

Strategy and Assets Committee

Meeting Date: Tuesday, 08 October, 2019

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

Attachments (Under Separate Cover)

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Shoalhaven
City Council

Six Monthly Performance Report

January 2019 - June 2019



SA19.152 - Attachment 1



Acknowledgment to country

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

All Council's Corporate Planning documents can be sourced from shoalhaven.nsw.gov.au

Published by Shoalhaven City Council 2019.
A printable version of this document can be found in TRIM 59908E

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Community Vision Statement

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



Collaboration

We enjoy working together to deliver for our community

Adaptability

We are ready for change and willing to embrace a new situation

Integrity

We are committed to maintain high ethics and standards

Respect

We are mindful of and care about the feelings, wishes and rights of others

Values are the fundamental beliefs of a person or organisation.

These principles guide behaviour and help organisations to determine if they are on the right path and fulfilling their goals by creating an unwavering guide for all to follow.

Shoalhaven City Council has chosen four Core Values: Council's Core Values are reflected throughout the Code of Conduct.

Our Community

Shoalhaven is unique with its spectacular natural environment, growing population and robust economy. It is a wonderful place to live, work, stay and play. From Berry to Durras, the coastal strip sustains diversity of places, people and environments.

Shoalhaven is located on the south coast of New South Wales, with the regional centre of Nowra-Bomaderry located about 160 kilometres south of Sydney. Most of the population is concentrated along the coastal fringe, which is traversed by the Princes Highway. The major centres include Nowra-Bomaderry, Milton-Ulladulla, Huskisson-Vincentia, St Georges Basin District, Culburra Beach and Sussex Inlet. The area encompasses a total land area of about 4,531 square kilometres, including substantial areas of national park, state forest, bushland, beaches and lakes. The natural amenity of the area is a strong attractor, for both new residents, holiday makers and day trippers.

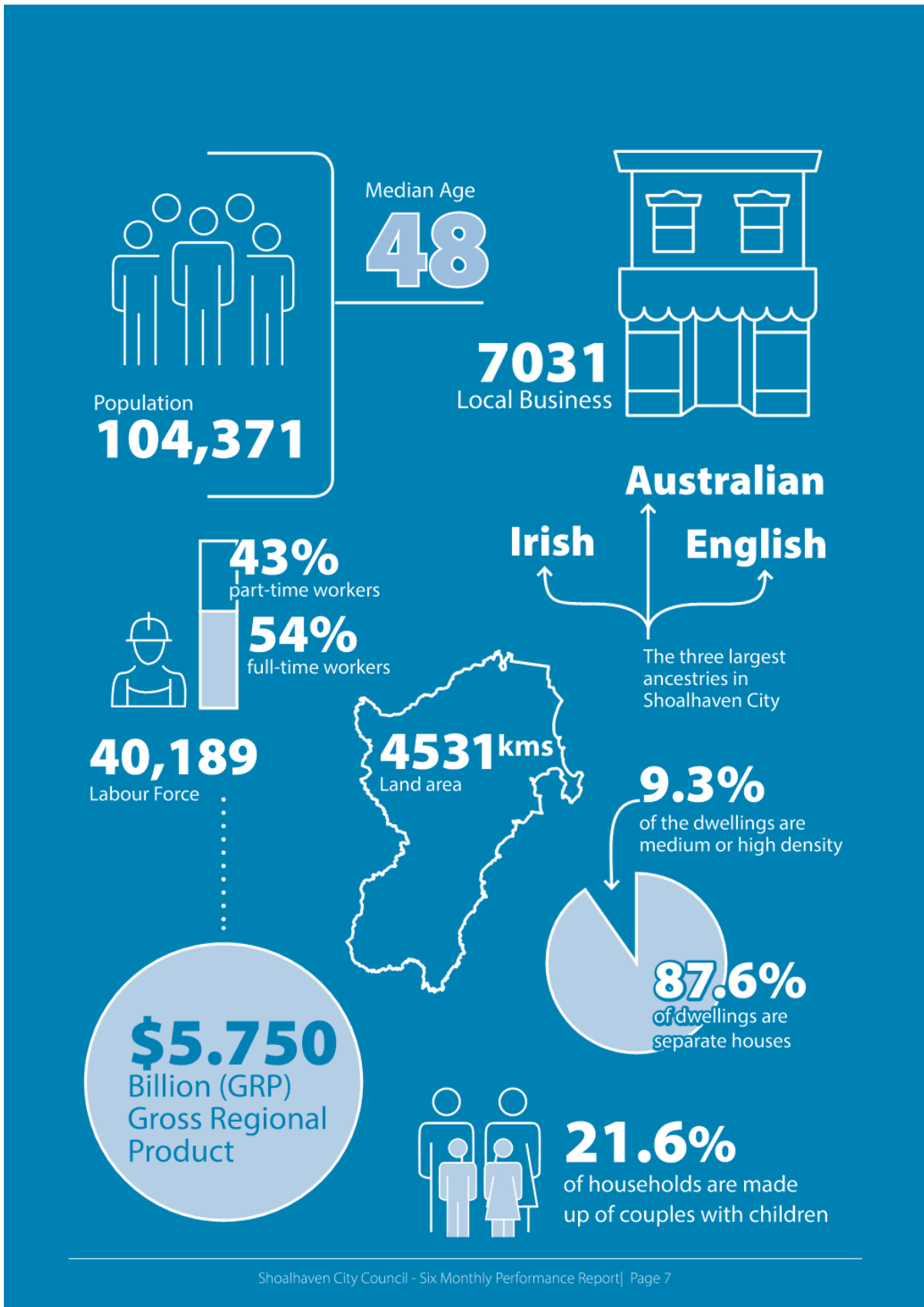
The original inhabitants of the Shoalhaven area are the Wodi Wodi, Wandandian and Murramarang Aboriginal people. European settlement dates from 1822 when land was taken up near the mouth of the Shoalhaven River.

The Shoalhaven is blessed with perhaps the most scenically beautiful landscapes on the east coast of Australia, ranging from the lush rainforests, woodlands, rocky terrain, coastal plains, farmland and floodplains. The area also has more than 165 kilometres of coastline, the longest of any local government area in NSW. The coast is very diverse in its character, with major estuaries, many coastal lakes, long wild beaches and small pocket beaches, extensive coastal dune systems, towering sandstone headlands and rugged bluffs.

The Shoalhaven population has a strong sense of community, a desire to help one another, friendly, welcoming and caring. Community involvement in Council and community activities is reflective of the large numbers attending key events being held throughout the year.

This report aims to complement the wonderful place that is the Shoalhaven and to build priorities, goals and actions that provide direction for the community and Council into the future.

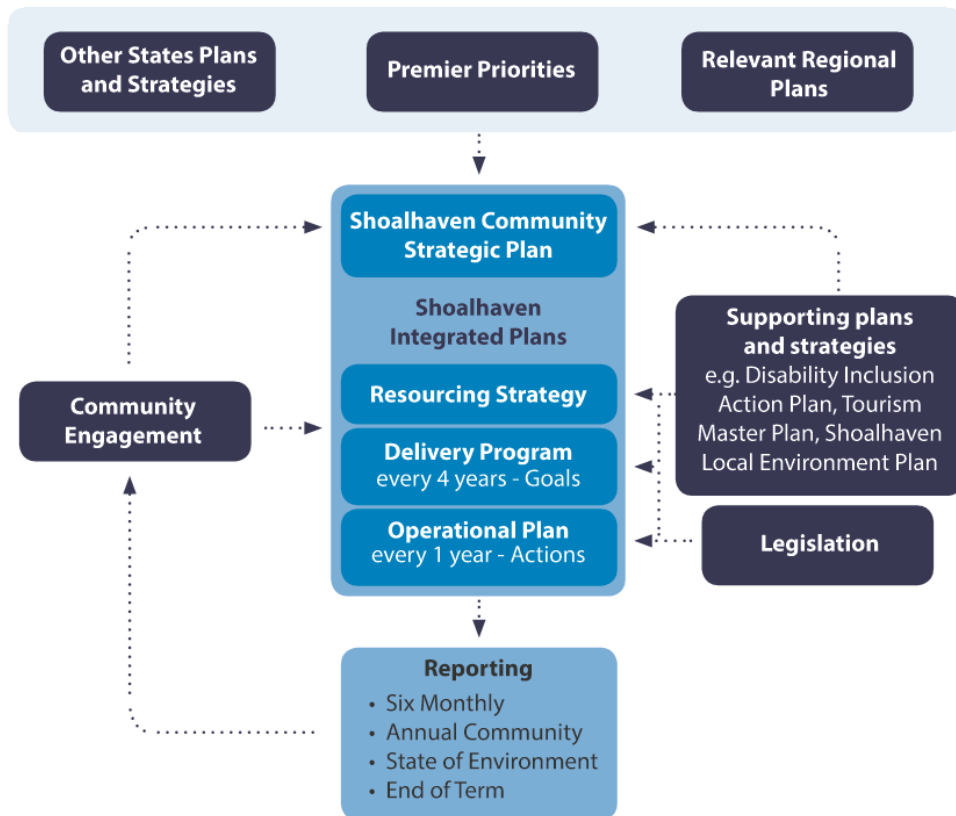




Planning & Reporting Framework

Local councils in NSW are required to undertake their planning and reporting activities in accordance with the Local Government Act 1993 (Act) and the Local Government (General) Regulation 2005 (Regulation).

The Act and Regulation provides guidelines for councils to follow to ensure community involvement is central to the formation of strategic plans that drive council's long term planning and day to day operations. The Integrated Planning and Reporting Framework (Figure 1) is the name given to that section of the Act and Regulation that deals with Council's planning processes and the community's involvement.



(Figure 1): Integrated Planning and Reporting Framework

Shoalhaven's Integrated Plan Structure

The Shoalhaven Integrated Plan is made up of four key components (Figure 1):

1. Shoalhaven Community Strategic Plan (CSP)
2. Delivery Program Goals
3. Operational Plan Actions, Financials, Fees & Charges, Budget
4. Council's Resourcing Strategy

The Integrated Plan is developed in conjunction with State and Regional Plans, the Resourcing Strategy, other supporting plans, Councillors, staff and community. Monitoring and adjustment is carried out through six monthly and annual reports.

The community plan for the Shoalhaven over the next ten years is captured in the Community Strategic Plan (CSP). While Council will use the plan to develop its Goals and Actions, not everything in the plan is Council's responsibility. Other government and non-government organisations can and will use the CSP to align their activities to meet Shoalhaven's needs.

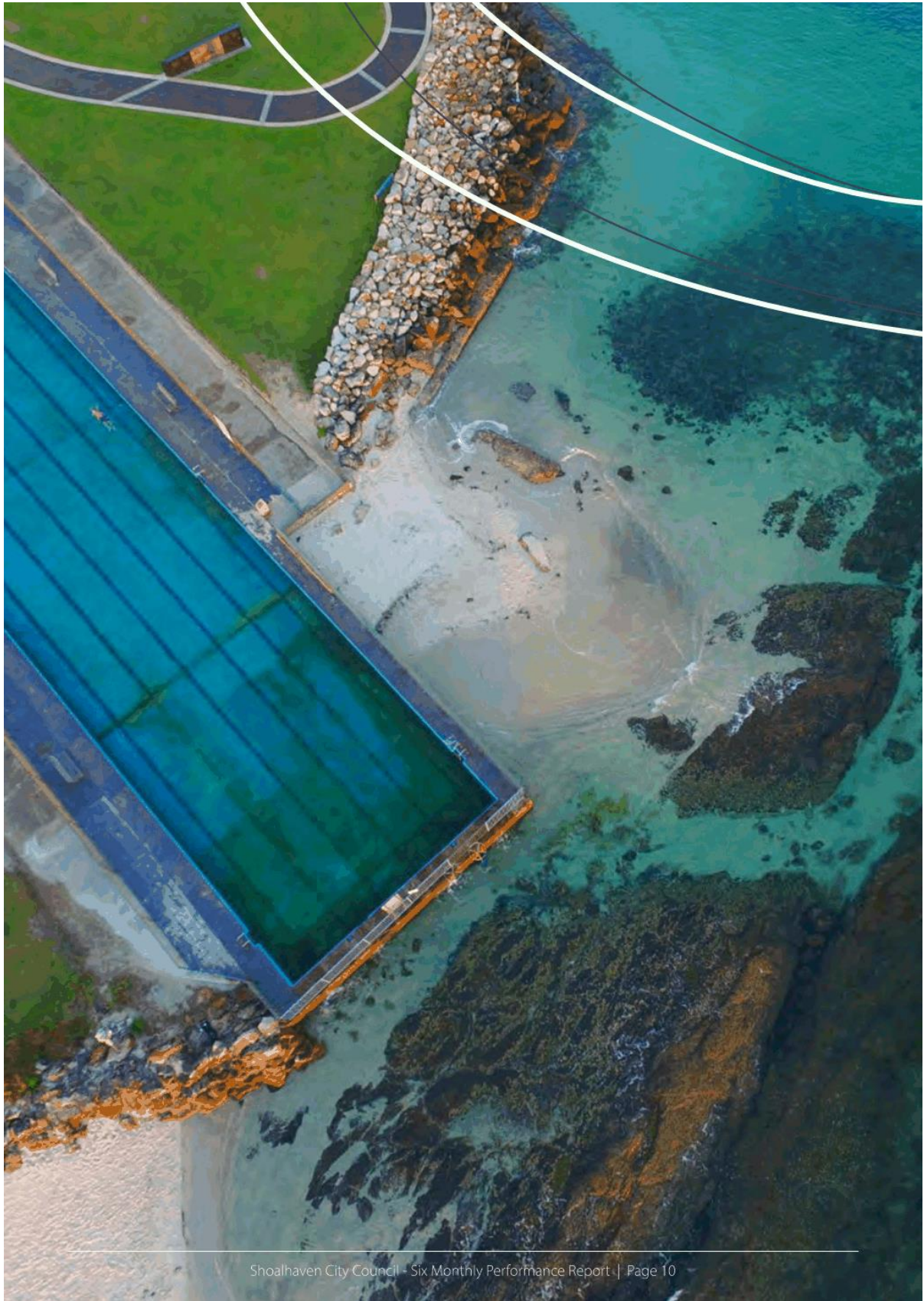
The Resourcing Strategy is critical to the successful development and completion of the Plan's Actions. It is used to address the budget needs through the Long Term Financial Plan, assets required through the Asset Plan and Council's workforce through the workforce plan.

The four-year Delivery Program Goals are Council's response to the Community Strategic Plan. The Goals are developed in conjunction with its Resourcing Strategy, supporting plans and legislation.

The one-year Operational Plan Actions details what will be completed over the next 12 months to address the Delivery Program Goals. Budget, staff resources and assets are allocated to ensure the Actions are undertaken.

This report provides an overview of Council's highlights and achievements over the past six months.





Performance Overview

Our performance displayed through our Key Themes
These are outlined in the following sections.



**Resilient, Safe and
Inclusive Communities**



**Sustainable, Liveable
Environments**



**Prosperous
Communities**



**Responsible
Governance**



Resilient, safe & inclusive communities

Our Performance

for the last 6 months

19,800

Shoalhaven
Entertainment
Centre ticketed
event attendance

Shoalhaven Regional
Gallery attracts

12,034

guests



Parkcare volunteer hours

2,080

406,000

Aquatic centres visitors



Library users **240,500**

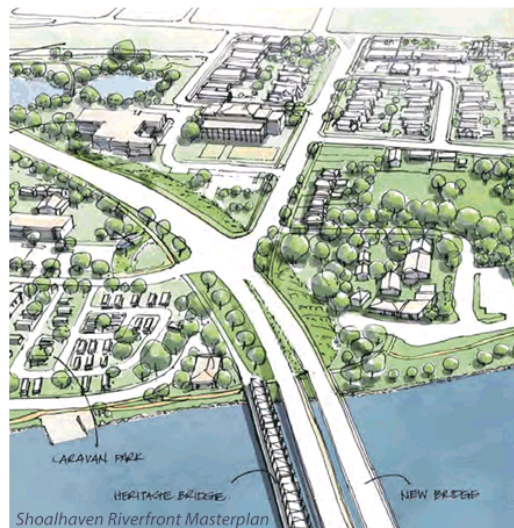


Supporting strategies and plans

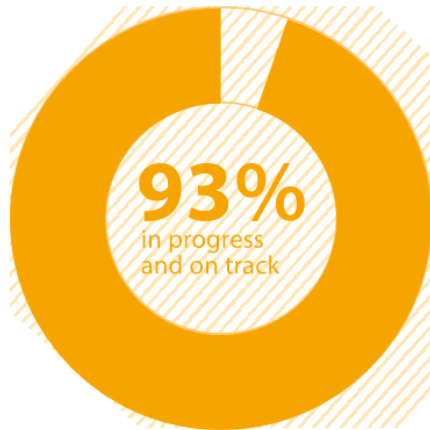
- Nowra / Bomaderry Structure Plan
- Jervis Bay Settlement Strategy
- Sussex Inlet Settlement Strategy
- Milton / Ulladulla Structure Plan
- Draft Character Statements
- Nowra Riverfront Entertainment and Leisure Precinct
- Shoalhaven Affordable Housing Strategy 2017
- Provision of Local Area BMX Circuits and Skate Parks Policy
- Waste Management Strategy
- Developing Public Art - Themes and Sense of Place
- Community Infrastructure Strategic Plan 2017-2036
- Shoalhaven Libraries Strategic Plan 2021
- Arts Centre Strategic Plan 2020
- Arts Board Strategic Plan 2017-2021
- Sports Board Strategic Plan

Highlights

- Adopted new Strategic Planning Works Program for 2019/2020, released the Shoalhaven Growth Management Strategy Discussion paper for initial community comment and finalised the Shoalhaven Riverfront Masterplan and several significant amendments to the Shoalhaven Development Control Plan 2014.
- Kangaroo Valley RFS extension, Kioloa Station RFS extension, IEMC Pad Mount transformer, Boughton Vale Berry Station DA civil works.
- Shoalhaven Local Heritage Assistance Fund Program was run during the 2018/2019 year and contributed funding assistance to eight (8) heritage items within the City. The funded works included a range of small heritage projects including general maintenance, adaptive reuse, or sympathetic alterations/additions to heritage items, with a total value of the works assisted being just over \$100,000.
- Water and sewer schemes continue to be well maintained and outputs comply with the Australian Drinking Water Guidelines and environmental protection licences.
- New Bomaderry Sewage Treatment Plant handed over to Council for operation.
- Completion of Shoalhaven River Flood Levee restoration project.



Progress Snapshot



Progress Key

✓ On Track
⏸ On Hold
! Needs Attention

Goal	Description	Status	Comment	Responsible Manager
1.1.01	Undertake to prevent, prepare for, respond to and recover from natural disasters	✓	<ul style="list-style-type: none"> Implementation of the annual bushfire mitigation program. Completion of Shoalhaven River Flood Levee restoration project Commenced SMART Cities program for monitoring estuary entrances for flood mitigation Commenced Flood Risks Management Plan/Studies for Millards Creek, Currarong Creek, St Georges basin and Lower Shoalhaven River Ongoing river and lake level monitoring through Environment network of monitoring equipment. 	Environmental Services Manager

Goal	Description	Status	Comment	Responsible Manager
1.1.02	Support communities to become safer and stronger through positive and effective planning, partnerships and programs	☑	Community Development have delivered a number of community events including projects that align with Council's Crime Prevention Plan. Staff have met with Interagencies on a number of issues that affect the Shoalhaven. Funding has been secured through the Safer Communities program for delivery of safety and CCTV around the Shoalhaven river foreshore and ongoing works in Nowra CBD and Sanctuary Point. Funds have also been secured to deliver training to internal and external stakeholders.	Recreation, Community & Culture - Section Manager
1.1.03	Develop plans and strategies which help to create an inclusive, caring and accessible community	☑	Staff actively work with the Access and Inclusion Advisory Group to advocate for access throughout the region. This group play a vital role in assisting Council to include mixed ability access into strategic planning and operational project delivery. The Community Development Team continue to work with various organisations to support advocacy and inclusion in the region including the upcoming Festival of Ability.	Recreation, Community & Culture - Section Manager

Goal	Description	Status	Comment	Responsible Manager
1.1.04	Provide solid waste and recycling collection, resource recovery and landfilling	✓	<p>Waste Services have continued to provide an efficient and effective kerbside waste and recycling collection service to the community over the year despite the impact of international pressures on recycling.</p> <p>The Shoalhaven community now has access to disposal of household problem waste with the installation of CRCs (Community Recycling Centres) at all 10 recycling and waste transfer facilities.</p> <p>A very successful Waste and Environment Expo held at the Entertainment Centre raised community awareness of recycling, recyclable products and sustainable living.</p>	Works and Services Section Manager
1.1.05	Develop plans which will enable a variety of housing options to be provided to the community and helps to connect people and places	✓	<p>Strategic Planning Works Program 2018-2019 outcomes considered by Council in June 2019.</p> <p>Outcomes achieved during this period include:</p> <ul style="list-style-type: none"> • Growth Management Strategy Discussion Paper - released. • Low Density Residential DCP Review - adopted for exhibition. • Shoalhaven Riverfront Masterplan - adopted. • Affordable Housing Strategy implementation - range of advocacy undertaken. <p>New Strategic Planning Works Program for 2019/2020 adopted.</p> <p>Medium Density DCP Review - finalised.</p>	Section Manager - Strategic Planning

Goal	Description	Status	Comment	Responsible Manager
1.1.06	Use Council's regulatory powers and government legislation to enhance community safety	⚠	<ul style="list-style-type: none"> For the 2018/2019 financial year, the Team received 835 complaints and were able to complete 286. There were 549 complaints ongoing at 30/06/2019. Environmental Services regulatory activities ongoing including environmental health, environmental protection, onsite sewage management and weed biosecurity. Erosion and sediment control compliance on development sites, illegal vegetation clearing, onsite sewage management (more than 7,500 systems) and air pollution (wood smoke). More than 1800 investigations and inspections completed. 	Section Manager - Building and Compliance Services
1.1.07	Continue to maintain and improve emergency service facilities	✓	Kangaroo Valley and Kioloa Station rebuilds completed. The Integrated Emergency Management Centre electricity pad mount was completed and the DA process for the new Berry-Broughton Vale station has been submitted.	Technical Services - Section Manager
1.2.01	Bring the Arts to the community	✓	Regular meetings of the Arts Board ensure ongoing engagement with the sector, support for events and operational delivery of a performing arts season at the Shoalhaven Entertainment Centre and a full exhibition calendar at the Shoalhaven Regional Gallery ensure arts are delivered to our region throughout the year.	Recreation, Community & Culture - Section Manager

Goal	Description	Status	Comment	Responsible Manager
1.2.02	Provide cultural facilities that meet the needs of the community	✓	The Entertainment Centre has had a successful last quarter - offering a broad range of shows and public programs to support and compliment the 2018 season. In addition staff have strengthened relationships with community performing arts organisations, providing support and assistance to many local organisations, as well as hosting a number of dinner functions and school formals. The Shoalhaven Regional Gallery continues to impress with a number of nationally significant exhibitions, and a broad range of public and education programs being offered to compliment the exhibitions, including artist talks - In Conversation and workshops. Shoalhaven Libraries remain a much valued service, with mobile library services actively operating throughout the region as well as playing a vital role in community events like the Shoalhaven Readers & Writers Festival.	Recreation, Community & Culture - Section Manager
1.2.03	Recognise and protect our cultural heritage	✓	Various heritage related projects undertaken in accordance with the Strategic Planning Works Program including: <ul style="list-style-type: none"> • Annual Local Heritage Grants scheme 2018/2019 run • Berry Heritage investigations • Nowra CBD Fringe Medium Density Planning Proposal • Heritage Housekeeping Planning Proposal 	Section Manager - Strategic Planning
1.3.01	Undertake maintenance and enhancements of Council parks and sporting fields	✓	<ul style="list-style-type: none"> • Expenditure on target. • Expenditure for the 18/19 financial year was 99.8 % of budget • Recorded complaints have declined. • 17/18 1905 complaints 99% complete • 18/19 1542 complaints 97% complete 	Works and Services Section Manager

Goal	Description	Status	Comment	Responsible Manager
1.3.02	Provide recreation and leisure facilities to meet community needs	✓	<p>Council staff have delivered enhanced sporting facilities through top dressing, weed eradication, drainage and irrigation. The illuminator floodlighting control system is being progressively rolled out.</p> <p>Swim and Fitness continue to provide a broad range of quality services and is registered with the Active Kids program for provision of learn to swim programs. Planning is well advanced for the introduction of a 24 hours gym at Ulladulla Leisure Centre. The Shoalhaven Indoor Sports Centre continues to be delivered with opening scheduled in November 2019.</p>	Recreation, Community & Culture - Section Manager
1.3.03	Plan, manage and provide for the social and recreational infrastructure needs of the community to ensure access, equity and sustainability	✓	<p>Staff have progressed a broad range of infrastructure projects throughout the Shoalhaven, through either masterplanning - Shoalhaven Community and Recreational Precinct (SCARP), or detailed design - Boongaree Nature Playspace, Artie Smith Oval, and the delivery of Shoalhaven Indoor Sports Centre.</p>	Recreation, Community & Culture - Section Manager
1.3.04	Operate and maintain the water and sewer schemes	✓	<p>The Water and Sewer Schemes have been operator maintained as per the relevant plans.</p>	Water Operations & Maintenance - Section Manager



Sustainable, liveable environments

Our Performance

39 sports fields maintained with **2,100** visits



Parks maintained **535**



21,844 Park visits

Length of Road Reseal completed

22km



Length of Council unsealed road graded

172.5 km



Road Maintenance actions completed

9,972

Road safety improvement projects completed



7

Supporting strategies and plans

- Nowra CBD Urban Design Masterplan
- Nowra Riverfront Entertainment and Leisure Precinct
- Shoalhaven Bereavement Services – Strategic Plan 2050
- Town street tree planting strategy
- Community Infrastructure Strategic Plan 2017-2036
- Flood & Estuary Management Studies and Plans
- Coastal Management Plan
- Climate Change Adaptation Plan
- Sustainability Action Plan
- Marine Vegetation Management Plans
- Waste reduction management strategy

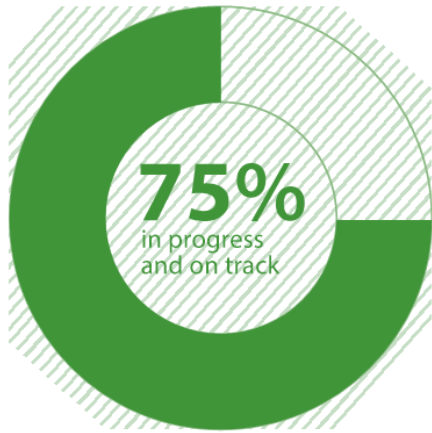
Highlights

- Aided local industry partners to secure implementation of upgrade to South Coast Rail Line between Bomaderry and Berry to class 1 track (works will commence in Sept/Oct 2019)
- Referral by NSW Roads & Maritime Services to Transport for NSW to develop and implement a Nowra Bomaderry Transportation Strategy in response to Council's advocacy on road congestion issues in and around Nowra identified in the Nowra Key Road Projects Strategic Review (December 2018)
- Nowra Administration Building has undertaken an exterior clean, upgrade of internal carpet area in the executive meeting rooms.
- 100% of reseal budget expended
- Several major milestones achieved including rehabilitation of Larmer Ave, Prince Edward Ave. and Woodhill Mtn Rd.
- Planning work finalised to enable the release of new residential lots in the Moss Vale Road South Urban Release area. Range of other plans progressed or adopted including Shoalhaven Riverfront Masterplan, Shoalhaven Growth Management Strategy Discussion Paper and significant amendments to the Shoalhaven Local Environmental Plan and Development Control Plan.
- All development applications are uploaded onto the DA tracking website for viewing by the community.
- Several older subdivisions have been the subject of enquiries and concerns. These include subdivisions, approved by the NSW State Government in Manyana and Narrawallee. The delivery of new housing lots in high amenity locations are highly sought after. However, there are tensions between the demand for housing in appropriate locations and the retention of bushland which is also valued by the community.
- Higher density development has been approved in existing and appropriately zoned urban areas providing additional housing choice for the community. Examples include multi-dwelling housing developments in Federation Place, North Nowra and Albatross Rd, South Nowra.
- Solar photovoltaic (PV) system installed at the Bamarang Water Treatment Plant and Berry Wastewater Treatment Plant.



Solar photovoltaic (PV) system installed

Progress Snapshot



Progress Key

✓ On Track
⏸ On Hold
! Needs Attention

Goal	Description	Status	Comment	Responsible Manager
2.1.01	Advocate for improvements to regional transport linkages	✓	<ul style="list-style-type: none"> Co-ordinated Council response to Princes Highway Corridor Strategy Preparing project statements for SEATS Priority Project analysis Attended & contributed to meetings/workshops on Regional Transport Plans 	Economic Development Manager
2.1.02	Manage and maintain administrative buildings, depots, jetties & boat ramps	✓	<p>Administration Buildings and Depots:</p> <ul style="list-style-type: none"> Nowra Administration Building, has had an exterior clean and internal carpet the executive meeting rooms has been replaced. Jetties & Boat Ramps continue to be inspected on a cyclic basis, with commensurate maintenance undertaken as required. New works undertaken in this financial year included: <ul style="list-style-type: none"> Woollamia Boat Ramp upgrade Sailing club Pontoons installation 	Technical Services - Section Manager

Goal	Description	Status	Comment	Responsible Manager
2.1.03	Build and improve roads, bridges and drainage	✔	<p>Approximately 80% of the capital budget has been spent. Expenditure details are covered off in the fourth quarter review some of the main activities include:</p> <ul style="list-style-type: none"> • 100% of the resealing budget was expended • Pavement rehabilitation on Larmer Ave. Sanctuary Point • Pavement rehabilitation on Tannery Rd Camberwarra • Pavement rehabilitation on Woodhill Mtn Rd. • Pavement rehabilitation on Victoria St. Berry • Pavement rehabilitation on Island Point Rd. • Pavement rehabilitation on Prince Edward Ave 	Works and Services Section Manager
2.1.04	Manage footpaths and cycle ways	✔	<p>Current works programmed 18/19 \$164,000</p> <p>Osborne Street \$90,000 (addresses multiple missing links and will provide a continuous footpath link between Hyams Street and Plunkett Street)</p> <ul style="list-style-type: none"> • Corner of Bridge Road and North Street (west side of Batts Folly) \$15,000 (addresses missing link on west side will enable improved access to the traffic signals) • Village Drive Ulladulla \$15,000 (east side, addresses missing link/pinch point between Golden Wattle Drive and Timbs Street) • Berry Street south (missing link north of Bice Road to Albatross Road) \$44,000 • The capital expenditure as at the end of 18/19 financial year for footpaths in the LGA was \$3,547,204 which is 102% of budget. • The maintenance expenditure as at the end of 18/19 financial year on footpaths was \$82,000 	Technical Services - Section Manager

Goal	Description	Status	Comment	Responsible Manager
2.1.05	Manage roads, drainage and bridges	✔	A range of minor works have been completed in accordance with the annual works program.	Technical Services - Section Manager
2.2.01	Develop land use plans which reflect community needs and ongoing population growth	✔	<p>Range of relevant projects completed or commenced in accordance with the Strategic Planning Works Program for 2018/2019 including:</p> <ul style="list-style-type: none"> • Moss Vale Road South Urban Release Area planning finalised • Shoalhaven Growth Management Strategy Discussion Paper released • Shoalhaven Riverfront Masterplan adopted • Medium Density DCP Chapter review completed • Worroving Heights Precinct Plan adopted • Homeless Shelter Planning Proposal finalised 	Section Manager - Strategic Planning
2.2.02	Facilitate the provision of development that meets the changing needs and expectations of the community	✔	<p>The Development Team and Ulladulla Planners, are responsible for the assessment of development applications as submitted to Council. The assessment is undertaken in accordance with the planning framework at the time with recommendations made accordingly.</p> <p>The bulk of development applications are for residential development. However the team processes a range of applications, many of which are complex and controversial. Applications which generate "significant public interest" are sometimes called into Council for a decision.</p>	Section Manager - Development Services
2.2.03	Manage development to ensure compliance with land use plans and approvals	⚠	Complaints are being investigated as they arise.	Section Manager - Building and Compliance Services

Goal	Description	Status	Comment	Responsible Manager
2.2.04	Provide strategic planning support services to the organisation	✔	Continued to issue GIS Data Licences on behalf of the organisation. Provided graphics and mapping support internally as required.	Section Manager - Strategic Planning
2.3.01	Improve the protection of valuable natural and cultural roadside assets	⏸	The district engineers together with Council's environmental advisor have been identifying areas of natural value and cultural significance, to be incorporated into Council's asset data base, for reference by field staff when planning works.	Technical Services - Section Manager
2.3.02	Develop strategies to help to reduce Shoalhaven's carbon footprint	✔	Continuing to investigate projects that meet the strategy.	Director Shoalhaven Water
2.3.03	Maintain and enhance the natural environment	✔	<p>Environmental Services regulatory activities ongoing including environmental health, environmental protection, onsite sewage management and weed biosecurity.</p> <p>Development of Grey Headed Flying Fox camp management plan and implementation of grants in partnership with office of environment & Heritage (OEH)</p> <p>Commencement of citywide coastal management program scoping study. Ongoing implementation of Bushcare programs with more than 700 volunteers across the City.</p> <p>Wood smoke reduction education and media campaign commenced for the winter season.</p>	Section Manager - Environmental Services



Prosperous communities

Our Performance

Number of people employed

38,392



Major capital
infrastructure
investment

\$202m

Non-residential
development approvals

\$62.4 m

new residential
development approvals

\$180.4m



Gross regional product

\$6.09b



Yearly visitor
economy worth

\$914m

Supporting strategies and plans

- Nowra CBD Urban Design Masterplan
- Economic Development Strategy 2017-2026
- Nowra-Bomaderry Retail Hierarchy Review
- Destination Management Operational Plan
- Digital Economy Sector Strategy 2012
- Submission on freight and supply chain priorities

Highlights

- Range of projects completed or underway in accordance with the Strategic Planning Works Program including: Shoalhaven Riverfront Masterplan adopted, DCP Chapter G18 Streetscape Design for Town Centres finalised, supported the Nowra CBD Committee with 2019 Case Maclaim Mural and the Nowra CBD Historical Walk.
- Subdivision works on Stage 5 at the Woollamia Industrial Estate concluded to yield 11 new industrial lots. The lots were offered for sale with 6 being sold in response to this first release.
- A grant from NSW Growing Local Economies fund for \$4.5m was approved for Stage 6 of the Albatross Aviation Technology Park including the provision of a firefighting water service throughout this Defence Support precinct.
- A grant under the Australian Building Better Regions Funds was approved to undertake "Placemaking in Vincentia Village", a redevelopment of the public space in Burton St Vincentia over 2 years.
- A growth in off season visitation and the smoothing out of the traditional peaks and troughs in visitation due to successful marketing programs and event support initiatives. The Shoalhaven Visitor Economy is currently estimated at \$914 million per year (2020 target of \$1 billion).



Progress Snapshot



Progress Key

 On Track	 On Hold	 Needs Attention
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Goal	Description	Status	Comment	Responsible Manager
3.1.01	Work with business, government and other entities to build a strong and productive Shoalhaven economy		Economic Development staff meet regularly with Business (43 this Qtr) and Government (25 this Qtr) as well as internally within Council (76 this Qtr).	Economic Development Manager
3.1.02	Actively pursue innovative processes and new technologies for the benefit of the Shoalhaven community		Coordinating participation by Council in regional SMART project on water management including rollout of LoRaWAN infrastructure.	Economic Development Manager
3.1.03	Promote and service the Shoalhaven as a diverse tourist destination		Shoalhaven Tourism successfully completed marketing programs and event support initiatives to drive off-season growth and jobs, research is showing a growth in off-season visitation and the smoothing out of the traditional peaks and troughs in visitation. Shoalhaven Tourism continue to manage visitor services in both Nowra and Ulladulla, as well as offer mobile services during peak season and flagship events.	Tourism - Section Manager

Goal	Description	Status	Comment	Responsible Manager
3.1.04	Provide tourism services for the Shoalhaven	✓	Shoalhaven Tourism successfully manages visitor services in Nowra and Ulladulla, as well as co-ordinates the provision of mobile services throughout the region during peak periods and flagship events. A volunteer ambassador program is also administered by Shoalhaven Tourism.	Tourism - Section Manager
3.1.05	Identify individual trends and develop strategies for Holiday Haven Tourist Parks which meet business needs	✓	Holiday Haven has achieved another year of solid growth. A program to upgrade facilities and recreation areas to meet identified demographic preferences is continuing. Website and social media platforms are evolving to enable more responsive information and better online booking experience.	Commerical Services - Section Manager
3.1.06	Make our CBDs and town centres active places	✓	Range of projects completed or underway in accordance with the Strategic Planning Works Program 2018/2019 including: <ul style="list-style-type: none"> • Shoalhaven Riverfront Masterplan adopted • Nowra CBD Fringe Medium density precinct, Gateway determination recieved for Planning Proposal • DCP Chapter G18 Streetscape Design for Town Centres finalised • Supported the Nowra CBD Committee with 2019 Case Maclaim Mural and the Nowra CBD Historical Walk. 	Section Manager - Strategic Planning
3.1.07	Partner with industry, government and business	✓	Strategic Planning Staff actively participated in the following NSW Government committees/taskforces: <ul style="list-style-type: none"> • Illawarra-Shoalhaven Urban Development Program Committee • Illawarra-Shoalhaven Regional Plan Coordinating/Monitoring Committee • Following projects or programs undertaken with funding from NSW Government: <ul style="list-style-type: none"> • Shoalhaven Local Heritage Assistance Fund 2018/2019 • Shoalhaven Character Assessments Report. 	Section Manager - Strategic Planning



Responsible Governance

Our Performance

247  GIPA Act
applications received

560  Development
Applications received


628,300
Website visits

 Counter service visits
9,842

45,925 
Calls to 4429 3111

Social media followers

 **9.6k**  **2.9k**  **1.7k**

Supporting strategies and plans

- Community Strategic Plan/Delivery Program/Operational Plan
- Management plans
- CMPs for showgrounds
- Shoalhaven Bereavement Services – Strategic Plan 2050
- Climate Change Adaptation Plan
- Sustainability Action Plan
- Creation of APZ over council owned or managed land
- IRIS Community Satisfaction Survey
- Shoalhaven Water’s servicing plans
- Waste reduction management strategy

Highlights

- Environmentally sensitive considerations have been integrated into the Shoalhaven Indoor Sports Centre (SISC) design
- Water Utility National Reporting results indicate Shoalhaven Water has the lowest typical residential water bill (\$) in Australia and comparatively the shared highest percentage of water quality compliance. Full analysis of the 166 performance indicators and Shoalhaven Water results provided to the community.
- Electric Cars; purchased 3 Hyundai Kona EV. These are full electric “zero emissions” vehicles. Council are trialling these vehicles with a view to have them in the Fleet in the future, driving innovation and reducing Councils carbon footprint. Data from the trial and user feedback will be reported every 12months within the Trial.
- Nowra sewage treatment construction completed ready for cut over of raw sewage mains.
- Bomaderry sewage treatment plant commissioned July 2019. Handed over to Council for operation
- Pipeline drilling under Shoalhaven River – pilot hole complete, reaming in progress.
- Range of formal public exhibitions undertaken regarding Planning Proposals, DCP Amendments, and Council policies. More significant community engagements and consultations undertaken regarding: Shoalhaven Growth Management Strategy Discussion Paper, Shoalhaven Contributions Plan 2019, Nowra-Bomaderry Retail Hierarchy Review and the Moss Vale Road South Urban Release Area planning package
- Exhibiting development applications in accordance with it’s Community Consultation Policy for Development Applications (Including Subdivision) and the Formulation of Development Guidelines and Policies.
- Uploading all Development Applications onto its DA Tracking website – which is accessible via Council’s web page.
- Opening of the Shoalhaven Indoor Sports Centre is imminent. The centre includes four multi sports courts (basketball to FIBA standard, netball, volleyball, futsal, badminton and others), grandstand seating, change rooms, toilets, sports office and administration areas, drug testing areas, canteen/café/kiosk, conference rooms, creche, multi-purpose rooms, control room, storerooms, off-street parking and landscaping.






Progress Snapshot



Progress Key

 On Track	 On Hold	 Needs Attention
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Goal	Description	Status	Comment	Responsible Manager
4.1.01	Provide quality customer service through the customer service unit		Front of house (Counter Services) on track but further work and resources required to transition phone centre from a switch to a true first response centre.	Human Resources, Governance & Customer Service - Section Manager
4.1.02	Provide an accessible quality Family Day Care service		Family Day Care Coordination Team continue to provide a quality service to Shoalhaven Families. A marketing review has been undertaken and the team will work on implementing some changes to brand and attraction of both children and carers in the new year. The team continue to focus on recruiting new educators which will enable the service to expand to meet local needs.	Recreation, Community & Culture - Section Manager
4.1.03	Provide sustainable burial, cremation, memorial services and cemetery maintenance to the Shoalhaven community and seek to influence policy development in the industry		Bereavement Services has completed construction of Segment 11 with new landscaping design elements to be added in the coming year. Staff have made contributions to the new Australian Standards related to monuments and development of industry guidelines by CCNSW	Commercial Services - Section Manager

Goal	Description	Status	Comment	Responsible Manager
4.1.04	Manage the delivery of infrastructure, roads, drainage and bridges	☑	<ul style="list-style-type: none"> • Shoalhaven Indoor Sports Centre Internal fit out on track for soft opening September 2019. • Far North Collector Rd - Importation and stockpiling of embankment fill material commenced. On track for adoption of preferred alignment August 2019. Taylor's Lane optioneering in progress. • Approximately 80% of the capital roads budget has been spent. Expenditure details are covered off in the fourth quarter review some of the main activities include: • 100% of the resealing budget was expended • Pavement rehabilitation on Larmer Ave. Sanctuary Point • Pavement rehabilitation on Tannery Rd Cambewarra • Pavement rehabilitation on Woodhill Mtn Rd • Pavement rehabilitation on Victoria St. Berry • Pavement rehabilitation on Island Point Rd • Pavement rehabilitation on Prince Edward Ave • The bridge capital program was 77% with an expenditure of \$3,079,920. Shortfall due to design and contractual delays • Operationally the allocated budgets for maintenance came in at 103% of budget • Our drainage budget unfortunately came in at 63% of budget due to land acquisition and design issues • The bridge maintenance expenditure for the year was \$376,167 and focused on significant backlog in structural timber repairs, concrete spalling and non-destructive inspection and testing • Strategically, Councils' 10 year capital plan was adopted for the first time for the 2019-2020 financial year and onwards. Work is still underway to make this plan more comprehensive. 	Project Delivery & Contracts - Section

Goal	Description	Status	Comment	Responsible Manager
4.1.05	Deliver a full range of Council's services at Ulladulla Service Centre	✓	The full range of Council's services continues to be delivered at the Ulladulla Service Centre.	Ulladulla Customer Service Centre - Section
4.1.06	Deliver Water and Sewerage Capital Works	⚠	<p>Bomaderry Sewage Treatment Plant (STP) has been commissioned and operating with raw sewage</p> <ul style="list-style-type: none"> • Nowra STP expected to have sewage lines cut over in August 2019 • Pilot drill for pipeline under river 100% complete. Reaming of pilot hole 30% complete • Issues require resolution. Council adopted the actions recommended in a Confidential report in June 2019. Issues resolution agreed in principle via Mediation. 	Water Asset Planning & Development - Section Manager
4.1.07	Plan for water and sewage capital work	✓	Planning for 2019/20 Capital Works Program completed as part of budget process.	Water Asset Planning & Development - Section Manager
4.2.01	Ensure community needs and priorities are reflected within Council's IP&R framework and that legislative requirements are met	✓	Significant improvements to the content, layout and design of documents have been undertaken to enhance community engagement and understanding.	Executive Strategy - Section Manager
4.2.02	Provide corporate services which support the progress of legal matters, corporate planning and reporting and maintains a rigorous internal audit processes	✓	Five internal audit reports were completed in the reporting period. 33 audit recommendations and improvements were completed.	Executive Strategy - Section Manager
4.2.04	Enhance organisational diversity	✓	<p>Council held a Forum and subsequently created the Shoalhaven Aboriginal and Youth Employment (SAYE) Network/ Working Group which includes a large number of government, employment service provider and community representatives to identify and implement projects to assist in addressing youth and aboriginal unemployment and increase participation rates in the workplace.</p> <p>The Government has now provided a facilitator to assist the group progress.</p>	Human Resources, Governance & Customer Service - Section Manager

Goal	Description	Status	Comment	Responsible Manager
4.2.05	Provide corporate services which support the operations of Council including Governance, Human Resource, Insurance/ Risk Management, Work, Health & Safety	☑	<p>Day to day provision of services are on track. A number of key strategic initiatives have been completed or are underway such as the Remuneration Review, review of Employee Performance Review process, development of new core values and the establishment of a community forum (Shoalhaven Aboriginal and Youth Employment group) to work collaboratively to address local unemployment issues and inclusiveness of workplaces. This has necessitated re-prioritising a number of key strategic initiatives with a program of work to be confirmed once the current projects are completed.</p> <p>These include:</p> <ul style="list-style-type: none"> • Skills audit • Capability framework • Succession planning • Transition to retirement program • Mentoring program • Secondment program • Further development of Leadership Development Program • Expansion of traineeship program 	Human Resources, Governance & Customer Service - Section Manager
4.2.06	Continue to provide software and IT solutions to ensure ongoing support for operational requirements	☑	Council systems and IT solutions are being maintained in line with relevant standards. Ongoing work is planned and performed to ensure continued standards are in a continuous improvement cycle in line with budget and resources.	Information Services - Section Manager
4.2.07	Continue to provide Financial operations	☑	Finance continues to meet its compliance, governance and financial reporting requirements while key staff are involved with Phase 3 of the Technology One implementation.	Finance - Section Manager
4.2.08	Continue to deliver the Technology One project to provide ongoing improvements to internal Council systems and operations	☑	The goal to implement TechnologyOne in Council is on track. In June 2019 the project has commenced testing of the Finance, HR, Payroll and Asset Management modules.	Project Manager - Corporate Systems
4.2.09	Continue to provide mechanical and fabrication services to support the operations of Council	☑	Purchase of 3 Hyundai Kona fully electric "zero emissions" vehicles.	Works and Services Section Manager

Goal	Description	Status	Comment	Responsible Manager
4.2.10	Identify and pursue opportunities for investment in property and proactively manage Council's property portfolio to maximise returns	✓	<ul style="list-style-type: none"> 39-43 Bridge Rd Nowra to continue its current use as unofficial overflow carparking, being an ideal site for servicing the Shoalhaven Entertainment Ctr, Council's admin building, Shoalhaven River precinct and Nowra CBD 111 Taylors Lane Cambewarra acquired for part provision of future open space identified in the Moss Vale Road South Urban Release Area. Property is able to be rented in the short term with long term subdivision development potential 50 Coomea St Bomaderry acquired for the Affordable Housing Strategy in Bomaderry. 	Commerical Services - Section Manager
4.2.11	Provide innovative & rigorous customer interaction on all Water Utility services to meet & exceed customer expectations, National standards and Shoalhaven Water Group operations	✓	National Reporting results provided to Council and assessment of performance is in progress for business needs analysis.	Water Customer & Business Services - Section Manager
4.2.12	Use Council's regulatory functions and government legislation - Shoalhaven Water	✓	Completed 100% of Trade waste inspections for the year.	Water Asset Planning & Development - Section Manager
4.2.13	Enhance Asset Management Capability - Shoalhaven Water	✓	Actions from Asset Management Audit have either been completed or included in Improvement Plan.	Water Asset Planning & Development - Section Manager

Goal	Description	Status	Comment	Responsible Manager
4.3.03	Build community awareness and involvement in the natural environment	☑	More than 700 people registered as part of Council's Bushcare Program. Get Involved pages established for Lake Conjola management, Flying Fox management in the Shoalhaven and the Draft Shoalhaven Tree Vegetation Vandalism Prevention Policy	Section Manager - Environmental Services
4.3.04	Continue to inform and consult with the community about planning and development policies and applications in accordance with legislative requirements	☑	Range of formal public exhibitions undertaken in regard to Planning Proposals, DCP Amendments and Council policies. More significant community engagements and consultations undertaken in regard to: <ul style="list-style-type: none"> • Shoalhaven Growth Management Strategy Discussion Paper • Shoalhaven Contributions Plan 2019 • Nowra-Bomaderry Retail Hierarchy Review • Moss Vale Road South Urban Release Area planning package 	Section Manager - Strategic Planning



Shoalhaven
City Council

Email: council@shoalhaven.nsw.gov.au

Bridge Road, Nowra (02) 4429 3111

Deering Street, Ulladulla (02) 4429 8999

All communication should be addressed to

The Chief Executive Officer:

PO Box 42, Nowra NSW 2541

DX 5323 Nowra NSW

Fax: (02) 4422 1816

shoalhaven.nsw.gov.au     

SA19.152 - Attachment 1



Monthly Report

Shoalhaven City Council

August 2019

SA19.156 - Attachment 1



Market

International Markets

US markets pulled back from record levels. S&P500, NASDAQ and Dow Jones finished -1.58%, -2.46% and -1.32% respectively. MSCI World ex-AUS fell -1.95% in local terms. Emerging Markets fell -4.88% in \$US, with Frontier Markets -1.59% lower. US 10-year bond yields plunged to 1.50% (-52bp), worsening the curve inversion. High yield widened +20bp.

Hong Kong's protests bring fears of military intervention. HK GDP is already contracting. Despite G20 summit reports of a deal, retaliatory tariffs were imposed by China on \$75bn of American products. Trump implemented a 5% tariff (less than the mooted 10%) hike on US\$300bn of goods in response.

New UK PM Johnson reaffirmed the EU departure on Oct 31st, and both UK and German GDP contracted in Q2.

The FOMC minutes revealed plans for further rate cuts. Minutes reinforced comments about "mid cycle recalibration" but few believe the Fed. Trump attacked the Fed, arguing for 100bp of cuts. The RBNZ cut their official cash rate by -50bp, to 1%.

US inflation rose to 1.8% (+0.2%) in July on food costs and oil levelling out. US retail trade rose +0.7% in July. Non-farm payrolls added +164k in July. Unemployment was steady at 3.7% as participation rose +0.1% to 63.0%.

Domestic

The ASX200 and Smallcaps fell -2.36% and -3.85% respectively. 10-year bond yields dived -30bp to a record 0.885%.

The RBA kept the cash rate at 1% after consecutive cuts in June and July, maintaining an easing bias – they do not expect 2-3% inflation before 2021.

PM Morrison travelled to HaNoi, better received than in Tuvalu.

Home construction contracted -5.1% in Q2. Infrastructure spending failed to offset weaker housing. Building approvals fell -9.7%, or -28.5% YoY. Residential property prices in Sydney and Melbourne may have bottomed, with a +1% August. Excess office space in Sydney's CBD hit a 5-year high.

A strong +41.1k jobs were added in July (+34.5k fulltime). Unemployment was flat at 5.2% in July, with participation at 66.1% (+0.1%). Underemployment rose +0.2%. Hours worked were +2.0% YoY. Wage growth met expectations at +0.6% in Q2 (+2.3% YoY).

Westpac Consumer Sentiment rebounded +3.6% MoM in August to 100 on RBA rate cuts.

New home sales plunged -7.2% MoM in July, following a -12.1% drop the previous month. Building Permits were -9.7% lower in July. Economists downgraded their GDP forecasts to GFC equalling +1.5% after capital expenditure was at its worst (-0.5% in Q2) since 2009. Record +\$8.04bn trade in June (vs +\$6.17bn in May) should see the first current account surplus since 1975.

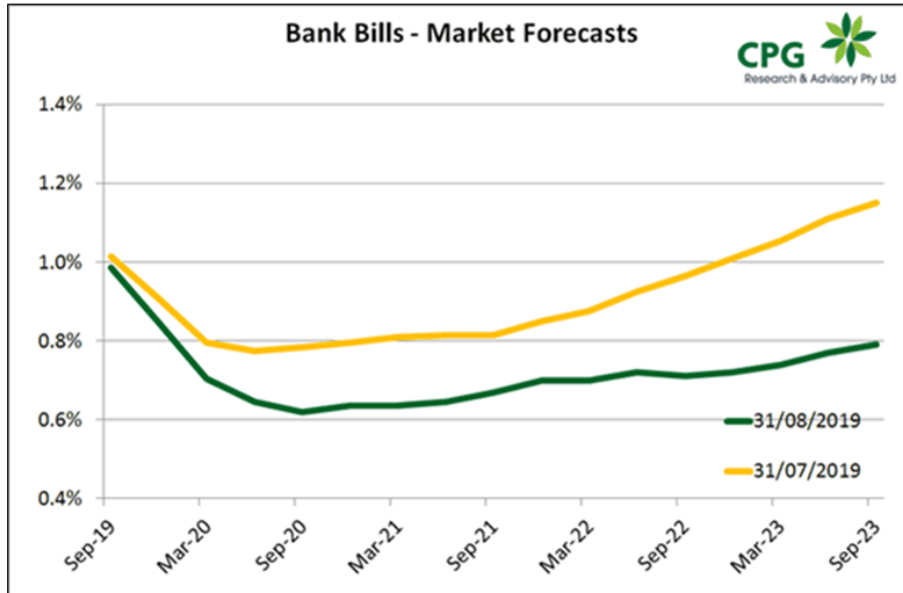
Other Markets

WTI oil closed \$55.10/bbl (-5.94%). Gold soared \$1,525 (+6.95%) while iron ore collapsed to \$84.64 (-23.51%). Nickel surged to a multi-year high \$17,850/t (+24.35%) after Indonesia suspended exports. Other base metals were weaker: Aluminium (-3.60%), Tin (-8.55%), Zinc (-7.42%) and Copper (-4.19%).

Monetary policy outlook took the \$A lower at US67.18c (-2.55%).



Australian bank bill futures remain deeply inverted and are far flatter, looking towards a ½% cash rate and virtually no normalisation even through 2023:

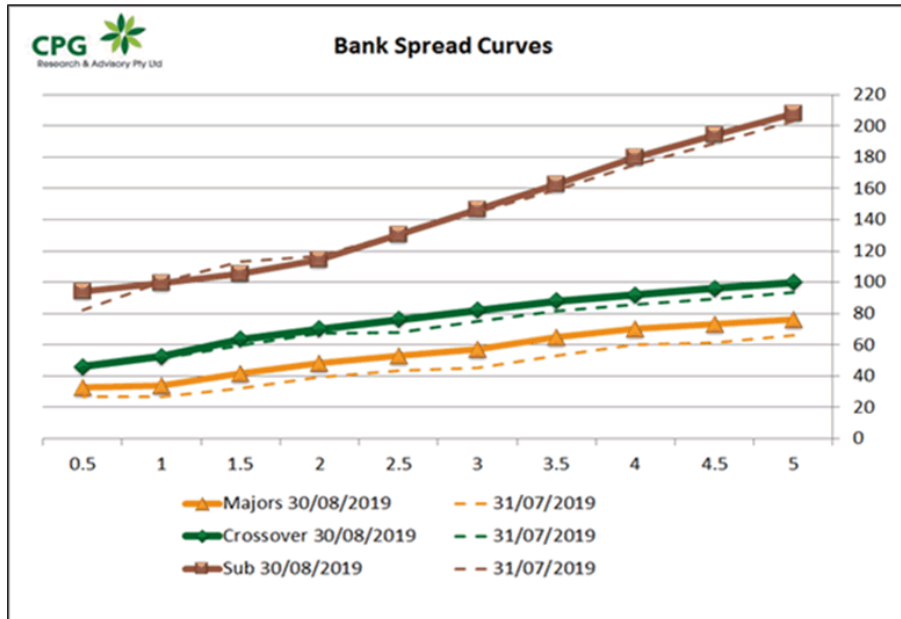


Credit Market

Global credit was mixed in August, holding up well against economic and political uncertainty. Leading markets were a point tighter (with Europe looking expensive inside 50bp). Trade-exposed Australia traded wider, as more data pointed to a longer slowdown.

Credit Indices	31 Aug 19	31 July 19	31 Aug 18
iTraxx Australia 5 Yr CDS	64bp	59bp	73bp
iTraxx European 5 Yr CDS	49bp	50bp	68bp
CDX IG North American 5 Yr CDS	54bp	55bp	60bp
CDX HY North American 5 Yr CDS	340bp	326bp	331bp

Senior bank FRNs traded as much as 12bp wider in August, after being overbought in July’s “panic buying.” Sub debt was also marginally weaker at the longer end but has been surprisingly resilient to market conditions as well as new supply:



High yield was marginally weaker, **from +393bp to +413bp** (BoAMLHY Index, option-adjusted).

Major banks are now issuing near the +80 area, having found little investor interest during the price spike into the +60bp area. Investors should be wary of \$A credits that have rallied in line with majors but without the improved credit fundamentals.

10-year bonds traded to a new record as the RBA changed rhetoric, closing at 0.89%.

Deposits yields also fell, continuing to chase bond yields lower.



ESG and Divestment

Council has introduced a “soft divestment” instruction which looks to identify, and preferentially direct investment away from, lenders to fossil fuels. A range of wordings are examined in the current review. The highlighted list is as follows:

Fossil Fuel Counterparties	Exposure \$M	FCS	Net	Rating	Policy Limit	Gross	Invested in Fossils
ANZ	\$10.50M	\$0.00M	\$10.50M	AA-	30%	5%	Yes
CBA	\$20.22M	\$0.25M	\$19.97M	AA-	30%	9%	Yes
NAB	\$37.81M	\$0.25M	\$37.56M	AA-	30%	17%	Yes
Westpac**	\$18.00M	\$0.25M	\$17.75M	AA-	30%	8%	Yes
AMP*	\$16.47M	\$0.25M	\$16.22M	BBB+	15%	8%	Yes*
Macquarie Bank	\$3.00M	\$0.25M	\$2.75M	A	15%	1.4%	Yes
ING	\$4.00M	\$0.25M	\$3.75M	Split A	15%	2%	Yes
TCorpIM Cash Fund	\$26.49M	\$0.00M	\$26.49M	AAA	40%	12%	Yes
	\$136.49M		\$134.99M			63%	
Total	\$218.09M		\$218.09M				

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

**Westpac reflecting net exposure excluding green deposit

As at August 2019, the institutions totalled 63% of Council’s investment portfolio (up +3% from last month after netting out Westpac Green deposits, TCorpIM continuing to contribute materially.

Fossil Fuels Exposure Trend	
May 2017	50%
June 2017	48%
July 2017	48%
August 2017	44%
September 2017	43%
October 2017	42%
November 2017	44%
December 2017	43%
January 2018	41%
February 2018	45%
March 2018	59%
April 2018	59%
May 2018	62%
June 2018	61%
July 2018	58%
August 2018	61%
September 2018	57%
October 2018	56%
November 2018	59%
December 2018	56%
January 2019	56%
February 2019	56%
March 2019	57%
April 2019	58%
May 2019	61%
June 2019	62%
July 2019	60%
August 2019	63%



TCorpIM flows reversed what had previously been a significant reduction from 50% to 41%. The allocation to named counterparties has largely tracked the spending of the TCorpIM Cash balance. In fact, **over a third of the exposure is in at-call or Notice accounts**, and could be almost immediately redeemed.

This issued was covered by a recent Council workshop. Councils that have made progress towards “full divestment” have done so through:

- ▶▶ Treating NSW TCorp and TCorpIM as “green” (it is not listed by Market Forces) despite the State being heavily dependent on extraction royalties and the funds being – in our view, this is a fiction.
- ▶▶ Overwhelming purchasing certified green bonds and comparable products on the rare occasions they are available (and they are very rare and completely unable to support the entire Local Government sector).

Westpac have extended the “green bond” certification programme to deposits. The margins have fallen, and are now generally below regular TD margins.

Council invested \$4.0m in a “green bond” certified Westpac 5-year floating rate deposit in June, and a separate adjustment for certified Green bonds and deposits (taking them out of “fossil fuel” investments) is reflected.

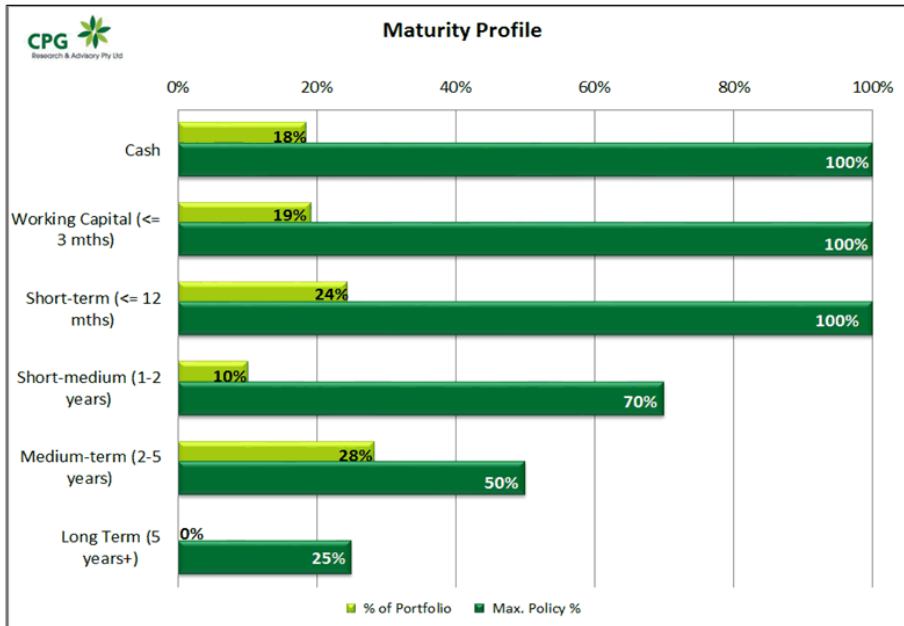
Given that certifiable purposes represent a small fraction of bank lending, **there will only be a limited tranche of these deposits available**, although the bank (and possibly other banks) are likely to have recurring offerings.



Council's Portfolio

The portfolio has high liquidity, reflecting the TCorpIM cash as well as other short-term deposits. 18% of investments are available at-call and a further 19% of assets mature within 3 months. Another 24% of assets mature within 3-12 months, with relatively little in the short-medium term duration allocation at 10%.

Council redeemed its Macquarie fund in May 19, following significant gains in CY19. All investments are now within the current Minister's Order. Replacement credit investments have, as we expected, outperformed pooled funds after fees and cash-drag.

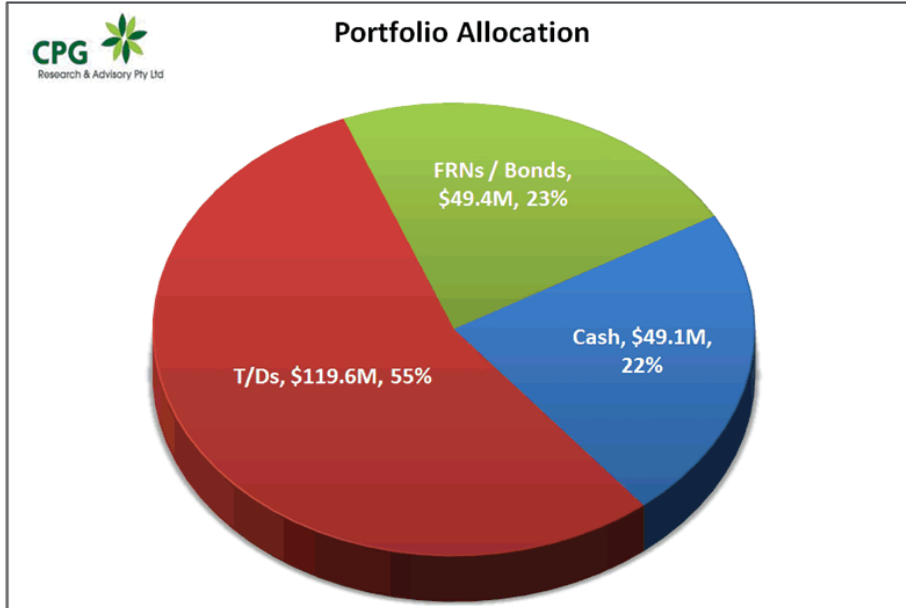


Investments are diversified by fixed interest sector and well spread across maturities. Available capacity exists in all terms.

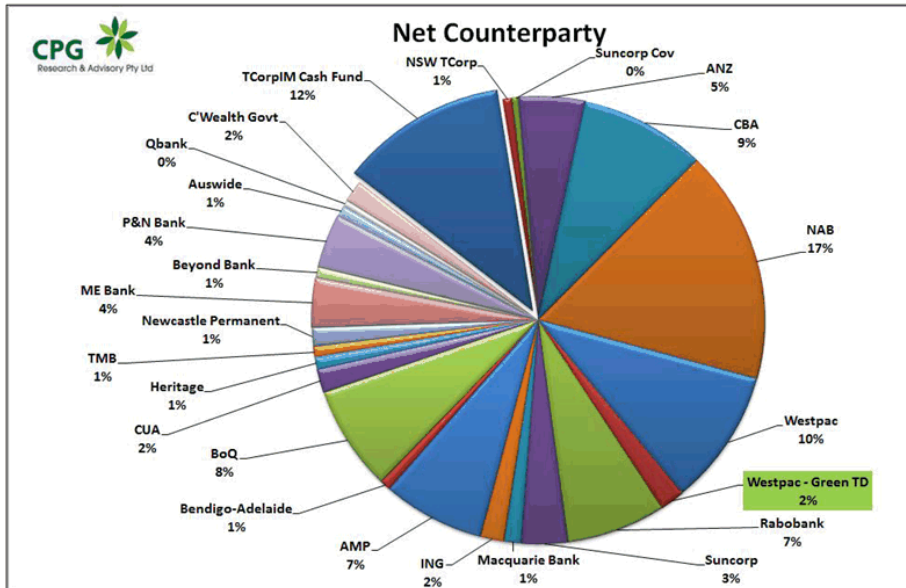
Council is well placed to utilise capacity available towards the short and medium terms where the fixed rate margins are elevated. Working capital is at slightly elevated levels, identified for specific project related payments.

In previous months, we have looked to maximise credit allocations as capacity allows; looking to sell maturing FRNs to take up new FRNs. Having downgraded our credit view to Neutral on price gains, we prioritise the wider margins in deposits, ahead of likely convergence of deposit rates.

Council's portfolio remains tilted to deposits, at 55% of the total assets, with Cash held at a high 22% (including AMP 31-day Notice Account).



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



SA19.156 - Attachment 1



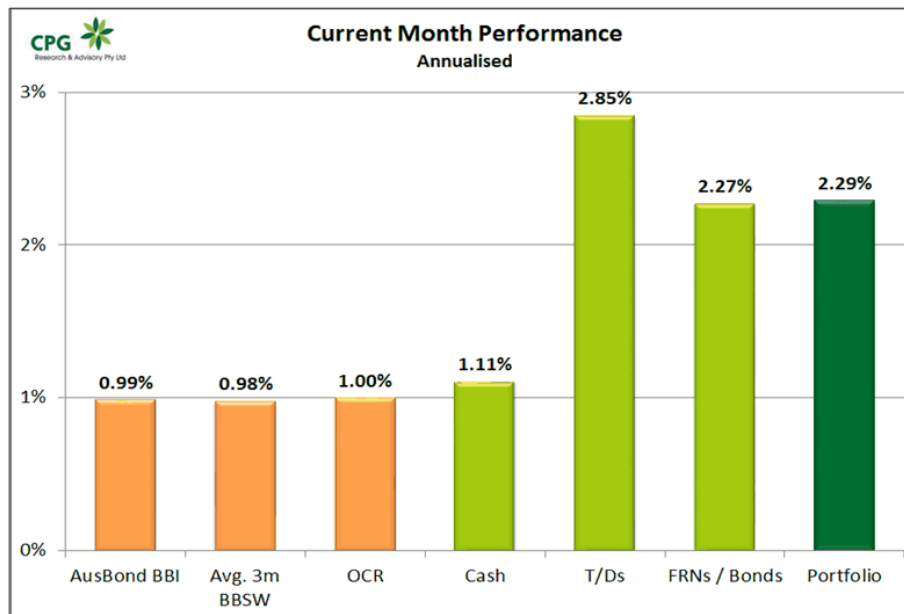
Returns - Accrual

Actual	1 month	3 months	6 months	FYTD	1 year	2 years	3 years	4 years	5 years
Official Cash Rate	0.08%	0.27%	0.65%	0.17%	1.39%	1.45%	1.46%	1.57%	1.71%
Avg. 3m BBSW	0.08%	0.28%	0.71%	0.18%	1.69%	1.78%	1.77%	1.87%	1.98%
AusBond Bank Bill Index	0.08%	0.34%	0.82%	0.20%	1.82%	1.84%	1.81%	1.91%	2.03%
Council Cash	0.09%	0.43%	0.97%	0.27%	2.01%	2.02%	2.07%	2.18%	2.33%
Council T/Ds	0.24%	0.74%	1.55%	0.49%	3.16%	3.19%	3.28%	3.39%	3.50%
Council FRNs / Bonds	0.19%	0.62%	1.39%	0.40%	3.01%	3.12%	3.13%	3.18%	-
Council Total Portfolio	0.19%	0.63%	1.36%	0.41%	2.83%	2.85%	2.92%	3.06%	3.21%

Annualised	1 month	3 months	6 months	FYTD	1 year	2 years	3 years	4 years	5 years
Official Cash Rate	1.00%	1.08%	1.29%	1.00%	1.39%	1.45%	1.46%	1.57%	1.71%
Avg. 3m BBSW	0.98%	1.12%	1.41%	1.04%	1.69%	1.78%	1.77%	1.87%	1.98%
AusBond Bank Bill Index	0.99%	1.34%	1.63%	1.20%	1.82%	1.84%	1.81%	1.91%	2.03%
Council Cash	1.11%	1.72%	1.92%	1.57%	2.01%	2.02%	2.07%	2.18%	2.33%
Council T/Ds	2.85%	2.96%	3.10%	2.91%	3.16%	3.19%	3.28%	3.39%	3.50%
Council FRNs / Bonds	2.27%	2.47%	2.77%	2.38%	3.01%	3.12%	3.13%	3.18%	-
Council Total Portfolio	2.29%	2.51%	2.72%	2.44%	2.83%	2.85%	2.92%	3.06%	3.21%

The Investment portfolio returned an acceptable **2.29% p.a.** for the month of August 2019, exceeding the benchmark AusBond Bank Bill Index (0.99% p.a.) by **+130bp**. This reflects the deposits rolling over at lower rates, FRN quarterly rates reset and adjusted cash drag. We currently prefer deposits. The benchmark BBI is now reflecting the two RBA rate cuts. Given a very long deposit duration, Council's relative outperformance will tend to be elevated – however, this is largely a function of cash held.

TCorpIM Cash had a sub-benchmark month with just 0.07% net returns, after resetting to the falling cash rates and also suffering some apparent financials spread widening. It is an extremely dilute exposure to FRNs, and participated in improving credit conditions, and so well below longer-term asset returns. As expected it dropped significantly in returns to a sustained lower yield.





Credit Quality

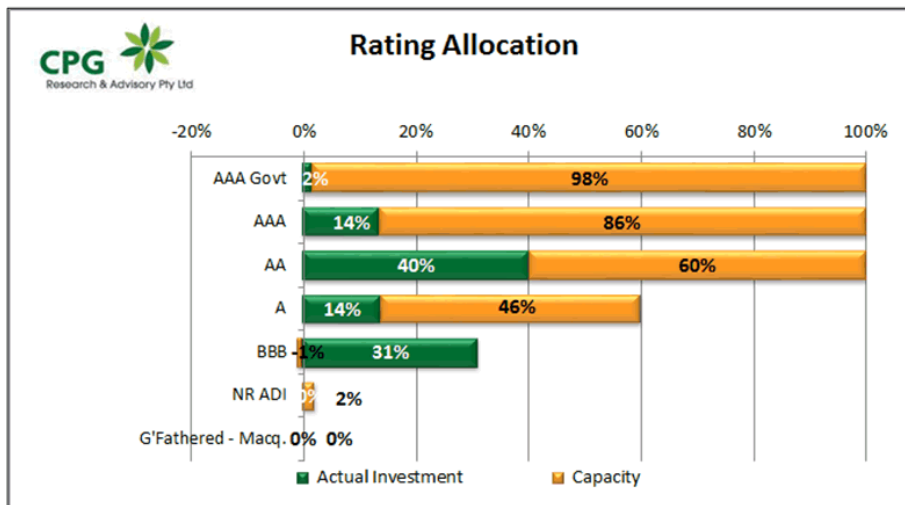
The aggregate limit for BBB is 30% and in NR is now 2% (over-riding single-name limits, pending a the next Policy rewrite). Allocations were very conservative in any case.

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

Aggregate credit limits are triggered in the BBB range due to the AMP downgrade to BBB+ by S&P. This can be easily adjusted by reducing AMP 31-days’ Notice account exposure and maturities but limits any further investments in BBBs:

Rating Category	Actual	Per C/Party	Aggregate	Rating Category	Actual Investment	Capacity
AAA Govt	2%	100%	100%	AAA Govt	2%	98%
AAA	14%	40%	100%	AAA	14%	86%
AA	40%	30%	100%	AA	40%	60%
A	14%	15%	60%	A	14%	46%
BBB	31%	10%	30%	BBB	31%	-1%
NR ADI	0%	5%	2%	NR ADI	0%	2%
G’Fathered - Macq.	0%	0%	0%	G’Fathered - Macq.	0%	0%

Credit quality is mostly directed towards the higher rated ADIs, with capacity levels full in investment grade BBB rated in accordance with Council, temporarily limits future investment opportunities.



AMP was downgraded one notch from A- to BBB+ by S&P in late August due to the Group being smaller and less diversified following the sale of AMP’s life insurance business and therefore a lower rating on the parent company. For a split-rated entity, the Policy states:



Where there is not a consensus, Council shall use the higher rating in assessing compliance with portfolio policy limits, but for conservatism shall apply the lower in assessing new purchases.

Currently, AMP Bank is “split-rated” as Moody’s has an A2 rating (equivalent to single-A). With no Fitch rating, there is no 2-of-3 consensus. The current allocation reported **constrains new BBB investment**, but is not a compliance breach as AMP Bank is still split-A.

However, Moody’s has just completed a rating review. **We expect a downgrade to either A3 or Baa1 (a BBB range rating)**. A separate note was published on this during the month.

Rabobank ratings were reset to A from A+, a separate note has been provided. With deposits having the grandfathered parent guarantee now increasingly a minority in portfolios, Rabo Australia is not explicitly rated. The Policy states:

Similarly, with other ADI groups (such as Bendigo & Adelaide Bank) own multiple banking licences, rating categories are based on the parent bank even if the subsidiary is not explicitly rated.

In general, we would use the parent bank’s rating as a “shadow rating.” However, being an offshore parent and there being a clear proxy – the rating of Rabobank NZ (1 notch below the parent), we consider this a better representation of where Rabo Australia could secure a rating.

There was plenty of A rated capacity. The BBB sector is now fully invested.

From May 31st, the merger of the two ADIs mean that Rural Bank and Bendigo & Adelaide Bank will be a single counterparty, with a single level of government insurance. This is immaterial to the current portfolio.



Other Compliance

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

All counterparties comply.

Counterparties	Exposure \$M	FCS	Net	Rating	Policy Limit	Actual	Capacity
TCorpIM Cash Fund	\$26.49M	\$0.00M	\$26.49M	AAA	40%	12%	\$60.75M
NSW TCorp	\$1.50M	\$0.00M	\$1.50M	AAA	40%	1%	\$85.74M
Suncorp Cov	\$1.00M	\$0.00M	\$1.00M	AAA	37%	0%	\$78.99M
ANZ	\$10.50M	\$0.00M	\$10.50M	AA-	30%	5%	\$54.93M
CBA	\$20.22M	\$0.25M	\$19.97M	AA-	30%	9%	\$45.46M
NAB	\$37.81M	\$0.25M	\$37.56M	AA-	30%	17%	\$27.87M
Westpac	\$22.00M	\$0.25M	\$21.75M	AA-	30%	10%	\$47.68M
Westpac - Green TD	-\$4.00M	\$0.00M	-\$4.00M	AA-	30%	-2%	
Rabobank	\$16.00M	\$0.25M	\$15.75M	A	15%	7%	\$16.96M
Suncorp	\$7.50M	\$0.25M	\$7.25M	A+	15%	3%	\$25.46M
Macquarie Bank	\$3.00M	\$0.25M	\$2.75M	A	15%	1%	\$29.96M
ING	\$4.00M	\$0.25M	\$3.75M	A	15%	2%	\$28.96M
AMP	\$16.47M	\$0.25M	\$16.22M	BBB+	15%	7%	\$16.49M
Bendigo-Adelaide	\$2.00M	\$0.25M	\$1.75M	BBB+	10%	1%	\$20.06M
BoQ	\$17.00M	\$0.25M	\$16.75M	BBB+	10%	8%	\$5.06M
CUA	\$3.85M	\$0.00M	\$3.85M	BBB	10%	2%	\$17.96M
Heritage	\$1.95M	\$0.00M	\$1.95M	BBB+	10%	1%	\$19.86M
TMB	\$1.70M	\$0.00M	\$1.70M	BBB	10%	1%	\$20.11M
Newcastle Permanent	\$3.00M	\$0.00M	\$3.00M	BBB	10%	1%	\$18.81M
ME Bank	\$8.10M	\$0.25M	\$7.85M	BBB	10%	4%	\$13.96M
Beyond Bank	\$2.00M	\$0.25M	\$1.75M	BBB	10%	1%	\$20.06M
P&N Bank	\$9.00M	\$0.25M	\$8.75M	BBB	10%	4%	\$13.06M
Auswide	\$2.00M	\$0.25M	\$1.75M	BBB-	10%	1%	\$20.06M
Qbank	\$1.00M	\$0.00M	\$1.00M	BBB-	10%	0%	\$20.81M
Macquarie Fund	\$0.00M	\$0.00M	\$0.00M	NR	0%	0%	\$0.00M
	\$218.09M		\$214.59M			98%	
C'wealth Govt		\$3.5M	\$3.50M	AAA	100%	2%	
Total	\$218.09M		\$218.09M			100%	

Spending the working capital in TCorpIM would tend to increase exposures proportionately by around 25%. This has resulted in conservative allocations through FY18 and FY19, but is now unlikely to materially impact any compliance data.



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

Two counterparties - P&N Bank and QBank - are larger than the net assets % threshold for individual counterparty, and will be run down over time.

Counterparties	Exposure \$M	Rating	Max port %	Actual	Net Assets \$M	Max allowed % of net assets	Net Exposure	
Bendigo-Adelaide	\$2.00M	BBB+	10%	1%	\$5,620	2%	0.036%	1.96%
BoQ	\$17.00M	BBB+	10%	8%	\$3,791	2%	0.448%	1.55%
CUA	\$3.85M	BBB	10%	2%	\$980	2%	0.393%	1.61%
Heritage	\$1.95M	BBB+	10%	1%	\$487	2%	0.400%	1.60%
TMB	\$1.70M	BBB	10%	1%	\$493	2%	0.345%	1.66%
Newcastle Permanent	\$3.00M	BBB	10%	1%	\$879	2%	0.341%	1.66%
ME Bank	\$8.10M	BBB	10%	4%	\$1,369	2%	0.592%	1.41%
P&N Bank	\$9.00M	BBB	10%	4%	\$273	2%	3.291%	-1.29%
Qbank	\$1.00M	BBB-	10%	0%	\$74	2%	1.351%	0.65%

We note that these are before application of the government insurance scheme (FCS). Qbank now falls back within the stated limits.

P&N Bank's investments are longer dated.



Term Deposits

At month-end, deposits accounted for approximately 55% of the total investment portfolio. The weighted average duration of the deposit portfolio is approximately **1.2 years, down 30 days from last month. It is significantly longer than the peer group average.** This places Council in an excellent position through FY20.

Maintaining a longer duration has produced a measurable uplift in yield at a time when deposit rates have plunged. The current average yield of **2.72% is far above any deposit of all terms following the fall in rates to record lows**, at around +192bp over benchmark. This is a remarkably high level, given the current interest rate environment, with only 2% available for 5-year terms only from lower rated BoQ.

Investors continue to be rewarded for lengthening to 1-2 years; less so at longer durations.

The RBA held rates at 1% at their September board meeting, while stating an easing bias.

This will inevitably cause a further hit to income from reinvestments, although much of this is already now priced into rates. (Of course, it would be positive for relative performance, given a duration somewhat longer than benchmark.) We believe investors should continue to purchase longer deposits, before the latest rate cut (and potentially another) is fully passed through deposit rates.

Short-end margins were far wider, lagging the plunging swap rates. Deposits typically lag, and were wider out to 2 years term. Long rates set new record lows at 2%, with 2 years poor relative value.

We note (typically short-dated) broker specials for deposits around short-term investment requirements are advised in the TD daily rate sheet regularly. **Council invested \$3.0m in Macquarie Bank's broker special TD @ 1.80% for 6 months.**

Relevant portfolio data follows:

Term Deposit Statistics

Percentage of total portfolio	55%
Weighted Average Yield	2.72%
Weighted Average Duration	1.2 yrs

Credit Quality of Deposits

AAA^	1%
AA	44%
A	22%
BBB	33%
Unrated ADI	0%
Total	100%

^ Calculation excludes the Financial Claims Scheme (FCS)

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



Credit: FRNs & Fixed Bonds

Senior bank FRNs traded as much as 12bp wider in August, after being overbought in July's "panic buying." Major banks are now issuing near the +80 area, having found little investor interest during the price spike into the +60bp area.

Domestic risk assets had already been recovering from Q4 through the year, aided by the election being out of the way. **Certainty on the regulatory environment has allowed investors to confidently price in far stronger major banks, with 8% capital going to 11% over 4 years.**

Australian bonds set new lows, tracking bond yields lower (or further negative) in most of the world. US bonds rallied 50bp.

Additional Tier 2 and possible lack of "bail-in senior" **prompted S&P to remove the Negative Outlook and affirm major bank ratings to AA- Stable. We expect Fitch to follow.**

The seniority of the potential future bank capital structure is:

- ▶ Tier 1 bails in automatically – if Tier 1 (permanent equity) capital falls below 5³/₈% they convert to shares.
- ▶ Tier 2 (sub-debt) bails in when the bank is "non-viable" without an injection of public money – this requires a declaration and decision by policymakers, and is designed to minimise taxpayer costs.
- ▶ Tier 3 (senior non-preferred) bails in when the bank cannot be saved, and goes into liquidation in a "bad bank."

Tier 3 has been used elsewhere, and may comply with the Minister's Order. There has been little news from APRA on regulatory changes. Being through the Royal Commission should provide the clarity to announce capital structure views.

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

For much of CY19, we have considered AA rated FRNs the best fit for Council's current circumstances. Near-term, the combination of very tight credit and wide deposit margins make deposits the more compelling strategic priority.

Council invested \$3.5m in ANZ issue at +77bp during the month, taking advantage of pricing far wider than the secondary market had been implying.

We believe FRNs have now recovered to fully priced levels, and would rate them *Neutral* in a normal market. However, deposit margins are so much wider that FRNs make a weak case today.



TCorpIM Cash Fund

TCorpIM Cash returned a low +0.07% in August, -1bp below the AusBond Bank Bill Index of +0.08%, falling significantly after its recovery from a difficult 2018 for all credit strategies. This should be the turning point, with the Cash Fund likely to return much lower returns in FY20 due to much lower floating rates.

Council's investment balance in TCorpIM was minimally changed in August at ~12.15% of the portfolio. The Fund has been competitive with at-call bank deposits over the past year, noting its unique role in providing liquidity as same day money. This was not the case in August. It accounts for a large % of total assets – this is **solely utilised for the purpose of planned expenditures**.

We note that future returns will likely be far below those reported in recent months.

TCorpIM Cash is a diluted exposure to bank FRNs, with the majority in State paper.

Sentiment was somewhat poorer in physical credit markets. The euphoria in August for bank investments waned as banks were unable to issue in volume anywhere near the marked levels.

BBSW was 0.99% at month end, taking the running yield close to 1% for the fund. This is no longer competitive against products such as Notice Accounts, and dilutes the portfolio as a whole. We note that BBSW is falling rapidly with the expectation of rate cuts – as such, this impacts expected returns for both the fund and the benchmark.

The intention is run the Short-Term Income Fund (formerly Strategic Cash) somewhat closer to a fully-invested credit fund than to the "halfway" strategy averaging +40bp previously. The change of name is part of this rebranding away from cash, to be a rolling FRN strategy. There are also signs that the Cash strategy is seeking additional returns in bank credit, but running yields remain very low. There is little evidence that they would approach the performance of an undiluted FRN strategy.

The TCorpIM fund works only as a substitute for daily liquidity – it does not have any merit as a strategic allocation.

Short term, even bank bills have a non-zero duration. This has resulted in returns spiking when rates move lower.

TCorpIM Cash also includes some bank FRNs. These experienced dramatic spread compression and hence capital gains.

In both cases, the super-normal returns are reflected in lower returns the following months.



Fixed Interest Outlook

The Reserve Bank paused after the post-election cuts. They remain on easing bias, talking openly about “unconventional policy” measures.

We have disbelieved the RBA most of the time. *The mistake was not to disbelieve them more.*

For a long time, the RBA guided policy tightening based on an employment acceleration that never came, to a “full-employment” level (5%) that they have since revised. They have forecast GDP growth at least double the current year-long trend – and bafflingly adhered to them long after being proven wrong. They have dismissed zero interest rate policy based on a view that the “lower bound” is uniquely high in Australia. They dismissed the need for any policy easing at all; then jumped almost seamlessly into considering all the major unconventional measures – zero rates, forward guidance and bond purchases (quantitative easing). Which they now say they probably will not need.

Not that the other central banks are any more believable. The Fed implied the next rate move was still up after its “mid cycle adjustment.” The market completely dismissed that and **bonds rallied 50bp to 1.5%** while pricing to a 75-100bp Fed Funds rate by 2021 (from 2.25%). There is a **push to drive currencies lower**, with rates the tool for *competitive devaluation*.

With the Australian bond bull market (or possibly bubble) much longer duration, **Australian yields still fell -30bp**. This was typical of a period in which many record negatives were set – most notably in the EU, where **German bunds traded through -70bp yields, and even former pariah Spain is being paid to borrow!**

The fact is, **Australian policymakers (government, RBA, APRA, ASIC) quite deliberately engineered a “soft landing” by creating a credit crunch**. They did so to crash the residential property market and prevent an out-of-control bubble that later blows up in a “hard landing.”

They now cannot live with the result of their choices. FY19’s GDP data looked very much like the GFC, although more consistently slow rather than with a single quarter of contraction. And policymakers are now looking to undo the effects of their policies.

In the GFC, the policy response was far too tilted to fiscal stimulus away from monetary – indeed, fiscal stimulus persisted through the entire economic cycle past the point of peak growth, even in the face of repeated rate increases. That policy lunacy will not be repeated. This time, **the government is tilting the other way** – a tax cut, but refusing to dip deep into deficit to fund larger measures.

The RBA will do the bulk of the stimulus this time. Whether that’s right or wrong will be known in about 5 years. Meanwhile, **Australia will not be a monetary outlier this time. *This should avoid the worst of 2011’s imbalances***, which included a \$A above USD parity.

In a world where much of the developed world is paid to borrow (\$US17tr of negative interest rate bonds now), **Australia is taking the opportunity to entrench permanently low cost of capital** having earlier entrenched low inflation.

Meanwhile, high yield was only slightly weaker, widening from +393bp to +408bp.



Portfolio Listing

Shoalhaven City Council as at 31/08/2019						
Authorised Deposit-Taking Institution (ADI)	ST Rating	Security Type	Principal/ Current MF Value	Term	Interest Rate	Maturity Date
Rabobank	A-1	TD	\$2,000,000.00	1826	4.10%	2-Sep-19
Rabobank	A-1	TD	\$2,000,000.00	1462	3.30%	2-Sep-19
Suncorp Metway Ltd Bank	A-1	TD	\$3,000,000.00	365	2.70%	4-Sep-19
Commonwealth Bank Australia	A-1+	TD	\$101,269.00	388	2.72%	20-Sep-19
Bank of Qld	A-2	TD	\$2,000,000.00	386	2.75%	25-Sep-19
State Insurance Regulatory Authority	A-1+	TD	\$1,501,000.00	365	2.50%	4-Oct-19
National Australia Bank	A-1+	TD	\$2,000,000.00	406	2.75%	23-Oct-19
Westpac Bank	A-1+	TD	\$3,000,000.00	414	2.70%	23-Oct-19
Rabobank	A-1	TD	\$2,000,000.00	180	2.50%	29-Oct-19
Members Equity Bank	A-2	TD	\$2,000,000.00	269	2.70%	25-Nov-19
Suncorp Metway Ltd Bank	A-1	TD	\$2,000,000.00	271	2.60%	25-Nov-19
AMP Bank	A-2	TD	\$1,000,000.00	180	2.65%	26-Nov-19
Bendigo Bank	A-2	TD	\$2,000,000.00	198	2.40%	27-Nov-19
National Australia Bank	A-1+	TD	\$4,000,000.00	162	2.07%	27-Nov-19
Macquarie Bank	A-1	TD	\$3,000,000.00	90	1.80%	28-Nov-19
Beyond Bank Australia	A-2	TD	\$2,000,000.00	182	2.40%	2-Dec-19
Commonwealth Bank Australia	A-1+	TD	\$25,000.00	183	2.06%	4-Dec-19
Bank of Qld	A-2	TD	\$2,000,000.00	231	2.35%	18-Dec-19
Members Equity Bank	A-2	TD	\$2,000,000.00	204	2.28%	18-Dec-19
National Australia Bank	A-1+	TD	\$2,000,000.00	294	2.62%	18-Dec-19
National Australia Bank	A-1+	TD	\$3,000,000.00	292	2.63%	18-Dec-19
National Australia Bank	A-1+	TD	\$2,000,000.00	282	2.58%	18-Dec-19
National Australia Bank	A-1+	TD	\$2,000,000.00	254	2.50%	18-Dec-19
National Australia Bank	A-1+	TD	\$2,000,000.00	211	2.32%	18-Dec-19
Auswide Bank	A-2	TD	\$2,000,000.00	224	2.23%	29-Jan-20
National Australia Bank	A-1+	TD	\$3,000,000.00	154	1.67%	29-Jan-20
National Australia Bank	A-1+	TD	\$2,000,000.00	212	2.01%	29-Jan-20
National Australia Bank	A-1+	TD	\$2,000,000.00	204	1.97%	29-Jan-20
ING Bank (Australia) Ltd	A-1	TD	\$2,000,000.00	728	2.87%	12-Feb-20
National Australia Bank	A-1+	TD	\$4,000,000.00	184	1.70%	21-Feb-20
ING Bank (Australia) Ltd	A-1	TD	\$2,000,000.00	728	2.85%	26-Feb-20
National Australia Bank	A-1+	TD	\$3,000,000.00	201	1.80%	26-Feb-20
Westpac Bank	A-1+	TD	\$2,000,000.00	734	2.86%	9-Jun-20
Commonwealth Bank Australia	A-1+	TD	\$2,000,000.00	1094	2.77%	11-Jun-20
AMP Bank	A-2	TD	\$5,000,000.00	366	2.45%	24-Jul-20
Bank of Qld	A-2	TD	\$2,000,000.00	751	2.90%	23-Sep-20
Police and Nurses Bank	A-2	TD	\$2,000,000.00	1459	3.50%	18-Dec-20
Rabobank	A-1	TD	\$2,000,000.00	1464	3.00%	16-Jun-21
Bank of Qld	A-2	TD	\$2,000,000.00	1821	3.85%	15-Dec-21
Bank of Qld	A-2	TD	\$5,000,000.00	1827	3.80%	21-Feb-22
Police and Nurses Bank	A-2	TD	\$5,000,000.00	1825	3.74%	22-Feb-22
Westpac Bank	A-1+	TD	\$6,000,000.00	1826	3.00%	2-Mar-22
Bank of Qld	A-2	TD	\$2,000,000.00	1826	3.80%	22-Mar-22
Westpac Bank	A-1+	TD	\$2,000,000.00	1826	2.83%	24-Aug-22
Westpac Bank	A-1+	TD	\$2,000,000.00	1826	3.00%	24-Aug-22
Rabobank	A-1	TD	\$2,000,000.00	1826	3.39%	13-Sep-22
Police and Nurses Bank	A-2	TD	\$2,000,000.00	1836	3.51%	28-Sep-22
Rabobank	A-1	TD	\$2,000,000.00	1828	3.40%	23-Aug-23
Rabobank	A-1	TD	\$2,000,000.00	1826	3.13%	21-Feb-24
Westpac Bank	A-1+	TD	\$4,000,000.00	1827	2.21%	19-Jun-24
Total Term Deposits			\$112,526,000.00			



Authorised Deposit-Taking Institution (ADI)	ST Rating	Security Type	Principal/ Current MF Value	Term	Interest Rate	Maturity Date
Teachers Mutual Bank Limited	A-2	FRN	\$1,000,000.00	1095	2.43%	28-Oct-19
Credit Union Australia	A-2	FRN	\$2,250,000.00	1096	2.50%	20-Mar-20
Members Equity Bank	A-2	FRN	\$1,000,000.00	1096	2.38%	6-Apr-20
Newcastle Permanent Building Society	A-2	FRN	\$2,000,000.00	1827	2.48%	7-Apr-20
Newcastle Permanent Building Society	A-2	FRN	\$500,000.00	1064	2.48%	7-Apr-20
Heritage Bank	A-2	FRN	\$1,250,000.00	1096	2.29%	4-May-20
Suncorp Metway Ltd Bank	A-1	FRN	\$2,000,000.00	1827	2.36%	20-Oct-20
Bank of Qld	A-2	FRN	\$1,000,000.00	1461	2.21%	26-Oct-20
Members Equity Bank	A-2	FRN	\$1,500,000.00	1096	2.22%	9-Nov-20
Qbank	A-2	FRN	\$1,000,000.00	1096	2.88%	6-Dec-20
Newcastle Permanent Building Society	A-2	FRN	\$500,000.00	731	2.06%	26-Feb-21
Rabobank	A-1	FRN	\$2,000,000.00	1826	2.89%	4-Mar-21
Heritage Bank	A-2	FRN	\$700,000.00	1096	2.43%	29-Mar-21
Members Equity Bank	A-2	FRN	\$1,600,000.00	1095	2.39%	16-Apr-21
National Australia Bank	A-1+	FRN	\$1,000,000.00	1826	2.14%	12-May-21
Bank of Qld	A-2	FRN	\$1,000,000.00	1826	2.45%	18-May-21
Suncorp Metway Ltd Bank	A-1	FRN	\$1,000,000.00	1826	2.29%	22-Jun-21
Teachers Mutual Bank Limited	A-2	FRN	\$700,000.00	1096	2.55%	2-Jul-21
Commonwealth Bank Australia	A-1+	FRN	\$1,000,000.00	1826	2.34%	12-Jul-21
ANZ	A-1+	FRN	\$1,000,000.00	1826	2.10%	16-Aug-21
Credit Union Australia	A-2	FRN	\$600,000.00	1096	2.63%	6-Sep-21
AMP Bank	A-2	FRN	\$1,500,000.00	1096	2.45%	10-Sep-21
Credit Union Australia	A-2	FRN	\$1,000,000.00	1096	2.62%	4-Mar-22
ANZ	A-1+	FRN	\$1,000,000.00	1826	2.37%	7-Mar-22
Suncorp Metway Ltd Bank	A-1	FRN	\$500,000.00	1826	1.94%	16-Aug-22
Westpac Bank	A-1+	FRN	\$2,000,000.00	1826	2.21%	6-Mar-23
Commonwealth Bank Australia	A-1+	FRN	\$1,000,000.00	1916	1.85%	25-Apr-23
ANZ	A-1+	FRN	\$1,000,000.00	1826	1.87%	9-May-23
Commonwealth Bank Australia	A-1+	FRN	\$500,000.00	1826	1.90%	16-Aug-23
National Australia Bank	A-1+	FRN	\$1,500,000.00	1826	2.11%	26-Sep-23
ANZ	A-1+	FRN	\$4,000,000.00	1826	2.41%	16-Dec-23
Commonwealth Bank Australia	A-1+	FRN	\$2,000,000.00	1826	2.26%	11-Jan-24
National Australia Bank	A-1+	FRN	\$2,300,000.00	1826	2.00%	26-Feb-24
National Australia Bank	A-1+	FRN	\$2,000,000.00	1827	2.18%	19-Jun-24
Westpac Bank	A-1+	FRN	\$1,000,000.00	1919	1.87%	16-Aug-24
ANZ	A-1+	FRN	\$3,500,000.00	1827	1.74%	29-Aug-24
Total Senior Securities			\$49,400,000.00			
			\$169,027,269.00			
Shoalhaven City Council as at 31/08/2019						
Grandfathered	STRating	SecurityType	Current Valuation			Maturity Date
Macquarie Global Income Opportunities	NR	MF	\$0.00			T+3
TCorplM Cash Fund	AAAm	MF	\$26,491,142.78			T+0
			\$26,491,142.78			
Product	STRating	SecurityType	Current Valuation			Maturity Date
AMP At Call	A-2	Cash	\$725.19		1.65%	At-Call
AMP Notice Account	A-2	Cash	\$8,973,743.47		1.90%	31 Days
NAB Transaction Account	A-1+	Cash	\$8,736.94		1.25%	At-Call
CBA Operating Account	A-1+	Cash	\$6,501,074.92		1.00%	At-Call
CBA Business Online Saver	A-1+	Cash	\$7,088,817.24		1.35%	At-Call
			\$22,573,097.76			
Total Investment Portfolio			\$218,091,509.54			

SA19.156 - Attachment 1



Disclaimer

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All information and recommendations expressed herein constitute judgements as of the date of this report and may change without notice. Staff and associates may hold positions in the investments discussed, and these could change without notice.

Attachment 1 - List of recommendations and findings – Review of the reporting and compliance burdens on Local Government

Recommendation	Comment
Systemic issues	
<p>1 That the Department of Finance, Services and Innovation (DFSI) revise the NSW Guide to Better Regulation to include requirements for State agencies developing regulations involving regulatory or other responsibilities for local government, as part of the regulation-making process, to:</p> <ul style="list-style-type: none"> – consider whether a regulatory proposal involves responsibilities for local government – clearly identify and delineate State and local government responsibilities – consider the costs and benefits of regulatory options on local government – assess the capacity and capability of local government to administer and implement the proposed responsibilities, including consideration of adequate cost recovery mechanisms for local government – take a coordinated, whole-of-government approach to developing the regulatory proposal – collaborate with local government to inform development of the regulatory proposal – if establishing a jointly provided service or function, reach agreement with local government as to the objectives, design, standards and shared funding arrangements, and – develop an implementation and compliance plan. 	<p>Supported</p>

Recommendation	Comment
<p>2 That the NSW Government maintain a Register of local government reporting, planning and compliance obligations that should be used by NSW Government agencies in the regulation-making process to manage the volume of regulatory requirements imposed on councils and to avoid creating unnecessary or duplicative requirements.</p>	<p>Supported.</p>
<p>3 That the NSW Government remove restrictions on fees for statutory approvals and inspections to allow for the recovery of efficient costs, subject to monitoring and benchmarking.</p>	<p>This item has been removed by the Government. This is no longer a recommendation for consideration.</p>
<p>4 Where fees continue to be set by statute, that the relevant NSW Government agency reviews the level of the fees every three to five years and amends the relevant legislation to allow these fees to increase annually in line with CPI or an index of fee-related costs.</p>	<p>Supported This should be completed in consultation with Local Government. The final figures will also need to be supported with real time data associated with the function being considered.</p>
<p>5 That the NSW Government review the basis upon which the fees for Development Applications (DAs) are calculated to:</p> <ul style="list-style-type: none"> - better reflect the efficient cost to councils and the NSW Government of processing Da's - minimise disputes and subsequent adjustments, and - facilitate online payment of DA fees. 	<p>Supported This should be completed in consultation with Local Government. The final figures will also need to be supported with real time data associated with the function being considered.</p>
<p>6 That if statutory fees are capped below cost recovery to ensure affordability or for other policy reasons, then the NSW Government should reimburse councils for the shortfall in efficient costs.</p>	<p>This item has been removed by the Government. This is no longer a recommendation for consideration.</p>

Recommendation	Comment
<p>7 That the Department of Premier and Cabinet amend the Good Practice Guide to Grant Administration, to:</p> <ul style="list-style-type: none"> - recognise local government as separate from non-government organisations - remove acquittal requirements for untied grants - explicitly address ongoing maintenance and renewal costs when funding new capital projects - require agencies to rely on existing council reporting to assess financial stability and management performance of councils - lengthen acquittal periods for ongoing grant programs to four years, and use Memorandum of Understanding (MOU) arrangements, rather than requiring councils to reapply annually, and - provide for a streamlined acquittal process for grants of less than \$20,000 in total, examples of streamlining include: <ul style="list-style-type: none"> o not requiring further external financial audit o using risk-based controls and requirements, and o confining performance measurement to outcomes consistent with the purpose of the grant. 	<p>Supported</p>
<p>8 That NSW Government agencies collecting local government data and information make this data discoverable through the Data NSW open data portal or the Information Asset Register maintained by the Department of Finance, Services and Innovation.</p>	<p>Supported</p>

Recommendation	Comment
<p>9 That the Department of Finance, Services and Innovation:</p> <ul style="list-style-type: none"> - support NSW Government agencies to use the Open Data Rolling Release Schedule to establish clear timeframes for publishing local government data and information in Data NSW (in machine readable formats) - support councils to make local government data and information available for discovery through Data NSW or the Information Asset Register, and - support the Office of Local Government to develop a central portal for local government reporting and streamlined data collection. 	<p>Supported</p>
<p>10 That the Department of Planning and Environment, including through the Office of Local Government, review public notice print media requirements in the Local Government Act 1993, the Local Government (General) Regulation 2005, the Environmental Planning and Assessment Act 1979, and the Environmental Planning and Assessment Regulation 2000 and, where the cost to councils of using print media exceeds the benefit to the community, remove print media requirements and allow online advertising, mail-outs and other forms of communication as alternatives.</p>	<p>Supported</p>
Water and Sewerage	
<p>11 That the Department of Primary Industries Water (DPI Water) regulate Local Water Utilities (LWUs) on a catchment or regional basis, rather than on an individual LWU basis, using a whole-of-government, risk-based and outcomes-focused regulatory approach.</p>	<p>Not supported Council's Shoalwater will need to be fully consulted on this issue.</p>

Recommendation	Comment
<p>12 That DPI Water amend the Best-Practice Management of Water Supply and Sewerage Guidelines to:</p> <ul style="list-style-type: none"> - streamline the NSW Performance Monitoring System to ensure each performance measure reported is: <ul style="list-style-type: none"> o linked to a clear regulatory objective o used by either most Local Water Utilities (LWUs) or DPI Water for compliance or meaningful comparative purposes o not in excess of the performance measures required under the National Water Initiative, and o not duplicating information reported to other NSW Government agencies. - align trade waste reporting with other performance reporting, on a financial year basis, subject to consultation with LWUs, LGNSW and the Water Directorate. 	<p>Supported</p>
<p>13 That the Office of Local Government determine a standardised service report template to be used by technicians undertaking quarterly servicing of aerated wastewater treatment systems, in consultation with NSW Health and councils.</p>	<p>Supported Council would like to participate in the report template.</p>
<p>14 That the Local Government (General) Regulation 2005 be amended to require service reports to be provided to councils using the template determined by the Office of Local Government as a standard condition of approval to operate an aerated wastewater treatment system</p>	<p>Supported</p>
<p>Planning</p>	

Recommendation	Comment
<p>15 That the Department of Planning and Environment (DPE):</p> <ul style="list-style-type: none"> - Implement a data sharing model with the Australian Bureau of Statistics in relation to building approvals in NSW. - Introduce a consolidated data request of councils for the purposes of the Local Development Performance Monitoring (LDPM), Housing Monitor, State Environmental Planning Policy (Affordable Rental Housing) 2009 (Affordable Rental Housing) and State Environmental Planning Policy No 1 – Development Standards (SEPP 1 variations). - Fund an upgrade of councils' software systems to automate the collection of data from councils for the purposes of the LDPM, Housing Monitor, Affordable Rental Housing and SEPP 1 variations. - Publish the data collected from councils on Affordable Rental Housing and SEPP 1 variations data. - Seek agreement with the Land & Environment Court to obtain appeal data directly from the Court. - Remove the administrative requirement for councils to report to DPE on political donations or gifts under section 147 of the Environmental Planning & Assessment Act 1979. 	<p>Supported</p> <p>The sharing of data is generally supported and Council will continue to work with DPIE on this. Staff have had several meetings with DPIE concerning e-planning to ensure the system is workable and able to be implemented easily by Councils.</p> <p>There is an assumption most Councils have good IT /software and data analysis. Whilst most Councils are heading in the right direction concern is raised for those with funding and other problems.</p>

Recommendation	Comment
<p>16 That the Environmental Planning and Assessment Act 1979 be amended to enable information or certificates under section 149(2) of the Environmental Planning and Assessment Act 1979 to be provided through the NSW Planning Portal.</p> <p>Prior to this amendment, as part of the Department of Planning and Environment's (DPE) review of the Environmental Planning and Assessment Regulation 2000, DPE should:</p> <ul style="list-style-type: none"> - review section 149(2) and (5) planning certificates to clarify and simplify the information to be provided, and ensure only information relevant in the conveyancing process is provided in a section 149(2) planning certificate, and - consider what section 149(2) information should be provided through the Planning Portal and whether that information should be provided in certificate form, having regard to: <ul style="list-style-type: none"> o data quality assurance o liability for accuracy of State or council information o State and council costs, and o mechanisms to recover costs. 	<p>Supported.</p> <p>DPIE will need to work with Councils on the detail to ensure it is workable.</p> <p>Council has undertaken a review of the information on section 10.7 (formally 149(2) and 149(5)) and is continuing to refine and improve this as we move toward online delivery. Council has consistently also argued that there should not be two parts to a section 10.7 certificate – there should only be one certificate that contains both mandatory and good faith information.</p>
<p>17 That the Environmental Planning and Assessment Regulation 2000 be amended to specify the information that can be provided by councils in accordance with section 149(2) and (5) of the Environmental Planning & Assessment Act 1979.</p>	<p>Supported</p> <p>DPIE will need to work with Councils on the detail. Council has consistently argued there should not be two parts to a section 10.7 certificate (formally a section 149 certificate). There should only be one certificate that contains both mandatory and good faith information.</p>

Recommendation	Comment
<p>18 That DPE amend the NSW Planning Portal to provide for online:</p> <ul style="list-style-type: none"> - payment of fees and charges by applicants and for the Planning Reform Fund fee to then be automatically directed to DPE - information or certificates under section 149(2) of the Environmental Planning & Assessment Act 1979, and - joint applications for development approvals and construction certificates. 	<p>Supported</p> <p>This will require DPIE to configure the portal to enable concurrent lodgement or amendment to the portal process to enable appropriate information to be submitted.</p> <p>How will this sit with Councils? The assumption is that currently customers have a choice for certain matters, will DPIE be moving to mandate use of the portal more broadly?</p>
<p>19 That DPE:</p> <ul style="list-style-type: none"> - notify councils electronically at least 21 days prior to the commencement of legislative changes that will affect the structure or content of section 149 planning certificates, and - maintain an up-to-date, publicly available list of all legislative instruments with the potential to affect the structure or content of the certificates. 	<p>Supported</p> <p>This has been an ongoing frustration for Council. DPIE need to provide Councils with sufficient warning that legislation is changing so that adjustments can be made as required to section 10.7 certificates (formally known as 149 certificates). At present Council often get no warning or only limited time to change the data.</p>
<p>20 That DPE manage referrals to NSW Government agencies through a 'onestop shop' in relation to:</p> <ul style="list-style-type: none"> - planning proposals (LEPs) - development applications (DAs), and - integrated development assessments (IDAs). 	<p>Supported</p> <p>With respect to planning proposals and LEP's, DPIE will need to fully consult and engage with Councils concerning this proposal as the detail is unknown.</p> <p>With respect to development applications and integrated development assessment, will DPIE mandate the use of the portal? Ideally, there should be testing with Councils to iron out any bugs and procedural issues. Experience with the portal with respect to referrals has resulted in additional administrative burden on Shoalhaven City Council and this raised some procedural issues.</p>

Recommendation	Comment
<p>21 That DPE develop suites of standardised development consent conditions and streamline conditions that require consultant reports or subsequent approvals, in consultation with councils, NSW Government agencies and other key stakeholders.</p>	<p>Supported</p> <p>Council is supportive of standardisation and this would be very helpful for industry who work in several LGA's. If the conditions are centralised, it would ensure they are maintained and updating is centralised.</p> <p>There is a need to permit specific conditions to account for unique requirements of certain LGA's.</p> <p>There would also need to be a procedure for process review following feedback and potentially litigation to ensure continuous improvement and currency.</p>
<p>Administration and governance</p>	
<p>22 That the NSW Government streamline the reporting requirements for the Integrated Planning and Reporting (IP&R) framework in the revised Local Government Act.</p>	<p>Supported</p>

<p>23 Ahead of the 2020 IP&R cycle, that the Office of Local Government:</p> <ul style="list-style-type: none"> - provide councils with a common set of performance indicators to measure performance within the IP&R framework - conduct state-wide community satisfaction surveys and release the results to allow comparisons between councils and benchmarking - provide guidance to councils on the form and content of the End of Term Report and its relationship to local councils' Annual Reports - clarify for councils the purpose, form and content of the State of the Environment report and clarify its relationship to the End of Term Report - work with the Office of Environment and Heritage, the NSW Environment Protection Authority and other relevant agencies to develop performance indicators for councils to use, and - where relevant, amend the IP&R Guidelines and Manual to incorporate this material. 	<p>Supported</p> <p>A state-wide performance measurement framework has been discussed for several years without a clear resolution and it is now timely for the industry to focus on the optimal approach to a local government performance framework. Any discussion on performance measures for local government needs to establish the purpose or reason for the exercise and the relevant stakeholders.</p> <p>Currently, the Integrated Planning and Reporting framework provides a platform for the community and the council to discuss the needs, services and outcomes of the community and the progress of achievement towards the community's outcomes. Councils are required to publicly report on the progress of the Delivery Program at regular intervals which should include performance measures.</p> <p>This process could be improved across all councils to ensure that this process satisfies the needs of the community and the councillors in terms of understanding the progress and performance of the council's projects and programs. Mandating a select series of performance measures will not provide this outcome by itself and further steps need to be undertaken to improve the capability and capacity of managing performance within the local government sector.</p> <p>Further work is needed to ensure any standard performance indicators satisfy stakeholders and can be implemented by Council's efficiently and effectively. There may be alternative methods that could be implemented rather than standard measures which may be more beneficial in the long term. This needs further discussion prior to implementation.</p> <p>The proposal for community surveys is supported however as some councils would have unique questions to their community there should be the capacity for councils to add supplementary questions to a core set of questions.</p>
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Recommendation	Comment
<p>24 That the Office of Local Government remove requirements for councils to report more in the General Purpose Financial Statements than is required by the Australian accounting standards, issued by the Australian Accounting Standards Board, except for requirements which are unique and high value to local government such as Note 21 and Special Schedule 7.</p>	<p>Completed</p> <p>The Office of Local Government with the involvement of the NSW Audit Office and the Local Government Finance Professionals have removed most of the disclosures noted in the IPART report for the 2018/19 Financial Statements.</p> <p>The Local Government Code of Accounting Practice and Financial Reporting is reviewed every year to ensure it is compliant with the accounting standards and is relevant to its intended audience.</p>
<p>25 That clause 163(2) of the Local Government (General) Regulation 2005 be amended to allow the Office of Local Government to determine the councils for which the threshold for formal tendering would be increased to \$250,000, with this threshold to be reviewed every five years.</p>	<p>Completed</p> <p>Clause 163(2) of the Local Government (General) Regulation 2005 has been repealed.</p> <p>Section 55 of the Local Government Act has been updated and the tendering threshold increased from \$150,000 to \$250,000.</p>
<p>26 That section 377(1)(i) of the Local Government Act 1993 be amended to allow the Council to delegate the acceptance of tenders to General Managers.</p>	<p>Completed</p> <p>Section 377(1)(i) of the Local Government Act 1993 has already been amended. Council Min17.334 has given delegation to the General Manager for tenders under \$1M</p>
<p>27 That section 55(3)(g) of the Local Government Act 1993 be amended to allow local government access to the full range of prequalification panels run by NSW Procurement.</p>	<p>Completed</p> <p>It is important that NSW Procurement Panels increase their regional reach to include more suppliers in regional areas.</p> <p>Further work is required to make them more user friendly and it is suggested the forms need to be standardised and Councils are consulted on the processes and procedures.</p>

Recommendation	Comment
<p>28 That the Department of Planning and Environment, through the Office of Local Government, review the requirements in the Local Government Act 1993 for Ministerial approvals and remove those that are not justified on the basis of corruption prevention, probity or protecting the interests of the State.</p>	<p>Supported</p>
<p>29 That the Office of Local Government introduce guidelines that specify maximum response times for different categories of Ministerial approvals.</p>	<p>Supported</p>
<p>30 That the Department of Planning and Environment, through the Office of Local Government, review all approvals required under section 68 of the Local Government Act 1993 in order to:</p> <ul style="list-style-type: none"> – determine the activities for which a separate local council approval under section 68 is necessary – revise the regulatory frameworks within NSW legislation to remove duplication – place as many approval requirements as possible in specialist legislation, and – where appropriate, enable mutual recognition of approvals issued by another council. 	<p>Supported</p> <p>DPIE will need to consult in the final framework design. There is concern that this may fragment the legislation making it more cumbersome to follow.</p>
<p>31 That the Local Government Act 1993 be amended to transfer current requirements relating to the length of time for temporary appointments under section 351(2) to the Local Government (General) Regulation 2005 or the relevant awards.</p>	<p>Supported</p>

Recommendation	Comment
32 Extend the maximum periods of temporary employment from 12 months to four years within any continuous period of five years, similar to Rule 10 of the Government Sector Employment Rules 2014.	Supported
33 That section 31 of the Public Interest Disclosures Act 1994 be amended to require councils to report on public interest disclosures in their annual reports and remove the requirement for an annual public interest disclosures report to be provided to the Minister for Local Government.	Supported
34 That clauses 15 and 16, schedule 3 of the Environmental Planning and Assessment Amendment Act 2014 (which adds new sub-sections 158(1A) and (4A) to the EP&A Act) be proclaimed in order to allow councils a licence or a warranty to use copyright material for the purposes of the EP&A Act (including making available development applications and related documents which may be subject to copyright).	Supported

Recommendation	Comment
<p>35 That the NSW Government:</p> <ul style="list-style-type: none"> - Repeal clause 3, schedule 1 of the Government Information (Public Access) Regulation 2009. - Amend the Environmental Planning and Assessment Act 1979 (EP&A Act) to require councils to make available information and documents currently prescribed as open access information in clause 3, schedule 1 of the Government Information (Public Access) Regulation 2009 (DA information) to a person (on request). - Amend the EP&A Act to allow councils to charge a person making a request the efficient costs of making DA information available (after the 'submission period' under section 79(1) of the EP&A Act has expired). - Consistent with recommendation 4, review the efficient costs to councils of making DA information available to a person (on request). - Amend the Environmental Planning and Assessment Regulation 2000 to set the fees for accessing DA information (after the submission period has closed) at the efficient cost to councils. 	<p>Supported</p>
<p>36 That the Office of Local Government assist the Information and Privacy Commission to circulate to councils information related to the Government Information (Public Access) Act 2009.</p>	<p>Supported</p>
<p>Finding</p> <p>1 That the principles and processes outlined in ICAC's Guidelines for managing risk in direct negotiations are best practice standards which can be applied where a lack of competition exists in a Local Government Area.</p>	<p>Noted and supported</p>

Recommendation	Comment
Building and construction	
<p>37 That the Building Professionals Board or the proposed Office of Building Regulation (in consultation with Department of Planning and Environment, Fire & Rescue NSW and local government) design the new online system for submitting annual fire safety statements (AFSS) to allow councils to identify buildings in their area that require an AFSS, and where follow up or enforcement action is required.</p>	<p>Supported This will require a computer software system that talks to all levels of government.</p>
<p>38 That the Environmental Planning and Assessment Regulation 2000 be amended to clarify what constitutes a 'significant fire safety issue'.</p>	<p>Certainty about whether a given fire safety issue is significant or not has led certifiers to notify councils about any and all departures from the BCA on fire safety issues. This has created a lot of work for Council and it needs to be reviewed.</p>
<p>39 That section 121ZD of the Environmental Planning and Assessment Act 1979 be amended to allow councils to delegate authority to the General Manager to consider a report by the Fire Brigade, make a determination and issue an order, rather than having the report considered at the next council meeting.</p>	<p>Supported The current system is cumbersome and no longer relevant. Many Councils have Fire Safety Teams that can deal with these orders.</p>

Recommendation	Comment
<p>Findings</p> <p>2 The draft recommendations of the Independent Review of the Building Professionals Act 2005 (Lambert Building Review), if supported by the NSW Government, would:</p> <ul style="list-style-type: none"> - Substantially improve the funding and ability of councils to effectively undertake their compliance functions in relation to unauthorised building work and refer certifier complaints to the Building Professionals Board. - Introduce more effective disincentives (for example, penalties) for unauthorised building work. - Institute a system of electronic lodgement of certificates and documentation from private certifiers to councils in a standardised form. This should reduce current record management burdens on councils, which would allow the information to be used to inform building regulation policy development and better targeting of council and state resources in building regulation. - Reduce the frequency of accreditation renewals from annually to every three to five years. - Create a new category of regional certifier to reduce the accreditation burden on councils and increase the number of certifiers in the regions. 	<p>Supported</p> <p>These are being implemented in various forms. For example, SCC already has on-line submission of certificates and documents from private certifiers.</p> <p>Council's would welcome an ability to issue real cost compliance notices for their compliance actions. This would be similar to the Protection of the Environment Operations Act. Currently compliance work in the Local Government Act and the Environmental Planning and Assessment Act are capped and this is having a financial impact to Council. This needs to be changed.</p> <p>Currently the penalties for unauthorised works are \$1500 (individual) or \$3000 (Company). Increasing the penalties would need to go through a thorough assessment process as many believe they are currently too high.</p> <p>The annual certification of accredited certifiers is not considered a burden.</p> <p>It would be helpful to have a system whereby Council Certifiers Accreditation allows them to work across all Local Government areas in the state. In this way, Certifiers would be able to provide assistance to other Councils when they are experiencing staff shortages.</p>
<p>Findings</p> <p>3 That under the Local Government Act 1993 councils can set their fees for certification services to allow for full cost recovery. These fees can include travel costs.</p>	<p>Supported</p> <p>We already have this system in place and it is reviewed annually with fees and charges. The figures are only available on request to keep Council competitive with the private sector.</p>

Recommendation	Comment
<p>Findings</p> <p>4 That the online Building Manual, proposed in the e-building initiative draft recommendation of the Lambert Building Review, would remove the current burden on councils of collecting and maintaining records of annual fire safety statements.</p>	<p>Supported</p> <p>DPIE will need to consult in the final framework design. This is particularly the case for access and data responsibility in the system.</p> <p>Does the introduction of an online system mean that councils cannot charge an administration fee? This fee is essential to cover the administration costs of the service.</p>
<p>Public land and infrastructure</p>	
<p>40 That the NSW Government transfer Crown reserves with local interests to councils:</p> <ul style="list-style-type: none"> - as recommended by the NSW Crown Lands Management Review and piloted through the Local Land Program Pilot, and - where the transfer is agreed by the council, including where this agreement is conditional on change of land classification. 	<p>Supported</p>
<p>41 Consistent with its response to the Crown Lands Legislation White Paper, that the NSW Government ensure that Crown reserves managed by councils are subject to Local Government Act 1993 requirements in relation to:</p> <ul style="list-style-type: none"> - Ministerial approval of licences and leases, and - reporting. 	<p>Completed</p> <p>The commencement of the Crown Lands Management Act 2016 on 1 July 2018 resulted in all Crown Reserves where Council is the Crown land Manager is now treated as "Community Land" per the Local Government Act 1993. Leasing and licencing of such Crown Reserves now occurs under S46 to 47D (inclusive) of the Local Government Act 2016</p>
<p>42 That the NSW Government streamline the statutory process for closing Crown roads, including the arrangements for advertising road closure applications.</p>	<p>Completed</p> <p>The Crown Land Management Act 2016 commenced on 1 July 2018 and this triggered changes in the Roads Act 1993 to streamline the road closure process.</p>

Recommendation	Comment
<p>43 That the NSW Government reduce the backlog of Crown road closure applications to eliminate the current waiting period for applications to be processed.</p>	<p>Completed Any road closure application not completed by Crown Lands prior to the commencement of the Crown Land Management Act on 1 July 2018 were terminated and the process recommenced by Councils under the new process. This action is essentially completed.</p>
<p>44 That the NSW Government streamline the provisions of the Local Government Act 1993 relating to plans of management for community land to enable councils to align public notice and consultation with councils' community engagement for Integrated Planning and Reporting purposes.</p>	<p>Commenced The State Government has directed all Councils to develop a "Community Participation Plan" to align consultation processes. This directive has commenced with no support provided by the government.</p>
<p>45 That Roads and Maritime Services provide greater support for councils to develop the competency to conduct route access assessments and process heavy vehicle applications. This support should be focused on developing the competency and skills within councils to perform these regulatory functions.</p>	<p>Completed This has been implemented with no support from State Government.</p>
<p>46 That the Impounding Act 1993 be amended to treat caravans and trailers (including advertising trailers) in the same way as boat trailers when considering whether they are unattended for the purposes of the Act.</p>	<p>NA to Shoalhaven Shoalhaven is not a "declared area" and the so this provision will not apply to us.</p>
<p>Animal control</p>	

Recommendation	Comment
<p>47 That the Office of Local Government’s redesign and modernisation of the central Register of Companion Animals includes the following functionality:</p> <ul style="list-style-type: none"> – online registration, accessible via mobile devices anywhere – a one-step registration process, undertaken at the time of microchipping and identifying an animal – the ability for owners to update change of ownership, change of address and other personal details online – unique identification information in relation to the pet owner (ie, owner’s date of birth, driver licence number or Medicare number) – the ability to search by owner details – the ability for data to be analysed by Local Government Area (not just by regions) – the ability for data to be directly uploaded from pound systems, and – centralised collection of registration fees so funding can be directly allocated to councils. 	<p>Supported</p> <p>Council will need to be consulted in the design of this system.</p>
<p>48 That the Companion Animals Act 1998 and Companion Animals Regulation 2008 be amended to require unique identification information in relation to the pet owner (ie, owner’s date of birth, drivers licence number or Medicare number), to be entered in the register at the time of entering animal identification information and when there is a change of ownership.</p>	<p>Supported</p>
<p>Community order</p>	

Recommendation	Comment
<p>49 That the NSW Government, in consultation with councils, review how councils are currently applying Alcohol Free Zone (AFZ) and Alcohol Prohibited Area (APA) provisions in response to alcohol related anti-social behaviour and clarify the rationale and processes for declaring AFZs and APAs in the Local Government Act 1993 and Ministerial Guidelines on Alcohol-Free Zones.</p>	<p>Supported</p>
<p>50 That the NSW Government provide an efficient process for consultation and decision making on temporary and events-based alcohol restrictions.</p>	<p>Supported</p>
<p>51 That the Graffiti Control Act 2008 be amended to:</p> <ul style="list-style-type: none"> – allow councils to prosecute individuals and organisations that commission or produce bill posters that are visible from a public place within their local government area, and – provide councils with compliance and enforcement powers to support their enforcement role under the Act, similar to those provided under Chapter 7 of the Protection of the Environment Operations Act 1997. 	<p>Supported</p>