevails.</p>				Approved Plans					Plan Number	Revision Number	Plan Title	Drawn by	Date of Plan	131064-02 Sheet 01 of 01	PO	Plan of proposed subdivision	Allen Price & Scarratts Pty Ltd	14/02/2024	Approved Document					Document Number	Revision Number	Document Title	Prepared By	Date of Document	131064-CS		Statement of Environmental Effects	Cowman Stoddart P/L	11/03/2024	<p>To ensure compliance with the approved plans and documents.</p>
Approved Plans																																			
Plan Number	Revision Number	Plan Title	Drawn by	Date of Plan																															
131064-02 Sheet 01 of 01	PO	Plan of proposed subdivision	Allen Price & Scarratts Pty Ltd	14/02/2024																															
Approved Document																																			
Document Number	Revision Number	Document Title	Prepared By	Date of Document																															
131064-CS		Statement of Environmental Effects	Cowman Stoddart P/L	11/03/2024																															
2.	<p>Existing Infrastructure</p> <p>Any required alterations or damage to infrastructure will be at the developer's expense.</p> <p><i>Note: It is recommended prior to the issue of a Construction Certificate, all infrastructure, existing and proposed, is to be shown accurately on construction plans with clearances clearly labelled confirming that the proposed works do not affect any existing infrastructure. This will reduce the potential for unexpected costs and expenses.</i></p>				<p>To ensure existing infrastructure is accounted for and any damage to infrastructure is suitably repaired.</p>																														
3.	<p>Housing and Productivity Contribution</p>				<p>To comply with the Regulations</p>																														

- a) The housing and productivity contribution (HPC) set out in the table below, but as adjusted in accordance with condition (b), is required to be made:

Housing and productivity contribution	Amount
Housing and productivity contribution (base component)	\$8,000
Transport project component	N/A
Total housing and productivity contribution	\$8,000

- b) The amount payable at the time of payment is the amount shown in condition (a) as the total housing and productivity contribution adjusted by multiplying it by:

highest PPI number
consent PPI number

where:

highest PPI number is the highest PPI number for a quarter following the June quarter 2023 and up to and including the 2nd last quarter before the quarter in which the payment is made, and

consent PPI number is the PPI number last used to adjust HPC rates when consent was granted, and

June quarter 2023 and **PPI** have the meanings given in clause 22 (4) of the Environmental Planning and Assessment (Housing and Productivity Contribution) Order 2023.

If the amount adjusted in accordance with this condition is less than the amount at the time consent is granted, the higher amount must be paid instead.

- c) The HPC must be paid before the issue first construction certificate in relation to the development, or before the commencement of any work authorised by this consent (if no construction certificate is required). However, if development is any of the kinds set out in the table below, the total housing and productivity contribution must be paid as set out in the table:

Development	Time by which HPC must be paid
Development consisting only of residential subdivision within the meaning of the HPC Order	Before the issue of the first subdivision certificate

High-density residential development within the meaning of the HPC Order for which no construction certificate is required	Before the issue of the first strata certificate
Development that consists only of residential strata subdivision (within the meaning of the HPC Order) or only of residential strata subdivision and a change of use of an existing building	Before the issue of the first strata certificate
Manufactured home estate for which no construction certificate is required	Before the installation of the first manufactured home

In the Table, **HPC Order** means the Environmental Planning and Assessment (Housing and Productivity Contribution) Order 2023.

d) The HPC must be paid using the NSW planning portal (<https://pp.planningportal.nsw.gov.au/>).

e) If the Minister administering the Environmental Planning and Assessment Act 1979 agrees, the HPC (apart from any transport project component) may be made, instead of as a monetary contribution, in the following ways:

- i) the dedication or provision of land for the purpose of regional infrastructure in the region in which the development will be carried out,
- ii) the carrying out of works for the purpose of regional infrastructure in the region in which the HPC development will be carried out.

If the HPC is made partly as a monetary contribution, the amount of the part payable is the amount of the part adjusted in accordance with condition 2 at the time of payment.

f) Despite condition (a), a housing and productivity contribution is not required to be made to the extent that a planning agreement excludes the application of Subdivision 4 of Division 7.1 of the Environmental Planning and Assessment Act 1979 to the development, or the Environmental Planning and Assessment (Housing and Productivity Contribution) Order 2023 exempts the development from the contribution. The amount of the

	contribution may also be reduced under the order, including if payment is made before 1 July 2025.	
4.	Prescribed Conditions The development must comply with Part 4, Division 2, Subdivision 1, of the <i>Environmental Planning and Assessment Regulation 2021</i> , as applicable.	To ensure compliance with prescribed conditions.
5.	Shoalhaven Water – Compliance with Conditions All conditions listed on the Shoalhaven Water Development Notice at each stage of work must be complied with as relevant to that stage. Written notification must be issued by Shoalhaven Water and evidence provided to the Certifier for each applicable stage.	To ensure compliance with Shoalhaven Water requirements.
SUBDIVISION WORK		
Before Issue of a Subdivision Works Certificate		
CONDITIONS		REASON
6.	Council Approvals - Evidence A Construction Certificate / Subdivision Works Certificate must not be issued until the Certifier has received notification from, or evidence of, any Council approval that is required before the commencement of building works.	To ensure all required approvals are obtained.
7.	Erosion and Sediment Controls - Erosion and Sediment Control Plan Before issue of a Construction Certificate / Subdivision Works Certificate, an Erosion and Sediment Control Plan (ESCP) and specifications must be prepared in accordance with Landcom's publication <i>Managing Urban Stormwater - Soils and Construction (2004)</i> by a suitably qualified person, (as defined in the National Construction Code) to the satisfaction of the Certifier. All plans must include: a) Site access location and stabilisation details and restrictions; b) Erosion control locations and types; c) Sediment control locations and types; d) Soil, water and drainage management plans;	To ensure an appropriate Erosion and Sediment Control Plan has been prepared.

	<ul style="list-style-type: none"> e) Site rehabilitation details; f) Inspection and maintenance details; g) Identification of existing vegetation and site revegetation to have 70% cover established before plan is decommissioned; h) Existing and final contours (clearly distinguished and adequately annotated); i) Standard construction drawings for proposed soil, water and drainage management measures. j) All implemented measures must ensure that a pollution incident must not occur as defined by the Protection of the Environment Operations Act (POEO). <p>All implemented measures must:</p> <ul style="list-style-type: none"> a) not cause water pollution as defined by the Protection of the Environment Operations Act (POEO). b) be maintained at all times. c) not be decommissioned until at least 70% revegetation cover has been established. 	
<p>SUBDIVISION WORK Before Subdivision Work Commences</p>		
	<p>CONDITIONS</p> <ul style="list-style-type: none"> 8. Appointment of Principal Certifier Before building/subdivision work commences a Principal Certifier must be appointed. 9. Dilapidation Report (Minor) Before the commencement of work, the developer must engage a competent person to prepare a dilapidation report in respect of the neighbouring premises and adjacent public infrastructure, including adjacent kerbs, gutters, footpaths (formed or unformed), driveways (formed or unformed), carriageway, reserves and the like to document evidence of any existing damage. The dilapidation report must consider the impact of any excavation work that extends below the level of the base of the footings of any structure within 900mm of the shared boundary. 	<p>REASON</p> <ul style="list-style-type: none"> To ensure a Principal Certifier is appointed where required. To ensure a suitable dilapidation report is prepared and the status of existing infrastructure and adjoining structures is recorded prior to the commencement of work.

	<p>Before works commence, a copy of the dilapidation report must be provided to the Certifier and Council. The dilapidation report will be the benchmark for necessary repairs to damage caused during the development works. All repairs must be completed by the developer at the developer's cost.</p> <p>Not less than seven (7) days before works commence, the developer must notify the owner of any affected property of the intention to carry out approved works. The developer must also furnish the owner with details of the approved work.</p> <p>However, if the occupier or owner of any neighbouring dwelling does not permit reasonable access for the purposes for the preparation of the dilapidation report, written evidence of the efforts taken to secure access may be submitted to the Principal Certifier and the Principal Certifier may waive the requirement in relation to the relevant property.</p> <p><i>Note: A dilapidation report can comprise of video footage and photos of adjacent public infrastructure and relevant structures on adjoining properties.</i></p>	
<p>10.</p>	<p>Notice of Commencement</p> <p>Notice must be given to Council at least two (2) days before the commencement of building or subdivision work by completing and returning the form 'Commencement Notice for Building or Subdivision Work and Appointment of Principal Certifying Authority'.</p>	<p>To ensure appropriate notice is given to Council.</p>
<p>11.</p>	<p>Section 68 Application – Water Supply, Sewerage and Stormwater Drainage</p> <p>Before the issue of a Construction Certificate, an application for water supply, sewerage and stormwater drainage must be approved under section 68 of the <i>Local Government Act 1993</i>.</p>	<p>To ensure relevant approvals are obtained.</p>
<p>12.</p>	<p>Shoalhaven Water – Application for Certificate of Compliance</p> <p>Before commencement of works, an application for a Certificate of Compliance must be made with Shoalhaven Water and where required a Water Development Notice is to be obtained.</p> <p>Shoalhaven Water will determine if sewerage and/or water infrastructure and/or easements will be affected by any part of your development including what charges/fees apply. Please visit https://shoalwater.nsw.gov.au/planning-building/developers-consultants/water-development-notice</p>	<p>To ensure a Water Development Notice and Certificate of Compliance are obtained.</p>

	<p>to make application for a Certificate of Compliance or call (02) 4429 3214 to learn more about applying.</p> <p>Upon the receipt of the application, Shoalhaven Water will assess the development and if required will issue a “Water Development Notice” document detailing all requirements which must be met.</p> <p><i>Note: As water and/or sewerage infrastructure may impact on part/s or all of the development such as building, provision of services, protection of water and/or sewer assets, etc., it is recommended that this application is made as early as possible during the development process.</i></p>	
13.	<p>Street Numbering</p> <p>Street numbering must comply with the State Governments Comprehensive Property Addressing System (CPAS), and Council’s Property Address Numbering Policy.</p> <p>Street numbering for the development must be as follows:</p> <p>Lot 1 – 9B Jindalee Crescent, Nowra (dwelling adjacent to lot 916)</p> <p>Lot 2 – 9A Jindalee Crescent, Nowra (dwelling adjacent to lot 914)</p> <p>The allocated numbers must be shown on the engineering/construction plans with the Construction Certificate / Subdivision Works Certificate. Where plans and details are provided to service suppliers, numbers must be in accordance with the above.</p>	To ensure consistent and appropriate street numbering.
14.	<p>Subdivision Works Certificate</p> <p>A Subdivision Works Certificate must be obtained from either Council or a certifier before any subdivision work can commence.</p>	To ensure appropriate building and subdivision certificates are obtained.
15.	<p>Toilet Facilities – Temporary</p> <p>Toilet facilities must be available or provided at the work site before works begin and must be maintained until the works are completed at a ratio of one toilet plus one additional toilet for every 20 persons employed at the site. Each toilet must:</p> <ol style="list-style-type: none"> a) be a standard flushing toilet connected to a public sewer, or b) have an on-site effluent disposal system approved under the <i>Local Government Act 1993</i>, or 	To ensure suitable toilet facilities are provided.

	c) be a temporary chemical closet approved under the <i>Local Government Act 1993</i> .	
16.	<p>Waste Management Plan – an approved document of this consent</p> <p>Before the commencement of site works a waste management plan for the development must be provided to the Certifier for review and approval.</p>	To ensure an appropriate waste management plan is provided.
17.	<p>Works within the Road Reserve – Submissions to Council</p> <p>Before undertaking any works within an existing road reserve, the developer must obtain the consent of Council under section 138 of the <i>Roads Act 1993</i>.</p> <p>The following details must be submitted to Council as part of the application:</p> <p>a) Any civil works design required by this consent.</p> <p>b) Evidence of the contractor’s Public Liability Insurance to an amount of \$20 million.</p> <p>c) Name and contact information of the person responsible for all relevant works.</p> <p>d) A Traffic Control Plan prepared, signed, and certified by a person holding the appropriate Transport for NSW (TfNSW) accreditation.</p> <p>e) Where the Traffic Control Plan requires a reduction of the speed limit, a ‘Application for Speed Zone Authorisation’ must be obtained from the relevant road authority.</p>	To ensure relevant approvals are obtained.
SUBDIVISION WORK		
During Subdivision Work		
CONDITIONS		REASON
18.	<p>Acid Sulfate Soils - Unexpected Finds</p> <p>If acid sulfate soils are encountered during excavation and/or construction works, all work must cease, and Shoalhaven City Council notified immediately. The extent of acid sulfate soil must be evaluated by a qualified environmental consultant with experience in the assessment of acid sulfate soils and a preliminary assessment provided to Council. Council will determine an appropriate response, including if</p>	To ensure acid sulfate soils are appropriately managed.

<p>an Acid Sulfate Soils Management Plan is required to be prepared and implemented, before works can recommence.</p>	
<p>19. Discovery of relics and Aboriginal objects</p> <p>While site work is being carried out, if a person reasonably suspects a relic or Aboriginal object is discovered:</p> <ul style="list-style-type: none"> a) the work in the area of the discovery must cease immediately. b) the following must be notified for a relic – the Heritage Council; or c) for an Aboriginal object – the person who is the authority for the protection of Aboriginal objects and Aboriginal places in New South Wales under the National Parks and Wildlife Act 1974, section 85. <p>Site work may recommence at a time confirmed in writing by:</p> <ul style="list-style-type: none"> a) for a relic – the Heritage Council; or for an Aboriginal object – the person who is the authority for the protection of Aboriginal objects and Aboriginal places in New South Wales under the National Parks and Wildlife Act 1974, section 85. 	<p>To ensure the protection of objects of potential significance during works.</p>
<p>20. Potentially Contaminated Land - Unexpected Finds</p> <p>If unexpected, contaminated soil and/or groundwater is encountered during any works:</p> <ul style="list-style-type: none"> a) all work must cease, and the situation must be promptly evaluated by an appropriately qualified environmental consultant. b) the contaminated soil and/or groundwater must be managed under the supervision of the environmental consultant, in accordance with relevant NSW Environment Protection Authority (EPA) Guidelines. <p>If unexpected, contaminated soil, or groundwater is treated and/or managed on-site an appropriately qualified environmental consultant must verify that the situation was appropriately managed in accordance with relevant NSW EPA guidelines before recommencement of works. The verification documentation must be provided to the satisfaction of the Certifier and Shoalhaven City Council before the recommencement of any works.</p> <p>If contaminated soil or groundwater is to be removed from the site, it must be transported to an appropriately licensed waste facility by an NSW EPA licensed waste contractor in</p>	<p>To ensure any detected contaminants are appropriately managed.</p>

	<p>accordance with relevant NSW EPA guidelines including the Waste Classification Guidelines (2014).</p> <p><i>Note: An appropriately qualified environmental consultant will have qualifications equivalent to CEnvP "Site Contamination" (SC) Specialist - by Certified Environmental Practitioner or 'Certified Professional Soil Scientist' (CPSS CSAM) by Soil Science Australia (SSA).</i></p>	
21.	<p>Site Management - Hours for Construction</p> <p>Construction may only be carried out between 7.00am and 5.00pm on Monday to Saturday and no construction is to be carried out at any time on a Sunday or a public holiday. Proposed changes to hours of construction must be approved by Council in writing.</p>	<p>To ensure site work occurs within appropriate construction hours.</p>
22.	<p>Site Management - Maintenance of Site and Surrounds</p> <p>During works, the following maintenance requirements must be complied with:</p> <ul style="list-style-type: none"> a) All materials and equipment must be stored and delivered wholly within the work site unless an approval to store them elsewhere is held. b) Waste materials (including excavation, demolition and construction waste materials) must be managed on the site and then disposed of at a waste management facility. c) Where tree or vegetation protection measures are in place, the protected area must be kept clear of materials and / or machinery. d) The developer must maintain the approved soil water management / erosion and sediment control measures to the satisfaction of the Certifier for the life of the construction period and until runoff catchments are stabilised. e) During construction: <ul style="list-style-type: none"> i) all vehicles entering or leaving the site must have their loads covered, and ii) all vehicles, before leaving the site, must be cleaned of dirt, sand and other materials, to avoid tracking these materials onto public roads. f) At the completion of the works, the work site must be left clear of waste and debris. 	<p>To ensure the site is maintained in a safe and secure manner.</p>
23.	<p>Site Management - Noise</p>	<p>To protect the amenity of</p>

	The noise from all site work, demolition and construction activities associated with the approved development must comply with the work practices as outlined in the NSW Department of Environment & Climate Change Interim Construction Noise Guideline. The LA10 level measured over a period of not less than 15 minutes during works must not exceed the background (LA90) noise level by more than 10dB(A) when assessed at any sensitive noise receiver.	neighbouring properties.
24.	<p>Stormwater - Overland Flow, Redirecting and/or Concentrating Stormwater</p> <p>All excavation, backfilling and landscaping works must not result in:</p> <p>a) any change to the overland stormwater flow path on your property and or a neighbouring property. If any change to the overland flow path occurs on a property, the stormwater runoff must be collected and directed to a legal point of discharge.</p> <p>b) the redirection and/or concentration of stormwater flows onto neighbouring properties.</p>	To ensure stormwater is appropriately managed.
<p>SUBDIVISION WORK Before the Issue of a Subdivision Certificate</p>		
CONDITIONS		REASON
25.	<p>Compliance with Conditions of Consent – Approved Development</p> <p>Before the issue of any Subdivision Certificate, all required conditions of consent for DA24/1188 must be satisfied and an Occupation Certificate issued for the development. Evidence of the Occupation Certificate must be provided to Council.</p>	To ensure compliance with relevant development consent.
26.	<p>Completion of Public Utility Services</p> <p>Before the issue of the relevant Occupation Certificate / Subdivision Certificate, confirmation must be obtained from the relevant authority that any adjustment or augmentation of any public utility services including gas, water, sewer, electricity, street lighting and telecommunications, required as a result of the development, have been completed and this confirmation must be provided to the principal certifier.</p>	To ensure required changes to public utility services are completed, in accordance with the relevant agency requirements, before occupation.

<p>27.</p>	<p>Dilapidation Report (Minor) – Evidence of Completion</p> <p>Before the issue of an Occupation Certificate, the developer must provide the Certifier and Council with evidence that any damage to neighbouring premises or adjacent public infrastructure, not previously identified as existing damage in the Dilapidation Report, has been repaired by the developer to the satisfaction of Council.</p>	<p>To ensure any damage not previously identified in the Dilapidation Report is suitably repaired.</p>
<p>28.</p>	<p>Shoalhaven Water – Certificate of Compliance</p> <p>Before the issue of any Occupation Certificate, a Certificate of Compliance under section 307 of the <i>Water Management Act 2000</i> must be obtained from Shoalhaven Water to verify satisfactory compliance with all conditions for the supply of water and sewerage, as listed on the Water Development Notice.</p> <p>If the development is to be completed in approved stages, or application is subsequently made for staging of the development, separate Compliance Certificates must be obtained for each stage of the development.</p>	<p>To ensure compliance with Shoalhaven Water requirements.</p>
<p>29.</p>	<p>Subdivision / Strata Certificate</p> <p>A Subdivision / Strata Certificate must be obtained from Council or an accredited certifier prior to lodgement of the Final Plan of Survey with NSW Land Registry Services.</p>	<p>To ensure appropriate building and Subdivision Certificates are obtained.</p>
<p>30.</p>	<p>Subdivision - Schedule of Compliance</p> <p>The Subdivision / Strata Certificate must not be issued until all relevant conditions of development consent have been met or other satisfactory arrangements have been made with Council (i.e. a security). A schedule of compliance in table format must be submitted with the application for a Subdivision / Strata Certificate. The schedule must provide evidence of how all relevant conditions of development consent have been fulfilled.</p>	<p>To ensure conditions of consent have been satisfied or other satisfactory arrangements made.</p>
<p>31.</p>	<p>Subdivision – Provision of Utility Services</p> <p>Before the issue of a Subdivision / Strata Certificate, utility services must be provided in accordance with the following:</p> <p>a) The provision of electricity to service allotments and street lighting in the subdivision must be in accordance with the requirements of Endeavour Energy who are to confirm in writing that conditions of supply have been met.</p>	<p>To ensure utilities and services are appropriately provided.</p>

	<p>b) The submission of a Telecommunications Infrastructure Provisioning Confirmation from an approved telecommunications carrier to the Certifier or Council (as applicable) confirming that satisfactory arrangements have been made for the provision of telecommunication services to all individual lots.</p> <p>c) A Certificate of Compliance under Section 307 of Division 5 of Part 2 of Chapter 6 of the <i>Water Management Act 2000</i> must be obtained to verify that all necessary requirements for matters relating to water supply and sewerage (where applicable) for the development have been made with Shoalhaven Water. A Certificate of Compliance must be obtained from Shoalhaven Water after satisfactory compliance with all conditions as listed on the Water Development Notice and before the issue of a Subdivision Certificate, as the case may be.</p> <p>d) If development is to be completed in approved stages or application is subsequently made for staging of the development, separate Compliance Certificates must be obtained for each stage of the development.</p> <p><i>Note: Relevant details, including monetary contributions (where applicable) under the Water Management Act 2000, are given on the attached Notice issued by Shoalhaven Water. For further information and clarification regarding the above please contact Shoalhaven Water's Development Unit on (02) 4429 3547.</i></p>	
<p>32.</p>	<p>Subdivision - Works as Executed</p> <p>Before the issue of the Subdivision / Strata Certificate, Works as Executed Plans must be prepared by a registered surveyor / professional engineer, (as defined in the National Construction Code) and be submitted to council and the Certifier demonstrating compliance with the approved design plans.</p> <p>The Works as Executed dimensions and levels must be shown in red on a copy of the approved Construction Certificate plans and comply with the following requirements:</p> <p>a) Council's Development Engineering Construction Specification.</p> <p>b) Show compliance with the approved design plans of all road and drainage works.</p> <p>c) Certify that all storm water pipes, and other services are wholly within an appropriate easement.</p> <p>d) Show the extent, depth and final levels of filling.</p>	<p>To ensure works as executed plans are prepared and provided.</p>

	<p>e) Show any retaining walls including footings and agricultural drainage lines.</p> <p>f) Show the location of all underground service conduits.</p> <p>g) Include all deviations from the approved Civil Engineering Plans.</p>	
33.	<p>Works in the Road Reserve - Evidence of Completion</p> <p>Before the issue of a Subdivision Certificate, the developer must provide the Certifier with a completion of works in road reserve letter provided by Council, confirming compliance with the requirements of section 138 of the Roads Act 1993.</p>	<p>To ensure works in the road reserve are completed appropriately.</p>

General advisory notes

This consent contains the conditions imposed by the consent authority which are to be complied with when carrying out the approved development. However, this consent is not an exhaustive list of all obligations which may relate to the carrying out of the development under the EP&A Act, EP&A Regulation, and other legislation. Some of these additional obligations are set out in the Conditions of development consent: advisory notes. The consent should be read together with the Conditions of development consent: advisory notes to ensure the development is carried out lawfully.

The approved development must be carried out in accordance with the conditions of this consent. It is an offence under the EP&A Act to carry out development that is not in accordance with this consent.

Building work or subdivision work must not be carried out until a Construction Certificate or Subdivision Works Certificate, respectively, has been issued and a principal certifier has been appointed.

A document referred to in this consent is taken to be a reference to the version of that document which applies at the date the consent is issued, unless otherwise stated in the conditions of this consent.

Dictionary

The following terms have the following meanings for the purpose of this consent (except where the context clearly indicates otherwise):

Approved plans and documents means the plans and documents endorsed by the consent authority, a copy of which is included in this notice of determination.

AS means Australian Standard published by Standards Australia International Limited and means the current standard which applies at the time the consent is issued.

Building work means any physical activity involved in the erection of a building.

Certifier means a council or a person that is registered to carry out certification work under the Building and Development Certifiers Act 2018.

Construction Certificate means a certificate to the effect that building work completed in accordance with specified plans and specifications or standards will comply with the requirements of the EP&A Regulation and Environmental Planning and Assessment (Development Certification and Fire Safety) Regulation 2021.

Council means Shoalhaven City Council.

Court means the NSW Land and Environment Court.

EPA means the NSW Environment Protection Authority.

EP&A Act means the Environmental Planning and Assessment Act 1979.

EP&A Regulation means the Environmental Planning and Assessment Regulation 2021.

Independent Planning Commission means Independent Planning Commission of New South Wales constituted by section 2.7 of the EP&A Act.

Occupation Certificate means a certificate that authorises the occupation and use of a new building or a change of building use for an existing building in accordance with this consent.

Principal certifier means the certifier appointed as the principal certifier for building work or subdivision work under section 6.6(1) or 6.12(1) of the EP&A Act respectively.


Site work means any work that is physically carried out on the land to which the development the subject of this development consent is to be carried out, including but not limited to building work, subdivision work, demolition work, clearing of vegetation or remediation work.

Stormwater drainage system means all works and facilities relating to:

- the collection of stormwater
- the reuse of stormwater
- the detention of stormwater
- the controlled release of stormwater, and
- connections to easements and public stormwater systems.

Strata Certificate means a certificate in the approved form issued under Part 4 of the Strata Schemes Development Act 2015 that authorises the registration of a strata plan, strata plan of subdivision or notice of conversion.

Section 4.15 Assessment Report - DA2024/1188

	Section 4.15 Assessment Report <i>Environmental Planning & Assessment Act 1979</i>
---	--

Conflict of interest declaration			
I have considered the potential for a conflict of interest under the Code of Conduct and to the best of my knowledge no pecuniary and/or significant non-pecuniary conflict of interest exists.			
<i>Note: If you determine that a non-pecuniary conflict of interest is less than significant and does not require further action, you must provide a written explanation of why you consider that the conflict does not require further action in the circumstances. This statement should then be countersigned by the Manager.</i>			
Assessing Officer	Assessing Officer	18/04/2024	
Affiliations and Pecuniary Interests	Have any affiliations or pecuniary interests been identified by the Applicant in the Portal lodgement form?	No	
Councillor Representations	<i>Councillor</i>	<i>Date</i>	<i>TRIM Reference</i>
	-	-	-
Delegation Level Required	Elected Council		

Report Recommendation	Approval		
Development Description	Torrens Title subdivision of existing dual occupancy (attached) including sewer realignment works.		
Variations Proposed	<input type="checkbox"/> DCP departure – N/A		
	<input checked="" type="checkbox"/> Clause 4.6 exception		
	Clause number	4.1 – Minimum lot size	
	Percentage variation	Lot 1. 23.7% and Lot 2. 28.9%	
	Brief justification for the variation	The consent for the underlying dual occupancy (attached) predates gazettal of CI 4.1 (a) of SLEP (2014) Strict compliance with the development standard is 'unreasonable and unnecessary'.	
Determination date			
DA Number	DA2024/1188 (underlying dual occupancy attached DA19/1263)		
PAN	PAN-418337		
Property Address	9 Jindalee Crescent NOWRA NSW 2541 - Lot 915 DP 1240172		
Applicant(s)	Cowman Stoddart Pty Ltd		
Owner(s)	Bridget J Eaton & Anthony M Johnson		

Section 4.15 Assessment Report - DA2024/1188

Owner's consent provided?	Yes
Date Lodged	21 March 2024
Date of site inspection	11/04/2024
Date clock stopped	- N/A
Date clock started	- N/A
Related Application in NSW Planning Portal?	<input type="checkbox"/> Concurrence and/or external agency referral <input type="checkbox"/> Section 68 <input type="checkbox"/> Section 138 <input type="checkbox"/> Construction Certificate <i>Note: s138 and CC applications will not be incorporated into the Development Consent and will be determined separately.</i>
Number of submissions	Nil

1. Detailed Proposal

The proposal includes:

- Torrens title subdivision of existing dual occupancy (attached).

The plans and information referred to are as follows:

Approved Plans				
Plan Number	Revision Number	Plan Title	Drawn by	Date of Plan
Sheet 01 of 01	PO	Plan of proposed subdivision	Allen Price & Scarratts Pty Ltd	14/02/2024

Section 4.15 Assessment Report - DA2024/1188

2. Subject Site and Surrounds

Site Description



Figure 1: Wider area surrounding subject site

Section 4.15 Assessment Report - DA2024/1188



Figure 2: Aerial imagery of subject site

The subject site has a frontage to Jindalee Crescent, Nowra. The site contains an existing Dual Occupancy (attached).

The surrounding area is residential in character and the site is adjoined by low density residential development, with Shoalhaven High School located approx. 250m to the south west of the subject site.


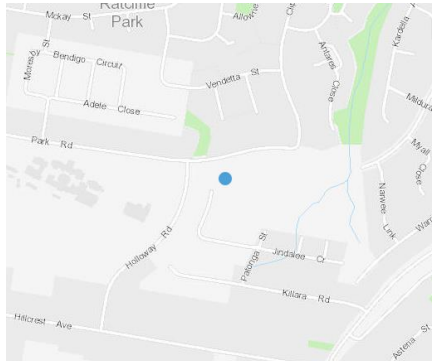
Summary of Site and Constraints

GIS Map Layer		
	<i>Lot Area</i>	736.7m ²
	<i>Zone</i>	R1 General Residential
	<i>Does the land have a dwelling entitlement?</i> <i>Note: for rural land refer to clause 4.2D of Shoalhaven LEP 2014.</i>	Yes
	<i>Does the property adjoin Council, Crown, National Parks or other public reserve?</i> <i>Note: Consideration should be given to if the development requires or implies access from the adjoining land.</i>	No
Topographic Layer	<i>Has appropriate survey information been provided?</i>	Yes
	<i>Fall direction of land</i>	Fall of land toward street
	<i>Slope of land >20%?</i>	No

Section 4.15 Assessment Report - DA2024/1188

Site Inspection	Works within proximity to electricity infrastructure?	No
	Is the development adjacent to a classified road ?	No
	Is the development adjacent to a rail corridor ?	No
Utility Network	Access to reticulated sewer?	Yes
	On-site sewage management (OSSM) - Is the development located suitably away from any effluent management areas (EMA) or effluent disposal areas (EDA)?	N/A
	Does the proposal require a new connection to a pressure sewer main (i.e. a new dwelling connection)?	No
	Building over sewer policy applicable?	No
	Access to reticulated water?	Yes
	Does the proposal impact on any critical water or sewer infrastructure (e.g. REMS, water, sewer layers)?	No
	Does the proposal increase dwelling density and demand on water or sewer services (e.g. secondary dwelling, dual occupancy, multi dwelling housing, subdivision)?	No Increased demand occurred as a result of approval of underlying dual occupancy
Environmental Layers	Aboriginal Cultural Heritage	No
	Bush Fire	No
	Coastal Hazard Lines (applies to location of proposed development)	No
	Coastal Hazard Area	No
	Potentially Contaminated Land	No
	Flood	No
	Development within 40m of a watercourse	No
Planning Layers	Development Control Plan - Area Specific Chapters	Yes Chapter N10 Worrigee Residential Area
	Draft Exhibited Planning Proposal	No
	Shoalhaven LEP (Jerberra Estate) 2014	No
	Acid Sulfate Soils	Class 5

Section 4.15 Assessment Report - DA2024/1188

AS Map	 <p>Figure 3: Acid Sulfate Soils mapping for subject site.</p>	
	Buffers	No
	Terrestrial Biodiversity	No
	Local Clauses	No
	Coastal Risk Planning	No
	Heritage	No
	Scenic Protection	No
	Sydney Drinking Water Catchment area (e.g. NorBE)	No
SEPP	SEPP (Resilience and Hazards) 2021 – Chapter 2 Coastal Management	No
	Marine Park Estate	No
BV Map	<p>Biodiversity Values Map</p>  <p>Figure 4: BV Mapping for subject site</p>	No

CL24.167 - Attachment 2

Section 4.15 Assessment Report - DA2024/1188

Site Inspection Observations

Observations made during the site inspection were consistent with information supplied with the application.

Deposited Plan and 88B Instrument

There are no identified restrictions on the use of the land that would limit or prohibit the proposed development.

N/A – Subdivision only – no works required

3. Background

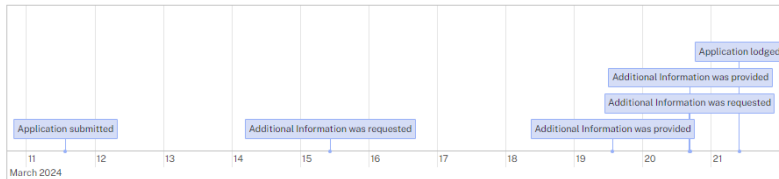
Pre-Lodgement Information

N/A

Post-Lodgement Information

Reference number	Milestone	Date
1	Application submitted	11/03/2024
2	Additional Information was requested	15/03/2024
3	Additional Information was provided	19/03/2024
4	Additional Information was requested	20/03/2024
5	Additional Information was provided	20/03/2024
6	Application lodged	21/03/2024

Timeline



Site History and Previous Approvals

Application	Appl. Date	Application Type	Proposal	Status	Completed	
QC23/1520	11/05/2023	Final Occupation Certificate	Single Storey Dwelling	Approved	08/05/2023	Show Properties
RW22/1603	11/10/2022	S138 Approval	Driveway Construction	Approved	12/10/2022	Show Properties
PR22/1053	21/01/2022	Sewer Connection	New Sewer Connection - New Single Storey Residential Dwelling	Approved	21/01/2022	Show Properties
CD21/1795	20/10/2021	Complying Development	Single Storey Dwelling	Approved	14/10/2021	Show Properties

<p><i>Is the proposed development compatible with any relevant previous approvals?</i></p>	Yes
<p><i>Are there any orders applying to the property?</i></p> <p><i>Note: Orders are viewable under the Development – Orders tab in the property details.</i></p> <p> <input type="button" value="Development"/> <input type="button" value="Contributions"/> <input type="button" value="Drawings/Images"/> <input type="button" value="Notes"/> <input type="button" value="Recurring"/> <input type="button" value="Orders"/> </p>	No

Section 4.15 Assessment Report - DA2024/1188

<p><i>Does the proposal appear to include/relate to any unauthorised building work?</i></p> <p><i>Note: A DA can only approve prospective works and uses. Any unauthorised or retrospective works must be dealt with under a separate Building Information Certificate process.</i></p>	No
---	----

4. Consultation and Referrals

Internal Referrals	
Referral	Comments
GIS	No objection subject to recommended conditions.
Shoalhaven Water	No objection subject to recommended conditions.

External Referrals – N/A	
Referral	Comments

5. Other Approvals

Integrated Development – N/A	
Agency	Recommendation

6. Statutory Considerations

Environmental Planning and Assessment Act 1979

Section 4.14 Consultation and development consent – certain bush fire prone land

<p><i>Is the development site mapped as bush fire prone land?</i></p>	No
<p><i>Is there vegetation within 100m of the proposed development that would form a bush fire hazard as identified in Planning for Bush Fire Protection?</i></p> <p><i>Note: The bush fire mapping cannot be relied upon solely for identifying bush fire hazards.</i></p>	No
<p><i>Is the development subject to a performance based solution or a BAL-FZ?</i></p> <p><i>Note: As per Appendix 2 of PBP 2019, performance based solutions should be undertaken and fully justified by a qualified consultant BPAD practitioner.</i></p> <p><i>Note: The NSW variation of H7D4 in NCC 2022 Volume 2 specifies that AS3959 and the NASH Standard can only be used as a deemed-to-satisfy provision where an appropriate condition of consent has been imposed in consultation with NSW RFS.</i></p>	N/A

Section 4.15 Assessment Report - DA2024/1188

Biodiversity Conservation Act 1979

Does the application include works or vegetation removal within the Biodiversity Values mapped area ?	No										
Does the application involve clearing of native vegetation above the area clearing threshold? Area clearing threshold The area threshold varies depending on the minimum lot size (shown in the Lot Size Maps made under the relevant Local Environmental Plan (LEP)), or actual lot size (where there is no minimum lot size provided for the relevant land under the LEP). <table border="1"> <thead> <tr> <th>Minimum lot size associated with the property</th> <th>Threshold for clearing, above which the BAM and offsets scheme apply</th> </tr> </thead> <tbody> <tr> <td>Less than 1 ha</td> <td>0.25 ha or more</td> </tr> <tr> <td>1 ha to less than 40 ha</td> <td>0.5 ha or more</td> </tr> <tr> <td>40 ha to less than 1000 ha</td> <td>1 ha or more</td> </tr> <tr> <td>1000 ha or more</td> <td>2 ha or more</td> </tr> </tbody> </table> The area threshold applies to all proposed native vegetation clearing associated with a proposal, regardless of whether this clearing is across multiple lots. In the case of a subdivision, the proposed clearing must include all future clearing likely to be required for the intended use of the land after it is subdivided. If the land on which the proposed development is located has different minimum lot sizes the smaller or smallest of those minimum lot sizes is used to determine the area clearing threshold.	Minimum lot size associated with the property	Threshold for clearing, above which the BAM and offsets scheme apply	Less than 1 ha	0.25 ha or more	1 ha to less than 40 ha	0.5 ha or more	40 ha to less than 1000 ha	1 ha or more	1000 ha or more	2 ha or more	No
Minimum lot size associated with the property	Threshold for clearing, above which the BAM and offsets scheme apply										
Less than 1 ha	0.25 ha or more										
1 ha to less than 40 ha	0.5 ha or more										
40 ha to less than 1000 ha	1 ha or more										
1000 ha or more	2 ha or more										
Will the proposed development have a significant impact on threatened species or ecological communities, or their habitats, according to the test in section 7.3 of the Biodiversity Conservation Act 2016 (i.e. 'test of significance')? <i>Note: Consideration should be given to the site's proximity to NPWS land (see guidelines) and other natural areas, as well as any area that may contain threatened species, vulnerable or endangered ecological communities or other vulnerable habitats.</i>	No										
If the application exceeds the Biodiversity Offsets Scheme Threshold (i.e. if yes to any of the above), has the application been supported by a Biodiversity Development Assessment Report (BDAR)?	N/A										

Local Government Act 1993

Do the proposed works require approval under Section 68 of the Local Government Act 1993?	Yes - see s68 type nominated below
<input checked="" type="checkbox"/> Water supply, sewerage and/or stormwater works. (sewer realignment works required)	

7. Statement of Compliance/Assessment

The following provides an assessment of the submitted application against the matters for consideration under [Section 4.15](#) of the Environmental Planning and Assessment Act 1979.

(a) Any planning instrument, draft instrument, DCP and regulations that apply to the land

Section 4.15 Assessment Report - DA2024/1188

(i) Environmental planning instrument

This report assesses the proposed development/use against relevant State, Regional and Local Environmental Planning Instruments and policies in accordance with Section 4.15 (1) of the *Environmental Planning and Assessment Act 1979*. The following planning instruments and controls apply to the proposed development:

Environmental Planning Instrument
Shoalhaven Local Environmental Plan 2014
State Environmental Planning Policy (Resilience and Hazards) 2021

State Environmental Planning Policy (Resilience and Hazards) 2021

Chapter 4 Remediation of land

Question	Yes		No	
1. Does the proposal result in a new land use being a residential, educational, recreational, hospital, childcare or other use that may result in exposure to contaminated land?	<input type="checkbox"/>	Proceed to Question 2	<input checked="" type="checkbox"/>	Assessment under SEPP 55 and DCP not required.

Shoalhaven Local Environmental Plan Local Environmental Plan 2014

Land Zoning

The land is zoned R1 General Residential under the *Shoalhaven Local Environmental Plan 2014*.

Characterisation and Permissibility

The proposal is best characterised as subdivision of dual occupancy under *Shoalhaven Local Environmental Plan 2014*. The proposal is permitted within the zone with the consent of Council.

Zone objectives

Objective	Comment
<ul style="list-style-type: none"> To provide for the housing needs of the community. 	The proposal is consistent with the objectives of the zone.
<ul style="list-style-type: none"> To provide for a variety of housing types and densities. 	
<ul style="list-style-type: none"> To enable other land uses that provide facilities or services to meet the day to day needs of residents. 	
<ul style="list-style-type: none"> To identify land suitable for future urban expansion. 	

Section 4.15 Assessment Report - DA2024/1188

Applicable Clauses

Clause	Comments	Complies/ Consistent				
Part 1 Preliminary						
1.8A	Savings provision relating to development applications. 1.8A(2) requires the application to be determined as if amendment number 35 to SLEP 2014 had not commenced. This forces assessment for subdivision to be addressed under clause 4.1 of the LEP.	Complies				
Part 2 Permitted or prohibited development						
2.6	Subdivision is permitted but only with development consent.	Complies				
Part 4 Principal development standards						
4.1	The proposal includes subdivision of land pursuant to clause 4.1. The minimum lot size set by the Lot Size Map for the land is 500 m ² . The proposed subdivision will create lots with the following sizes: <ul style="list-style-type: none"> Lot 1 = 381.4m² (variation of 23.7% or 118.6m²) Lot 2 = 355.3m² (variation of 28.9% or 144.7m²) The proposed lots have a site area less than the minimum lot size set by the Lot Size Map and therefore the proposal does not comply with the requirements of clause 4.1. As the consent for the underlying dual occupancy (attached) (DA19/1263 approved 07/05/2019) predates the gazettal of Clause 4.1(A) of SLEP (2014), a CI 4.6 exception to seek approval for departure from a development standard (CI 4.1 (3) (minimum lot size) is required. See Appendix B for detailed consideration of Clause 4.6 variation.	Variation to clause 4.1 proposed. See Appendix B for detailed consideration of Clause 4.6 variation.				
4.6	A clause 4.6 exception is included in this development application to vary the provisions of CI 4.1 of SLEP (2014). A clause 4.6 variation statement has been submitted by the Applicant. See Appendix B for detailed consideration of Clause 4.6 variation.	Clause 4.6 request. See Appendix B for detailed consideration of Clause 4.6 variation.				
Part 7 Additional local provision						
7.1	The subject land is mapped as acid sulfate soils: <table border="1" data-bbox="421 1518 1058 1697"> <thead> <tr> <th>Class</th> <th>Commentary</th> </tr> </thead> <tbody> <tr> <td>Class 5</td> <td>The proposal does not involve work within 400m of adjacent Class 1, 2, 3 or 4 land that is below 5m AHD and by which the water table is likely to be lowered below 1m AHD on adjacent Class 1, 2, 3 or 4 land.</td> </tr> </tbody> </table>	Class	Commentary	Class 5	The proposal does not involve work within 400m of adjacent Class 1, 2, 3 or 4 land that is below 5m AHD and by which the water table is likely to be lowered below 1m AHD on adjacent Class 1, 2, 3 or 4 land.	Complies
Class	Commentary					
Class 5	The proposal does not involve work within 400m of adjacent Class 1, 2, 3 or 4 land that is below 5m AHD and by which the water table is likely to be lowered below 1m AHD on adjacent Class 1, 2, 3 or 4 land.					

Section 4.15 Assessment Report - DA2024/1188

--	--	--

ii) Draft Environmental Planning Instrument

The proposal is not inconsistent with any [draft environmental planning instruments](#).

iii) Any Development Control Plan

[Shoalhaven Development Control Plan 2014](#)

Generic DCP Chapter	Relevant
G11: Subdivision of Land	
See Appendix A for assessment against Chapter G11.	
G21: Car Parking and Traffic	
Subdivision of existing Dual Occupancy (attached) only. The proposed development does not give rise to additional parking requirements. Existing vehicle parking and vehicle manoeuvring areas are maintained on site.	
G26: Acid Sulphate Soils and Geotechnical (Site Stability) Guidelines	
<i>Is the development suitable with regard to acid sulfate soils?</i>	Yes
<i>Does the application involve the erection of any buildings or structures on land with a slope >20% or on land with stability problems?</i>	No

Area Specific DCP Chapter
N10: Worrigeer Residential Area
Commentary
The proposed development is for subdivision of existing Dual Occupancy (attached) only. Development contributions were paid as a part of the underlying dual occupancy development. Minimal physical works (realignment of internal sewer lines) are proposed. The proposal is considered satisfactory under the provisions of the above DCP chapter.

iiia) Any planning agreement that has been entered into under section 7.4, or any draft planning agreement that a developer has offered to enter into under section 7.4

There are no planning agreements applying to this application.

iv) Environmental Planning and Assessment Regulation 2021

Section 4.15 Assessment Report - DA2024/1188

Clause 62	Does the application result in a change of use of an existing building but does not propose any building works?	No
Clause 64 Partial Upgrade	Does the application involve alterations or additions to an existing building?	No
Clause 64 Total Upgrade	Does the application involve building works and result in conversion of a building or part of a building from non-habitable to a habitable use?	No

The proposal ensures compliance with the applicable requirements within the Regulations subject to recommended conditions of consent.

State and Local Infrastructure Contributions

State Contributions																				
<p>Does the proposed development trigger the Housing and Productivity Contribution (HPC)?</p> <p><i>Note: if the development triggers an HPC, then a corresponding Contribution (CON) case is created as a related case in the Portal. The calculation needs to be reviewed and confirmed in the Portal.</i></p> <table border="1"> <thead> <tr> <th>Class of Development</th> <th>Trigger for demand</th> <th>Units of demand</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Residential development</td> <td>Subdivision of land for dwellings</td> <td>New dwelling lot</td> </tr> <tr> <td>Strata subdivision of land or building for dwellings</td> <td>New strata dwelling lot</td> </tr> <tr> <td>Build to Rent or Seniors Independent Living Units</td> <td>New non strata dwelling</td> </tr> <tr> <td>Manufactured Home Estate</td> <td>New dwelling site</td> </tr> <tr> <td>Commercial development</td> <td>Development for business, office or retail premises or specified commercial purposes</td> <td>Square metre of new GFA</td> </tr> <tr> <td>Industrial development</td> <td>Development for industry or specified industrial purposes</td> <td>Square metre of new GFA</td> </tr> </tbody> </table>		Class of Development	Trigger for demand	Units of demand	Residential development	Subdivision of land for dwellings	New dwelling lot	Strata subdivision of land or building for dwellings	New strata dwelling lot	Build to Rent or Seniors Independent Living Units	New non strata dwelling	Manufactured Home Estate	New dwelling site	Commercial development	Development for business, office or retail premises or specified commercial purposes	Square metre of new GFA	Industrial development	Development for industry or specified industrial purposes	Square metre of new GFA	<p>Yes - Residential Development</p> <p>Torrens Title subdivision of existing dual occupancy (attached)</p>
Class of Development	Trigger for demand	Units of demand																		
Residential development	Subdivision of land for dwellings	New dwelling lot																		
	Strata subdivision of land or building for dwellings	New strata dwelling lot																		
	Build to Rent or Seniors Independent Living Units	New non strata dwelling																		
	Manufactured Home Estate	New dwelling site																		
Commercial development	Development for business, office or retail premises or specified commercial purposes	Square metre of new GFA																		
Industrial development	Development for industry or specified industrial purposes	Square metre of new GFA																		

CL24.167 - Attachment 2

Section 4.15 Assessment Report - DA2024/1188

<p>5 Development for which a contribution is required</p> <p>(1) A housing and productivity contribution is required for development for which development consent is granted if it involves development of any of the following classes—</p> <ul style="list-style-type: none"> (a) residential development, (b) commercial development, (c) industrial development. <p>(2) In this Order, residential development means any of the following—</p> <ul style="list-style-type: none"> (a) subdivision of land (other than strata subdivision) on which development for the purposes of residential accommodation is permitted with development consent by an environmental planning instrument applying to the land (residential subdivision), (b) strata subdivision of residential accommodation (other than strata subdivision of high-density dwellings) (residential strata subdivision), (c) high-density residential development, (d) development for the purposes of a manufactured home estate. <p>(3) For the purposes of subclause (2)(a), development for the purposes of residential accommodation is not permitted with development consent by an environmental planning instrument if the only kinds of residential accommodation permitted with development consent are any of the following—</p> <ul style="list-style-type: none"> (a) build-to-rent housing, (b) a manufactured home estate, (c) seniors living. <p>(4) Schedule 2 sets out exemptions from the housing and productivity contribution. Development identified in Schedule 2 is not to be included in the determination of a housing and productivity contribution.</p> <p>(5) For the purposes of this Order, each class of development referred to in subclauses (1) and (2) is a HPC class of development and any development involving development within a HPC class of development is HPC development.</p>	
Local Contributions	
<i>Is the development site an “old subdivision property” identified in Shoalhaven Contributions Plan 2019?</i>	No
<i>Is the proposed development considered to increase the demand for community facilities in accordance with the Shoalhaven Contributions Plan 2019?</i>	No
<i>Is the proposed development considered to increase the demand for on water and sewer services (i.e. s64 Contributions)</i>	No

(b) The Likely impacts of that development, including environmental impacts on the natural and built environments, and social and economic impacts in the locality

Head of Consideration	Comment
Natural Environment	The proposed development will not have a significant adverse impact on the natural environment.
Built Environment	The proposed development will not have a significant adverse impact on the built environment.
Social Impacts	The proposed development will not have a negative social impact in the locality.
Economic Impacts	The proposed development will not have a negative economic impact in the locality.

Section 4.15 Assessment Report - DA2024/1188

(c) Suitability of the site for the development

The site is suitable for the proposed development.

- The development is permissible with Council consent within the zone.
- The proposal supports the local zoning objectives.
- The proposal is consistent with the objectives and requirements of the *Shoalhaven Local Environmental Plan 2014*.
- The proposal is consistent with the objectives and requirements of the *Shoalhaven Development Control Plan 2014*.
- The intended use is compatible with surrounding/adjoining land uses

(d) Submissions made in accordance with the Act or the regulations

The DA did not require notification in accordance with Council’s Community Consultation Policy for Development Applications. Accordingly, no submissions were received by Council.

(e) The Public Interest

The public interest has been taken into consideration, including assessment of the application with consideration of relevant policies and process. The proposal is considered to be in the public interest.

Delegations

<i>Are any clause 4.6 exceptions proposed?</i>		Yes
<i>Development Standard</i>	<i>Numerical Extent of Departure</i>	<i>Percentage (%) Extent of Departure</i>
CI 4.1 of SLEP (2014)	Lot 1. - 118.6m2 Lot 2. - 144.7m2	Lot 1. - 23.7% Lot 2. - 28.9%
<i>Are any DCP performance-based solutions proposed?</i>		No

Guidelines for use of Delegated Authority

<i>Variations to Development Standards</i>					
<i>Level of Delegation</i>	<i>Assessing Officer</i>	<i>Senior Planner</i>	<i>Lead</i>	<i>Manager/ Director</i>	<i>Elected Council</i>
<i>Extent of clause 4.6 exception</i>	Nil	<2%	<5%	<10%	>10% OR non-numerical

Section 4.15 Assessment Report - DA2024/1188

					development standard
<i>DCP Performance Based Solutions</i>					
<i>Level of Delegation</i>	<i>Assessing Officer</i>	<i>Senior Planner</i>	<i>Lead</i>		<i>Manager</i>
<i>Extent of DCP performance-based solutions</i>	≤25%	≤50%	≤75%		100%

Cost Limits for use of Delegated Authority

<i>Level of Delegation</i>	<i>Assessing Officer</i>	<i>Lead</i>	<i>Manager</i>	<i>Director</i>
<i>Cost of Development / Works Proposed</i>	≤\$1.5 million	≤\$7.5 million	≤\$10 million	≤\$30 million

The Guidelines for use of Delegated Authority have been reviewed and the assessing officer does not have the Delegated Authority to determine the Development Application.

Given the extent of the CI 4.6 departure (28.9%) the application must be determined by the Elected Council.

Recommendation

This application has been assessed having regard for Section 4.15 (Matters for consideration) under the *Environmental Planning and Assessment Act 1979*. As such, it is recommended that the application be approved subject to appropriate conditions of consent for the following reasons:

Reasons for Grant of Consent	
1)	The proposed development is consistent with the objects of the Environmental Planning and Assessment Act 1979.
2)	The proposed development is considered acceptable and with regard to the applied exception to the development standards set out in clause 4.1 of Shoalhaven Local Environmental Plan 2014. The proposed development complies with all other development standards and is consistent with the aims, objectives and provisions of the applicable environmental planning instruments.
3)	The proposed development complies with the performance criteria and is consistent with the aims, objectives and provisions of Shoalhaven Development Control Plan 2014.
4)	The proposed development is consistent with the aims, objectives and provisions of relevant Council policies.
5)	The likely impacts of the proposed development are considered acceptable.
6)	The site is suitable for the proposed development.

Section 4.15 Assessment Report - DA2024/1188

7)	Any submissions received during the public notification period have been considered and issues and concerns raised by the community in submissions have been addressed in the assessment.
8)	The proposed development does not conflict with the public interest.

Section 4.15 Assessment Report - DA22/1148

Appendix A – Assessment Checklist: Chapter G11: Subdivision

Objectives of Chapter G11	
<p>The objectives of are to:</p> <ul style="list-style-type: none"> i. Encourage high quality urban design and residential amenity. ii. Set appropriate environmental criteria for subdivision. iii. Provide a comprehensive design approach for residential, rural, industrial and commercial subdivision. iv. Provide for the ecologically sustainable subdivision of land. 	
5 Controls	
5.1 Road, Pedestrian and Cyclist Network	
No road or footpath works proposed – subdivision of existing dual occupancy attached.	
5.3 Subdivision Layout and Design	
5.3.4 Torrens Title Subdivision of Certain Medium Density Development	
Where the subdivision is of an approved dual occupancy/multi dwelling housing development, is the subdivision consistent with all related development consent conditions?	Yes
Where the subdivision is of an approved dual occupancy/multi dwelling housing development, is the subdivision consistent with the layout of the approved development?	Yes
5.3.10 Access	
Do all lots have coincidental legal and practical access?	Yes
5.4 Utilities and Servicing	
Installation of an additional sewer junction and re-alignment of the internal sewer lines within the development is required.	
All other services are available and do not required modification.	

Section 4.15 Assessment Report - DA22/1148

Requirement to apply for a Water Development Notice and S.68 to be conditioned.	
5.5 Stormwater, Flooding and Water Sensitive Urban Design	
<i>Does the proposed subdivision provide flood free access to all lots?</i>	Yes
5.7 Public Natural Areas	
<i>N/A – No substantial works proposed – subdivision of existing dual occupancy attached only.</i>	

Section 4.15 Assessment Report - DA22/1148

Appendix B – Clause 4.6 Detailed Consideration

The proposed development seeks a CI 4.6 exception to development standards. Consideration of the Clause 4.6 exception is provided below:

CI4.6 Exception to the Shoalhaven Local Environmental Plan 2014

Development Standard

4.1 Minimum subdivision lot size

- (1) The objectives of this clause are as follows—
 - (a) to ensure that subdivision is compatible with, and reinforces the predominant or historic subdivision pattern and character of, an area,
 - (b) to minimise any likely impact of subdivision and development on the amenity of neighbouring properties,
 - (c) to ensure that lot sizes and dimensions are able to accommodate development consistent with relevant development controls.
- (2) This clause applies to a subdivision of any land shown on the *Lot Size Map* that requires development consent and that is carried out after the commencement of this Plan.
- (3) The size of any lot resulting from a subdivision of land to which this clause applies is not to be less than the minimum size shown on the *Lot Size Map* in relation to that land.
- (3A) If a lot is a battle-axe lot or other lot with an access handle, the area of the access handle is not to be included in calculating the lot size.
- (4) This clause does not apply in relation to the subdivision of any land—
 - (a) by the registration of a strata plan or strata plan of subdivision under the *Strata Schemes Development Act 2015*, or
 - (b) by any kind of subdivision under the *Community Land Development Act 2021*, or
 - (ba) occurring as part of the closure of a public road under Part 4 of the *Roads Act 1993*.

Section 4.15 Assessment Report - DA22/1148

Extent of proposed departure from development standard				
LEP clause	Numerical Standard	Proposed Solution	Numerical Departure	% Departure
4.1(3)	Min Lot size = 500m2	Lot 1. - 381.4m2	Lot 1. - 118.6m2	Lot 1. - 23.7%
		Lot 2. - 355.3m2	Lot 2. - 144.7m2	Lot 2. - 28.9%
Applicant's clause 4.6 statement				
<p>Clause 4.6 requires that Council be satisfied that the applicant's clause 4.6 statement demonstrates that compliance with the development standard is unreasonable or unnecessary in the circumstances of the case. An extract from the Applicant's clause 4.6 statement is provided below:</p>				
<p>Extract from applicant's clause 4.6 statement prepared by Cowman Stoddart Pty Ltd. (Ref: 131064-CS) and dated 11/3/2024 (TRIM Ref: D24/114950).</p>				
<p>As previously mentioned, the parent lot of the subject land has an area of 736.8m² and the proposed subdivision would create the following lot areas:</p> <ul style="list-style-type: none"> • Lot 1 – corner allotment with area of 381.4m² which equates to a variation of 23.7% or 115.5m² • Lot 2 – regular shaped allotment with an area of 355.3m² which equates to 28.9% or 144.7m². <p>Whilst the proposed lots do not meet the minimum lot sizes of Clause 4.1, it should be noted that the current dual occupancy was designed to ensure each dwelling could function as separate dwellings on separate lots. No proposed changes to the physical layout of the development with regard to parking, vehicle manoeuvring areas, or water or power is required, however minor changes to the sewer alignment are expected to form conditions of any consent granted for this proposed subdivision. This is inconsequential to the functioning and appearance of the development as originally approved under DA19/1263.</p> <p>Clause 4.1A of the SLEP 2014 prescribes a minimum parent lot size for Torrens Title subdivision for attached dual occupancies in the R1 zone of 500m² for developments "for which development consent has been granted in accordance with this clause". Being 736.8m², the subject site meets</p>				

Section 4.15 Assessment Report - DA22/1148

the 500m² minimum lot size requirement for Torrens Title Subdivision of an attached dual occupancy under current Clause 4.1A. However, as mentioned above, subdivision was not approved under the current Clause 4.1A.

Clause 4.1A (4) was gazetted on 11 August 2020 as Amendment 35 of Shoalhaven LEP 2014 which predates the consent for the subject dual occupancy being issued on 5 May 2019 under DA19/1263. Accordingly, it is not possible to apply Clause 4.1A to the subject site and in the absence of any other facultative provisions of the LEP, the provisions of Clause 4.1 of SLEP 2014 apply for the purpose of the subdivision of the existing approved and constructed dual occupancy. This Variation to Development Standard (Clause 4.6 Variation) is specifically seeks for development consent to Torrens Title Subdivide the attached dual occupancy under the minimum lot size requirements governed under Clause 4.1.


Accordingly, we set out below the justification for a departure to the 500m² minimum lot size below. Clause 4.6 of Shoalhaven LEP 2014 provides for a variation to a development standard under certain circumstances. The objectives of Clause 4.6 (1) are:

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

Table 1 below addresses how the objectives of the Clause 4.1 development standard are achieved, notwithstanding the unique standards in which they apply to this particular development application, and despite the numerical departure from the standard.

Objective	Response
4.1 Minimum subdivision lot size	
(a) to ensure that subdivision is compatible with, and reinforces the predominant or historic subdivision pattern and character of, an area	<p>The proposed subdivision provides two lots capable of supporting individual dwellings. Although the proposed lots are below the minimum lot size, the existing dwellings will be retained on the proposed lot. The original development was capable of support and approved by Council under SLEP and SDCP as it applied at the time. Further it has been demonstrated in the DCP Compliance Table in the accompanying SEE that proposed subdivision will not have any additional non-compliances following subdivision.</p> <p>Each of the proposed lots are generally rectangular and contain individual lot frontages with dwelling entries addressing the street and private open space areas facing the rear.</p> <p>Within the immediate vicinity of the subject site, there are multiple other dual occupancy developments, both subdivided and not, with the subdivision pattern containing both regular 500m² sized lots and smaller lots such as those at 21A and 21B Jindalee Crescent, 20 Patonga St and 47 Carrington Park Dr, and 16A and 16B Patonga St (noted in yellow in Figure 6 below).</p>

Section 4.15 Assessment Report - DA22/1148

Objective	Response
	 <p>Figure 6 – Aerial image noting other dual occupancy developments in the vicinity of the site, with those that have been subdivided in yellow</p> <p>The proposed subdivision of 9 Jindalee Crescent into two lots, is not dissimilar to the two lot subdivision of other corner lot dual occupancy developments in the area and does not undermine the integrity of the subdivision and character of the area.</p>
<p>(b) to minimise any likely impact of subdivision and development on the amenity of neighbouring properties,</p>	<p>The proposed subdivision will not have a negative impact on the existing amenity of the area or impact neighbouring properties. There are no substantial works proposed as a result of the subdivision – with works to the sewer realignment within the site all that is needed to facilitate the subdivision. The subdivision remain consistent with the neighbouring properties and retain the amenity of residential uses surrounding the site.</p>

Section 4.15 Assessment Report - DA22/1148

Objective	Response
(c) to ensure that lot sizes and dimensions are able to accommodate development consistent with relevant development controls.	Minor departure to lot dimensions is required and this is addressed within the SEE accompanying this DA. Furthermore, the proposed lots are suitably sized and dimensioned in order to accommodate the dwelling as approved under DA 19/1263. In this regard, all dwellings, car parking, private open space and servicing are contained within each of the lots, with the exception of sewage service whereby minor adjustment is required.
<p>CONCLUSION</p> <p>The assessment above demonstrates that compliance with the prescribed minimum lot size development standard for the Shoalhaven LEP 2014 is unreasonable and unnecessary in the circumstances of the case and flexibility in this instance would achieve better outcomes for and from the development.</p> <p>The variation to the development standards will not result in any adverse impacts to surrounding residents, is consistent with the envisaged low-density character of the local area and is consistent with residential densities planned in the R1 General Residential zone.</p> <p>The proposal is considered to have sufficient planning grounds to justify departure to the minimum lot size development standard in this case.</p> <p>There are no environmental planning grounds that warrant maintaining and/or enforcing the numerical lot size standard in this instance. Rather, there are clear and justifiable environmental planning merits that validate the flexible application of the lot size control allowed.</p>	
<p>Assessing Officer Commentary</p>	
<p><u>Unreasonable or Unnecessary</u></p>	
<p>The proposed two lot Torrens Title subdivision of the existing dual occupancy (attached) at 9 Jindalee Crescent Nowra was approved on 5 May 2019 (DA19/1263), which pre-dates gazettal of SLEP CI 4.1A (4) (11 August 2020), and therefore needs to be assessed under SLEP CI 4.1 (3). Notwithstanding non-compliance with the development standard, it is considered that the proposed subdivision is consistent with the objectives of the development standard.</p>	

Section 4.15 Assessment Report - DA22/1148

The underlying objective of the standard, to minimise the likely impact upon local amenity, is achieved as no additional physical alterations are required to be undertaken (apart from a minor re-alignment of the sewer which is under the ground surface and will have no ongoing term impacts) and the proposed subdivision does not compromise the function of the dual occupancy development. The proposed subdivision would have no impacts upon the surrounding locality beyond those considered during assessment and approval of the underlying dual occupancy (attached).

An identical subdivision application lodged today for a dual occupancy (attached), constructed after gazettal of SLEP 4.1A (4) would be compliant under that clause. Accordingly, strict compliance with the development standard (SLEP CI 4.1 (3)) is considered to be unreasonable and unnecessary.

Sufficient Environmental Planning Grounds

Council considers that there are sufficient environmental planning grounds to justify contravening the minimum subdivision lot size development standard. The proposed subdivision promotes the orderly and economic use and development of land and is consistent with development opportunities that are now available under clause 4.1A.

Public Interest

Clause 4.6 (4)(a)(ii) requires that Council be satisfied that the proposed development is in the public interest given it is consistent with the development standard objectives and the objectives of the zone.

The development site is zoned R2 Low Density Residential. The objectives of the R2 Low Density Residential zone are:

Objective	Comment
To provide for the housing needs of the community within a low density residential environment.	The proposed development provides additional low-density housing which will be subdivided to allow for its separate sale or purchase.
To enable other land uses that provide facilities or services to meet the day to day needs of residents.	The proposed development does not inhibit this objective.
To provide an environment primarily for detached housing and to ensure that other development is compatible with that environment.	The proposed development is compatible with surrounding detached development.

The proposed development is not contrary to the zone objectives.

Section 4.15 Assessment Report - DA22/1148

The objectives of SLEP CI 4.1 are:	
Objective	Comment
to ensure that subdivision is compatible with, and reinforces the predominant or historic subdivision pattern and character of an area	Given the mix of dual occupancy and detached dwellings in the locality, the proposed development is compatible with the predominant subdivision pattern and with the character of the area.
to minimise any likely impact of subdivision and development on the amenity of neighbouring properties,	The proposed development will not create any additional impacts on the amenity of surrounding properties.
to ensure that lot sizes and dimensions are able to accommodate development consistent with relevant development controls.	The site contains an existing dual occupancy (attached) which demonstrates that it is able to accommodate development consistent with relevant development controls.
<p>The proposal is consistent with the objectives of the R2 Low Density Residential zone and clause 4.1 of Shoalhaven LEP 2014.</p> <p>The proposed development is considered to be in the public interest.</p> <p><u>Planning Secretary's Concurrence</u></p> <p>As per Planning Circular (PS20-002), the Secretary's concurrence can only be assumed by the elected Council where development contravenes a numerical standard by greater than 10%.</p> <p>The departure from the development standard is >10%, therefore the application must be determined by the Shoalhaven City Council Elected Council.</p>	