

ORDINARY COUNCIL

Wednesday 19 February 2020

Ordinary Council Meeting

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Items of Business

Item	Subject	Page
10.04	REPORT ON 2019 NATIONAL LOCAL ROADS AND TRANSPORT CONGRESS	
	Attachment : Report on 2019 National Local Roads and Transport Congress - Councillor Sharon Griffiths	5
10.05	REPORT ON WOMEN IN LOCAL GOVERNMENT LEADERSHIP MASTERCLASS	
	Attachment : Report on Attendance at Women in Local Govt Leadership Masterclass 2019 12 02 - Mayor Peta Pinson	9
10.12	GLASSHOUSE BIENNIAL REPORT AND UPDATE ON STRATEGIC PLAN RECOMMENDATIONS	
	Attachment : Glasshouse Financial Statement December 2019.....	11
10.14	2017-2021 DELIVERY PROGRAM AND 2019-2020 OPERATIONAL PLAN - SIX MONTHLY PROGRESS REPORT AS AT 31 DECEMBER 2019	
	Attachment 1: 2017-2021 Delivery Program and 2019-2020 Operational Plan - Exception Report as at 31 December 2019.....	12
	Attachment 2: 2017-2021 Delivery Program and 2019-2020 Operational Plan Six Monthly Progress Report as at 31 December 2019	16
10.15	INVESTMENTS - DECEMBER 2019	
	Attachment 1: Port Macquarie-Hastings Council Monthly Report - December 2019.....	115
	Attachment 2: Port Macquarie-Hastings Council Portfolio as at 31 December 2019.....	132
10.16	INVESTMENTS - JANUARY 2019	
	Attachment 1: Port Macquarie-Hastings Council Monthly Report - January 2020.....	137
	Attachment 2: Port Macquarie-Hastings Council Portfolio as at 31 January 2020.....	154
	Attachment 3: Responses from Financial Institutions	159
10.17	QUARTERLY BUDGET REVIEW STATEMENT - DECEMBER 2019	
	Attachment : December 2019 Quarterly Budget Review Statement	233
10.18	MONTHLY BUDGET REVIEW - JANUARY 2020	
	Attachment 1: January 2020 Budget Review	239
	Attachment 2: 2019-2020 Works Program Review	244
10.20	GRANT APPLICATIONS BIENNIAL REPORT	
	Attachment 1: 2018-2019 All Council Grant Funding Applications Register	246
	Attachment 2: 2019-2020 All Council Grant Funding Applications Register	249

10.22	RESPONSE TO DEPARTMENT OF PLANNING, INDUSTRY AND ENVIRONMENT (DPIE) ON TIMING OF LOCAL STRATEGIC PLANNING STATEMENT (LSPS)	
	Attachment 1: Attachment 1 - December 2019 Council Report - Local Strategic Planning Statement.....	252
	Attachment 2: Attachment 2 - Response to DPIE re LSPS Timeline	258
	Attachment 3: Attachment 3 - Government Response to Council Request for Time Extension for LSPS	260
11.01	REFUND OF APPLICATION FEES - PORT MACQUARIE CROQUET CLUB	
	Attachment : Request for Refund of Application Fees - Port Macquarie Croquet Club.....	263
11.03	CULTURAL STEERING GROUP CHARTER AND NEW MEMBERSHIP	
	Attachment : Amended Draft Cultural Steering Group Charter - Feb 2020	265
11.04	30TH ANNIVERSARY OF SISTER CITY RELATIONSHIP BETWEEN PORT MACQUARIE-HASTINGS COUNCIL AND HANDA CITY COUNCIL - VISIT TO JAPAN 2020	
	Attachment : Handa Sister City Agreement Activity Summary 1990-2019.....	269

1 Leadership and Governance

What we are trying to achieve

A community that works together in decision making that is defined as ethically, socially and environmentally responsible.

What the result will be

We will have:

- A community that has the opportunity to be involved in decision making
- Open, easy, meaningful, regular and diverse communication between the community and decision makers
- Partnerships and collaborative projects, that meet the community's expectations, needs and challenges
- Knowledgeable, skilled and connected community leaders
- Strong corporate management that is transparent

How we will get there

- 1.1 Inform and engage with the community about what Council does using varied communication channels
- 1.2 Maintain strong partnerships between all stakeholders - local, state and federal — so that they are effective advocates for the community
- 1.3 Demonstrate leadership
- 1.4 Use innovative, efficient and sustainable practices
- 1.5 Ensure strong corporate and financial management that is transparent and accountable

2019 National Local Roads and Transport Congress**18 - 20 November 2020
Hahndorf, South Australia****Councillor Sharon Griffiths**

The overview of the conference covered a broad range of topics, with a future directed focus for managing and maintaining Roads and Infrastructure.

Funding has been declared for local government as it has been recognised that 66% of fatalities occur on local government roads.

ARRB will receive \$2.6m to assist local governments to assess their road asset management and maintenance requirements with a focus on regional areas.

ARRB will formulate a new suite of technical manuals for the benefit of all local governments. In addition acquire next generation devices to assess in-situ the aging status of seals for rural and regional Australia to better predict performance and optimise maintenance strategies.

As Independent Infrastructure advisors, Infrastructure Australia will be undertaking a geographic audit to provide for future planning and infrastructure gaps under the following categories.

- Cities fast growth
- Cities and regional
- Small towns
- Northern.

There are many future strategies being developed or considered with the use of technology and innovation to alleviate congestion, reduce the demand for parking space and improve the monitoring of infrastructure. These initiatives include:

1. Ride sharing, Car sharing, Subscription to a vehicle company, Monthly fee to use a vehicle when required.
2. Automated parking, where your car parks itself within close proximity to other vehicles and providing space savings of up to 60%.
3. Driverless vehicles (legislative restrictions apply) but are currently on trial for two years in various locations to supplement existing transport services, to reduce the need for parking and additional infrastructure.

Various new initiatives and benefits are expected through changing drone technology and design.

One company currently offers a free of charge service for delivery via designated flight paths leading to reduced congestion and improved safety and air quality.

Various means are available to provide improved safety and risk assessment at airports, leading to improved management procedure. (RFID, RF sensor, Radar, Optics, Mitigation – kinetic vs non kinetic).

RF/SNSS jamming sends the drone back home.

Airport risk appreciation and risk management procedure

Data Collection/analysis - Seeding, project milestones, 3D to 1mm for construction ie suitability for a dam; Monitoring coastline changes; Planning Air space calculation (volume of material – ie. tockpile); Inspection - asset management; lights, roofline of a building

Provide accurate detail for tender applications.

Telematics provides improved efficiencies and monitoring benefits.

Monitoring mobile and other assets, ie. location of equipment/machinery.

Setting Geo fences which alert when an asset is leaving a defined area or warning of an unregulated use.

Commercial, regulatory and operational management improvement with 10-15% reduction in fuel usage.

For idling vehicles (Increased return of revenue – fuel excise – including back dated claims).

Monitoring vehicle location, eg. bin pick up complaint, data available to respond to complaint, date and time.

Duress button alert in vehicle or on person.

Electric vehicles are progressing in urban areas where the distances travelled are short. There appears to be less scope for regional areas due to the greater distances of travel. With improved technology or alternate energy source this will change.

A review of Austroad guides to be undertaken:

- Raised platforms
- Rural passing lanes
- Trip generation rates
- Temporary traffic management safety (static and mobile)
- Traffic management plans (Training material – verification and qualification)
- Developing National registration verification of temporary traffic management qualifications.
- Mobility as a service. An App for public service and include private brokers at a later date. Bundling services to reduce congestion and reliance on motor vehicles. (Transport solutions to meet need).



Preliminary Program

MONDAY 18 NOVEMBER 2019

1.00pm **AFTERNOON TEA**

1.45pm **OPENING CEREMONY**
Welcome to Country

2.00pm **OPENING ADDRESS**
President, Australian Local Government Association

2.20pm **MINISTER ADDRESS**

2.50pm **The Future of Transport and how Local Government can benefit**
Tony Carmichael, National Principal Strategic Advisor, MacroPlan

3.30pm **The State of Australia's Infrastructure**
Romily Madew, CEO Infrastructure Australia

Other speakers TBA

5.00pm **DAY ONE CONCLUDES**

5.00pm **WELCOME RECEPTION & EXHIBITION OPENING**

7.00pm *Adelaide Hills Convention Centre*

TUESDAY 19 NOVEMBER 2019

9.00am **Welcome**

MONDAY 18 NOVEMBER 2019**9.15am Overview of what is happening internationally for Roads and Transport****10.30am MORNING TEA****11.00am Safety – where we are at and where we need to be****11.45am Active Transport and Vulnerable Road Users****12.30pm LUNCH****1.30pm CONCURRENT SESSIONS****METRO: Topics to be confirmed****REGIONAL/RURAL: Topics to be confirmed****3.00pm AFTERNOON TEA****3.30pm CONCURRENT SESSIONS****METRO: Topics to be confirmed****REGIONAL/RURAL: Topics to be confirmed****5.00pm DAY TWO CONCLUDES****6.30pm CONGRESS DINNER**
*Adelaide Town Hall***WEDNESDAY 20 NOVEMBER 2019****9.00am Balancing future technology and current transport needs****10.00am Transport and the Circular Economy****10.30am Closing Address****11.00am MORNING TEA**

Women in Local Government Leadership Masterclass**2 & 3 December 2019****Sydney****Mayor Peta Pinson**

As part of a commitment to personal development, I recently attended the "Women in Local Government Leadership Masterclass" held in Sydney on 2 and 3 December 2019. The Masterclass was facilitated by Ruth McGowan OAM and focused on building your leadership legacy and opening the discussion on the toughest challenges facing female leaders in Local Government.

The two-day interactive Masterclass covered such topics as:

- Values based leadership - understanding how values define the way we work and lead
- How to building your network for success
- Think like a politician - understanding what drives an elected representative and how this understanding can improve project delivery; surviving and thriving as a leader in a political environment
- What it takes to be a politically astute leader - what is political intelligence?; understanding positive organisational politics; becoming politically savvy
- Building Inclusive and Diverse Teams
- How to advance Gender Equity in your organisation
- Communicating Effectively as a Local Government Leader

Guest speakers included the CEO of the City of Sydney; the Mayor of Bega Valley Shire Council and the CEO of Liverpool City Council.

A copy of the Masterclass Program is attached for information.

The Masterclass was aimed for emerging leaders, leadership teams/groups; those moving to a leadership role requiring significant interaction with elected representatives; leaders who want an edge in their performance; and leaders who seek a constructive "positive politics" framework which also builds knowledge of tactics to prevent or prepare for negative workplace politics.

The Facilitator, Rose McGowan OAM, was fantastic and the Masterclass was very beneficial, well run, and provided the opportunity to network further with other women in leadership roles.

Women in Local Government Leadership Masterclass

SYDNEY

Day 1

Monday 2nd December 2019

8:30 Registration, coffee & networking

9:00 Welcome and opening interactive session

Get to know your facilitator and who's who in the room whilst opening the discussion to today's toughest challenges for female leaders in local government.

9:10 Values based leadership - Understanding how values define the way we work & lead

- Aligning your personal values with local government values
- Learning how to live your values as a confident leader
- Practical ways to engage your teams in values and behaviour conversations

10:30 Morning tea & networking

11:00 Network like a ninja: How to build your network for success

- Understanding the value of networking (and how to do it without the cringe factor)
- Strategically assess your network to achieve your personal, team and professional goals
- Developing an action plan to build on your network

12:30 Networking lunch

1:30 Think like a politician

- Understanding what drives an elected representative
- Learn how this understanding can improve project delivery
- What does this mean for you?
- Actions on how to survive and thrive as a leader in a political environment

3:00 Afternoon tea & networking

3:30 What it takes to be politically astute leader

- What is Political Intelligence?
- Understanding Positive Organisational Politics
- Becoming more politically savvy in the way you work, for your team and your career

4:30 Closing remarks & close of Day One

Day 2

Tuesday 3rd December 2019

8:30 Welcome, coffee & networking

9:00 Building inclusive & diverse teams

- Unpack the case for diversity and inclusiveness
- Understanding unconscious bias and how it affects decision making
- Practical case studies of what is best practice in gender equality in local government

10:30 Morning tea & networking

11:00 How to advance gender equity in your organisation
Tips that work - The model for action on gender equality

- Look - understand what's going on
- Learn - what you can do to address hotspots with good practice
- Lead - how to take action and lead through the inevitable backlash and resistance to change
- Developing your individual action plan

12:30 Networking lunch

1:30 Guest speakers interactive panel discussion

Hear from some of Australia's premier leaders in local government as they discuss their leadership journeys and share lessons learned along the way.

Monica Barone, Chief Executive Officer

City of Sydney

Cr Kristy McBain, Mayor

Bega Valley Shire Council

Kiersten Fishburn, Chief Executive Officer

Liverpool City Council

2:30 Afternoon tea & networking

3:00 Communicate effectively as a local government leader


- Learn how to pitch almost anything to anybody
- The secret to building instant rapport
- Practice these winning techniques in a group interactive session

4:00 Workshop Summation

- Q & A - Ask anything
- Overview of Day 1 and Day 2
- Closing discussion - Map out a plan to implement your learnings for immediate benefit at work

4:30 Closing remarks & end of Masterclass

#WomeninLocalGov19

 criterion
conferences

Glasshouse Financial Statements
for the period ending 31 December 2019

		Original Annual Budget	Current Annual Budget										
	Notes	\$	\$	Budget \$	Current Actual \$	Quarter Variance \$	Variance %	Budget \$	Year to Date Actual \$	Variance \$	Variance %		
Operating													
Operating Income													
	Operating Contributions and Grants	0	68,275	0	0	0		0	10,460	10,460			
	Venue Hire (including hirer promoters events)	1,204,000	1,204,000	300,885	338,774	37,889	113%	601,770	636,351	34,581	106%		
	Performing Arts - Show Income	350,000	350,000	87,465	31,819	(55,646)	36%	174,930	103,720	(71,210)	59%		
	Gallery - Income	25,000	25,000	6,249	4,228	(2,021)	68%	12,498	9,189	(3,309)	74%		
	VIC - Income	5,000	5,000	1,251	599	(652)	48%	2,502	3,055	553	122%		
	Bar/Cafe Sales	220,000	220,000	54,978	42,207	(12,771)	77%	109,956	100,727	(9,229)	92%		
	Retail Income	60,000	60,000	14,994	16,865	1,871	112%	29,988	10,576	(19,412)	35%		
	Rental Income received	0	0	0	0	0		0	0	0			
	Sponsorships/Donations/Memberships	60,100	60,100	15,021	17,860	2,839	119%	30,042	21,255	(8,787)	71%		
	Operating Income Total	1,924,100	1,992,375	480,843	452,353	(28,490)	94%	961,686	895,332	(66,354)	93%		
Operating Expenditure													
	Building Operational Expenses	554,700	554,700	120,555	164,575	(44,020)	137%	296,250	312,139	(15,889)	105%		
	Building Maintenance	229,700	229,700	89,662	99,488	(9,826)	111%	136,324	143,516	(7,192)	105%		
	Administration Operational Expenses	80,851	80,851	19,120	11,272	7,848	59%	41,657	45,539	(3,882)	109%		
	10th Birthday Celebrations	0	26,848	0	1,786	(1,786)		26,848	22,987	3,861	86%		
	Salaries and oncosts	1,543,165	1,543,165	385,779	401,075	(15,296)	104%	771,558	810,162	(38,604)	105%		
	Community Discount	65,000	65,000	16,245	24,445	(8,200)	150%	32,490	44,648	(12,158)	137%		
	Bar/Cafe Operations	96,000	96,000	23,988	22,062	1,926	92%	47,976	45,482	2,494	95%		
	Marketing and Promotion	96,000	96,000	23,991	13,683	10,308	57%	47,982	20,839	27,143	43%		
	Performing Arts - Show Expenditure	323,500	323,500	80,847	82,589	(1,742)	102%	161,694	122,493	39,201	76%		
	Gallery Expenditure	228,000	269,427	81,476	79,484	1,992	98%	158,379	180,339	(21,960)	114%		
	Retail Expenditure	4,500	4,500	1,122	756	366	67%	2,244	1,175	1,069	52%		
	Venue Hire Costs (including hirer promoters events)	384,200	384,200	96,040	123,762	(27,722)	129%	192,080	229,441	(37,361)	119%		
	Sponsorship/Donations/Memberships Expense	6,000	6,000	1,500	4,792	(3,292)	319%	1,500	6,509	(5,009)	434%		
	Council Overheads	510,314	510,314	127,530	127,530	0	100%	255,060	255,060	0	100%		
	Operating Expenditure Total	4,121,930	4,190,205	1,067,855	1,157,300	(89,445)	108%	2,172,042	2,240,330	(68,288)	103%		
	Operating Surplus (Deficit)	(2,197,830)	(2,197,830)	(587,012)	(704,947)	(117,935)	120%	(1,210,356)	(1,344,998)	(134,642)	111%		
Interest and Depreciation													
	Interest Repayments	495,431	495,431	256,253	256,253	(0)	100%	256,253	256,253	(0)	100%		
	Depreciation	1,058,356	1,058,356	264,589	264,589	0	100%	264,589	264,589	0	100%		
	Interest and Depreciation Total	1,553,787	1,553,787	520,842	520,842	(0)	100%	520,842	520,842	(0)	100%		
	Total Operating Surplus (Deficit)	(3,751,617)	(3,751,617)	(1,107,854)	(1,225,789)	(117,935)	111%	(1,731,198)	(1,865,840)	(134,642)	108%		
Capital													
Capital Income													
	Capital Contributions and Grants	0	127,828	138,257	93,215	(45,042)	67%	138,257	110,255	(28,002)	80%		
	Depreciation	1,058,356	1,058,356	264,589	264,589	0	100%	264,589	264,589	0	100%		
	Capital Income Total	1,058,356	1,186,184	402,846	357,804	(45,042)	89%	402,846	374,844	(28,002)	93%		
Capital Expenditure													
	Acquisition of Assets	66,000	204,257	168,757	93,215	75,542	55%	171,257	110,735	60,522	65%		
	Transfers to Reserves	0	0	0	0	0		0	0	0			
	Loan Principal Repayment	1,786,708	1,786,708	884,816	884,816	(0)	100%	884,816	884,816	(0)	100%		
	Capital Expenditure Total	1,852,708	1,990,965	1,053,573	978,032	75,541	93%	1,056,073	995,552	60,521	94%		
	Total Capital Surplus (Deficit)	(794,352)	(804,781)	(650,727)	(620,227)	30,500	95%	(653,227)	(620,707)	32,520	95%		
	Total Cash Position (before funding)	(4,545,969)	(4,556,398)	(1,758,581)	(1,846,017)	(87,436)	105%	(2,384,425)	(2,486,547)	(102,122)	104%		
Funded By:-													
	Reserves	66,000	76,429	30,500	0	30,500	0%	33,000	480	32,520	1%		
	Other Funds	0	0	0	0	0		0	0	0			
	General Council Revenue	4,479,969	4,479,969	1,728,081	1,846,017	(117,936)	107%	2,351,425	2,486,067	(134,642)	106%		
	Total Cash Funding Sources	4,545,969	4,556,398	1,758,581	1,846,017	(87,436)	105%	2,384,425	2,486,547	(102,122)	104%		


2017-2021 Delivery Program and 2019-2020 Operational Plan Exception Report as at 31 December 2019						Actual	Comment on Progress 31 December 2019
Operational Plan Activity 2019-2020		Lead Responsibility		Success Measures			
Theme: Leadership and Governance		Community Engagement	Undertaken a community satisfaction survey by 31 December 2019	100%	80%	Behind schedule. Following Executive consultation, this survey will be undertaken in April 2020 to align with annual reporting requirements.	
1.3.4.5 CW Works Depot relocation - preconstruction/design (multi-year project in 2017-18 linked to 1.3.4.4 CW)		Strategy	Deliver project according to approved project plan	100%	80%	Behind schedule. Kingfisher Road requires change in use for a Depot. A draft noise and traffic modelling report has been received. Report to be finalised for inclusion in Review of Environmental Factors (REF).	
1.5.1.07 Progress Greenmeadows Drive residential development planning		Strategy	Develop concept plan for Greenmeadows Drive development	100%	50%	Behind schedule. Project on hold. Pending a briefing with Councilors on the location of a community centre.	
1.5.1.07 Progress Greenmeadows Drive residential development planning		Strategy	Lodge Development Approval application for Greenmeadows Drive development	100%	50%	Behind schedule. Project on hold. Pending a briefing with Councilors on the location of a community centre.	
1.5.3.1 Increase operating revenue at the Airport, the Glasshouse, the Crematorium and Cemetery and the Environmental Laboratory		Commercial Business Units	Increase operating revenue by 3% per annum per business unit (<i>Crematorium</i>)	3%	-11%	Behind target. Income is variable, and while there has been a decrease in operating revenue in this period compared to the same period last financial year (noting that there was a significant increase in reservations and memorialisation's in 2018-19), income compared to the corresponding period in 2017-18 has increased by 14.8%.	
1.5.3.1 Increase operating revenue at the Airport, the Glasshouse, the Crematorium and Cemetery and the Environmental Laboratory		Commercial Business Units	Increase operating revenue by 3% per annum per business unit (<i>Glasshouse</i>)	3%	-6%	Behind target. It should be noted that operating revenue is subject to a number of factors, including the seasonal variation (availability and timing) in Glasshouse events. While revenue year-to-date to the end of December 2019 is down on last financial year, revenue for Quarter 2 (Oct-Dec) is up 11.4% on last financial year. Revenue year-to-date to the end of December 2019 compared to the same period in 2017 is up 1.5%.	
Theme: Your Community Life							
2.1.3.1 Monitor and take action as appropriate to ensure compliance with development approvals and building, environmental, public health and on-site		Environment and Regulatory Services	Undertake 90% of on-site sewerage management systems inspections within set customer service standards	90%	70%	Behind target. 279 programmed inspections undertaken from July to December 2019.	
2.1.3.1 Monitor and take action as appropriate to ensure compliance with development approvals and building, environmental, public health and on-site		Environment and Regulatory Services	Undertake 90% of public health inspections within set customer service standards	90%	84%	Behind target. 96 inspections undertaken from July to December 2019.	
2.1.3.1 Monitor and take action as appropriate to ensure compliance with development approvals and building, environmental, public health and on-site		Environment and Regulatory Services	Undertake 90% of swimming pool inspections within set customer service standards	90%	84%	Behind target. 137 swimming pool compliance inspections undertaken from July to December 2019.	
2.2.1.7 Adopt and implement the Community Inclusion Plan		Community Engagement	Implement the Community Inclusion Plan actions	100%	80%	Behind schedule. See 2.2.1.7 regarding the adoption of the Community Inclusion Plan (CIP - which is still in draft). Additionally, allocation of resources to the implementation of the CIP will need to be addressed in order to bring this action back on track.	
2.3.2.6 CW Hastings River recreational boating improvements - Undertake design/pre-construction +A31/B62for provision of new facility as per Boating Fields - Detailed design and approvals - multi-year project		Recreation, Property and Buildings, (Project Delivery)	Continue to deliver project according to approved project plan	100%	80%	Behind schedule. This project remains in the initiation phase. Design phase commencement is pending negotiations re land acquisition and traffic/intersection planning. No construction is proposed on this project during the 2019/20 FY. This project will continue into the 2020/21 FY.	
2.3.3.12 CW Sarcroft/Thrumster Sports Fields - Detailed design and approvals - multi-year project		Recreation, Property and Buildings, (Project Delivery)	Deliver project according to approved project plan	100%	85%	Behind schedule. This project continues from 2017/18 FY. This project was placed on hold pending the outcomes of the site selection for the Port Macquarie Aquatic Facility and confirmation from Football NSW on their preferred site location. These two items have now been confirmed and the design is expected to commence during 2020 with completion forecast for late 2020/21 FY.	
2.3.4.03 CW Wayne Richards Park – Stage 3 and 4 detailed design and approvals		Recreation, Property and Buildings, (Project Delivery)	Deliver project according to approved project plan	100%	85%	Behind schedule. (multi year project) Design underway for this multi year project which has been delayed due to complex environmental constraints. The project is expected to continue into the 2020/21 FY. The construction phase would then be subject to depot relocation and budget allocation.	


Attachment A

2.3.4.16 CW Continue installation of Town Village Entry Signage	Community Engagement	Deliver project according to approved project plan	100%	80% Behind schedule. Working with Recreation & Building staff to manage the procurement and installation of the Wauchope and environs signage. Further engagement with Wauchope community in progress with the Wauchope Community-Council Action Team and Wauchope Chamber of Commerce to finalise design. Expected installation to be complete in Q4 2019-2020.
2.3.4.18 CW Rainbow Beach Sports Fields	Recreation, Property and Buildings. (Project Delivery)	Deliver project according to approved project plan	100%	85% Behind schedule. The project planning phase has now commenced with a tender for the design of the sports fields expected to be awarded at the December 2019 Ordinary Council meeting. Following this the design is expected to be completed in mid 2020 with construction commencing in the 2020/21 FY.
Theme: Your Business and Industry				
3.1.2.1 Finalise Local Environmental Plan (LEP) and Development Control Plan (DCP) amendments in relation to a business park near Port Macquarie Airport (UGMS Action 15)	Development Assessment (Land Use Planning)	Final report to Council re Local Environmental Plan (LEP) and Development Control Plan (DCP) amendments by 30 December 2019	100%	50% Behind schedule. A Gateway Determination was issued by the Dept. of Planning, Industry and Environment on 20 November 2019 to allow the Planning Proposal to proceed to public exhibition. Council considered a report at the December 2019 meeting in relation to draft development controls for the future development of the Airport Business Park, and resolved to endorse draft DCP provisions for public exhibition. It is anticipated that the Planning Proposal and draft DCP will be exhibited concurrently in late January 2020 for 28 days.
Theme: Your Natural and Built Environment				
4.1.1.01 CW Commencement of the construction of the Sancroft Reservoir to Area 13 Thrumster trunk main (DN750)	Infrastructure Operations, (Project Delivery)	Deliver project according to approved project plan	100%	75% Behind schedule. The design phase for this project is complete however, the project has been placed on hold pending due to a development application for a new service centre which being lodged on one of the lots that the pipeline is proposed to pass through. The re-commencement of the project will be subject to negotiations with the landowner to ensure that unnecessary re-work is not undertaken. These works are now expected to be complete in the 2020/21 FY.
4.1.1.26 CW Construction of the Southern Arm Trunk Main (DN750) - Pacific Hwy to Bonny Hills-A8-G119	Infrastructure Operations, (Project Delivery)	Deliver programs according to approved schedule	100%	85% Behind schedule. Project pre-construction phase on hold awaiting the completion of property acquisitions along Houston Mitchell Drive. Project not expected to be re-commenced until Mid 2020 with construction expected to span over future FY's.
4.1.1.29 CW Marbuk Motorised Valve -	Infrastructure Operations	Deliver programs according to approved schedule	100%	70% Behind schedule. Contractual issues have delayed procurement of materials.
4.1.3.18 CW Preconstruction of Thrumster Sewerage treatment Plant (Area 13) - Phase 1 - 20000EP	Infrastructure Operations	Deliver project according to approved project plan	100%	50% Behind schedule. This project has been included as a high priority with Integrated Water Cycle Management project engagement with Public Works Advisory and includes Environmental Impact Statement and feasibility assessment of different options for Thrumster and the Port Macquarie STPs that can cater for growth in the Port Macquarie area.
4.1.3.26 CW Preconstruction works for upgrade of Lake Innes Sewerage Pump Station #71 (PMSPS71)	Infrastructure Operations, (Project Delivery)	Deliver project according to approved project plan	100%	85% Behind schedule. Project planning underway for this pumps station upgrade. This is a multi-year project and will continue into 2020/21 FY.
4.1.5.06 CW Continue design and construction for Black Swan Terrace - Stormwater detention facility (multi-year project)	Infrastructure Planning	Deliver project according to approved project plan	100%	80% Behind schedule. Final design being finished, however is behind schedule. Consultant failing to meet milestones. An additional consultant has been engaged via a RFQ process to deliver Stage 2 of the design by May 2020 in order to progress this project while discussion with the initial consultant regarding a lack of delivery are on-going. Contingency planning is underway to have a suitable design delivered by June 2020.
4.1.5.09 CW Investigation of Stormwater Remediation Options - Beilbowne/Bay Street Catchment	Infrastructure Planning, (Project Delivery)	Deliver project according to approved project plan	100%	85% Behind schedule. This design only project is underway and progressing towards completion in early 2020. The design has been more complex than initially expected with multiple options required to be tested to develop a suitable solution. Options testing is planned to be completed by May 2020 with the final design deliverable by no later than September 2020.
4.1.5.13 CW Stormwater Remediation - 31 Calwalla and Dilladerry Cres - Overflow swale plus system augmentation	Infrastructure Planning, (Project Delivery)	Deliver project according to approved project plan	100%	85% Behind schedule. Construction of Calwalla Crescent now complete. Works at Dilladerry Crescent are currently behind schedule awaiting the outcomes of an easement acquisition prior to constructing the works. Works are expected to re-commence in Feb 2020.
4.1.6.09 CW Construction of Stormwater Flooding Mitigation measures - Rodley Street Bonny Hills	Infrastructure Planning, (Project Delivery)	Deliver project to approved project plan	100%	85% Behind schedule. Multi year project. Construction commenced in May 2019 and is currently pending electrical utility service relocations that have been delayed and postponed by the electrical service provider due primarily to the recent bush fires and subsequent emergency works. The revised completion date for the project is Feb 2020.

4.1.6.2.1 Develop Urban Stormwater Catchment Management Plans for each of the 62 sub-catchments	Infrastructure Planning	Deliver project according to approved project plan	100%	80% Behind schedule. Project scoping underway, however being impacted by other higher priority projects such as the Asset Management service review and the stormwater asset condition rating. Project planning anticipated to be completed by June 2020 to enable delivery of management plans to commence in July/August 2020.
4.1.7.14 Commence Multi Unit Dwelling Organics Recovery Project	Commercial Business Units	Deliver project according to approved project plan	100%	0% Behind schedule. Multi-year project with project planning to commence in April / May 2020.
4.1.7.24 CW Cairncross Recycling Industrial Zone Improvements - Electricity distribution.	Commercial Business Units	Deliver project according to approved project plan	100%	75% Behind schedule. Options being finalised regarding design requirements for a High Voltage (HV) system.
4.2.1.11 CW Continue to implement Strategies of Lake Cathie Coastal Zone Management Plan (CZMP) - Stormwater Redirection (Illaroo Rd to Lake Cathie)	Environment and Regulatory Services	Completion of redirection of stormwater infrastructure from Illaroo to Lake Cathie as per Lake Cathie Coastal Zone Management Plan	100%	25% Behind schedule. Work on this project is now on Aboriginal Archaeological Heritage Assessment and asbestos removal.
4.4.1.02 Develop a Regional Integrated Transport Strategy - multi-year project	Infrastructure Planning	Deliver project according to approved project plan	100%	70% Behind schedule. Project has been delayed due to other priority projects. Continuing to work with Transport for NSW around funding options to outsource resourcing. Project planning for outsourcing the delivery is anticipated to be complete in February 2020 with and RFO engagement of a consultant in March 2020.
4.4.1.10 CW Lake Road - continuation of detailed design of dual lanes - Jindalee to Fernhill Intersections and Chestnut Road to	Infrastructure Planning, (Project Delivery)	Deliver project according to approved project plan	100%	75% Behind schedule. This design only project continues from 2017/18 FY. Design is now progressing towards anticipated completion in Feb 2020 due to additional traffic study investigations required to inform the detailed designs.
4.4.1.12 CW Beechwood Road - continue the design for Stages 5 and 6 of Beechwood Road reconstruction - Rietdreeze to Waugh	Infrastructure Planning, (Project Delivery)	Deliver project according to approved project plan	100%	85% Behind schedule. This design is now progressing with the required additional flood modelling that was previously causing delays now completed. Design completion is now expected in early 2020.
4.4.1.13 CW Hastings River Drive - Hughes Place to Boundary Street upgrade - multi-year project	Infrastructure Planning, (Project Delivery)	Deliver project according to approved project plan	100%	85% Behind schedule. This project continues from 2017/18 FY. AT&L engaged to undertake detailed design and environmental approvals. Concept design has been issued with final design expected to be complete in early 2020. The contractor has experienced some delays in meeting scheduled progress with completion now expected in May 2020. The construction of this segment of Hastings River Dr is subject to additional funding being allocated/secured.
4.4.1.31 CW Deliver Bold Street Pedestrian Crossing Laurieton	Infrastructure Planning, (Project Delivery)	Deliver project according to approved project plan	100%	85% Behind schedule. Design completion was delayed as a result of the May 2019 Ordinary Council meeting where it was requested to undertake further investigation into the most suitable location for the crossing. Additional design works were subsequently undertaken and a determination for the crossing location was made at the September 2019 Ordinary Council meeting. A revised design is now being developed to suit the new crossing location with construction estimated to be completed by June 2020 in accordance with revised NSW State Govt. funding requirements.
4.4.1.33 CW Continue detailed designs - north of Malia Street to Orana Drive Lake Cathie	Infrastructure Planning, (Project Delivery)	Deliver project according to approved project plan	100%	85% Behind schedule. This design only project continues from 2017/18 FY. The Council at the December 2018 ordinary meeting resolved to revise the concept design to include on-street parking. Following this, the design has since been revised and re-issued in October 2019 in order to inform the community on the changes. Community consultation planned to occur in the next 4 months depending on prioritisation of resources. It has been identified that there may be justification not to progress further to detailed design noting construction of the project is currently not funded in the medium term and any detailed design and associated approvals are likely to become outdated if construction doesn't follow in the short term. This is to be detailed in a future report to Council for consideration in the coming months.
4.4.1.45 CW Ocean Drive duplication - Matthew Flinders Drive to Greenmeadows - multi-year project	Infrastructure Planning	Deliver project according to approved project plan	100%	50% Behind schedule. Delayed as project delivery methodology and funding arrangements have not been determined with Transport for NSW (TfNSW). Discussions are ongoing with TfNSW at the 31 Jan 2020 Regional Transport Infrastructure Steering Group around finalising the Business Case and having confirmation on the delivery methodology by the end of February 2020. This would allow construction planning to be completed prior to June 2020.

4.4.1.48 Development Contribution Plan (Roads) Review and Update	Infrastructure Planning	Deliver project according to approved project plan	100%	70% Behind schedule. Project scoping has been delayed due to other higher priority program activities. Planning commenced on producing interim contributions plan, which is currently being reviewed by the Contributions Planning Team. The re-initiation of this project is pending the successful appointment of the Transport and Stormwater Planning Manager within the Infra Planning Group, which is anticipated to occur as early as May 2020. Recruitment will commence early February 2020. Once re-initiated project planning with the Strategy Group will be completed within 3 months.
4.4.1.52 AUS-SPEC Review - Undertake a comprehensive review of Councils full suite of design and construction specifications - multi-year project	Infrastructure Planning	Deliver project according to approved project plan	100%	50% Behind schedule. Implementation of revised specifications have been delayed by other higher priority projects. The re-initiation of this project is pending the successful appointment of the Transport and Stormwater Planning Manager within the Infra Planning Group, which is anticipated to occur as early as May 2020. Recruitment will commence early February 2020. Once re-initiated the new specifications would be completed in approximately 6 months.
4.4.1.66 CW Kinross Bridge Upgrade Detailed Design	Infrastructure Planning, (Project Delivery)	Deliver project according to approved project plan	100%	75% Behind schedule. Minimal planning has been undertaken due to resource availability. A priority is being placed on completing the management strategy for the bridge, including community consultation prior to commencing on the detailed design of a preferred long-term upgrade solution. Community consultation is planned to occur prior to June 2020 with the management strategy being presented to Council prior to December 2020.
4.4.1.71 Work with National Parks and Wildlife Services to adjust road boundaries	Infrastructure Planning	Boundary adjustments commenced	100%	0% Behind schedule. Discussion have been initiated with NPWS for the adjustment of road boundaries, however still no response. Follow up with relevant NPWS start will occur in February 2020.
4.4.1.72 Revise and update the Transport Asset Management Plan	Infrastructure Planning	Updated Transport Asset Management Plan	100%	0% Behind schedule. Commencement delayed due to the need to complete the Service Review for Asset Management and Rural Roads. This project will be deferred to commence following the completion of the services reviews in the 2021 FY.
4.5.1.14 Review the Port Macquarie-Hastings Heritage Inventory (UGMS Action 23)	Strategy	Complete Stage 2 of the Heritage Inventory review and report to Council by 30 June 2020	100%	0% Behind schedule. Work is yet to commence. This work may be informed by the in progress Housing Strategy and may be a subset of the outcomes of that work.
4.5.2.2 Continue the review of the Major Roads Contributions Plan for completion in 2020-2021 (UGMS Action 23)	Strategy	Complete review of draft works program for review of the Major Roads Contributions Plan by 30 June 2020	100%	0% Behind schedule. Project Scoping has been delayed due to other higher priority program activities. Planning commenced on producing interim contributions plan. Refer to OP action - 4.4.1.48.
4.6.1.01 Undertake strategic biosecurity (weed management) program to restore and conserve the natural environment of the Mid North Coast	Environment and Regulatory Services	2,300 km of Council roads managed for roadside weeds	2,300km	649km Behind target. Below target for quarter but due to drought and road grading program this has altered the delivery of works.
4.6.1.01 Undertake strategic biosecurity (weed management) program to restore and conserve the natural environment of the Mid North Coast	Environment and Regulatory Services	70 days per annum undertaking management of high priority weeds on high risk sites within drainage network	70d	44d Behind target. Reduced control on sites due to climatic conditions.
4.6.1.06 Inform and educate residents, industry and community groups about Council's tree management requirements within the Port Macquarie-Hastings 2013 Development Control Plan (DCP)	Recreation, Property and Buildings	Provide advice in accordance with service standards and industry best practice	100%	90% Behind target. For the period from July to December 2019 the total number of CRM's received was 642. 397 (Public), 92 (Private), 84 (Storm), and 69 (Illegal tree removal/pruning). Additional information: 238 enquiries (136 public phone and 102 private phone and email enquiries). This does not include calls transferred from call centre to mobile or landline. In addition, there were 130 internal enquiries.





PORT MACQUARIE-HASTINGS
COUNCIL

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2017-2021 DELIVERY PROGRAM
AND 2019-2020 OPERATIONAL PLAN
SIX MONTHLY PROGRESS REPORT AS AT 31 DECEMBER 2019

COMMUNITY THEME 1 Leadership and Governance

What we are trying to achieve

A collaborative community that works together and uses opportunities for community participation in decision making that is defined as ethically, socially and environmentally responsible.

Community Strategic Plan: 1.1 Inform and engage with the community about what Council does using varied communication channels

Delivery Program Objective: 1.1.1 Use a variety of tools to engage with the community in a manner that is transparent, effective, relevant and inclusive

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.1.1 Engage with the community using a range of methods to facilitate community involvement in decision making	Community Engagement	1. Capture the number of engagement activities undertaken and number of participant including online	1. 100%	1. 100%	On target. In addition to Community Planning activities referred to in action 1.1.2.3, a range of engagement activities were undertaken in the second quarter, some of which included: - Bain Park Master Plan - PMQ Airport Master Plan Implementation - Town Beach Playground Upgrade - Playground Upgrade at Settlement Point Reserve - Kew Main Street Upgrade - Draft Waste Minimisation and Management Policy - Pedestrian Refuges at Hayward Street, Bay Street, Ocean Drive Lakewood and Seymour St Laurieton - Beach to Beach works - Sirius Drive - Lake Cathie Community Garden - Level 3 Water Restrictions, conversations with Tourism operators Have Your Say statistics for the quarter are summarised below: Aware Participants - 5.5k Informed Participants - 2.4k Engaged Participants - 93 New registrations - 67.
		2. Increased community participation on Council's Have your Say online portal	2. 100%	2. 100%	On target. During Q2 2019-20, the number of registered participants increased from 4041 to 4107.

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Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.1.4 Implement strategic communications priorities in accordance with Council's Working Together Framework	Customer Experience and Communications	1. Deliver regular, positive and engaging media messaging	1. 100%	1. 100%	On target. 416 media releases, statements, events, alerts, announcements and reactive responses were actioned from July to December 2019. These appeared through a mix of different media channels - newspapers, television and radio, and included a combination of driving positive messaging on Council services and projects, Mayoral messages and managing media enquiries. During this period, the following were most topical: water restrictions and water saving, bush fires and associated impacts, and Lake Cathie related items.
		2. Increase community engagement with Council's digital channels	2. 100%	2. 100%	On target. Strategic communication priorities continue to be updated through the Communications, Governance and Community Relations Portfolio, under the Working Together framework. Communications planning and delivery around these priorities is ongoing with positive increases in digital engagement demonstrated as per commentary for 1.1.5.3.

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Delivery Program Objective: 1.1.1 Use a variety of tools to engage with the community in a manner that is transparent, effective, relevant and inclusive

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.1.5 Implement strategic education priorities in accordance with Council's Working Together Framework	Customer Experience and Communications	1. Education messaging program implemented in accordance with identified priorities	1. 100%	1. 100%	On target. Delivery of current education priorities across waste management, water management and road safety initiatives are continuing. Priority in the latter part of Q2 2019-20 has been on water management as Council moved to Level 3 water restrictions. Over the last quarter, Council's "Meet the Hastings Family- Which Bin" advertising campaign was awarded the Local Government NSW Excellence in Environment Award (Division C) which followed on the RH Doherty Award for Excellence in Communications the previous quarter. Recruitment of a Team Leader - Education is complete with commencement mid-January 2020. Priority will be given to developing an holistic action plan for education across key organisational areas.

Delivery Program Objective: 1.1.2 Support community involvement in decision making through education around Council matters and services

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.2.1 Engage the community on developing the 2021 Community Strategic plan to drive council projects and programs into the future	Community Engagement	1. Engagement commenced for the Community Strategic Plan by 1 February 2020	1. 100%	1. 100%	On target. Engagement for the Think 2050 Community Strategic Plan (CSP) was officially launched on 4 December 2019. A brand identity and supporting collateral for the CSP have also been developed. A comprehensive schedule of engagement activities has been developed which will commence in mid-January 2020. This includes a series of community round-tables and a community symposium to commence in March 2020.

Community Strategic Plan: 1.1 Inform and engage with the community about what Council does using varied communication channels
Delivery Program Objective: 1.1.2 Support community involvement in decision making through education around Council matters and services

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.2.3 Undertake the Community Planning Program	Community Engagement	1. Community plans developed by 30 June 2020 2. Facilitate Community Council Action teams	1. 100% 2. 100%	1. 100% 2. 100%	On target. Draft Community Plans have been completed and endorsed by Council for 3 communities: - Bonny Hills - Pappinbarra - Comboyne/Biyabarra A further 4 plans (Lake Cathie, Telegraph Point, Kew/Kendall/Heron's Creek/Lome, Camden Haven) were placed on Public Exhibition in Q2 2019-20 and will be presented to Council for endorsement in Q3 2019-20. Community Plans are under development for North Shore, Wauchope, Hastings Hinterland & Beechwood/Pembroke. On target. Community Council Action Teams are now in operation for the following 8 communities: - Bonny Hills - Camden Haven - Comboyne/Biyabarra - Kew/Kendall/Lorne/Heron's Creek - North Shore - Lake Cathie - Telegraph Point - Pappinbarra - Wauchope Nominations for the Beechwood/Pembroke and Hastings Hinterland CCATs have been received and the first CCAT meetings will take place in late January 2020 for these communities.

Community Strategic Plan: 1.1 Inform and engage with the community about what Council does using varied communication channels
Delivery Program Objective: 1.1.2 Support community involvement in decision making through education around Council matters and services

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		3. Implement Community Plans	3. 100%	3. 100%	On target. Community Planning staff are continuing to work with Group Managers to incorporate actions from the community plans which have been developed to date for possible inclusion in the 2020/2021 Operational Plan and potential for grant funding opportunities. There are a number of actions in existing plans which are also being delivered under the current Operational Plan e.g. Review of the Bonny Hills Reserves Master Plan (commencing January 2020); continuation of the Beach to Beach and Schools to Schools pathways programs.
1.1.2.4 Develop Local Strategic Planning Statement	Strategy	1. Complete Local Strategic Planning Statement for presentation to the NSW Department of Planning and Environment by 30 June 2020	1. 100%	1. 90%	Monitoring required. Work has commenced on the development of the LSPS. Council has written to the Department of Planning, Industry & Environment requesting a 12-month extension to the 30 June 2020 deadline for completion of the document. Resourcing of this project will need to be reviewed to ensure targets are met.

Community Strategic Plan: 1.1 Inform and engage with the community about what Council does using varied communication channels

Delivery Program Objective: 1.1.3 Engage with the community on impacts and changes to services.

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.3.2 Develop a Community Engagement program to enable community involvement in decision making in line with the Working Together Framework	Community Engagement	1. The Community Engagement program is developed and implementation of actions commenced by 30 June 2020	1. 100%	1. 100%	On target. Work is continuing on the review of Council's engagement strategy & policy and the development of a cross-Council engagement calendar. The draft Community Participation Plan outlining engagement for all planning-related projects & plans was endorsed by Council and is now published on the Department of Planning, Industry & Environment's planning portal. A comprehensive engagement program for the development of Council's Community Strategic Plan has been developed which will be implemented across Q3 and Q4 2019/20.
1.1.3.3 Undertake the Community Satisfaction Survey	Community Engagement	1. Undertaken a community satisfaction survey by 31 December 2019	1. 100%	1. 80%	Behind schedule. Following Executive consultation, this survey will be undertaken in April 2020 to align with annual reporting requirements.

Delivery Program Objective: 1.1.4 Provide easy to understand and accessible community reporting.

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.4.1 Produce and submit the annual report in accordance with Local Government Act requirements	Organisational Performance	1. Have annual report adopted by Council and submitted to the Office of Local Government (OLG) by 30 November	1. 100%	1. 100%	Achieved. The 2018-2019 Annual Report was presented and adopted at the 20 November 2019 Ordinary Council Meeting. It was submitted to the Office of Local Government by 30 November in line with legislation.

Community Strategic Plan: 1.1 Inform and engage with the community about what Council does using varied communication channels
Delivery Program Objective: 1.1.4 Provide easy to understand and accessible community reporting.

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Publish community report card (Part A); statutory report (Part B); and financial statements (Part C) for distribution	2. 100%	2. 100%	Achieved. The 2018-2019 Annual Report including the Community Report Card was adopted at the 20 November 2019 Ordinary Council Meeting. The report is available on Council's website and in hard copy at Customer Service Offices and Library Branches in Laurieton, Port Macquarie and Wauchope.
1.1.4.2 Provide progress reports on implementation of the Delivery Program in accordance with Local Government Act requirements	Organisational Performance	1. Provide Delivery Program progress report to Council on a six monthly basis	1. 100%	1. 100%	On target. The six monthly Delivery Program Progress Report (January to June 2019) was presented to the Ordinary Council Meeting in September 2019. The next six monthly progress report is due March 2020.
1.1.4.3 Undertake development of the one year Operational Plan in accordance with Local Government Act requirements	Organisational Performance	1. Have an annual operational plan adopted by 30 June	1. 100%	1. 100%	On target. Preparation and development of the 2020-2021 Operational Plan has commenced and is underway.
1.1.4.4 Review the current corporate reporting tool to ensure continuous improvement of functionality to meet the needs of the business	Organisational Performance	1. Performance reporting tool reviewed to identify continuous improvement opportunities	1. 100%	1. 100%	On target. Review of corporate reporting tool completed. Business case is currently under review.
1.1.4.5 Undertake review of Resourcing Strategy in accordance with Local Government Act requirements	Organisational Performance	1. Organised Resourcing Strategy working group to deliver reviewed Resourcing Strategy	1. 100%	1. 100%	On target. Resourcing Strategy Working Group has initially conducted the Long Term Financial Plan (LTFP) review in conjunction with the development for the Delivery Program (revised 2019) and Operational Plan 2020-2021. A desktop review of the Workforce Planning Plan and Asset Management Plan has been completed.

Community Strategic Plan: 1.1 Inform and engage with the community about what Council does using varied communication channels

Delivery Program Objective: 1.1.5 Develop an effective and coordinated community focused Communications Strategy

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.5.3 Use a variety of communication channels to ensure the community are well-informed, involved in Council decision making and understanding of Council priorities	Customer Experience and Communications	1. Deliver regular and engaging communications utilising a range of communication channels 2. Increase community engagement with Council's digital channels	1. 100% 2. 100%	1. 100% 2. 100%	On target. Council used a broad range of communications channels to ensure the community was well-informed of Council initiatives, projects and related matters. This including delivering a quarterly rates newsletter, regular media exposure, utilising community newsletters, radio and television advertising, Facebook and website content. Other communication channels included project signage, bus shelters, digital billboard and letter box drops. On target. During October to December there were 196,143 visits and 358,220 page views on the corporate website. This represents a decrease of 17.84% and 5.39% respectively over the same period last year. The most visited pages were: Level 3 Water restrictions, Water restrictions & trigger levels, Level 2 water restrictions, Contact Us, Application Tracker, and Job Vacancies. Facebook likes increased by 9.09% from 9,566 to 10,436. Facebook reached 1,152,089 people which is an increase of 30.19% on the previous quarter. (This includes paid advertising.) 122,504 people engaged with our facebook posts, which is a 100% increase on the previous quarter. YouTube received 7,589 video views during the quarter with an average watch time of 1 minute 17 seconds. This is a decrease of 35.21% and 3.75% respectively over the same period last year.

Community Strategic Plan: 1.1 Inform and engage with the community about what Council does using varied communication channels

Delivery Program Objective: 1.1.5 Develop an effective and coordinated community focused Communications Strategy

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.5.4 Ensure communication and education channel use is informed by research and understanding of preferred community communication methods	Customer Experience and Communications	1. Communications priorities and methods are informed by insights from the 2019 communications research	1. 100%	1. 100%	On target. Monthly analysis of community engagement via digital channels is ongoing. Insights from the June 2019 customer research are being used to plan and prioritise communications.

Delivery Program Objective: 1.1.6 Continue to promote access by the community to Councilors

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.1.6.1 Manage Councilor development program	Governance	1. Manage Councilor development	1. 100%	1. 100%	On target. The Councilor Professional Development Program has been managed as needs are identified and as per the adopted policy.
1.1.6.2 Deliver the Take the Council to the Community program	Governance	1. Hold two off-site Council meetings during the year (March Wauchope, October Laurieton)	1. 100%	1. 100%	On target. The October 2019 Ordinary Council meeting was held in Laurieton and the Ordinary Council meeting for March 2020 will be held in Wauchope.

Community Strategic Plan: 1.2 Maintain strong partnerships between all stakeholders — local, state and federal — so that they are effective advocates for the community

Delivery Program Objective: 1.2.1 Promote Council participation and build linkages in local, state and federal initiatives, forums and opportunities to support Council's continued planning for the growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.2.1.1 Convene meetings with local business chambers for the Mayor and Senior Staff	Strategy and Growth	1. Schedule meetings throughout the year (with local business chambers for the Mayor and Senior Staff)	1. 100%	1. 100%	On target. Regular meetings held with Port Macquarie, Camden Haven and Wauchope Chambers, Northside and Lake Cathie Progress Associations with the Mayor and senior staff in attendance.

Community Strategic Plan: 1.2 Maintain strong partnerships between all stakeholders — local, state and federal — so that they are effective advocates for the community

Delivery Program Objective: 1.2.1 Promote Council participation and build linkages in local, state and federal initiatives, forums and opportunities to support Council's continued planning for the growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.2.1.2 Convene meetings with State and Federal Members for the Mayor and Senior Staff	General Manager's Office	1. Schedule meetings throughout the year (with State and Federal Members for the Mayor and Senior Staff)	1. 100%	1. 100%	On target. The General Manager, Mayor and senior staff members met with Leslie Williams MP at Council on 17 December 2019 to discuss a range of local community matters. Further meetings are to be scheduled in 2020 as necessary. Prior to this, Leslie Williams MP met with senior Council staff, OEM staff and community members at the Bushfire Community Recovery Meeting held at Wauchope Showground on 28 November 2019.

Community Strategic Plan: 1.3 Demonstrate leadership

Delivery Program Objective: 1.3.1 Provide effective leadership and equity

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.3.1.1 Participate in the Mid North Coast Joint Organisation (MNCJO)	General Manager's Office	1. Attendance at the Regional Joint Organisation meetings by the Mayor and General Manager	1. 100%	1. 100%	On target. The GM was an apology at the 6 December 2019 MNCJO Board meeting due to other commitments, however the Mayor was in attendance at this MNCJO Board meeting. The next MNCJO Board meeting will be held on the 21 February 2020 in Urunga.

Community Strategic Plan: 1.3 Demonstrate leadership**Delivery Program Objective:** 1.3.2 Build trust and improve Council's reputation through transparency, good decision making and living Council's Values

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.3.2.1 Manage the Legislative Compliance Register	Governance	1. Undertake annual review of the Legislative Compliance Register and report on it and consider improvements to the Legislative Compliance process	1. 100%	1. 100%	Achieved. The Legislative Compliance review for 2018-2019 was presented to the August 2019 Audit, Risk and Improvement Committee Meeting and then adopted at the September 2019 Ordinary Council Meeting.
1.3.2.2 Produce and submit the annual Code of Conduct complaints report in accordance with Office of Local Government requirements	Governance	1. Report prepared annually and presented to Council no later than 31 December	1. 100%	1. 100%	Achieved. The annual report on Code of Conduct complaints has been adopted at the Ordinary Council Meeting in December 2019.
1.3.2.3 Produce and submit the annual Government Information Public Access (GIPA) Report in accordance with the GIPA Act requirements	Governance	1. Submit GIPA annual report to Information and Privacy Commission no later than 31 October	1. 100%	1. 100%	Achieved. The 2018-2019 GIPA Annual Report was submitted to the IPC in line with required timeframes.
1.3.2.4 Coordinate lodgement of annual Disclosure of Interest Returns	Governance	1. Annually update Disclosure Register by 30 September	1. 100%	1. 100%	Achieved. Disclosure register updated and a report adopted at the October 2019 Ordinary Council meeting.
1.3.2.6 Report on Public Interest Disclosures (PID)	Governance	1. Report biannually in July and February on any Public Interest Disclosures (PIDs) 2. Submit PID annual report to NSW Ombudsman by 31 October	1. 100% 2. 100%	1. 100% 2. 100%	Achieved. The PID online reporting tool was used to submit the biannual statistical reports to the NSW Ombudsman on 16 July 2019. Achieved. The PID Annual report to NSW Ombudsman was submitted on 8 October 2019.
1.3.2.7 Submit annual performance reporting for the water and sewer business to NSW Office of Water for benchmarking comparisons	Infrastructure Planning	1. Collate and forward performance reporting data to NSW Office of Water annually	1. 100%	1. 100%	Achieved. Annual report submitted 10 October 2019. Additional compliance audit being undertaken this year as part of 4-year cycle.

Community Strategic Plan: 1.3 Demonstrate leadership**Delivery Program Objective:** 1.3.3 Ensure there is appropriate management of risk to mitigate impact for Council and the community

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.3.3.2 Manage the Risk Management Action Plan, as part of the state wide continuous improvement program	Governance	1. Review and implement the Risk Management Action Plan on a quarterly basis and report to Executive	1. 100%	1. 100%	On target. The Insurance Risk Management Action Plan (IRMAP) is being developed.
1.3.3.5 Improve the Risk Management Framework	Governance	1. Improve the Risk Management Framework in line with project milestones	1. 100%	1. 100%	On target. An exercise has been undertaken to review the Risk Culture for Council's insurers, and a Safety Audit is currently underway.
1.3.3.6 Capture high risk electrical assets in Council's asset management system	Infrastructure Planning	1. Complete electrical asset data survey for Council owned assets by 30 June	1. 100%	1. 100%	On target. All high risk electrical assets have been captured with future assets being picked up as part of the project completion reporting process
1.3.3.7 Manage the Delegation Framework	Governance	1. Manage and consider improvements to the Delegation framework	1. 100%	1. 100%	On target. Work is scheduled to occur in the new year.
1.3.3.8 Respond to formal information requests within required timeframes	Governance	1. Respond to formal GIPA requests within the required timeframes	1. 100%	1. 100%	On target. All requests managed within the legislative time frames for the September to December 2019 reporting period.

Community Strategic Plan: 1.3 Demonstrate leadership**Delivery Program Objective:** 1.3.4 Manage our workforce to deliver community outcomes

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.3.4.1 Implement workplace strategies and processes to continue to improve Human Resources	Organisational Performance	1. Implementation of Workforce Management Strategy actions	1. 100%	1. 100%	On target. The Workforce Management Strategy includes 17 action items to be delivered during the period 2017-2021. The majority of these actions have been delivered or are underway. Recent actions delivered include development and adoption of an Equity and Diversity Strategy, review of a large number of HR policies, and a trial of a Knowledge Sharing program.
1.3.4.2 Implement workplace strategies and processes to continue to improve Work, Health and Safety.	Organisational Performance	1. Implementation of Work, Health Safety Strategy actions	1. 100%	1. 100%	On target. An external audit of our Work Health and Safety System was recently completed, and an action plan to address the findings is under development.
1.3.4.3 Implement workplace strategies and processes to continue to improve Learning and Development	Organisational Performance	1. Implementation of Learning and Development Strategy actions	1. 100%	1. 100%	On target. Council's Educational Assistance Policy has recently been reviewed and a new policy launched to provide support for employees undertaking formal training programs and qualifications.
1.3.4.4 CW Construct new works depot in Port Macquarie (multi-year project in 2017-18 linked to 1.3.4.5 CW)	Strategy	1. Deliver project according to approved project plan (Works Depot in Port Macquarie)	1. 100%	1. 0%	OP Item 1.3.4.5 CW is a predecessor to this work, it will not commence until 1.3.4.5 CW is complete.
1.3.4.5 CW Works Depot relocation - preconstruction/design (multi-year project in 2017-18 linked to 1.3.4.4 CW)	Strategy	1. Deliver project according to approved project plan (Works Depot relocation)	1. 100%	1. 80%	Behind schedule. Kingfisher Road requires change in use for a Depot. A draft noise and traffic modelling report has been received. Report to be finalised for inclusion in Review of Environmental Factors (REF).

Community Strategic Plan: 1.3 Demonstrate leadership**Delivery Program Objective:** 1.3.5 Build an engaged workforce

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.3.5.1 Continue the development of a highly engaged workforce who are solutions focused	Organisational Performance	1. Deliver annual Employee Engagement Days	1. 100%	1. 100%	On target. Working group planning for the annual 2019-20 Employee Engagement Days has commenced and will take place in May 2020. Request for interest from staff wishing to join the working group has been sent out and the group will meet within the coming months to commence planning.
		2. Embed, streamline and measure Employee Engagement Process (EEP) and implement identified areas of improvement	2. 100%	2. 100%	On target. Focus continues to embed Employee Engagement through the organisation, providing support to people leaders, process improvements and education sessions on several topics. The work will continue to streamline and improve the Employee Engagement Process.
		3. Identify and implement new employee engagement opportunities	3. 100%	3. 100%	On target. Opportunities for new ways to engage with employees are consistently being identified. There is a focus on up skilling our people leaders through providing a range of formal and informal education opportunities.
		4. Implement actions from the 2019 and 2020 Employee Engagement Surveys	4. 100%	4. 100%	On target. The 2019 Annual Employee Engagement Survey was completed in February 2019. Planning for the Annual Employee Engagement survey has started with plans for the next survey to be rolled out in February 2020.
1.3.5.3 Implement the Human Resource Information System (HRIS)	Organisational Performance	1. Implementation of project plan commenced	1. 100%	1. 100%	On target. Project plan under development.
		2. Project plan developed	2. 100%	2. 100%	On target. Project plan under development.

Community Strategic Plan: 1.4 Use innovative, efficient and sustainable practices
Delivery Program Objective: 1.4.1 Provide efficient technology and inclusive digital systems that are easy to use and easy to access

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.4.1.1 CW Undertake delivery of Digital Technology projects (DT - Roadmap Program - multi-year projects) including continued implementation of Authority Asset Management System	Digital Technology	1. Deliver project according to approved project plan (ICT - Projects)	1. 100%	1. 100%	On target. Council Chambers Upgrade is in progress and on target for completion. The remaining Digital projects are on track, as per the Digital Technology Roadmap. A review of the roadmap will occur in line with 2020-2021 Operational Plan development.
1.4.1.2 CW Undertake delivery of ICT projects (ICT - Renewals - multi-year project)	Digital Technology	1. Deliver project according to approved project plan (ICT - Renewals)	1. 100%	1. 100%	On target. All ICT projects delivered according to approved project plan with oversight throughout the year by the Executive.
1.4.1.5 Develop asset design and as constructed templates as part of the Asset Data Standards Review	Infrastructure Planning	1. Develop an Auto CAD file template for asset design and as-constructed plans that meets Asset Design As Constructed (ADAC) standards by 30 June 2019	1. 100%	1. 50%	Yet to commence. Project being developed as part of Asset Designed As Constructed (ADAC) and Asset Data Standards review.

Community Strategic Plan: 1.4 Use innovative, efficient and sustainable practices

Delivery Program Objective: 1.4.2 Deliver agreed services at the agreed service level at best value

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.4.2.1 Work across the organisation to facilitate the implementation of the Business Improvement Strategy	Organisational Performance	1. Facilitate process improvements	1. 100%	1. 100%	On target. The Business Improvement Office (BIO) is currently progressing a program of 5 service reviews for the 2019/2020 year. The Development Application Internal Referral review been completed with implementation planned for early in 2020. A review and pilot of a new process on how asset condition data is collected and an initiative to engage with the community on rural roads has commenced. Improvement Briefs for the remaining two improvements have been drafted and will be considered by the Executive Team in the New Year.
		2. Facilitate service reviews	2. 100%	2. 100%	On target. Over the last quarter The Business Improvement Office (BIO) worked across various service areas to facilitate process improvement initiatives. BIO continues to work with the Development and Environment Administration Team to help progress process improvements that improve productivity. BIO have also started to investigate the opportunities to develop electronic forms for internal use.

Community Strategic Plan: 1.4 Use innovative, efficient and sustainable practices

Delivery Program Objective: 1.4.3 Deliver a customer focused service that provides the community a consistent experience of Council

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.4.3.1 Deliver high quality and valued customer experiences that place the customer at the Centre of what Council does	Customer Experience and Communications	1. Community sentiment data is used to inform how we design and provide services to our customers 2. Develop a Community Satisfaction survey tool to measure customer satisfaction 3. Improved percentage (greater than 75%) of first contact resolution of customer enquiries (less calls transferred)	1. 100% 2. 100% 3. 75%	1. 100% 2. 100% 3. 93%	On target. Engagement planned for the Think 2050 Community Strategic Plan and community feedback received via the Community Planning process will assist in building a comprehensive view of community sentiment. A customer satisfaction survey (to be undertaken in Q4 2019-20) will further inform this. On target. Further measures have been developed to include in the Customer Satisfaction Survey scheduled to be undertaken in Q4 2019-20. On target. Service standard set target of 75% achieved 93%. Stats for the period from July to December 2019: Number of calls = 36,799 Number of counter enquiries = 46,494 Number of emails received = 15,256.
1.4.3.2 Provide up to date information for our community through a single source of truth	Customer Experience and Communications	1. Develop Council Knowledge Base by 30 June 2020	1. 100%	1. 90%	Monitoring required. Work is continuing on the development of a business case to support the development of an organisational knowledge base.

Community Strategic Plan: 1.5 Ensure strong corporate and financial management that is transparent and accountable

Delivery Program Objective: 1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.5.1.01 Monitor and accurately report on Council's financial position in accordance with Local Government Act requirements	Financial Services	1. Lodge audited financial statements with Office of Local Government by 31 October	1. 100%	1. 100%	Achieved. Council's audited annual financial statements for the year ended 30 June 2019 were lodged with the Office of Local Government by the required deadline of 31 October 2019.

Community Strategic Plan: 1.5 Ensure strong corporate and financial management that is transparent and accountable
Delivery Program Objective: 1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Submit three quarterly budget review statements and an annual report submitted to Council	2. 100%	2. 100%	On target. The Quarterly Budget Review Statement for the quarter ended 30 September 2019 was presented to the November 2019 Council meeting.
1.5.1.02 Manage Council's investment portfolio to optimise investment returns within the constraints of the policy, the Local Government Act and Regulations	Financial Services	1. Exceed benchmark for investment return 2. Table report to Council monthly	1. 100% 2. 100%	1. 100% 2. 100%	On target. Investment return has exceeded the benchmark for each month in isolation and the financial year to date. On target. Reports have been presented to Council within the required timeframes.
1.5.1.03 Develop annual Operational Plan budget and review the Long Term Financial Plan	Financial Services	1. Develop the draft annual budget in line with Integrated Planning and Reporting time frames 2. Have final budget adopted by Council by 30 June 3. Review the Long Term Financial Plan in line with the budget	1. 100% 2. 100% 3. 100%	1. 100% 2. 100% 3. 100%	On target. Preparation of the annual budget is underway and is on track to be finalised by the required timeframes. On target. The 2020/2021 budget preparation is underway and on track for the budget to be adopted by June 2020. On target. Preparation of the 2020/2021 budget is underway and will incorporate a review of the Long Term Financial Plan.
1.5.1.04 Prepare monthly financial reports for Council	Financial Services	1. Present financial reports to Council as required	1. 100%	1. 100%	On target. Monthly financial reports have been presented to Council as required.
1.5.1.06 Progress Partridge Creek residential development planning	Strategy	1. Provide a report to Council outlining Partridge Creek residential development options upon receipt of updated land valuation	1. 100%	1. 100%	On target. Report to Council is planned to be tabled at future Ordinary Council Meeting. DA modification (change in B1 location in progress).

Community Strategic Plan: 1.5 Ensure strong corporate and financial management that is transparent and accountable
Delivery Program Objective: 1.5.1 Manage Council's financial assets and provide accurate, timely and reliable information

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.5.1.07 Progress Greenmeadows Drive residential development planning	Strategy	1. Develop concept plan for Greenmeadows Drive development 2. Lodge Development Approval application for Greenmeadows Drive development	1. 100% 2. 100%	1. 50% 2. 50%	Behind schedule. Project on hold, Pending a briefing with Councillors on the location of a community centre. Behind schedule. Project on hold, Pending a briefing with Councillors on the location of a community centre.
1.5.1.08 Conduct Asset Revaluation for Transport assets (Roads, Bridges, Footpaths, Airport Runway)	Infrastructure Planning	1. Complete asset revaluation by 30 June 2020	1. 100%	1. 90%	Monitoring required. Asset Revaluation for Stormwater, Flood and Foreshore Assets is yet to be completed, pending CCTV condition analysis of Stormwater network. Request for Tender is currently in Draft, with the planned dates 29 Feb 2020 (Roads) and 30 April 2020 (Stormwater, Flood and Foreshore).
1.5.1.09 Progress Emily Avenue residential development planning	Strategy	1. Develop concept plan for Emily Avenue development 2. Lodge Development Approval application for Emily Avenue development	1. 100% 2. 100%	1. 100% 2. 100%	On target. Development Approval application lodged with Council 30 April 2019. On target. Development Approval application lodged with Council 30 April 2019.
1.5.1.10 Implement Asset Designed As Constructed (ADAC) computerised automated process system	Infrastructure Planning	1. Complete implementation of ADAC within Council operations by 30 June 2020	1. 100%	1. 100%	On target. GIS team undertaking the ADAC implementation with support from Assets team.

Community Strategic Plan: 1.5 Ensure strong corporate and financial management that is transparent and accountable

Delivery Program Objective: 1.5.2 Use procurement, tendering, purchasing and contract management approaches that are transparent and equitable

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.5.2.1 Continue to implement and monitor the procurement strategy action items	Financial Services	1. Completion of Procurement Strategy Implementation Plan actions within agreed timeframes	1. 100%	1. 100%	On target. The procurement strategy action items have been completed within the required timeframes.
1.5.2.2 CW Ensure plant purchases are in line with the plant replacement program (Plant Purchases and Disposals - multi-year project)	Infrastructure Operations	1. Plant replacement program delivered according to approved schedule	1. 100%	1. 90%	On target. Plant replacement program is behind due to work load priorities.
1.5.2.3 Manage and maintain Council's Plant and Fleet to support the operational activities of Council	Infrastructure Operations	1. Plant and Fleet managed and maintained in accordance with adopted program and budget	1. 100%	1. 100%	On target. Plant maintenance income is slightly above anticipated budgets with expenditure slightly under budget.
1.5.2.5 Undertake procurement activities in accordance with legislative requirements and that are transparent	Financial Services	1. Capture contracts awarded with a value of \$150,000 (excluding GST) or more	1. 100%	1. 100%	On target. All contracts above \$150,000 have been captured as required.

Delivery Program Objective: 1.5.3 Develop, manage and maintain Council Business Units through effective commercial management

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.5.3.1 Increase operating revenue at the Airport, the Glasshouse, the Crematorium and Cemetery and the Environmental Laboratory	Commercial Business Units	1. Increase operating revenue by 3% per annum per business unit (Airport)	1. 3%	1. 6%	On target. Operating revenue up 6.1% on the corresponding period in 2018.

Community Strategic Plan: 1.5 Ensure strong corporate and financial management that is transparent and accountable
Delivery Program Objective: 1.5.3 Develop, manage and maintain Council Business Units through effective commercial management

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Increase operating revenue by 3% per annum per business unit (Crematorium)	2. 3%	2. -11%	Behind target. Income is variable, and while there has been a decrease in operating revenue in this period compared to the same period last financial year (noting that there was a significant increase in reservations and memorialisations in 2018-19), income compared to the corresponding period in 2017-18 has increased by 14.8%.
		3. Increase operating revenue by 3% per annum per business unit (Environmental Laboratory)	3. 3%	3. 29%	On target. Laboratory income to the end of December 2019 has increased by 28.6% compared to the corresponding period in 2018 as a result of increased sampling, analysis and reporting activities.
		4. Increase operating revenue by 3% per annum per business unit (Glasshouse)	4. 3%	4. -7%	Behind target. It should be noted that operating revenue is subject to a number of factors, including the seasonal variation (availability and timing) in Glasshouse events. While revenue year-to-date to the end of December 2019 is down on last financial year, revenue for Quarter 2 (Oct-Dec) is up 11.4% on last financial year. Revenue year-to-date to the end of December 2019 compared to the same period in 2017 is up 1.5%.
		1. Deliver actions according to adopted Glasshouse Strategic Plan 2. Present biannual reports to Council	1. 100% 2. 100%	1. 100% 2. 100%	On target. The draft Glasshouse Plan 2020 - 2022 was endorsed by Council in December 2019 to be placed on public exhibition from 24 January - 21 February 2020. On target. The Glasshouse presented its bi-annual report at the August 2019 Council meeting. The next report is due in February 2020.
1.5.3.2 Implement the Glasshouse Strategic Plan 2019-2022 in consideration of Council's Cultural Plan	Commercial Business Units				

Community Strategic Plan: 1.5 Ensure strong corporate and financial management that is transparent and accountable

Delivery Program Objective: 1.5.3 Develop, manage and maintain Council Business Units through effective commercial management

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.5.3.6 Manage Council's property management, leasing and licencing, and statutory property functions for the most appropriate return to Council and the community	Recreation, Property and Buildings	1. Deliver statutory property projects according to approved project plan 2. Manage Council's lease and licence portfolio to ensure the most appropriate return to Council and the community	1. 100% 2. 100%	1. 100% 2. 100%	On target. Land matters are progressed as required. On target. 167 Commercial Leases 71 Community Leases 81 Leases PMHC as Lessee
1.5.3.7 Continue to implement and monitor the property investment strategy	Strategy	1. Provide six monthly update reports to Council on the status of the Property Investment Portfolio	1. 100%	1. 100%	On target. The reporting period is now annually in each November. The next report will be tabled at the November 2020 Ordinary Council Meeting.
1.5.3.8 CW Land Acquisitions for Council Roads - Survey, Valuation and Land Transactions	Recreation, Property and Buildings	1. Deliver projects according to approved project plan (Land Acquisitions for Council Roads - Survey, Valuation and Land Transactions)	1. 100%	1. 100%	On target. Land matters are progressed as required.

Delivery Program Objective: 1.5.4 Identify new commercially viable revenue sources

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
1.5.4.1 Review current revenue sources and investigate the commercial viability of identified new revenue sources	Commercial Business Units	1. Identify new revenue sources	1. 100%	1. 100%	On target. Review of revenue sources currently underway in conjunction with the development of the 2020-2021 Schedule of Fees and Charges.



Community Strategic Plan: 2.1 Create a community that feels safe

Delivery Program Objective: 2.1.1 Support Community Safety initiatives

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.1.1.1 Manage the contract for approved lifeguard services	Recreation, Property and Buildings	1. Deliver approved lifeguard services	1. 100%	1. 100%	On target. Lifeguard patrols are continuing at Town, Flynn's, Lighthouse, Lake Cathie, Rainbow and North Haven beaches.
		2. Deliver lifeguard education programs to schools and community groups (target 2,500 students)	2. 100%	2. 100%	On target. The lifeguard education program commenced in Term 4 in schools across our Local Government Area. To date, presentations have been delivered to 3,868 students participating in the program.

Delivery Program Objective: 2.1.2 Advocate for, support and coordinate emergency services

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.1.2.1 CW Council supports Emergency Management Operations and Agencies	Infrastructure	1. Provide coordination and support to emergency service units as required	1. 100%	1. 100%	On target. Supported the Emergency Operations Centre during November 2019 fires in Port Local Government Area.

Community Strategic Plan: 2.1 Create a community that feels safe

Delivery Program Objective: 2.1.3 Conduct regulatory and educational activities which safeguard public and environmental health, and ensures compliance with planning and building standards

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.1.3.1 Monitor and take action as appropriate to ensure compliance with development approvals and building, environmental, public health and on-site sewage standards	Environment and Regulatory Services	1. Respond to 80% of Regulatory Services customer requests within set customer service standards	1. 80%	1. 86%	On target.
		2. Undertake 90% of fire safety inspections within set customer service standards	2. 90%	2. 100%	On target. 33 programmed inspections undertaken from July to December 2019.
		3. Undertake 90% of on-site sewerage management systems inspections within set customer service standards	3. 90%	3. 70%	Behind target. 279 programmed inspections undertaken from July to December 2019.
		4. Undertake 90% of public health inspections within set customer service standards	4. 90%	4. 84%	Behind target. 96 inspections undertaken from July to December 2019.
		5. Undertake 90% of swimming pool inspections within set customer service standards	5. 90%	5. 84%	Behind target. 137 swimming pool compliance inspections undertaken from July to December 2019.
2.1.3.3 Provide ranger & law enforcement services to ensure compliance relating to parking, beach patrols, illegal signage, sale of goods on roads, building site sediment control & companion animals	Environment and Regulatory Services	1. Monitor the number of companion animal incidents	1. 100%	1. 100%	On target. 806 incidents captured for the July to December 2019 period.
		2. Monitor the number of offences detected during proactive patrols	2. 100%	2. 100%	On target. 809 offences capture for the period July to December 2019.

Community Strategic Plan: 2.1 Create a community that feels safe

Delivery Program Objective: 2.1.3 Conduct regulatory and educational activities which safeguard public and environmental health, and ensures compliance with planning and building standards

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		3. Respond to 80% of Regulatory Services customer requests regarding compliance with parking, beach patrols, illegal signage, sale of goods on roads, building site sediment control and companion animals	3. 80%	3. 82%	On target.
2.1.3.4 Manage Council's Environmental Laboratory and provide sampling, analysis, reporting & advice of water quality analysis to internal & external customers on an approved fee for service basis	Commercial Business Units	1. Complete all sampling, analysis and reporting of operational and regulatory requests in accordance with the required service standards 2. Maintain National Association of Testing Authorities (NATA) corporate accreditation 3. Undertake all sampling, analysis and reporting of operational and regulatory requests in accordance with approved budgets	1. 100% 2. 100% 3. 100%	1. 94% 2. 100% 3. 100%	On target. 94.1% of finalised reports met the required service standard. All reports for urgent request and non compliant results were met within the agreed service standard. Achieved. NATA accreditation maintained. On target. All sampling, analysis and reporting conducted within budget.
2.1.3.5 Provide a safe water supply in accordance with Australian Drinking Water Quality Guidelines	Infrastructure Planning	1. Have nil reportable incidents in accordance with NSW Health agreed protocols	1. 0#	1. 0#	On target. No reportable incidents in reporting period.

Community Strategic Plan: 2.2 Advocate for social inclusion and fairness**Delivery Program Objective:** 2.2.1 Support and advocate for all community sectors

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.2.1.1 Involve youth for a better Council	Community Engagement	1. Deliver Youth focused activities	1. 100%	1. 90%	Monitoring required. Since the resignation of the Youth Officer in April 2019, there has been no dedicated resource to facilitate youth activities. A range of engagement activities specifically targeting young people are planned for Q3 and Q4 2019-20 for the development of the Think 2050 Community Strategic Plan. Following an external RFQ process, an external consultant has been recruited to lead the development of the BBRF-funded "Dynamic Leadership Program for Young People" project. An extension to the June 30, 2020 project deadline to December 30, 2020 has been approved by the funding body.
		2. Re-establish and manage a Youth Advisory Council	2. 100%	2. 90%	Monitoring required. Developing a new approach to the Youth Advisory Council (based on the needs and input of our youth) is a key deliverable of the Dynamic Leadership BBRF-funded project which will commence in Jan 2020. An external consultant has been appointed to lead this project.
2.2.1.3 Coordinate the grants program to assist the community to deliver projects that contribute to a sense of place	Community Engagement	1. Deliver Community Grants Program through two rounds per year 2. Implement the new Community Grants program to meet the needs of a changing community	1. 100% 2. 100%	1. 100% 2. 100%	On target. Round 2 of the 2019/2020 Community Grants opens from 10 February to 6 March 2020. Information sessions to be held across the LGA in the first week in February 2020. On target. A review is underway to develop a more contemporary grants program with a report to go to Council by the end of the 2019-20 financial year.

Community Strategic Plan: 2.2 Advocate for social inclusion and fairness

Delivery Program Objective: 2.2.1 Support and advocate for all community sectors

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.2.1.7 Adopt and implement the Community Inclusion Plan	Community Engagement	1. Adopt the Community Inclusion Plan by 31 October 2019 2. Implement the Community Inclusion Plan actions	1. 100% 2. 100%	1. 90% 2. 80%	Monitoring required. The draft Community Inclusion Plan was taken to the November 2019 Council meeting where it was resolved to be placed on Public Exhibition through to late January 2020. Following analysis of the resulting community feedback, the Community Plan will be taken to Council for endorsement in Q3 2019/20. Behind schedule. See 2.2.1.7 regarding the adoption of the Community Inclusion Plan (CIP - which is still in draft). Additionally, allocation of resources to the implementation of the CIP will need to be addressed in order to bring this action back on track.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.1 Ensure access to community facilities and activities: including access to natural environment

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.1.1 CW Deliver the Disability Inclusion Action Plan in accordance with State Legislation	Community Engagement	1. Implement the actions as per the Disability Inclusion Action Plan	1. 100%	1. 100%	On target. Council had an excellent quarter in implementing the actions of the Disability Inclusion Action Plan. Highlights included: - Completion of the wheelchair viewing platform at the Charlie Uptin Walk - Installation of a wheelchair-accessible picnic table at the new Kew playground, - Installation of 2 new disability carparks and a wheelchair-friendly beach ramp in conjunction with the Flynns Beach seawall upgrade - Participation of Access Committee members in Council's Destination Management Plan workshops. - Celebration of International Day of People with Disability (IDPWD) with local organisations newIDAFE and ACIES.
2.3.1.2 Manage Community Halls	Community Engagement	1. Manage Community Halls to current service standards	1. 100%	1. 100%	On target. Halls continue to be managed via a variety of methods - leased, customer service-managed and community-managed via S355 committees. Council is working with Hastings Neighbourhood Services (HNS) on a pilot management model for the Lake Cathie Hall. An onsite manager, employed by Hastings Neighbourhood Services, is co-ordinating day-to-day operations, programming and bookings of the community centre for the next two years. This model will be evaluated as a potential model for other Council-owned halls across the Local Government Area.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.2 Provide a range of inclusive sporting and recreational opportunities and facilities to encourage a healthy and active lifestyle

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.2.1 Continue implementation of the Recreation Action Plan 2015-2025 (including Town Green Central and West - Preconstruction)	Recreation, Property and Buildings, (Project Delivery)	1. Implement the identified actions from the Recreation Action Plan	1. 100%	1. 100%	On target. Hastings Regional Sporting Facility - Stage 1 development: Detailed design for the facility is nearing completion. Design finalisation scheduled for early 2020. Sancroft/Thrumster Sports Fields: Project planning for detailed design of the facility has commenced. Hastings River, PMQ: Detailed design and approvals for new recreational boating facility: Detailed concept plans have been developed. Land acquisition discussions with adjacent land owners are ongoing and need to be resolved to allow for finalisation of this project. PMQ Coastal Walk upgrade: Construction of the upgrade for the segment between Charlie Uptin Walk and Flagstaff Hill have commenced. Upgrade of Doctors Walk and Kenny Walk segments are scheduled for 2020. PMQ Dog Off-leash Park: Complete North Haven to Bonny Hills Coastal Walk upgrade: Project planning has commenced. PMQ Aquatic Facility - site selection process and detailed design and approvals: Site selection process is complete with Macquarie Park being reconfirmed as the preferred site. Project planning for detailed design process has commenced. Steering Group has been established for this project with first meeting held during this reporting period. Wayne Richards Park Stages 3 and 4 - detailed design and approvals: Commenced. Concept plan developed for both stages. Environmental approvals process is currently being confirmed.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.2 Provide a range of inclusive sporting and recreational opportunities and facilities to encourage a healthy and active lifestyle

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Town Green Central and West - Preconstruction	2. 100%	2. 100%	On target. Multi year project Design phase ongoing including extensive heritage and cultural assessments, Civil and landscape designs have now commenced with completion forecast prior to the end of the 2019/20 FY. Construction phase of this project is expected to commence in the 2020/21FY however is subject to additional funding being secured.
2.3.2.2 CW Deliver sporting facility renewal and upgrades program across the LGA	Recreation, Property and Buildings	1. Deliver renewal and upgrades as per schedule and reported according to seasonal sports	1. 100%	1. 95%	On target. Oxley Oval, Port Macquarie - sporting infrastructure upgrade: upgrade of the incoming electrical supply complete. Clubhouse construction has commenced. Port Macquarie Hockey Facility - install lighting to field 2: complete Port Macquarie Regional Stadium - new training field and lighting: complete Charlie Watt Reserve, Telegraph Point - upgrade: lighting upgrades have commenced. Contractor engaged to install field drainage. Andrews Park, Wauchope - lighting upgrade: Construction of lighting system has commenced. Lake Cathie Sports Field - field surface upgrade and install irrigation: Irrigation installed; field reconstruction has commenced Blackbutt Park, Wauchope - park furniture upgrade: project planning has commenced. Kendall Sports Ground - reserve upgrade: Scope of works being confirmed with sporting user groups. Laurieton Sports Complex (Vince Inmon) - sports facility upgrade: project planning has commenced.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.2 Provide a range of inclusive sporting and recreational opportunities and facilities to encourage a healthy and active lifestyle

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.2.3 Manage the Mayor's Sporting Fund	Economic and Cultural Development	1. Distribute funds as required and coordinate fundraising events	1. 100%	1. 100%	On target. Correspondence prepared, cheques drawn and funds distributed. Database updated. Planning for first Fund Raising Event for 2020 commenced.
2.3.2.4 Undertake regional master planning for recreational facilities	Recreation, Property and Buildings	1. Commence review of Bonny Hills Reserves Master Plan 2. Complete Master Planning for Bain Park, Wauchope	1. 100% 2. 100%	1. 100% 2. 100%	On target. Bonny Hills Master Planning commenced On target. First round of community engagement finalised, draft master plan being prepared.
2.3.2.6 CW Hastings River recreational boating improvements - Undertake design/pre-construction for provision of new facility as per Boating Needs Investigation	Recreation, Property and Buildings, (Project Delivery)	1. Continue to deliver project according to approved project plan (Hastings River recreational boating improvements)	1. 100%	1. 80%	Behind schedule. This project remains in the initiation phase. Design phase commencement is pending negotiations re land acquisition and traffic/intersection planning. No construction is proposed on this project during the 2019/20 FY. This project will continue into the 2020/21 FY.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.3 Develop and implement management of operational and maintenance programs for open space, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.3.01 CW Undertake the maintenance program for parks, reserves, sporting fields and beaches including parks signage	Recreation, Property and Buildings	1. Deliver maintenance program including beach cleaning and playground inspections according to approved maintenance schedules	1. 100%	1. 100%	On target. During the reporting period, staff focus has been on: - Mowing parks and reserves across the LGA in preparation for the Christmas School Holidays - sports field preparation for weekly fixtures of Summer sports - preparing sites for events. e.g markets, weddings etc - mowing of all cemeteries for Christmas - Sportsfield preparation's for State cup touch at Regional Stadium and Tuffins Lane - garden maintenance in the Port Macquarie CBD area including pruning, watering, weed treatment and mulching - formal inspection of all playgrounds with required maintenance and repairs - green waste removals - cleaning of bin hides and bubbler's across the local government area. - inspections for Customer requests - upgrade of 200 metres of median strip in Lake Cathie.
2.3.3.02 CW Undertake scheduled and reactive maintenance programs of all Council-owned buildings including office furniture replacement	Recreation, Property and Buildings	1. Deliver projects according to facilities works program	1. 100%	1. 100%	On target. Works are being carried out as per our current maintenance schedules and reporting mechanisms
2.3.3.03 CW Undertake building rectification works in line with Council Asset Management - multi-year project	Recreation, Property and Buildings	1. Deliver project according to approved project plan (building rectification works)	1. 100%	1. 100%	On target. All works are being carried out as per the Building Asset Management Plan's (BAMP) program.
2.3.3.04 CW Provide, maintain and manage public aquatic facilities	Recreation, Property and Buildings	1. Oversee the management of Council's public aquatic facilities in accordance with lease obligation checklist	1. 100%	1. 100%	On target. All four aquatic facilities have been operational from 28 September and are being monitored in accordance with the contractual requirements.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.3 Develop and implement management of operational and maintenance programs for open space, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Undertake annual off-season facility maintenance in accordance with approved program	2. 100%	2. 100%	On target. Scheduled for delivery May/June 2020.
2.3.3.05 Deliver park furniture renewals across the local government area, including donated seats program	Recreation, Property and Buildings	1. Deliver Park furniture replacement program according to approved schedule	1. 100%	1. 100%	On target. Park furniture renewals commenced.
2.3.3.06 CW Carry out playground equipment replacement program	Recreation, Property and Buildings	1. Deliver the Playground Equipment Replacement program according to approved schedule	1. 100%	1. 100%	On target. Blair Reserve has the detailed plan finalised, construction scheduled for third quarter. Reservoir Park has the detailed plan finalised, construction scheduled for third quarter. Scribbly Bark has the concept plan underway. Riverview Reserve has Community engagement and concept plan scheduled for third quarter. Rocks Ferry Reserve has Community engagement and concept plan scheduled for third quarter. Settlement Point Reserve has the detailed plan finalised, construction scheduled for third quarter. Town Beach Park has the detailed plan finalised, construction scheduled for third quarter.
2.3.3.08 CW Deliver recreational walkway replacement program across the local government area	Recreation, Property and Buildings	1. Deliver Recreational walkway program according to approved project plan	1. 100%	1. 100%	On target. North Haven to Bonny Hills Walkway has planning commenced. Blair, Sandhurst and Harry's Walkway Replacements will have construction commencing in third quarter of 2019-2020.
2.3.3.09 Implement maintenance programs for boat ramps, wharves and jetties	Recreation, Property and Buildings, (Infrastructure Operations)	1. Deliver programs according to approved maintenance and schedule (for boat ramps, wharves and jetties)	1. 100%	1. 100%	On target. Works delivered on budget. Works schedule based on inspections and assessment criteria from Council's road and stormwater risk rating and road hierarchy systems.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.3 Develop and implement management of operational and maintenance programs for open space, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.3.10 Undertake the maintenance program for beaches	Recreation, Property and Buildings	1. Undertake beach and beach access maintenance as per program 2. Undertake inspections of beach access signs	1. 100% 2. 100%	1. 100% 2. 100%	On target. Beach accesses maintained and cleaned as required for Summer season. Detailed beach grooming undertaken at all high profile beaches for the start of the Christmas school holiday period. On target. Signs inspected, repaired and replaced as required.
2.3.3.11 CW Rocks Ferry Reserve - Riverbank revetment extension	Recreation, Property and Buildings (Project Delivery)	1. Deliver project according to approved project plan (Rocks Ferry Reserve)	1. 100%	1. 100%	On target. This project continues from 2017/18 FY. Construction practically complete during Oct 2018 within anticipated budget. Additional scope of works to extend rock armouring has been agreed to take advantage of remaining budget. The lead time of the approvals of the additional scope is expected to be 6 months. This project is forecast to be completed within the 2019/20 FY.
2.3.3.12 CW Sancroix/Thrumster Sports Fields - Detailed design and approvals - multi-year project	Recreation, Property and Buildings, (Project Delivery)	1. Deliver project according to approved project plan (Sancroix/Thrumster Sports Fields - design and approvals)	1. 100%	1. 85%	Behind schedule. This project continues from 2017/18 FY. This project was placed on hold pending the outcomes of the site selection for the Port Macquarie Aquatic Facility and confirmation from Football NSW on their preferred site location. These two items have now been confirmed and the design is expected to commence during 2020 with completion forecast for late 2020/21 FY.
2.3.3.14 CW Undertake the Public Amenities Renewals Program	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Public Amenities Renewals program)	1. 100%	1. 100%	On target. Short St Amenities have been completed. Pilot Beach Amenities are planned for installation May 2020 with the Review of Environmental Factors, Section 68 and Kit order to be completed by the end of January 2020.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.3 Develop and implement management of operational and maintenance programs for open space, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.3.15 CW Kendall Skatepark – renewal of facility at end of useful life – Design and construct	Recreation, Property and Buildings, (Project Delivery)	1. Deliver project according to approved project plan (Kendall Skatepark renewal)	1. 100%	1. 0%	Yet to commence. This project is yet to commence and is awaiting removal of the existing tennis courts by the tennis club to provide a site for the skatepark. This project is expected to be commenced in the 2020/21 FY.
2.3.3.16 Manage burial, cremation and memorialisation services at Innes Garden Memorial Park, Wauchope, Laurieton and other outlying cemeteries	Commercial Business Units	1. Carry out services in accordance with legislative and customer requirements	1. 100%	1. 100%	On target. All burial, cremation and memorialisation services carried out in accordance with legislative and customer requirements.
2.3.3.17 CW Carry out improvement and expansion works at Innes Garden Memorial Park, Wauchope and Laurieton cemeteries	Commercial Business Units	1. Deliver projects according to approved project plan (improvement and expansion works at cemeteries)	1. 100%	1. 100%	On target. Project Charter being developed for Wauchope Cemetery Master Plan.
2.3.3.18 Administration of public roads, public spaces, events and customer engagement: Section 138 Road Applications, Road Encroachments, Customer Enquiries, Statutory Road Functions, Road Policies	Infrastructure Planning	1. Deliver works in accordance with Council's Policies and Procedures	1. 100%	1. 90%	Behind schedule. Level of service for responding to applications and enquiries has slightly increased due to staff being approved to work additional hours in line with team's FTE allocation.
2.3.3.20 Develop Plans of Management for Council Crown Reserve Sites - Undertake plans of management as required under the Crown Lands Management Act	Recreation, Property and Buildings	1. Plans of Management for Council Crown Reserve Sites undertaken as required	1. 100%	1. 100%	On target. Land categorisation were finalised and endorsed at the December meeting of Council and will be submitted to the Minister for Housing, Property and Water for approval as the next stage of the project.
2.3.3.21 CW Kew Community Park - Construct new park	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Kew Community Park - Construct new park)	1. 100%	1. 100%	On target. Park construction finalised.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.4 Plan, investigate, design and construct open spaces, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.4.02 CW Port Macquarie Coastal Walk — upgrade as per adopted master plan - Allocated Amount 2018-19 - \$1,265,000	Recreation, Property and Buildings, (Project Delivery)	1. Deliver project according to approved project plan (Port Macquarie Coastal Walk)	1. 100%	1. 100%	On target. Construction near completion on stage 1 of Charlie Uptin section of walk. Subsequent sections to continue with construction following the busier Christmas holiday period.
2.3.4.03 CW Wayne Richards Park — Stage 3 and 4 detailed design and approvals	Recreation, Property and Buildings, (Project Delivery)	1. Deliver project according to approved project plan (Wayne Richards Park — Stage 3 and 4 detailed design and approvals)	1. 100%	1. 85%	Behind schedule. (multi year project) Design underway for this multi year project which has been delayed due to complex environmental constraints. The project is expected to continue into the 2020/21 FY. The construction phase would then be subject to depot relocation and budget allocation.
2.3.4.06 CW Flynn's Beach — upgrade seawall - seawall replacement - Stage 1 (multi-year project)	Recreation, Property and Buildings, (Project Delivery)	1. Deliver project according to approved project plan (Flynn's Beach — upgrade seawall - seawall replacement - Stage 1)	1. 100%	1. 100%	Achieved. Project complete. Construction of this project commenced in early May 2019 with completion achieved in Dec 2019.
2.3.4.07 CW Googik Track - construct shared walkway/cycleway, Stage 2 - multi-year project - Adopted 2017-18 - \$75,696	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Googik Track - construct shared walkway/cycleway, Stage 2)	1. 100%	1. 90%	Monitoring required. National Parks and Wildlife Service (NPWS) are finalising plans for the upgrade of the Googik Track segment connecting Lake Cathie with the Links Estate. NPWS had indicated that works were scheduled to commence early 2020. However, recent bushfire activity has impacted on this timeline.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.4 Plan, investigate, design and construct open spaces, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.4.08 CW Hastings Regional Sporting Complex Construction (multi-year project)	Recreation, Property and Buildings, (Project Delivery)	1. Deliver project according to approved project plan (Hastings Regional Sporting Complex Construction)	1. 100%	1. 95%	Monitoring required. This project continues from the 2017/18 FY. Design works are progressing towards an anticipated design completion in early 2020. Construction works planning and associated phasing are currently being developed. This is a multiyear project and will continue into 2020/21 reporting period for the construction phase (pending funding).
2.3.4.12 CW Port Macquarie Town Centre Master Plan (TCMP) improvements	Recreation, Property and Buildings	1. Deliver project according to approved project plan (PMQ TCMP Improvements)	1. 100%	1. 90%	Monitoring required. Foreshore Walkway Priority Projects Preconstruction - Detail Landscape design. - Geotechnical and Heritage Reports completed. - Detailed Surveys Completed. - Fishermen's Wharf under construction by Crown Lands. - Request for quotes for engineering services completed, awaiting submissions, due 31 of January.
2.3.4.14 CW Port Macquarie Pool - Design Finalisation	Recreation, Property and Buildings, (Project Delivery)	1. Deliver project according to approved project plan (Port Macquarie Pool - Design Finalisation)	1. 100%	1. 90%	On (revised) target This project has been delayed due to extensive community consultation that was undertaken to determine the preferred location of the Pool. With the pool site at Macquarie Park now confirmed the project planning of the aquatic facility project has now commenced with the establishment of a project steering group during Dec 2019.
2.3.4.15 CW Mrs Yorks Garden – Concept Plan development	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Mrs Yorks Garden – Concept Plan development)	1. 100%	1. 100%	On target. Concept plan finalised. Works to now be implemented by Friends of Mrs York's Garden.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.4 Plan, investigate, design and construct open spaces, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.4.16 CW Continue installation of Town Village Entry Signage	Community Engagement	1. Deliver project according to approved project plan (Continue installation of Town Village Entry Signage)	1. 100%	1. 80%	Behind schedule. Working with Recreation & Building staff to manage the procurement and installation of the Wauchope and environs signage. Further engagement with Wauchope community in progress with the Wauchope Community-Council Action Team and Wauchope Chamber of Commerce to finalise design. Expected installation to be complete in Q4 2019-2020.
2.3.4.17 CW Lake Cathie Foreshore Reserve - Master plan implementation - Construction of Skate Facility	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Lake Cathie Foreshore Reserve - Construction of Skate Facility)	1. 100%	1. 100%	On target. Awaiting the outcome of a community grant funding application prior to commencing skate park construction.
2.3.4.18 CW Rainbow Beach Sports Fields	Recreation, Property and Buildings, (Project Delivery)	1. Deliver project according to approved project plan (Rainbow Beach Sports Fields)	1. 100%	1. 85%	Behind schedule. The project planning phase has now commenced with a tender for the design of the sports fields expected to be awarded at the December 2019 Ordinary Council meeting. Following this the design is expected to be completed in mid 2020 with construction commencing in the 2020/21 FY.
2.3.4.19 CW Red Ochre Park - Develop new park facilities - Local Facilities	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Red Ochre Park - Develop new park facilities - Local Facilities)	1. 100%	1. 100%	On target. Planning commenced, engagement and concept plan scheduled for third quarter.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.4 Plan, investigate, design and construct open spaces, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.4.20 CW Ruins Way Park - Develop new park facilities - Local Facilities	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Ruins Way Park - Develop new park facilities - Local Facilities)	1. 100%	1. 100%	On target. Planning commenced, engagement and concept plan scheduled for third quarter.
2.3.4.21 CW Stuart Park – Regional Sporting Precinct - Stuart Park and Wood Street Upgrades	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Stuart Park – Regional Sporting Precinct)	1. 100%	1. 100%	On target. Multi-Purpose sports court commenced bulk earthworks mid October. Perimeter pathway had procurement completed. Sport Lighting handover January 2020. Basketball court construction complete, basketball furnishing and landscaping complete January 2020. Building works to existing amenities and new facility constructions has: consultation complete, design complete, procurement 70% complete, commence building on existing Wood street and Stuart park amenities with target completion March 2020. Facility landscaping, children's playground, off dog leash area and park furniture has dog park completed, playground completed and general landscaping 90% completed design.
2.3.4.22 CW Parks and Gardens Future Designs - Preparation of engineering designs in advance of construction programmes for Parks and Gardens	Recreation, Property and Buildings	2. Deliver project according to approved project plan (Wood Street Road upgrade) 1. Deliver project according to approved project plan (Parks and Gardens Future Design)	2. 100% 1. 100%	2. 100% 1. 100%	On target. Woods street road works progress includes - Design complete - tender complete - Site establishment Jan.2020 - Pre start meeting 8/01/2020 On target.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.4 Plan, investigate, design and construct open spaces, recreational and community facilities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.4.23 CW Port Macquarie Town Signage - Installation of Signage in the Port Macquarie area	Community Engagement	1. Deliver project according to approved project plan (Port Macquarie Town Signage)	1. 100%	1. 90%	Monitoring required. Engagement to take place for Port Macquarie Signage in Q3 2019-20 with expected installation end of Q4 2019-2020.
2.3.4.24 CW Beechwood Tennis Courts - Upgrade Tennis Facility	Recreation, Property and Buildings	1. Deliver project according to approved project plan (Beechwood Tennis Courts - Upgrade Tennis Facility)	1. 100%	1. 100%	On target. A grant funding application submitted by the Beechwood Tennis Club under the NSW Government's Club Grants Program was successful in securing funding, in addition to Council's co-contribution, to progress this project. Works are anticipated to commence in early 2020.

Delivery Program Objective: 2.3.5 Plan and deliver innovative Library Services which cater for new technology and growing population

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.5.1 CW Provide a range of library programs and lending services across the local government area (including Library Furnishings, Fittings and Equip; Library Local Priority Grant)	Community Engagement	1. Annual library events program delivered 2. Increase Library membership	1. 100% 2. 100%	1. 100% 2. 100%	On target. A number of events have been delivered in 2019 with a full program scheduled for 2020. On target. Current membership is 35,150 as compared to 33,450 for December 2018.
2.3.5.2 CW Purchase of Library Books - multi-year project	Community Engagement	1. Complete book purchases	1. 100%	1. 100%	On target. Over 8000 new items have been added to stock.
2.3.5.4 Adopt and implement the Library Strategic Plan	Community Engagement	1. Adopt the Library Strategic Plan by 30 October 2019 2. Implement actions as per the Library Strategic Plan	1. 100% 2. 100%	1. 100% 2. 100%	Achieved. Library Strategic Plan adopted. On target. Looking at ways to extend opening hours.

Community Strategic Plan: 2.3 Provide quality programs, community facilities and public spaces, e.g. for example, Community community halls, parks and vibrant town centres

Delivery Program Objective: 2.3.5 Plan and deliver innovative Library Services which cater for new technology and growing population

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.5.5 CW Implement Library Website Upgrade	Community Engagement	1. Library Website upgrades complete by December 2019	1. 100%	1. 100%	Achieved. New website up and running.
2.3.5.6 CW Purchase and fit out new Community Van to provide services such as Library outreach, arts and cultural program and community engagement	Community Engagement	1. Service delivery program developed and implemented commenced by 30 June 2020 2. Van purchased and fit out complete by 1 March 2020	1. 100% 2. 100%	1. 100% 2. 100%	On target. There was a delay in the delivery of the new van, however, it is due to arrive in February 2020. On target. There was a delay in the delivery of the new van, however, it is due to arrive in February 2020.
2.3.5.7 CW Deliver Special Library Projects to enhance library delivery program	Community Engagement	1. Special Library Projects planned, approved and implemented by 30 June 2020	1. 100%	1. 100%	On target. New display boards purchased and newspaper digitization underway.

Delivery Program Objective: 2.3.6 Support a range of inclusive community activities and programs

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.3.6.3 Finalise and implement the Port Macquarie Hastings Events Plan	Community Engagement	1. Implement actions relating to Community Events	1. 100%	1. 100%	On target. Planning and delivery of community events continues in accordance with the finalised Events Plan. In Q2 2019-20, events delivered included Countdown to Xmas, the Hastings Sports Awards and a Mayor's Sporting Fund Golf Day. New Year's Eve fireworks and one of the planned-for Mayor's Sporting Fund fixtures were cancelled due to the impacts of the bushfires. Planning for Australia Day is well underway.

Community Strategic Plan: 2.4 Empower the community through encouraging active involvement in projects, volunteering and events

Delivery Program Objective: 2.4.1 Work with the community to identify and address community needs, to inform Council processes, services and projects

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.4.1.1 Support and promote the Volunteer Program including the Graffiti Blaster Program	Community Engagement	1. Plan and coordinate a volunteer program across the LGA	1. 100%	1. 100%	On target. Continuing to support community-led volunteer programs and projects across the local area, including the Graffiti Blasters Program. A steady flow of new volunteer registrations have been received this quarter together with a strong maintenance of volunteer retention. New volunteer programs and project starting within the local are primarily environmental focused, with reserve maintenance programs and a GIS Digital Koala Food Tree program aimed at capturing and cataloguing historic (and recently) planted koala food trees. Within the Laurieton, Dunbogan and Kendall region, the shared pathways projects have seen significant construction with future planning and environmental studies being undertaken for further scope of works. In the Wauchope region, a volunteer group, Blazead, have set up camp to assist in the re-building of fences that were damaged in the recent fires. This program is in its early phase, however registrations for skilled volunteers has been high and increases rapidly. Other volunteer programs continue to see growth in registrations into the new year and Council is committed to supporting community- led volunteer programs that promote and increase participation and inclusion across the local government region.

Community Strategic Plan: 2.4 Empower the community through encouraging active involvement in projects, volunteering and events

Delivery Program Objective: 2.4.1 Work with the community to identify and address community needs, to inform Council processes, services and projects

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.4.1.2 Prioritise and commence implementation of agreed actions from the Customer Experience project	Customer Experience and Communications	1. Implement the agreed Customer Experience priorities for 2019-2020	1. 100%	1. 100%	On target. Work progressing on the development of a Knowledge Base. Carriage of this project will transfer to new Group Manager - Customer Experience and Communications - due to commence with Council mid-Jan 2020.

Community Strategic Plan: 2.5 Promote a creative and culturally rich community
Delivery Program Objective: 2.5.1 Support cultural activities within the community

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.5.1.1 Implement the Cultural Plan	Economic and Cultural Development	1. Implement Cultural Plan actions	1. 100%	1. 100%	On target. October - December 2019 - Three Local Heritage assistance grants were given out to improve heritage listed buildings within the Local Government area in a total amount of \$9,000. - A Cultural Events Coordinator has been appointed to deliver Bicentennial programs and activities and ArtWalk for a period of 2 years. - The draft Public Art Policy was presented to the December 2019 Council meeting and will go on public exhibition until 31 January 2020. - The Cultural Steering group meets regularly on a monthly basis to provide advice and feedback around Cultural matters. - A consultant has been appointed to undertake research and documentation in regards to the Cultural Economy Plan. It is expected that this project will be completed in April 2020. - The Glasshouse continues to showcase a diverse range of Cultural events. - The Library Strategic Plan has been adopted by Council - The 2019 - 2021 Eat See Do tourism brochure features a significant increase in cultural tourism product for promotion.
2.5.1.2 CW Undertake Glasshouse back of house maintenance	Commercial Business Units	1. Undertake Glasshouse back of house maintenance as required	1. 100%	1. 100%	On target. Planned preventative maintenance on the building and equipment at the Glasshouse included: - Replacement of the Fluoro lights in the fire stairwells to LEDs - House lights inspected and repaired - Glasshouse entrance doors repaired and serviced - Height safety equipment inspected.

Community Strategic Plan: 2.5 Promote a creative and culturally rich community
Delivery Program Objective: 2.5.1 Support cultural activities within the community

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
2.5.1.3 Manage the delivery of a range of high quality performing and visual arts events at the Glasshouse in consideration of Council's Cultural Plan	Commercial Business Units	1. Deliver the exhibition program as per the annual gallery program (20 exhibitions)	1. 100%	1. 100%	On target. As per the annual Visual Arts Program, the Glasshouse Regional Gallery presented the following exhibitions: - For Country For Nation - Australian War Memorial - Symmetry of Nature - Beric Henderson - Threaded Earth - Vana Ford & Kerry Wheelan - Olsen & Ormandy.
		2. Deliver the performing arts program as per the annual season launch (15 events)	2. 100%	2. 100%	On target. The Glasshouse Performing Arts Program presented the following events as per the 2019 theatre program: - Sydney Comedy Festival - Manhattan Short Film Festival - Cheek to Cheek - Evening Stars - Jane Rutter & Peter Cousens.

COMMUNITY THEME 3 Your Business and Industry

What we are trying to achieve

The Port Macquarie-Hastings region is a successful place that has a vibrant, diversified and resilient regional economy for people to live, learn, work, play and invest.

Community Strategic Plan: 3.1 Embrace business and a stronger economy

Delivery Program Objective: 3.1.1 Assist the growth of local business and industry, ensuring this is a central consideration of Council activities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.1.1.1 Implement actions from the 2017-2021 Economic Development Strategy to lead, create and proactively support an environment that stimulates sustainable industry, business and investment growth	Economic and Cultural Development	1. Implement actions from the Economic Development Strategy	1. 100%	1. 100%	On target. Key actions progressed, highlights include adoption of the Health and Education Precinct Master Plan, completion of the Port Macquarie Airport Terminal Upgrade, drafting of a new Destination Management Plan, continued growth of The Hub Business and Co-working Centre, collaboration with CSU for the development of the Port Macquarie Innovation Centre as part of CSU Stage 2, and review of the Markets Policy.
		2. Undertake and report on an annual business confidence survey	2. 100%	2. 100%	On target. Business Confidence Survey completed in August 2019 with over 400 survey responses. Results published in October 2019 and shared with the Economic Development Steering Group, the Construction Industry Action Group, and local business networks.

Community Strategic Plan: 3.1 Embrace business and a stronger economy

Delivery Program Objective: 3.1.2 Optimise the use of appropriately zoned land for business uses

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.1.2.1 Finalise Local Environmental Plan (LEP) and Development Control Plan (DCP) amendments in relation to a business park near Port Macquarie Airport (UGMS Action 15)	Development Assessment	1. Final report to Council re Local Environmental Plan (LEP) and Development Control Plan (DCP) amendments by 30 December 2019	1. 100%	1. 50%	Behind schedule. A Gateway Determination was issued by the Dept of Planning, Industry and Environment on 20 November 2019 to allow the Planning Proposal to proceed to public exhibition. Council considered a report at the December 2019 meeting in relation to draft development controls for the future development of the Airport Business Park, and resolved to endorse draft DCP provisions for public exhibition. It is anticipated that the Planning Proposal and draft DCP will be exhibited concurrently in late January 2020 for 28 days.
3.1.2.2 Review and prepare planning proposals for specific sites within the Port Macquarie-Hastings Local Government Area based on priorities as determined by Council	Land Use Planning	1. Report to Council bi-annually on progress of the progress and status of site specific amendments	1. 100%	1. 100%	On target. Report on the status of site specific Planning Proposal requests to amend the Local Environmental Plan was presented to Council in December 2019. The next progress report is due to be presented to Council in June 2020.

Delivery Program Objective: 3.1.3 Implement Major Events Strategy

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.1.3.2 Finalise and implement a new Port Macquarie-Hastings Events Plan	Economic and Cultural Development	1. Implementation of Events Plan actions relating to 'Major Events'	1. 100%	1. 100%	On target. Work on high priority objectives in the event action plan are progressing. This includes a focus on planning to increase brand exposure and recognition through events (such as new events like Nitro Circus), building a mix of Council supported events in the region via new sponsorship and grants as well as assisting local businesses to better connect with events.

Community Strategic Plan: 3.1 Embrace business and a stronger economy
Delivery Program Objective: 3.1.3 Implement Major Events Strategy

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Successful distribution of Events Grants and Sponsorships	2. 100%	2. 100%	On target. Council supported 2 major events during Q2 2019-20. These events resulted in a combined economic impact of over \$8.2 million for our community. One of these 2 events was the NSW Touch State Cup which is generally our 3rd largest event of the year. The Event Sponsorship Program has recently opened, the funding round for events being held in the second half of 2020. Liaison with Event Owners (currently sponsored/in receipt of grants) is ongoing to ensure oversight of contract deliverables.

Community Strategic Plan: 3.1 Embrace business and a stronger economy

Delivery Program Objective: 3.1.4 Implement the Destination Management Plan

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.1.4.1 Work with stakeholders to implement actions from the Destination Management Plan in accordance with the identified strategic outcomes	Economic and Cultural Development	1. Implement actions within the Destination Management Plan (DMP)	1. 100%	1. 100%	On target . During the second quarter of FY 19-20 delivery of DMP actions was ongoing. Notable mentions include; Printing and distribution of the 5th edition of the Official Visitor Guide - delivered to all households in the LGA on time for the peak season, plus distribution via local and other (regional) visitor information centres. The annual Public Relations Programme - the media familiarisation we hosted/organised back in August delivered feature articles on our region appearing in OK! Magazine, Who Weekly and RACQ magazine to name a few. The Bushfires impacted the region in November and the team developed a communications guide for industry, responded with active social media messaging and campaign, hosted news media to the region and actively supported the collection of impact information to share with other levels of Government. The revised Destination Management Plan went on public exhibition in December, following extensive engagement with stakeholders, Cultural and Economic Steering Groups, the Executive Team and Councillors.

Community Strategic Plan: 3.1 Embrace business and a stronger economy**Delivery Program Objective:** 3.1.4 Implement the Destination Management Plan

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Increase new monthly visits to the website by more than 15% in 12 months	2. 100%	2. 90%	Monitoring required. Visits to the destination website for the second quarter show an increase of 4.50% year on year. This represents an increase in users from 179,224 to 187,284. For the year to date, the growth in visitation is approximately 7% or the required 15%. Annual target is still considered achievable due to additional marketing campaign activity associated with bushfire recovery.

Community Strategic Plan: 3.2 Create vibrant and desirable places**Delivery Program Objective:** 3.2.1 Support vibrant commercial, tourism, recreational and or community hubs across the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.2.1.2 Support towns and villages initiatives that will provide activation and economic return	Economic and Cultural Development	1. Identify initiatives and implement (or support implementation) with stakeholder support	1. 100%	1. 100%	On target. Wauchope CBD Upgrade work was completed in November 2019. Unique boutique Wauchope social media and radio campaign delivered. Footpath trading and a-frame sign fee waiver for towns and villages continuing, with a policy review planned in coming months.

Community Strategic Plan: 3.3 Embrace opportunity and attract investment to support the wealth and growth of the community

Delivery Program Objective: 3.3.1 Develop, manage and maintain Port Macquarie Airport as a key component of the regional transport network and continue to grow the airport's contribution to the regional economy

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.3.1.1 Continue to monitor, plan and implement the Port Macquarie Airport Master Plan to meet demand and regulatory requirements - multi-year project	Commercial Business Units	1. Deliver identified actions from the Airport Master Plan according to approved project plan	1. 100%	1. 100%	On target. Terminal Building Upgrade - completed in November 2019. Terminal Car Park second exit lane - completed in November 2019. Parallel Taxiway - concept design finalised. Tender for environmental impact assessment (EIS) awarded, project commenced. Biodiversity Certification Agreement - implementation continuing post approval. EPBC Act Referral - Preliminary Documentation finalised for DoTEE approval. Decision pending. Airport Business and Technology Park - Gateway Determination for Planning Proposal issued by NSW DPIE in December 2019. Draft Development Control Plan (DCP) endorsed by Council in December 2019 for public exhibition 29 January to 26 February 2020.
3.3.1.2 Support, facilitate and advocate for regular public transport (RPT) airline services at Port Macquarie Airport	Commercial Business Units	1. Increase in passenger numbers compared to previous year	1. 100%	1. 100%	On target. Passenger numbers for July to December 2019 are 3.4% up on July to December 2018.
3.3.1.3 CW Port Macquarie Airport Terminal Upgrade - finalise construction - multi-year project	Commercial Business Units, (Project Delivery)	1. Finalise construction of Airport Terminal Upgrade	1. 100%	1. 100%	Achieved. Terminal Building Upgrade completed in November 2019.
3.3.1.4 CW Port Macquarie Airport Parallel Taxiway Stage 1 and General Aviation pavement renewal – finalise detailed design	Commercial Business Units (Project Delivery)	1. Finalise detailed design of Airport Parallel Taxiway Stage 1 and General Aviation pavement renewal	1. 100%	1. 100%	On target. Parallel Taxiway concept design finalised. Tender for environmental impact assessment (EIS) awarded, project commenced.

Community Strategic Plan: 3.3 Embrace opportunity and attract investment to support the wealth and growth of the community

Delivery Program Objective: 3.3.1 Develop, manage and maintain Port Macquarie Airport as a key component of the regional transport network and continue to grow the airport's contribution to the regional economy

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.3.1.5 Continue to monitor, plan and implement the Port Macquarie Airport Biodiversity Certification Strategy and related environmental approvals - (multi-year project)	Commercial Business Units, Environment and Regulatory Services	1. Deliver identified actions from the Biodiversity Certification Strategy and related environmental approvals according to approved project plan	1. 100%	1. 100%	On target. Biodiversity Certification Agreement - implementation continuing post approval. EPBC Act Referral - Preliminary Documentation finalised for DoTEE approval. Decision pending.
3.3.1.6 CW Operate and maintain Port Macquarie Airport in accordance with regulatory and safety requirements	Commercial Business Units	1. Carry out daily aerodrome inspections according to regulatory requirements 2. Carry out maintenance / refurbishment of Council-owned hangars according to approved project plan 3. Ensure airport operational manuals are reviewed by 30 June	1. 100% 2. 100%	1. 100% 2. 100%	On target. All inspections carried out in accordance with regulatory requirements. On target. Scheduled to commence early in 2020.
3.3.1.7 Finalise development planning for the Airport Business Park	Strategy, (Commercial Business Units)	1. Finalise development planning by 31 December 2019 according to approved project plan	3. 100%	3. 100%	On target. Airport Operations Manual and Transport Security Program updated progressively throughout the year as required.
			1. 100%	1. 0%	Yet to commence. Commencement subject to Gateway Review of Planning Proposal by the Department of Planning, Industry and Environment.

Community Strategic Plan: 3.3 Embrace opportunity and attract investment to support the wealth and growth of the community

Delivery Program Objective: 3.3.2 Promote investment, education and lifestyle opportunities

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.3.2.1 Promote local growth and opportunities within and outside the region	Economic and Cultural Development	1. Deliver investment attraction messaging and collateral 2. Include broader place opportunity messaging through marketing channels	1. 100% 2. 100%	1. 100% 2. 100%	On target. Further videos in the 'live, work, invest here' series have been commissioned, with delivery of completed videos anticipated from Q3 2019-20. An updated investment attraction prospectus is currently being designed, with publication anticipated in Q3 2019-20. Planning is underway for exhibition representation in 2020. On target. Advertising campaign delivered promoting 'unique, boutique Wauchope' following the conclusion of the High Street upgrade. Communication advice developed and distributed to tourism operators supporting broader messaging that the Port Macquarie-Hastings region is open for business following bushfire crisis. Further videos in the 'live, work, invest here' series have been commissioned, with delivery of completed videos through marketing channels anticipated from Q3 2019-20.

Community Strategic Plan: 3.4 Partner for success with key stakeholders in business, industry, government, education and the community

Delivery Program Objective: 3.4.1 Foster partnerships with higher education institutions through research and development, innovation and local skills development

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.4.1.1 Partner with local education institutions on initiatives that will support local economic and skills growth	Economic and Cultural Development	1. Identify initiatives and implement (or support implementation) with stakeholder support	1. 100%	1. 100%	On target. Port Macquarie Health and Education Precinct Masterplan implementation commenced; engagement with local Education and Skills Forum and support for pilot program funding application; support for CSU Innovation Hub development and business plan; support for development of Sovereign Hills Co-lab.

Delivery Program Objective: 3.4.2 Support local business networks

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.4.2.1 Work closely with local business networks and organisations to build their capacity and facilitate the growth of existing enterprises.	Economic and Cultural Development	1. Ongoing engagement with, and support for local business networks individually and collectively	1. 100%	1. 100%	On target. The Business Hub is meeting regularly with strong attendance and is actively involved with The Hub business and co-working centre. Engagement with local Chambers of Commerce and other business / industry representative groups is ongoing.

Delivery Program Objective: 3.4.3 Encourage innovation that will support our growth as a regional city including smart community technology

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
3.4.3.2 Prioritise, advocate and implement projects that enhance the local digital environment.	Economic and Cultural Development	1. Engagement with local business, entrepreneurs and co-workers via The Hub pop-up co-working space	1. 100%	1. 100%	On target. Ongoing management and engagement via the Hub Business and Co-working Centre; monthly Hub open nights and Innovate PMQ meetings.

Community Strategic Plan: 3.4 Partner for success with key stakeholders in business, industry, government, education and the community

Delivery Program Objective: 3.4.3 Encourage innovation that will support our growth as a regional city including smart community technology

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Smart City Strategy developed by 30 June 2020	2. 100%	2. 100%	On target. Project planning complete and scope refined as 'Smart Community Road-map' development which will include benchmarking, targeted engagement and development of a short-medium term road-map which integrates with PMHC's existing strategy framework. RFQ issued and inception to occur start of Feb 2020, with report complete by 30 June.
		3. Support the delivery of projects which enhance local digital engagement, smart work hubs and 'smart' technology roll out	3. 100%	3. 100%	On target. Business Planning support for CSU Innovation Hub as part of Stage 2B campus development; on-going management of the Hub Business and Co-working Centre; promotion of free public wifi options; commencement of smart communities road-map project.



Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.1 Plan, investigate, design and construct water supply assets ensuring health, safety, environmental protection and security of supply for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.1.01 CW Commencement of the construction of the Sancroix Reservoir to Area 13 Thrumster trunk main (DN750)	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Sancroix Reservoir to Area 13)	1. 100%	1. 75%	Behind schedule. The design phase for this project is complete however, the project has been placed on hold pending due to a development application for a new service centre which being lodged on one of the lots that the pipeline is proposed to pass through. The re-commencement of the project will be subject to negotiations with the landowner to ensure that unnecessary re-work is not undertaken. These works are now expected to be complete in the 2020/21 FY.
4.1.1.04 CW Installation of new water supply services to residential and business premises to cater for new development	Infrastructure Operations	1. Deliver project according to approved project plan (new water supply services to residential and business premises)	1. 100%	1. 100%	On target. Installation of new water supply services being carried out in response to development applications.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.1 Plan, investigate, design and construct water supply assets ensuring health, safety, environmental protection and security of supply for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.1.13 CW Commence construction of Area 14 reclaimed outlet trunk main (DN250), Bonny Hills	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Area 14 Reclaimed trunk main)	1. 100%	1. 100%	Achieved. Project complete. Construction commenced in early 2019 on this multi year project. This project comprises both the inlet and outlet mains for the reclaimed water network connection between the Grants Head reservoir and the Bonny Hills development Area 14. This project was completed in Dec 2019.
4.1.1.16 CW Thrumster Reclaimed Water Interim Supply - Rising Main to Thrumster Reservoir - undertake construction	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Thrumster Reclaimed Water Interim Supply)	1. 100%	1. 100%	On target. Design completion achieved during Nov 2019, on this multi year project. This project is programmed to commence construction in early 2020 and continue into the 2020/21 reporting period. Construction tender to be advertised in early 2020.
4.1.1.17 CW Beechwood Rosewood Reservoir - Beechwood connection - Undertake Construction/Delivery of Voluntary Planning Agreement (VPA) Council funded works	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Beechwood Rosewood Reservoir)	1. 100%	1. 100%	Achieved. Project complete. This project was completed in Dec 2019.
4.1.1.18 CW Water Trunkmain Augmentation - Between Sancrox Reservoir and Wauchope	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Water Trunkmain Augmentation - Between Sancrox Reservoir and Wauchope)	1. 100%	1. 90%	Monitoring required. This project has reached the finalisation of the design phase during Dec 2019. During the previous reporting period the environmental assessment pathway for the proposed watermain was reviewed and the need for an Environmental Impact Statement (EIS) and Development Application (DA) was confirmed to be required for a portion of the propose route. Construction is expected to commence in early 2020 with a construction tender advertisement. This project budget is expected to be in construction and continue into the 2020/21 FY.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.1 Plan, investigate, design and construct water supply assets ensuring health, safety, environmental protection and security of supply for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.1.26 CW Construction of the Southern Arm Trunk Main (DN750) - Pacific Hwy to Bonny Hills	Infrastructure Operations, (Project Delivery)	1. Deliver programs according to approved schedule (Construction of the Southern Arm Trunk Main)	1. 100%	1. 85%	Behind schedule. Project pre-construction phase on hold awaiting the completion of property acquisitions along Houston Mitchell Drive. Project not expected to be re-commenced until Mid 2020 with construction expected to span over future FY's.
4.1.1.27 CW Preconstruction of a Water treatment/Filtration Plant at Cowarra Dam	Infrastructure Planning	1. Deliver programs according to approved schedule (Preconstruction of a Water treatment/Filtration Plant at Cowarra Dam)	1. 100%	1. 100%	On target. Public Works Advisory engaged to undertake technical scoping study for the treatment plant.
4.1.1.28 CW Pre-Construction Works - Trunk Main from Bonny Hills to Kew (Area 12) Reservoir - Stage 1	Infrastructure Operations, (Project Delivery)	1. Deliver programs according to approved schedule (Pre-Construction Works - Trunk Main from Bonny Hills to Kew (Area 12) Reservoir - Stage 1)	1. 100%	1. 90%	Monitoring required. Planning works forecast to commence in mid 2020 with works expected to carry over into future FY's.
4.1.1.29 CW Marbuk Motorised Valve - Relocation	Infrastructure Operations	1. Deliver programs according to approved schedule (Marbuk Motorised Valve - Relocation)	1. 100%	1. 70%	Behind target. Contractual issues have delayed procurement of materials.
4.1.1.31 CW Water SCADA - Replacement	Infrastructure Operations	1. Deliver programs according to approved schedule (Water SCADA - Replacement)	1. 100%	1. 100%	On target. Detailed project plan awaiting approval.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.2 Develop and implement annual maintenance and preventative works program for water supply assets

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.2.1 CW Conduct water asset replacement and renewal programs for live water mains, water meters, renewals and minor works and switchboards	Infrastructure Operations	1. Deliver programs according to approved schedule (Live water mains, water meters, renewals and minor works, pumps, switchboards and flow meters)	1. 100%	1. 100%	On target. Water Supply infrastructure renewals being carried out as required.
4.1.2.2 CW Annual Chemical Dosing Systems Upgrades	Infrastructure Operations	1. Deliver project according to approved project plan (Annual Chemical Dosing Systems Upgrades)	1. 100%	1. 100%	On target. Sourcing alternative quotes for a sodium hypochlorite dosing package for the Telegraph Point Water Treatment Plant as the chlorine gas system proved not to be feasible.

Delivery Program Objective: 4.1.3 Plan, investigate, design and construct sewerage assets ensuring health, safety, environmental protection and the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.3.01 CW Commence construction of the Port Macquarie Sewer rising main (PMSP71), Port Macquarie	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Port Macquarie Sewer Pump Station 71)	1. 100%	1. 100%	On target. This project continues from 2017/18 FY and is a multi year project. Detailed design phase has reached completion and construction phase has commenced with the advertisement of a construction tender in Dec 2019. target construction contract award is the Feb Ordinary Council meeting 2020
4.1.3.03 CW Small Towns Sewerage Scheme Construction - Long Flat, Comboyne, Telegraph Point (multi-year project)	Infrastructure Operations, (Project Delivery)	1. Deliver project for Comboyne Sewerage Scheme according to approved project plan	1. 100%	1. 100%	On target. This project continues from previous FY's. Ledonne were engaged to undertake the works in August 2018 and have progressed with installation of pipework and are nearing completion with construction of the STP. Construction completion of the Comboyne scheme is expected in mid 2020.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.3 Plan, investigate, design and construct sewerage assets ensuring health, safety, environmental protection and the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		2. Deliver project for Long Flat Sewerage Scheme according to approved project plan	2. 100%	2. 100%	On target. This project continues from previous FY's. Ledonne were engaged to undertake the works in August 2018 and have progressed with installation of pipework and commenced early works for the construction of the STP. Construction completion of the Long Flat scheme is expected in Sept 2020.
		3. Deliver project for Telegraph Point Sewerage Scheme according to approved project plan	3. 100%	3. 100%	On target. This project continues from previous FY's. Ledonne were engaged to undertake the works in August 2018 and have progressed with installation of pipework and are nearing completion with construction of the STP. Construction completion of the Telegraph Point scheme is expected in March 2020.
		1. Deliver project according to approved project plan (Area 15 (Lakewood/Kew) - sewerage upgrade)	1. 100%	1. 100%	On target. (to continue through into 2020/21) PMHC partnering with NSW Public Works Advisory for the delivery of this project. NSW Public Works Advisory progressing with project management for the detailed design and delivery of this STP upgrade. The construction phase of this project is estimated to commence not before late 2020 based on current project status.
4.1.3.06 CW Area 15 (Lakewood/Kew) - sewerage upgrade to provide for future development - multi-year project	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Reclaimed Water - Area 14 Reclaimed Trunk Main)	1. 100%	1. 100%	Achieved. Project complete. Construction works have been progressing well with the project reaching completion ahead of schedule in December 2019.
4.1.3.15 CW Commencement of the construction of the Area 14 reclaimed Inlet trunk main (DN250), Bonny Hills	Infrastructure Operation, (Project Delivery)				

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.3 Plan, investigate, design and construct sewerage assets ensuring health, safety, environmental protection and the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.3.17 CW Construction of Sewer Rising Main from Camden Haven Sewer Pump Station #1 to Dunbogan Bridge and Sewer Rising Main Extension to Dunbogan Sewer Treatment Plant Inlet	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Sewer Rising Main from Camden Haven Sewer Pump Station #1)	1. 100%	1. 100%	Achieved. This project incorporated the upgrade to the sewer rising main and water main servicing the Dunbogan STP. Completion ahead of program in May 2019.
4.1.3.18 CW Preconstruction of Thrumster Sewerage treatment Plant (Area 13) - Phase 1 - 20000EP	Infrastructure Operations	1. Deliver project according to approved project plan (Preconstruction of Thrumster Sewerage Treatment Plant (Area 13))	1. 100%	1. 50%	Behind target. This project has been included as a high priority with Integrated Water Cycle Management project engagement with Public Works Advisory and includes Environmental Impact Statement and feasibility assessment of different options for Thrumster and the Port Macquarie STPs that can cater for growth in the Port Macquarie area.
4.1.3.21 Commence Port Macquarie Sewerage Pumping Station (SPS) #64 Electrical upgrade works	Infrastructure Operations	1. Deliver project to approved project plan (Port Macquarie Sewerage Pumping Station (SPS) #64 Electrical upgrade works)	1. 100%	1. 100%	Achieved. Upgrade works complete.
4.1.3.22 CW Construction of Kew Sewer Treatment Plant (STP) Upgrade	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Construction of Kew Sewer Treatment Plant (STP) Upgrade)	1. 100%	1. 100%	On target. (to continue through into 2020/21) PMHC partnering with NSW Public Works Advisory for the delivery of this project. NSW Public Works Advisory progressing with project management for the detailed design and delivery of this STP upgrade. The construction phase of this project is estimated to commence not before late 2020 based on current project status.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.3 Plan, investigate, design and construct sewerage assets ensuring health, safety, environmental protection and the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.3.23 CW Annual Energy Efficiency Initiatives allocation	Infrastructure Operations	1. Deliver project according to approved project plan (Annual Energy Efficiency Initiatives allocation)	1. 100%	1. 100%	On target. Planning and scoping complete. Procurement process underway.
4.1.3.24 CW Inlet Works Replacement for Port Macquarie Sewer Treatment Plants (STP)	Infrastructure Operations	1. Deliver project according to approved project plan (Inlet Works Replacement for Port Macquarie Sewer Treatment Plants)	1. 100%	1. 100%	On target. Quotes being sought for new lid. Planning for ancillary structures progressing.
4.1.3.25 CW Long Term Asset Management Systems - Stage 1 - Strategic Asset Data and System Review	Infrastructure Planning	1. Deliver project according to approved project plan (Long Term Asset Management Systems - Stage 1 - Strategic Asset Data and System Review)	1. 100%	1. 100%	On target. Scoped had to be revised to meet NSW Gov Safe and Secure Funding criteria to maximise grant funding allocation. Funding deed has been signed by DPIE. PWA has been engaged and is underway.
4.1.3.26 CW Preconstruction works for upgrade of Lake Innes Sewerage Pump Station #71 (PMSPS71)	Infrastructure Operations, (Project Delivery)	1. Deliver project according to approved project plan (Preconstruction works for upgrade of Lake Innes Sewerage Pump Station #71 (PMSPS71))	1. 100%	1. 85%	Behind schedule. Project planning underway for this pumps station upgrade. This is a multiyear project and will continue into 2020/21 FY.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
Delivery Program Objective: 4.1.4 Develop and implement annual maintenance and preventative works program for sewerage assets

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.4.1 CW Programmed replacement of Sewer Pumps and Electrical switchboards at Sewage Pump Stations	Infrastructure Operations	1. Deliver project according to approved project plan (Programmed replacement of Sewer Pumps and Electrical switchboards at Sewage Pump Stations)	1. 100%	1. 100%	On target. Renewal programs being carried out in accordance with plans.
4.1.4.4 CW Carry out programmed replacement of Sewer Treatment Plant (STP) electrical and mechanical assets	Infrastructure Operations	1. Deliver project according to approved project plan (Carry out programmed replacement of Sewer Treatment Plant electrical and mechanical assets)	1. 100%	1. 100%	On target. Electrical and mechanical asset replacement being undertaken as required.
4.1.4.5 CW Conduct sewer assets replacement and maintenance programs for Sewer Rehabilitation and Relining Works	Infrastructure Operations	1. Deliver project according to approved project plan (Conduct sewer assets replacement and maintenance program)	1. 100%	1. 100%	On target. Infrastructure rehabilitation being carried out as required.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
Delivery Program Objective: 4.1.5 Work towards planning, investigation, design, construction of stormwater assets

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.5.06 CW Continue design and construction for Black Swan Terrace - Stormwater detention facility (multi-year project)	Infrastructure Planning	1. Deliver project according to approved project plan (Black Swan Terrace - Stormwater detention facility)	1. 100%	1. 80%	Behind schedule. Final design being finished, however is behind schedule. Consultant failing to meet milestones. An additional consultant has been engaged via a RFQ process to deliver Stage 2 of the design by May 2020 in order to progress this project while discussion with the initial consultant regarding a lack of delivery are on-going. Contingency planning is underway to have a suitable design delivered by June 2020.
4.1.5.08 CW Stormwater Remediation Panorama Drive Bonny Hills - Detailed Designs of remedial options	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Stormwater Remediation Panorama Drive Bonny Hills)	1. 100%	1. 100%	Achieved. This project involves the development of a concept design only to address stormwater issues at this location. Design phase complete.
4.1.5.09 CW Investigation of Stormwater Remediation Options - Bellbowrie/Bay Street Catchment	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Investigation of Stormwater Remediation Options - Bellbowrie/Bay Street Catchment)	1. 100%	1. 85%	Behind schedule. This design only project is underway and progressing towards completion in early 2020. The design has been more complex than initially expected with multiple options required to be tested to develop a suitable solution. Options testing is planned to be completed by May 2020 with the final design deliverable by no later than September 2020.
4.1.5.10 CW Stormwater Remediation Designs –Design of drainage improvement works	Infrastructure Planning	1. Deliver project according to approved project plan (Stormwater Remediation Designs –Design of drainage improvement works)	1. 100%	1. 100%	On target. Design works undertaken when required.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
Delivery Program Objective: 4.1.5 Work towards planning, investigation, design, construction of stormwater assets

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.5.11 CW Detailed Designs of Stormwater Remediation measures identified in the Westport Stormwater Management Plan including Gordon Street to Buller Street Port Macquarie works	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Detailed Designs of Stormwater Remediation measures identified in the Westport Stormwater Management Plan)	1. 100%	1. 100%	On target. Multi year project. Calibre engaged to undertake detailed stormwater catchment analysis and detailed designs. Designs are progressing well and project is on track for completion in early 2020.
4.1.5.12 CW Stormwater Remediation - 35 Hart Street - Investigation of stormwater remediation - Planning and Designs	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Stormwater Remediation - 35 Hart Street)	1. 100%	1. 90%	Monitoring required. Planning and design for this project has commenced and will continue into 2020.
4.1.5.13 CW Stormwater Remediation - 31 Calwalla and Dilladerry Cres - Overflow swale plus system augmentation	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Stormwater Remediation - 31 Calwalla & Dilladerry Cres)	1. 100%	1. 85%	Behind schedule. Construction of Calwalla Crescent now complete. Works at Dilladerry Crescent are currently behind schedule awaiting the outcomes of an easement acquisition prior to constructing the works. Works are expected to re-commence in Feb 2020.
4.1.5.14 CW Stormwater Remedial Works - 741 Beechwood Road	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Stormwater Remedial Works - 741 Beechwood Road)	1. 100%	1. 100%	On target. Planning/design has commenced and quotes received from contractors.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
Delivery Program Objective: 4.1.6 Develop and implement annual maintenance and renewal programs for stormwater assets

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.6.02 Undertake annual canal maintenance for Settlement Shores and Broadwater canals as required	Infrastructure Planning, (Project Delivery)	1. Undertake canal maintenance works in accordance with the rolling priority program and risk management processes	1. 100%	1. 100%	On target. Public Works Advisory (PWA) have been engaged to manage the project on behalf of Council, PWA have engaged Birdon to undertake the works and have commenced in Dec 2019 following community consultation process. The works are forecast to be complete by mid 2020.
4.1.6.05 Settlement Shores canals - Major Maintenance and Dredging	Infrastructure Planning, (Project Delivery)	1. Deliver project to approved project plan (Settlement Shores Canals Major Maintenance and Dredging)	1. 100%	1. 100%	On target. Public Works Advisory (PWA) have been engaged to manage the project on behalf of Council, PWA have engaged Birdon to undertake the works and have commenced in Dec 2019 following community consultation process. The works are forecast to be complete by mid 2020.
4.1.6.07 CW Carry out the Stormwater Renewal Program	Infrastructure Operations	1. Deliver program according to approved schedule (Stormwater Renewal)	1. 100%	1. 100%	On target. The 2019-2020 Stormwater Renewal is currently in the construction phase with the programme to include the following projects: Stormwater Relining Planning Phase: Indicative dates for construction subject to contractor availability and planning constraints for Longworth Road, Dunbogan is March 2020 and for 230 Hastings River Drive Port Macquarie is June 2020. Works completed at Fairmont Gardens, Wauchope and 122 Hibbard Drive, Port Macquarie.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
Delivery Program Objective: 4.1.6 Develop and implement annual maintenance and renewal programs for stormwater assets

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.6.09 CW Construction of Stormwater Flooding Mitigation measures - Rodley Street Bonny Hills	Infrastructure Planning, (Project Delivery)	1. Deliver project to approved project plan (Stormwater Flooding Mitigation measures - Rodley Street Bonny Hills)	1. 100%	1. 85%	Behind schedule. Multi year project Construction commenced in May 2019 and is currently pending electrical utility service relocations that have been delayed and postponed by the electrical service provider due primarily to the recent bush fires and subsequent emergency works. The revised completion date for the project is Feb 2020.
4.1.6.18 Carry-out stormwater maintenance program including inspections, monitoring and repair works	Infrastructure Operations	1. Deliver project to approved project plan (Stormwater maintenance program)	1. 100%	1. 100%	On target. Works delivered on budget. Works schedule based on inspections and assessment criteria from Council's road and stormwater risk rating and road hierarchy systems.
4.1.6.19 Carry-out stormwater engineering investigations in response to identified issues from both reactive and proactive inspections	Infrastructure Planning	1. Engineering Investigations completed for all complex issues raised	1. 100%	1. 100%	On target. Investigations undertaken on issues as they arise.
4.1.6.20 Stormwater Asset Management Condition Rating of stormwater assets via CCTV inspections, including of newly constructed works	Infrastructure Operations	1. In accordance with adopted programs and proactive maintenance requirements based on risk	1. 100%	1. 100%	On target. Works delivered on budget. Works schedule based on inspections and assessment criteria from Council's road risk rating and road hierarchy systems.
4.1.6.21 Develop Urban Stormwater Catchment Management Plans for each of the 62 sub-catchments	Infrastructure Planning	1. Deliver project according to approved project plan (Develop Urban Stormwater Catchment Management Plans)	1. 100%	1. 80%	Behind schedule. Project scoping underway, however being impacted by other higher priority projects such as the Asset Management service review and the stormwater asset condition rating. Project planning anticipated to be completed by June 2020 to enable deliver of management plans to commence in July/August 2020.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
Delivery Program Objective: 4.1.7 Develop and implement effective waste management strategies

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.7.01 CW Kingfisher Waste Depot - Commence construction for expansion - multi-year project	Commercial Business Units, (Project Delivery)	1. Deliver project according to approved project plan (Kingfisher Waste Depot - Commence construction for expansion)	1. 100%	1. 100%	On target. Issue for construction design documentation has been completed and issued to Council for approval in accordance with the project Development Consent. Works commenced in late October 2019 following issue of the Construction Certificate. Works are forecast to take approximately six to seven months and will be completed late in 2020.
4.1.7.02 Deliver primary school waste education program	Commercial Business Units	1. Primary school education Program delivered by 30 June 2020	1. 100%	1. 100%	On target. Program being implemented.
4.1.7.03 Develop Pre-school waste education program	Commercial Business Units	1. Pre-school waste education program delivered by 30 June 2020	1. 100%	1. 100%	On target. Pre-school program developed. Implementation to commence in early 2020.
4.1.7.04 Develop Event Waste Management Guidelines	Commercial Business Units	1. Event Waste Management Guidelines developed by 30 June 2020	1. 100%	1. 100%	On target. Draft Waste Minimisation and Management Policy including event requirements placed on public exhibition until 31 January 2020.
4.1.7.05 Deliver efficient domestic waste collection services	Commercial Business Units	1. Domestic waste collection services delivered as required	1. 100%	1. 100%	On target. Domestic waste collection services delivered as required.
4.1.7.06 Ensure effective recycling & recovery of domestic waste through Material Recovery Facility (MRF)	Commercial Business Units	1. Recovery of domestic waste through Organic Recovery Facility complete by 30 June 2020	1. 100%	1. 100%	On target. Recovery of domestic waste through MRF continuing as required.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.7 Develop and implement effective waste management strategies

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.7.07 Ensure effective recycling & recovery of organic waste through Organic Recovery Facility (ORF)	Commercial Business Units	1. Recovery of domestic waste through Organic Recovery Facility complete by 30 June 2020	1. 100%	1. 100%	On target. Recovery of domestic waste through Organic Recovery Facility continuing as required.
4.1.7.08 Deliver efficient commercial waste collection services	Commercial Business Units	1. Delivery commercial waste collection services as required	1. 100%	1. 100%	On target. Commercial waste collection services delivered as required.
4.1.7.09 Ensure effective operation of all Waste Transfer Stations	Commercial Business Units	1. Operation of all Waste Transfer Stations undertaken as required	1. 100%	1. 100%	On target. Waste Transfer Stations operations undertaken as required.
4.1.7.10 Ensure effective disposal of waste to landfill	Commercial Business Units	1. Capture the tonnage of waste to landfill for environmental reporting	1. 100%	1. 100%	On target. Reporting completed as required.
4.1.7.11 Ensure effective operation of Cairncross waste management facility	Commercial Business Units	1. Operation of Cairncross waste management facility undertaken as required	1. 100%	1. 100%	On target. Cairncross waste management facility operations undertaken as required.
4.1.7.12 Deliver efficient public place waste collection services	Commercial Business Units	1. Public place waste collection services undertaken as required	1. 100%	1. 100%	On target. Public place waste collection services undertaken as required.
4.1.7.13 Address illegal dumping and provide clean up programs	Commercial Business Units	1. Illegal dumping and clean up programs delivered by 30 June 2020	1. 100%	1. 100%	On target. Illegal dumping and clean up programs being implemented.
4.1.7.14 Commence Multi Unit Dwelling Organics Recovery Project	Commercial Business Units	1. Deliver project according to approved project plan (Multi Unit Dwelling Organics Recovery Project)	1. 100%	1. 0%	Behind schedule. Multi-year project with project planning to commence in April / May 2020.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management
Delivery Program Objective: 4.1.7 Develop and implement effective waste management strategies

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.7.15 Kingfisher Waste Transfer Station - Gas Investigation Risk Analysis (CSU Rezoning)	Commercial Business Units	1. Deliver projects according to approved Office of Environment and Heritage (OEH) project plans	1. 100%	1. 100%	On target. Final gas investigation study issued to the EPA for comment.
4.1.7.16 Dunbogan Landfill Site - Gas Investigation Risk Analysis (Subdivision)	Commercial Business Units	1. Deliver projects according to approved Office of Environment and Heritage (OEH) project plans	1. 100%	1. 100%	On target. Gas bores installed and 12 month monitoring program commenced.
4.1.7.17 Cairncross Trial Gas Extraction System - Finalisation of Trial	Commercial Business Units	1. Deliver projects according to approved Office of Environment and Heritage (OEH) project plans	1. 100%	1. 100%	On target. Expected to re-commence in February 2020, however will ultimately depend on location of open landfill face and if bores continue to draw in oxygen.
4.1.7.18 Undertake Waste Education and Marketing campaigns	Commercial Business Units	1. Waste Education and Marketing campaigns delivered according to approved programs	1. 100%	1. 100%	On target. Annual education program underway.
4.1.7.19 Kingfisher Community Recycling Centre - Stage 1 - Scoping Study	Commercial Business Units	1. Deliver projects according to approved Office of Environment and Heritage (OEH) project plans	1. 100%	1. 0%	Deferred. Project deferred in 2019-2020, to be reviewed and considered for inclusion if required in the 2020-2021 Operational Plan (see February 2020 Monthly Budget adjustment).
4.1.7.20 Deliver "Better Waste and Recycling" Initiatives (Office of Environment and Heritage)	Commercial Business Units	1. Deliver projects according to approved Office of Environment and Heritage (OEH) project plans	1. 100%	1. 100%	On target. Projects identified and commenced.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.7 Develop and implement effective waste management strategies

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.7.21 CW Cairncross Waste Management Facility (WMF) Improvements - Stage 1 - Lunchroom Facilities & Amenities	Commercial Business Units	1. Deliver project according to approved project plan (Cairncross Waste Management Facility (WMF) Improvements)	1. 100%	1. 0%	Deferred. Project deferred in 2019-2020, to be reviewed and considered for inclusion if required in the 2020-2021 Operational Plan (see February 2020 Monthly Budget adjustment).
4.1.7.22 CW Cairncross Landfill Covers - Transportable light weight covers to temporarily cover landfill on a daily basis	Commercial Business Units	1. Deliver project according to approved project plan (Cairncross Landfill Covers)	1. 100%	1. 0%	Deferred. Project deferred in 2019-2020, to be reviewed and considered for inclusion if required in the 2020-2021 Operational Plan (see February 2020 Monthly Budget adjustment).
4.1.7.23 CW Cairncross Recycling Industrial Zone Improvements - Concrete Processing Facility Establishment Stage 1 - EIS, Design, Planning & Approvals	Commercial Business Units	1. Deliver project according to approved project plan (Cairncross Recycling Industrial Zone Improvements - Concrete Processing Facility Establishment Stage 1)	1. 100%	1. 0%	Deferred. Project deferred in 2019-2020, to be reviewed and considered for inclusion if required in the 2020-2021 Operational Plan (see February 2020 Monthly Budget adjustment).
4.1.7.24 CW Cairncross Recycling Industrial Zone Improvements - Electricity distribution, metering and DA amendments	Commercial Business Units	1. Deliver project according to approved project plan (Cairncross Recycling Industrial Zone Improvements - Electricity distribution, metering and DA amendments)	1. 100%	1. 75%	Behind schedule. Options being finalised regarding design requirements for a High Voltage (HV) system.
4.1.7.25 Obtain carbon credits for Waste Diversion to Organic Recycling Facility	Commercial Business Units	1. Capture carbon credit data for reporting purposes	1. 100%	1. 100%	On target. Audit undertaken.

Community Strategic Plan: 4.1 Provide (appropriate) infrastructure and services including water cycle management, waste management, and sewer management

Delivery Program Objective: 4.1.7 Develop and implement effective waste management strategies

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.1.7.26 CW Cairncross Waste Depot - Facility Upgrade and Expansion Approvals	Commercial Business Unit	1. Deliver project according to approved project plan (Cairncross Waste Depot - Facility Upgrade and Expansion Approvals)	1. 100%	1. 100%	On target. Development consent received.

Community Strategic Plan: 4.2 Aim to minimise the impact of natural events and climate change, for example, floods, bushfires and coastal erosion

Delivery Program Objective: 4.2.1 Develop and implement Coastal, Estuary, Floodplain, and Bushfire management plans

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.2.1.01 Deliver annual bushfire risk mitigation works on Council land in accordance with the Bush Fire Risk Management Plan (adopted by NSW Rural Fire Service)	Environment and Regulatory Services	1. 100% of fire trails on Council land inspected as per legislation (annually) 2. 100% of on-ground works completed	1. 100% 2. 100%	1. 100% 2. 100%	On target. Inspections are underway with all to be completed by the end of the 2019-20 FY. On target. Draft Bush Fire Risk Management Plan will provide annual works program for implementation. Current program from Bushfire Risk Information Management System and previous annual works program. Funding allocation notification received and works scheduled to council contractors. On ground works underway.
		3. 12 APZ's inspected per month	3. 100%	3. 100%	On target. APZ's inspected in Laurieton, Lake Cathie, Bonny Hills, Wauchope and Port Macquarie. 43 APZ sites completed this quarter.
		4. Grant applications lodged and acquitted annually	4. 100%	4. 100%	On target. Grant application 1 - allocation approved and works underway on delivery program. Grant 2 application into state portal for fire trail upgrade.

Community Strategic Plan: 4.2 Aim to minimise the impact of natural events and climate change, for example, floods, bushfires and coastal erosion

Delivery Program Objective: 4.2.1 Develop and implement Coastal, Estuary, Floodplain, and Bushfire management plans

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
		5. Two strategic fire advantage zone (SFAZ) burns planned and implemented	5. 100%	5. 100%	On target. Planning is completed for two SFAZ burns and will be implemented when weather is suitable and resources are available.
4.2.1.02 Complete Flying Fox Camp Management Plan for Kooloonbung Creek in consultation with community & commence implementation of actions within the management plan	Environment and Regulatory Services	1. Flying Fox Management Plan complete	1. 100%	1. 100%	On target
4.2.1.03 Implement mitigation actions from Hastings River Flood Plain Risk Management Plan: Stage 1: Hibbard Floodway Investigation Area - develop a specific Flood Study	Environment and Regulatory Services	1. Hibbard Flood Study developed	1. 100%	1. 0%	Deferred. Work will not be completed this financial year. Changes to due Council resolution to alter flood levels based on climate change has altered delivery of the project.
4.2.1.04 Implementation of flood mapping updates associated with Hastings River Flood Study	Environment and Regulatory Services	1. GIS flood mapping completed & available to community	1. 100%	1. 100%	On target.
4.2.1.05 Continue to ensure development compliance to achieve sound environmental outcomes - Vegetation Management Plans, Koala Plans of Management developed, registered, implemented and monitored	Environment and Regulatory Services	1. Establish a centralised compliance register for environmental outcomes associated with development	1. 100%	1. 100%	On target.
4.2.1.06 Development of environmental program of works (registration, implementation, monitoring) to ensure compliance to Airport biocertification	Environment and Regulatory Services	1. Implementation of Airport biocertification works commenced	1. 100%	1. 100%	On target.
4.2.1.07 Continue to provide environmental impact or conditions advice on proposed development or proposed construction works	Environment and Regulatory Services	1. Number of REFs and DAS environmental advice has been provided	1. 100%	1. 100%	On target.
4.2.1.08 Continue to implement the Floodplain Risk Management Process for the Wrights and Yarranabee Creeks - develop a Floodplain Risk Management Study	Environment and Regulatory Services	1. Floodplain Risk Management Study is developed	1. 100%	1. 25%	Deferred. Work will not be completed this financial year. Changes to due Council resolution to alter flood levels based on climate change has altered delivery of the project.

Community Strategic Plan: 4.2 Aim to minimise the impact of natural events and climate change, for example, floods, bushfires and coastal erosion

Delivery Program Objective: 4.2.1 Develop and implement Coastal, Estuary, Floodplain, and Bushfire management plans

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.2.1.09 Continue to develop a Flood Study for the North Brother Local Catchments - facilitation of stormwater remediation	Environment and Regulatory Services, (Infrastructure Planning)	1. Development of a North Brother Flood Study underway to facilitate future stormwater remediation	1. 100%	1. 100%	On target. Working Draft Options Report was submitted in December and defines the initial options as identified by Jacobs to address the flooding modelled in the Flood Study phase. Consultation will occur with the Coast, Estuary and Floodplain Advisory Sub Committee in January, followed by wider community consultation in February/March 2020.
4.2.1.10 Undertake development of Coastal Management Program for the LGA - STAGE 1 Develop a Scoping Study to enable state funding for coastal & estuarine management	Environment and Regulatory Services	1. Development of a Scoping Study for Coastal Management Program	1. 100%	1. 90%	On target. Project is progressing on target.
4.2.1.11 CW Continue to implement Strategies of Lake Cathie Coastal Zone Management Plan (CZMP) - Stormwater Redirection (Illaroo Rd to Lake Cathie)	Environment and Regulatory Services	1. Completion of redirection of stormwater infrastructure from Illaroo to Lake Cathie as per Lake Cathie Coastal Zone Management Plan	1. 100%	1. 25%	Behind schedule. Work on this project is now on Aboriginal Archaeological Heritage Assessment and asbestos removal.
4.2.1.12 Undertake a review of the existing Lake Cathie Opening Strategy in consultation with the NPWS; the OEH; NSW Fisheries, DPI, and community incl Revive Lake Cathie Community Group	Environment and Regulatory Services	1. Consultation undertaken with stakeholders and report provided to Council by 30 June 2020	1. 100%	1. 100%	On target. Consultation commenced.

Community Strategic Plan: 4.3 Facilitate development that is compatible with the natural and built environment

Delivery Program Objective: 4.3.1 Undertake transparent and efficient development assessment in accordance with relevant legislation

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.3.1.1 Ensure development assessment, building certification and subdivision certification activities are completed efficiently and in accordance with legislation	Development Assessment	1. Capture the number of applications and processing times, together with a commentary on development trends and report to Council quarterly	1. 100%	1. 100%	On target. Determined applications for July to December period include: 407 Development Applications with an average processing time of 41 days, 76 s96 Modifications with an average processing time of 43 days, 217 Building Construction Certificates with an average processing time of 7 days and 41 Complying Development Certificates with an average processing time of 7 days.
4.3.1.2 Ensure the Development Assessment Panel operates in accordance with their charter and all applications are accurately determined	Development Assessment	1. Have no successful legal appeals relating to process errors	1. 100%	1. 100%	On target. No legal appeals have been received during July to December 2019.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.02 Develop a Regional Integrated Transport Strategy - multi-year project	Infrastructure Planning	1. Deliver project according to approved project plan (Develop a Regional Integrated Transport Strategy)	1. 100%	1. 70%	Behind schedule. Project has been delayed due to other priority projects. Continuing to work with Transport for NSW around funding options to outsource resourcing. Project planning for outsourcing the delivery is anticipated to be complete in February 2020 with and RFQ engagement of a consultant in March 2020.
4.4.1.03 CW Footpath, Cycleway and Pedestrian works	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Footpath, Cycleway and Pedestrian works)	1. 100%	1. 100%	On target. The footpath and bus shelter program commenced in December 2019 in accordance with the project plan and is expected to be complete by mid 2020.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.05 CW Wauchope Main Street, Improvements to pedestrian amenity - Stage 1 Construction - multi-year project	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Wauchope Main Street- Improvements to pedestrian amenity)	1. 100%	1. 100%	Achieved. Project complete. Construction works have reached completion with the official opening held November 2019 following completion of the RMS pavement rehabilitation works throughout the Wauchope main street.
4.4.1.10 CW Lake Road - continuation of detailed design of dual lanes - Jindalee to Fernhill intersections and Chestnut Road to Ocean Drive - multi-year project	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Lake Road - continuation of detailed design of dual lanes)	1. 100%	1. 75%	Behind schedule. This design only project continues from 2017/18 F.Y. Design is now progressing towards anticipated completion in Feb 2020 due to additional traffic study investigations required to inform the detailed designs.
4.4.1.12 CW Beechwood Road - continue the design for Stages 5 and 6 of Beechwood Road reconstruction - Riverbreeze to Waugh Street - multi-year project	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Beechwood Road - continue the design for Stages 5 and 6 of Beechwood Road reconstruction (Riverbreeze to Waugh Street))	1. 100%	1. 85%	Behind schedule. This design is now progressing with the required additional flood modelling that was previously causing delays now completed. Design completion is now expected in early 2020.
4.4.1.13 CW Hastings River Drive - Hughes Place to Boundary Street upgrade - multi-year project	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Hastings River Drive - Hughes Place to Boundary Street upgrade)	1. 100%	1. 85%	Behind schedule. This project continues from 2017/18 F.Y. AT&L engaged to undertake detailed design and environmental approvals. Concept design has been issued with final design expected to be complete in early 2020. The contractor has experienced some delays in meeting scheduled progress with completion now expected in May 2020. The construction of this segment of Hastings River Dr is subject to additional funding being allocated/secured.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.21 CW Dunbogan Bridge - Reid Street - undertake substructure rehabilitation - multi-year project	Infrastructure Planning	1. Deliver project according to approved project plan (Dunbogan Bridge - Reid Street)	1. 100%	1. 100%	On target. Construction works underway since September 2019, targeting completion in early 2020.
4.4.1.22 CW Kindee Bridge - structural repairs and Bridge Replacement optioneering - multi-year project	Infrastructure Planning	1. Deliver project according to approved project plan (Kindee Bridge - structural repairs and bridge replacement optioneering)	1. 100%	1. 100%	On target. Initial repairs and detailed investigations complete. Stage 2 works planned to commence in second quarter of 2019-2020.
4.4.1.29 CW Diamond Head Rd/The Boulevard Flood Access Stage 1A	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Diamond Head Rd/The Boulevard Flood Access Stage 1A)	1. 100%	1. 100%	On target. This multi year project continues from 2017-2018 FY and had grant funding for construction announced in early 2019. Eire Construction awarded tender at September Council meeting with expected construction commencement in January 2020.
4.4.1.31 CW Deliver Bold Street Pedestrian Crossing Laurieton	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Bold Street - Pedestrian Crossing Laurieton)	1. 100%	1. 85%	Behind schedule. Design completion was delayed as a result of the May 2019 Ordinary Council meeting where it was requested to undertake further investigation into the most suitable location for the crossing. Additional design works were subsequently undertaken and a determination for the crossing location was made at the September 2019 Ordinary Council meeting. A revised design is now being developed to suit the new crossing location with construction estimated to be completed by June 2020 in accordance with revised NSW State Govt. funding requirements.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.32 Continue corridor planning - Kendall Road - Ocean Drive - Hastings River Drive regional road corridor (MR538 /MR600) - multi-year project	Infrastructure Planning	1. Corridor planning - Kendall Road - Ocean Drive- Hastings River Drive regional road corridor commenced	1. 100%	1. 100%	On target. Traffic counts undertaken in March 2019. Currently preparing tender documents for appointment of a suitable Contractor to assist with the project.
4.4.1.33 CW Continue detailed designs - north of Miala Street to Orana Drive Lake Cathie	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Detailed designs - north of Miala Street to Orana Drive Lake Cathie)	1. 100%	1. 85%	Behind schedule. This design only project continues from 2017/18 FY. The Council at the December 2018 ordinary meeting resolved to revise the concept design to include on-street parking. Following this, the design has since been revised and re-issued in October 2019 in order to inform the community on the changes. Community consultation planned to occur in the next 4 months depending on prioritisation of resources. It has been identified that there may be justification not to progress further to detailed design noting construction of the project is currently not funded in the medium term and any detailed design and associated approvals are likely to become outdated if construction does not follow in the short term. This is to be detailed in a future report to Council for consideration in the coming months.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.34 CW Kew Main Street Upgrade	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Kew Main Street Upgrade)	1. 100%	1. 100%	On target. This project has continued from the 2017/18 FY following the announcement of funding from the Federal Government. The project is currently in the design phase with community consultation being undertaken on the initial concept design. The detailed design and environmental approvals will commence following completion of community consultation and are forecast to be completed in late 2020 with construction works to be completed by the end of the 2020/21 FY.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.37 CW Local Roads Proactive Transport Program	Infrastructure Planning	1. In accordance with adopted programs and preventative maintenance requirements (Local Roads Proactive Transport Program)	1. 100%	1. 100%	On target. The 2019-20 Road Rehabilitation and Resealing Programme is currently in the planning and delivery phase with the programme to include the following projects: Planning Phase (Road Resurfacing and Rehabilitation): Ocean Dr, Laurieton (Kew Rd to Henry Kendall) Widderson St, Port Macquarie (Oxley Hwy to Hastings River Dr) The rehabilitations are likely to commence in April starting with Ocean Dr and progressively completed until June 2020. The final programme is yet to be finalised. Road Resealing: Completed Works * Matthew Flinders Dr, Port Macquarie * Bago Rd, Herons Creek (Milligans to Pacific Hwy) Planned Works Indicative dates are subject to contractor availability and planning constraints: * Lighthouse Beach Local Streets, Port Macquarie (January 2020) * Long Flat Local Roads, Long Flat, Kindee, Forbes River (March 2020) * Captain Cook Bicentennial Dr, Laurieton (March 2020) * Ocean Dr, North Haven to Bonny Hills (March 2020) The reseals commenced in October starting with Matthew Flinders Dr and progressively completed over the hotter summer period until March 2020. The final programme is yet to be finalised.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.42 CW John Oxley Drive Upgrade – Detailed Design – The Ruins Way to Wrights Road (Oxley Highway)	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (John Oxley Drive Upgrade)	1. 100%	1. 100%	On target. (Multi year project) Hopkins Consulting have been engaged to undertake the detailed design and environmental approvals works for the project and have been progressing the field investigations and traffic studies in accordance with the approved program. The design phase is expected to extend into the 20/21 Financial Year.
4.4.1.44 Conduct sealed road network condition survey	Infrastructure Planning	1. Undertake condition rating of Council's transport assets by 30 June 2020	1. 100%	1. 100%	On target. Reviewing the proposal to undertake remaining FWD testing.
4.4.1.45 CW Ocean Drive duplication - Matthew Flinders Drive to Greenmeadows - multi-year project	Infrastructure Planning	1. Deliver project according to approved project plan (Ocean Drive duplication - Matthew Flinders Drive to Greenmeadows)	1. 100%	1. 50%	Behind schedule. Delayed as project delivery methodology and funding arrangements have not been determined with Transport for NSW (TfNSW). Discussions are ongoing with TfNSW at the 31 Jan 2020 Regional Transport Infrastructure Steering Group around finalising the Business Case and having confirmation on the delivery methodology by the end of February 2020. This would allow construction planning to be completed prior to June 2020.
4.4.1.46 CW Design and investigations for Gordon Street Pavement Reconstruction and Service Relocations - between Ocean Drive and Horton Street	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Design and investigations for Gordon Street Pavement Reconstruction)	1. 100%	1. 100%	On target. (Multi-year project) Design progressing well. Construction phase of the project is expected to occur in future financial years subject to funding availability.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.48 Development Contribution Plan (Roads) Review and Update	Infrastructure Planning	1. Deliver project according to approved project plan (Development Contribution Plan (Roads) Review and Update)	1. 100%	1. 70%	Behind schedule. Project scoping has been delayed due to other higher priority program activities. Planning commenced on producing interim contributions plan, which is currently being reviewed by the Contributions Planning Team. The re-initiation of this project is pending the successful appointment of the Transport and Stormwater Planning Manager within the Infra Planning Group, which is anticipated to occur as early as May 2020. Recruitment will commence early February 2020. Once re-initiated project planning with the Strategy Group will be completed within three months.
4.4.1.49 CW Transport and Traffic various design works - additional Transport and Stormwater Designs	Infrastructure Planning	1. Deliver project according to approved project plan (Transport and Traffic various design works - additional Transport and Stormwater Designs)	1. 100%	1. 100%	On target. Design work continuing on Kew Main Street and various intersection across the LGA.
4.4.1.51 CW Installation of new bus shelters as per the Community Passenger Transport Infrastructure Grant Scheme (CPTIGS) Program	Infrastructure Operations	1. Bus shelter installations completed as per the program	1. 100%	1. 100%	On target. The CPTIGS Programme is currently in the planning phase.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.52 AUS-SPEC Review - Undertake a comprehensive review of Councils full suite of design and construction specifications - multi-year project	Infrastructure Planning	1. Deliver project according to approved project plan (AUS-SPEC Review)	1. 100%	1. 50%	Behind schedule. Implementation of revised specifications have been delayed by other higher priority projects. The re-initiation of this project is pending the successful appointment of the Transport and Stormwater Planning Manager within the Infra Planning Group, which is anticipated to occur as early as May 2020. Recruitment will commence early February 2020. Once re-initiated the new specifications would be completed in approximately six months.
4.4.1.53 Settlement Point Ferry and Hibbard Ferry - upgrade to ferry access and the installation of extra signage	Infrastructure Operations	1. Deliver project according to approved project plan (Settlement Point Ferry - and Hibbard Ferry - upgrade to ferry access and the installation of extra signage)	1. 100%	1. 100%	On target. This program is on track with upgrades of road service being completed. Signage upgrades are now being designed for implementation.
4.4.1.55 CW Beach to Beach - shared path project at Camden Haven	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Beach to Beach - shared path project at Camden Haven)	1. 100%	1. 90%	On target. Final section of path installation is pending an environmental approval which is expected to be resolved by mid 2020.
4.4.1.57 CW Lighthouse Road Tourism Connectivity Project - Commence Lighthouse road east upgrades - Matthew Flinders Drive to The Lighthouse	Infrastructure Planning	1. Deliver project according to approved project plan (Commence Lighthouse Road east upgrades - Matthew Flinders Drive to The Lighthouse)	1. 100%	1. 100%	Achieved.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.59 CW Gordon/Horton Street - intersection upgrade - details designs	Infrastructure Planning	1. Deliver project according to approved project plan (Gordon/Horton Street - intersection upgrade - details designs)	1. 100%	1. 100%	On target. Design consultant has been appointed and design is now underway.
4.4.1.60 Ferry Management - Slipping Settlement Point Ferry (21 Vehicle)	Infrastructure Operations	1. Undertake slipping of Settlement Point Ferry	1. 100%	1. 100%	On target. Slipping Program completed within estimated period and under budget by 12%.
4.4.1.61 CW Continuation of Bago Road Rehabilitation (Milligan's Rd to Bluewater Cres)	Infrastructure Planning	1. Deliver project according to approved project plan (Bago Road Rehabilitation - Milligan's Rd to Bluewater Cres)	1. 100%	1. 100%	On target. Preconstruction planning underway, project plan completed.
4.4.1.62 CW Reconstruction of The Ruins Way (Major Innes Road to Sitella St)	Infrastructure Planning	1. Deliver project according to approved project plan (Reconstruction of The Ruins Way (Major Innes Road to Sitella St))	1. 100%	1. 100%	On target. Preconstruction planning underway.
4.4.1.63 CW Pembroke Road - Stoney Creek Bridge Upgrade - Detailed Design	Infrastructure planning	1. Deliver project according to approved project plan (Pembroke Road - Stoney Creek Bridge Upgrade - Detailed Design)	1. 100%	1. 100%	On target. Project design planning commenced.
4.4.1.64 CW Koala Street Upgrade - Concept Design	Infrastructure Planning	1. Deliver project according to approved project plan (Koala Street Upgrade - Concept Design)	1. 100%	1. 90%	Monitoring required. Works have not commenced due to resource availability, expected to commence in early 2020.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.65 CW Scrubby Creek Bridge - Detailed Design	Infrastructure Planning	1. Deliver project according to approved project plan (Scrubby Creek Bridge - Detailed Design)	1. 100%	1. 100%	On target. Project design planning commenced.
4.4.1.66 CW Kindee Bridge Upgrade Detailed Design	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Kindee Bridge Upgrade - Detailed Design)	1. 100%	1. 75%	Behind schedule. Minimal planning has been undertaken due to resource availability. A priority is being placed on completing the management strategy for the bridge, including community consultation prior to commencing on the detailed design of a preferred long-term upgrade solution. Community consultation is planned to occur prior to June 2020 with the management strategy being presented to Council prior to December 2020.
4.4.1.67 Orbital Strategic Business Case	Infrastructure Planning	1. Deliver project according to approved project plan (Orbital Strategic Business Case)	1. 100%	1. 100%	On target. Tender process for Strategic Business case is complete and consultants have been engaged.
4.4.1.68 CW Pedestrian Refuge - Hayward Street - West of Horton Street - Construction	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Pedestrian Refuge - Hayward Street - West of Horton Street - Construction)	1. 100%	1. 100%	Achieved. Project complete. Works commenced and successfully finalised during Nov 2019.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.69 CW Pedestrian Refuge - Gordon Street & Hollingworth Street - West of Horton Street - Construction	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Pedestrian Refuge - Gordon Street & Hollingworth Street - West of Horton Street - Construction)	1. 100%	1. 100%	On target. Project planning has been completed and the current design is being reviewed and updated with construction forecast to commence in February 2020. Construction is expected to take 8 weeks with completion in April 2020.
4.4.1.70 CW Pedestrian Refuge - Horton Street - Clarence Street and William Street - Detailed Design and Construction	Infrastructure Planning, (Project Delivery)	1. Deliver project according to approved project plan (Pedestrian Refuge - Horton Street - Clarence Street and William Street - Detailed Design and Construction)	1. 100%	1. 0%	Deferred. Project identified to be deferred to allow finding reallocation to the Wauchope Main Street project.
4.4.1.71 Work with National Parks and Wildlife Services to adjust road boundaries	Infrastructure Planning	1. Boundary adjustments commenced	1. 100%	1. 0%	Behind schedule. Discussion have been initiated with NPWS for the adjustment of road boundaries, however still no response. Follow up with relevant NPWS staff will occur in February 2020.
4.4.1.72 Revise and update the Transport Asset Management Plan	Infrastructure Planning	1. Updated Transport Asset Management Plan	1. 100%	1. 0%	Behind schedule. Commencement delayed due to the need to complete the Service Review for Asset Management and Rural Roads. This project will be deferred to commence following the completion of the services reviews in the 20/21 FY.
4.4.1.73 CW Telegraph Point - Pedestrian Safety Upgrades	Infrastructure Planning	1. Deliver project according to approved project plan (Telegraph Point - Pedestrian Safety Upgrades)	1. 100%	1. 100%	On target. Stage 1 works completed, with Stage 2 works commenced.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.1 Plan, investigate, design and construct transport assets which address pedestrians, cyclist and vehicular needs to cater for the future growth of the region

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.1.75 CW Pembroke Road - Safety Improvements	Infrastructure Planning	1. Deliver project according to approved project plan (Pembroke Road - Safety Improvements)	1. 100%	1. 100%	On target. Project planning commenced.
4.4.1.76 CW Rawdon Island - Safety Improvements	Infrastructure Planning	1. Deliver project according to approved project plan (Rawdon Island - Safety Improvements)	1. 100%	1. 100%	On target. Project planning commenced.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities
Delivery Program Objective: 4.4.2 Develop and implement annual maintenance and renewal programs for transport assets

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.2.1 CW Undertake road resurfacing and rehabilitation works throughout the local government area in accordance with the rolling priority program and roads maintenance hierarchy	Infrastructure Operations	1. In accordance with adopted programs and preventative maintenance requirements (Road resurfacing works)	1. 100%	1. 100%	On target. The 2019-20 Road Rehabilitation and Resealing Programme is currently in the planning and delivery phase with the programme to include the following projects: Planning Phase (Road Resurfacing and Rehabilitation): Ocean Dr, Laurieton (Kew Rd to Henry Kendall) Widderson St, Port Macquarie (Oxley Hwy to Hastings River Dr) The rehabilitations are likely to commence in April starting with Ocean Dr and progressively completed until June 2020. The final programme is yet to be finalised. Road Resealing: Completed Works * Matthew Flinders Dr, Port Macquarie * Bago Rd, Herons Creek (Milligans to Pacific Hwy) Planned Works Indicative dates are subject to contractor availability and planning constraints: * Lighthouse Beach Local Streets, Port Macquarie (January 2020) * Long Flat Local Roads, Long Flat, Kindee, Forbes River (March 2020) * Captain Cook Bicentennial Dr, Laurieton (March 2020) * Ocean Dr, North Haven to Bonny Hills (March 2020) The reseals commenced in October starting with Matthew Flinders Dr and progressively completed over the hotter summer period until March 2020. The final programme is yet to be finalised.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.2 Develop and implement annual maintenance and renewal programs for transport assets

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.2.2 Carry out annual unsealed road maintenance program including resheeting, grading, drainage and vegetation and rural roadside vegetation clearing	Infrastructure Operations	1. In accordance with adopted programs and preventative maintenance requirements (annual unsealed road maintenance program)	1. 100%	1. 100%	On target. Works delivered on budget. Works schedule based on inspections and assessment criteria from Council's road and stormwater risk rating and road hierarchy systems.
4.4.2.3 Carry out annual sealed road maintenance program including resurfacing, jetpatching, heavy patching and installation of roadside furnishings	Infrastructure Operations	1. In accordance with adopted programs and reactive maintenance requirements based on risk (annual sealed road network maintenance program)	1. 100%	1. 100%	On target. Works delivered on budget. Works schedule based on inspections and assessment criteria from Council's road and stormwater risk rating and road hierarchy systems.
4.4.2.4 Undertake bridges and culverts maintenance and repair program including inspections, monitoring and bridge repair works	Infrastructure Operations	1. In accordance with adopted programs and reactive maintenance requirements based on risk (bridges and culverts maintenance and repair program)	1. 100%	1. 100%	On target. Works delivered on budget. Works schedule based on inspections and assessment criteria from Council's road and stormwater risk rating and road hierarchy systems.
4.4.2.5 Carry out reactive maintenance to Koala Food Trees and Koala Fencing on Link Rd (Ocean Dr)	Infrastructure Operations	1. In accordance with adopted programs and reactive maintenance requirements based on risk (reactive risk maintenance to Koala Food Trees and Koala Fencing)	1. 100%	1. 100%	On target. Works delivered on budget. Works schedule based on inspections and assessment criteria from Council's road and stormwater risk rating and road hierarchy systems.
4.4.2.6 Bridgeworks and Road Rehabilitation Program - Undertake regular bridge and geotechnical road pavement tests to inform and develop programme	Infrastructure Operations	1. Deliver project according to approved project plan (Bridgeworks and Road Rehabilitation Program)	1. 100%	1. 100%	On target. Works delivered on budget. Works schedule based on inspections and assessment criteria from Council's road and stormwater risk rating and road hierarchy systems.

Community Strategic Plan: 4.4 Plan for integrated transport systems that helps people get around and link our communities

Delivery Program Objective: 4.4.3 Develop and implement traffic and road safety programs

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.4.3.1 Develop a Road Safety Action Plan and undertake associated safety education and awareness programs identified in the plan	Infrastructure Planning	1. Undertake road safety educational programs	1. 100%	1. 100%	On target. The following two projects will be delivered in 2019/20 in accordance with Transport for NSW and Roads and Maritime Services guidelines: - Speed on Country Roads - Shared Path Education Campaign
4.4.3.2 Install and maintain street lights in accordance with identified priorities	Infrastructure Planning	1. Deliver street lighting program according to approved schedule and prioritisation	1. 100%	1. 100%	On target. Upgrade investigation, design and delivery undertaken in accordance with program.

Community Strategic Plan: 4.5 Plan for integrated and connected communities across the Port Macquarie-Hastings area

Delivery Program Objective: 4.5.1 Carry out strategic planning to manage population growth and provide for co-ordinated urban development

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.5.1.07 Review Local Environmental Plan (LEP) and Development Control Plan (DCP) provisions to promote development of the Yippin Creek Urban Release Area (UGMS Action 4)	Strategy	1. Report to Council regarding draft planning outcomes by 30 June 2020	1. 100%	1. 100%	On target. Consultants have completed a preliminary Bushfire Hazard Assessment Report. Draft Ecological assessment is complete and final report will be received mid February 2020. Stormwater/ flooding studies are currently underway. Expected completion of these first stage studies is Quarter 3 2020.
4.5.1.08 Progress Council led precinct planning for the proposed Health and Education Precinct (UGMS Action 13)	Strategy	1. Undertake support studies for a planning proposal in consultation with stakeholders by 30 June 2020	1. 100%	1. 100%	On target. One internal stakeholder and two meetings with key precinct stakeholders have been held over the past quarter with a further external meeting scheduled for February 2020. The focus in the short-term is to assess funding options for the necessary scoping studies to progress the implementation of the precinct master plan.

Community Strategic Plan: 4.5 Plan for integrated and connected communities across the Port Macquarie-Hastings area**Delivery Program Objective:** 4.5.1 Carry out strategic planning to manage population growth and provide for co-ordinated urban development

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.5.1.09 Complete a review of the Port Macquarie-Hastings Development Control Plan (UGMS Action 32)	Strategy	1. Adoption of DCP amendments by 30 June 2020	1. 100%	1. 100%	On target. Report on proposed amendments to the DCP went to the November 2019 Ordinary Council Meeting. Proposed amendments are on exhibition from 27 November 2019 to 31 January 2020. A Report will go to the March 2020 Ordinary Council Meeting.
4.5.1.10 Review LEP and DCP provisions to promote appropriate housing choice options (UGMS Action 1)	Development Assessment	1. Completion of support studies for a planning proposal by 30 June 2020	1. 100%	1. 85%	On target. Consultants preparing a Local Housing Strategy for the LGA. Stakeholder and community engagement to be held in Q3 2020. Project expected to be completed in 2019-20.
4.5.1.11 Investigate the capacity of land at Ocean Dr/Houston Mitchell Dr for light industrial use and at Ocean Dr/Bonny View Dr for light industrial development or for use as a school (UGMS Act 17)	Land Use Planning	1. Final report to Council re Local Environmental Plan (LEP) and Development Control Plan (DCP) amendments by 30 June 2020	1. 100%	1. 100%	On target. The Planning Proposal and draft Development Control Plan provisions for the rezoning of land at the intersection of Ocean Drive and Houston Mitchell Drive, Bonny Hills for light industrial and environmental purposes was placed on public exhibition from 20 November to 18 December 2019. A number of submissions have been received from the community, and a report is due to be presented to Council in early 2020.
4.5.1.14 Review the Port Macquarie-Hastings Heritage Inventory (UGMS Action 31)	Strategy	1. Complete Stage 2 of the Heritage Inventory review and report to Council by 30 June 2020	1. 100%	1. 0%	Behind schedule. Work is yet to commence. This work may be informed by the in progress Housing Strategy and may be a subset of the outcomes of that work.
4.5.1.15 Preparation of an Outline Plan (Stage 1 investigations) for the Fernbank Creek and Sancroix potential future growth areas (UGMS Action 6)	Strategy	1. Report to Council regarding progress of the Outline Plan and key support studies in consultation with landowners by 30 June 2020	1. 100%	1. 100%	On target. Report to December 2019 OCM. Discussion Paper and Fact Sheet on exhibition 22 January to 19 February 2020. Commence Structure Plan informed by feedback received from exhibition.

Community Strategic Plan: 4.5 Plan for integrated and connected communities across the Port Macquarie-Hastings area

Delivery Program Objective: 4.5.1 Carry out strategic planning to manage population growth and provide for co-ordinated urban development

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.5.1.16 Undertake a review of the current Development Contributions Deferral Scheme	Strategy	1. Review of the current Development Contributions Deferral Scheme commenced and reported to Council by 30 June 2020	1. 100%	1. 100%	Yet to commence. Project scheduled to commence in 2020.

Delivery Program Objective: 4.5.2 Plan for infrastructure that supports population growth

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.5.2.2 Continue the review of the Major Roads Contributions Plan for completion in 2020-2021 (UGMS Action 23)	Strategy	1. Complete review of draft works program for review of the Major Roads Contributions Plan by 30 June 2020	1. 100%	1. 0%	Behind schedule. Project Scoping has been delayed due to other higher priority program activities. Planning commenced on producing interim contributions plan. Refer to OP action - 4.4.1.48

Community Strategic Plan: 4.6 Restore and protect natural areas

Delivery Program Objective: 4.6.1 Develop and implement a range of programs for the environmental management of lands within the local government area

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.6.1.01 Undertake strategic biosecurity (weed management) program to restore and conserve the natural environment of the Mid North Coast	Environment and Regulatory Services	1. 2,300 km of Council roads managed for roadside weeds 2. 28 km of 70 km network of priority riparian zones managed for invasive weeds 3. 65 ha of 363 ha area of coastal dune system managed for Bitou Bush	1. 2,300km 2. 28km 3. 65ha	1. 649km 2. 30km 3. 90ha	Behind target. Below target for quarter but due to drought and road grading program this has altered the delivery of works. On target. On target. Quarterly target exceeded.

Community Strategic Plan: 4.6 Restore and protect natural areas

Delivery Program Objective: 4.6.1 Develop and implement a range of programs for the environmental management of lands within the local government area

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.6.1.02 Undertake aquatic weed control program to restore and conserve the natural environment of the Mid North Coast	Environment and Regulatory Services	4. 680 ha of Council assets managed for invasive weeds	4. 680ha	4. 483ha	On target. Reduced spraying and control due to climatic conditions.
		5. 70 days per annum undertaking management of high priority weeds on high risk sites within drainage network	5. 70d	5. 44d	On target. Reduced control on sites due to climatic conditions.
		6. 75 properties > 1 ha inspected for invasive weeds	6. 75#	6. 91#	On target. For half-yearly expected completion.
4.6.1.05 Implement the Bushland Regeneration Management Program and collaborate with various community groups (e.g. Landcare)	Environment and Regulatory Services	1. Riparian land managed for aquatic weed invasion	1. 100%	1. 100%	On target.
		1. 10% of sites to a Tier 3 level (Tier 3 Sites are self-sustaining with little to no management intervention required)	1. 10%	1. 100%	On target.
		2. 40% of sites to a Tier 1 level (Tier 1 - Strategic weed removal to ensure that weeds do not out compete, suppress or prevent the growth of native vegetation).	2. 40%	2. 50%	On target.
		3. 50% of sites to a Tier 2 level (Tier 2 - Bushland sites are managed in a way as to encourage natural regrowth via minimal weed removal)	3. 50%	3. 50%	On target.

Community Strategic Plan: 4.6 Restore and protect natural areas

Delivery Program Objective: 4.6.1 Develop and implement a range of programs for the environmental management of lands within the local government area

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.6.1.06 Inform and educate residents, industry and community groups about Council's tree management requirements within the Port Macquarie-Hastings 2013 Development Control Plan (DCP)	Recreation, Property and Buildings	1. Develop and implement educational material and delivery program	1. 100%	1. 100%	On target. Educational material delivered via correspondence and conversations regarding different legislative requirements, including civil advice letters, Local Land Services, Office of Environment and Heritage jurisdiction, meetings with contractors and residents regarding Development Control Plan provisions and application process.
		2. Provide advice in accordance with service standards and industry best practice	2. 100%	2. 90%	Behind target. For the period from July to December 2019 the total number of CRM's received was 642. 397 (Public), 92 (Private), 84 (Storm), and 69 (Illegal tree removal/pruning). Additional information: 238 enquires (136 public phone and 102 private phone and email enquires). This does not include calls transferred from call centre to mobile or landline. In addition, there were 130 internal enquiries.
		3. Undertake investigations in relation to all reported illegal tree works	3. 100%	3. 100%	On target. 42 illegal tree incidents reported and investigated during this reporting period.
4.6.1.07 Improve mapping of Bushland Regeneration sites for community access	Environmental and Regulatory Services	1. Bushland Mapping and site surveying undertaken	1. 100%	1. 100%	On target.
4.6.1.08 Commence implementation of identified actions from the adopted Koala Population Recovery Strategy (UGMS Action 29)	Environment and Regulatory Services	1. Implementation of management actions outlined in the Koala Population Recovery Strategy	1. 100%	1. 100%	On target.

Community Strategic Plan: 4.6 Restore and protect natural areas

Delivery Program Objective: 4.6.1 Develop and implement a range of programs for the environmental management of lands within the local government area

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.6.1.09 Complete preparation of a Comprehensive Koala Plan of Management (CKPoM) for coastal areas in the Port Macquarie-Hastings	Strategy	1. Report CKPoM to Council for adoption by 31 December 2019	1. 100%	1. 100%	On target. Report went to November 2019 Ordinary Council Meeting. Review of hierarchy of legislation which has a direct impact on the CKPoM. Final draft version of the plan to be presented to Council in early 2020.
4.6.1.11 CW Implement mitigation actions from Hastings River Flood Plain Risk Management Plan: Stage 4: Install river stream flow gauges & rainfall gauges to inform floodplain modelling	Environment and Regulatory Services	1. Installation of stream gauges	1. 100%	1. 100%	On target.

Community Strategic Plan: 4.7 Provide leadership in the development of renewable energy opportunities

Delivery Program Objective: 4.7.1 Promote renewable energy outcomes within Council

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.7.1.02 CW Install solar energy systems at the Kew Waste Transfer Station	Commercial Business Units	1. Deliver project according to approved project plan (Install solar energy systems at the Kew Waste Transfer Station)	1. 100%	1. 0%	Deferred. Project deferred in 2019-2020, to be reviewed and considered for inclusion if required in the 2020-2021 Operational Plan (see February 2020 Monthly Budget adjustment).
4.7.1.04 CW Undertake LED lighting upgrade to Council Office and other public buildings	Recreation, Property and Buildings	1. Complete LED lighting upgrade to offices and other buildings	1. 100%	1. 100%	On target. Prelim works have started on emergency lighting replacement at the Glasshouse, we are waiting for site inspection from Clevertronics and software upgrade before ordering lighting units. Our install date will be March 2020. Building Services was able to receive 15K credit for the sale of Energy Saving Certificates (ESCs) from last years program. This will be used for the upgrade of lighting at the Wauchope Indoor Stadium, lighting will be ordered shortly will a install in early 2020.

Community Strategic Plan: 4.7 Provide leadership in the development of renewable energy opportunities

Delivery Program Objective: 4.7.1 Promote renewable energy outcomes within Council

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.7.1.06 CW Install solar energy systems at selected existing Council facilities	Recreation, Property and Buildings	1. Install solar energy systems at identified Council facilities	1. 100%	1. 90%	Monitoring required. Carry over from last year due to Council's internal review on PV procurement which delayed these projects. Currently there are three projects for delivery, Kendall, Laurieton and Wauchope Pools, all prelim works are completed. Waiting for procurement clarification from upper management prior to engaging contractors.
4.7.1.08 Continue to implement and monitor the Long Term Energy Strategy	Strategy	1. Provide six monthly update reports to Council on the status of the Long Term Energy Strategy	1. 100%	1. 100%	On target. 6-monthly update reports tabled at the November 2019 and May 2020 Ordinary Council Meetings.

Community Strategic Plan: 4.8 Increase awareness of issues affecting our environment, including the preservation of flora and fauna

Delivery Program Objective: 4.8.1 Ensure all Council operations comply with environmental standards and regulations

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.8.1.1 Operate and maintain water treatment plants in accordance with adopted maintenance programs and scheme requirements	Infrastructure Operations	1. Monitor plants continuously with plant breakdowns attended to within 24 hours	1. 100%	1. 100%	Achieved. All Water Treatment Plants monitored continuously by Council's remote water monitoring system (SCADA C).
4.8.1.2 Operate the water supply network to ensure public health and safety	Infrastructure Operations	1. Ensure any public health and safety issues in relation to water supply are responded to in line with service standards	1. 100%	1. 100%	On target. Enquiries responded to in accordance with service standards.

Community Strategic Plan: 4.8 Increase awareness of issues affecting our environment, including the preservation of flora and fauna

Delivery Program Objective: 4.8.1 Ensure all Council operations comply with environmental standards and regulations

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.8.1.3 Maintain and operate storage dams in accordance with Australian National Committee On Large Dams (ANCOLD) guidelines	Infrastructure Operations	1. Ensure any issues in relation to the operation and maintenance of storage dams are handled in line with ANCOLD guidelines	1. 100%	1. 100%	On target. Storage dams operated in accordance with ANCOLD guidelines.
4.8.1.4 Operate and maintain sewerage treatment plants in accordance with environmental licences, adopted maintenance programs and scheme requirements	Water and Sewer	1. Monitor plants continuously with plant breakdowns attended to within 24 hours	1. 100%	1. 100%	Achieved. All Water Treatment Plants monitored continuously by Council's remote water monitoring system (SCADA C).
4.8.1.5 Operate the sewerage network to ensure service delivery meets public health and safety requirements	Infrastructure Operations	1. Ensure any public health and safety issues in relation to sewerage network are responded to in line with service standards	1. 100%	1. 100%	On target. Enquiries responded to in accordance with service standards. Three reportable surcharges occurred in this quarter.

Delivery Program Objective: 4.8.2 Increase community awareness and enable access to the natural environment

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.8.2.1 Deliver bushfire preparedness and planning programs to the community	Environment and Regulatory Services	1. All community enquires relating to bushfire requests are responded to within the 7 day service standard 2. Bushfire preparedness and planning program delivered	1. 100% 2. 100%	1. 100% 2. 100%	On target. Customer requests are responded to within 7 days. On target. Community programs are delivered primarily by RFS and NSW F+R with support by Council as required.

Community Strategic Plan: 4.8 Increase awareness of issues affecting our environment, including the preservation of flora and fauna

Delivery Program Objective: 4.8.3 Promote Biodiversity Programs

Operational Plan Activity 2019 - 2020	Lead Responsibility	Success Measures	Target	YTD Actual	Comment on Progress
4.8.3.1 Commence implementation of identified actions from the adopted Biodiversity Strategy	Environment and Regulatory Services	1. Implementation of management actions of Biodiversity Strategy	1. 100%	1. 100%	On target.



Monthly Investment Report

December 2019

 IMPERIUM MARKETS	<p>Imperium Markets Pty Ltd ABN: 87 616 579 527 Authorised Representative of Libertas Financial Planning Pty Ltd AFSL 429 718 Phone: +61 2 9053 2987 Email: michael.chandra@imperium.markets Level 14, 5 Martin Place, Sydney NSW 2000</p>
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Executive Summary

Compliance

Compliance Measure	Within Policy Limits (Y/N)	Reason if Not Compliant
Term to Maturity	Yes – Compliant	n/a
Counterparty	Yes – Compliant	n/a
Credit Quality	Yes – Compliant	n/a

Performance

As at 31/12/2019	1m (actual)	1m (% p.a.)	FYTD (actual)	FYTD (% p.a.)
AusBond Bank Bill Index	0.07%	0.85%	0.52%	1.04%
Council's Portfolio[^]	0.22%	2.65%	1.40%	2.80%
Outperformance	0.15%	1.80%	0.88%	1.76%

[^]Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

Council's Portfolio

Asset Allocation

The portfolio is predominately directed to fixed term deposits (95%). The remainder of the portfolio is directed to the overnight cash account with Westpac (4%) and the introduction of the FRN with Bendigo-Adelaide (1%).

Should credit securities become more attractive relative to deposits, we would consider increasing the allocation to liquid senior floating rate notes (FRNs). This will not only offer additional upside with regards to the portfolio's investment returns, but also provide additional liquidity (FRNs are saleable – generally accessible within 2 business days). FRNs are also dominated by the higher rated ADIs which allows Council to maintain a bias towards the higher rated banks.

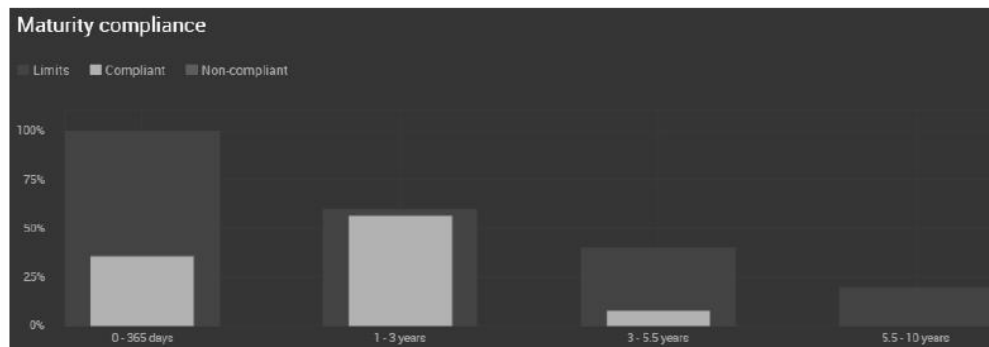
With a further interest rate cut on the horizon in the first half of 2020, the priority should be to lock in any attractive medium-longer dated fixed deposits that may still be available.





Term to Maturity

All maturity limits (minimum and maximum) comply with the Investment Policy. Medium-Term (3-5½ years) assets account for around 8% of the total investment portfolio, with capacity of around \$98m at month-end.



Where there is (counterparty) capacity to invest in attractive 3-5½ year investments, we recommend this be allocated to new any remaining attractive fixed term deposits (refer to respective sections below).

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 – 365 days	\$108,927,077	35.61%	0%	100%	\$196,999,724
✓	1 – 3 years	\$173,000,000	56.55%	0%	60%	\$10,556,081
✓	3 – 5.5 years	\$23,999,724	7.85%	0%	40%	\$98,370,997
✓	5.5 – 10 years	\$0	0.00%	0%	20%	\$61,185,360
		\$305,926,801	100.00%			



Counterparty

As at the end of December, Council did not have an overweight position to any single ADI. Overall, the portfolio is diversified across the investment grade credit spectrum (rated BBB- or higher), with no exposure to unrated ADIs.

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	NAB	AA-	\$46,000,000	15.04%	30.00%	\$45,778,040
✓	WBC (St George)	AA-	\$68,927,077	22.53%	30.00%	\$22,850,963
✓	Rabobank	A+	\$13,000,000	4.25%	20.00%	\$48,185,360
✓	ICBC Sydney	A	\$56,000,000	18.31%	20.00%	\$5,185,360
✓	ING Bank Aus.	A	\$33,000,000	10.79%	20.00%	\$28,185,360
✓	AMP Bank	BBB+	\$9,000,000	2.94%	10.00%	\$21,592,680
✓	BOQ	BBB+	\$28,000,000	9.15%	10.00%	\$2,592,680
✓	Bendigo	BBB+	\$4,999,724	1.63%	10.00%	\$25,592,956
✓	Auswide	BBB	\$26,000,000	8.50%	10.00%	\$4,592,680
✓	ME Bank	BBB	\$2,000,000	0.65%	10.00%	\$28,592,680
✓	Newcastle PBS	BBB	\$19,000,000	6.21%	10.00%	\$11,592,680
			\$305,926,801	100.00%		

On 27th August, AMP Bank was downgraded by ratings agency S&P to BBB+ (negative watch), from A- (negative watch). Their short-term rating was unchanged at A-2. This was a result of AMP Group selling its life insurance arm at a revised deal earlier in the month. S&P believed that the group's profits will be less diversified going forward due to this sale. We have no issues with Council's exposure to AMP Bank given they continue to have a robust balance sheet with their level of capital remaining above the minimum regulatory requirement set by APRA.

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

APRA's Chairman affirmed that the banks had satisfactorily moved towards an '*unquestionably strong*' capital position and that bank's stress testing contingency plans were now far better positioned than was previously the case years ago. APRA's stress test which hypothetically increased the unemployment rate to 11% (more than double the current rate) and for house prices to fall 35% showed the banks remained above the minimum capital levels. We note that APRA's latest discussion paper also highlighted that the domestic major banks were required to raise more capital while the lower rated ADIs were already deemed to be at a satisfactory level. **APRA's mandate is to "protect depositors" and provide "financial stability".**

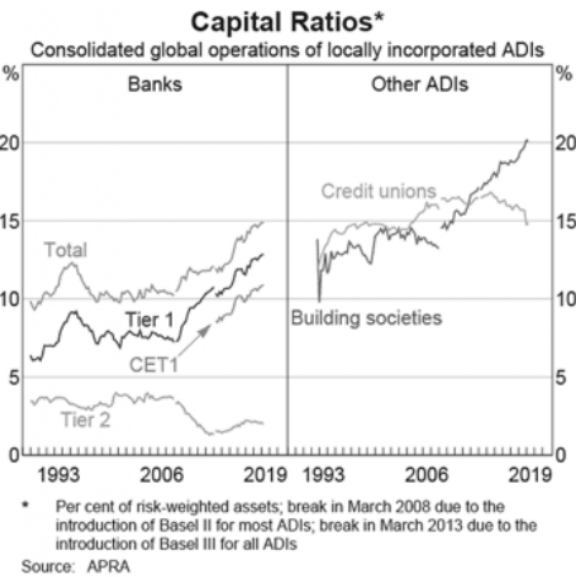
Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). We believe that deposit investments with the lower rated ADIs should be continued going forward, particularly when they offer 'above



market’ specials. Not only would it diversify the investment portfolio and reduce credit risk, it would also improve the portfolio’s overall returns.

In the current environment of high regulation and scrutiny, all domestic ADIs continue to carry high levels of capital, particularly amongst the lower (“BBB”) and unrated ADIs. There is minimal (if any) probability of any ADI defaulting on their deposits going forward – this was stress tested during the GFC.

The biggest single risk that depositors face in the current low interest rate environment is not credit risk, but reinvestment risk.





Credit Quality

The portfolio remains lightly diversified from a credit ratings perspective. The portfolio is entirely directed to the investment grade ADIs (BBB- or higher), with zero allocation to unrated ADIs. There is high capacity to invest in the higher rated ADIs (A or higher), particularly after the downgrades of BoQ and Bendigo-Adelaide Bank in May 2017, as well as AMP Bank in August 2019, which are all now in the "BBB" rated category.

Conversely, the "BBB" rated ADIs is now close to capacity limits, approximately ~\$2.78m remaining at month-end.

Given the large number of "BBB" rated ADIs issuing deposits currently in the market (and conversely, the low number of "A" or higher rated ADIs), we suggest Council direct new funds into this sector, where attractive and where there is capacity. We note that it is within this category where the most value is currently experienced. The difference in pricing can amount up to 10-20bp on any day.

Should Council continue to exclude investments amongst the unrated ADI sector, we recommend the 10% allocation be directed to the "BBB" rated sector.

All ratings categories are within the Policy limits:

Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	AA Category	\$114,927,077	37.57%	100%	\$190,999,724
✓	A Category	\$102,000,000	33.34%	60%	\$81,556,081
✓	BBB Category	\$88,999,724	29.09%	30%	\$2,778,316
✓	Unrated ADIs	\$0	0.00%	10%	\$30,592,680
		\$305,926,801	100.00%		



Performance

Council's performance for the month ending 31 December 2019 is summarised as follows:

Performance	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.06%	0.19%	0.44%	0.44%	1.16%
AusBond Bank Bill Index	0.07%	0.24%	0.52%	0.52%	1.50%
Council's T/D Portfolio	0.22%	0.68%	1.40%	1.40%	2.91%
Council's FRN Portfolio	0.16%	0.48%	-	-	-
Council's Portfolio [^]	0.22%	0.67%	1.40%	1.40%	2.90%
Outperformance	0.15%	0.44%	0.88%	0.88%	1.40%

[^]Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

For the month of December, the portfolio (excluding cash) provided a solid return of +0.22% (actual), outperforming the benchmark AusBond Bank Bill Index return by +0.15% (actual). The strong performance continues to be driven by the handful of deposits still yielding above 3% p.a. However, some of these individual deposits are approaching maturity and will be reinvested at much lower prevailing rates.

Over the past 12 months, the portfolio returned +2.90% p.a., outperforming bank bills by 1.40% p.a. and more than double the official cash rate of 1.16%. This has been very strong given deposit rates reached their all-time lows and margins have generally contracted over the past 3 years.

We are pleased that PMHC remains amongst the best performing Councils in the state of NSW where deposits are concerned, earning on average, more than \$800,000 in additional interest income compared to its peers (as per our October 2019 rankings). We have been pro-active in our advice about protecting interest income and addressing reinvestment risk for many years and encouraged to maintain a long duration position. This is now reflected by the high performance of the investment portfolio. Of the 74 individual deposits PMHC held, 27 are still yielding higher than 3.00% p.a. That is, around 36% of outstanding deposits held is earning an interest rate that is four times the prevailing cash rate of 0.75%.

Investors using the Imperium Markets platform have reduced the invisible costs associated with brokerage, and thereby lift client portfolio returns as investors are able to deal in deposits directly with the ADIs and execute at the best price possible. Council has experienced this over the past 2 years, receiving on average, 2-4bp higher for every deposit dealt on the platform.



Council's Term Deposit Portfolio & Recommendation

As at the end of December 2019, Council's deposit portfolio was yielding 2.63% p.a. (down 6bp from the previous month), with an average duration of ~1.6 years. Where possible, we recommend Council extends or at least maintains this average duration. In the low interest rate environment, the biggest collective risk that the local government sector has faced over the post-GFC era has been the dramatic fall in interest rates - from 7¼% to the current historical low levels of 0.75% (and potentially lower in 2020).

As the past decade has highlighted (post-GFC era), we have seen too many portfolios' roll a high proportion of their deposits between 3-6 months, resulting in their deposits being reinvested at lower prevailing rates. That is, depositors have generally not insured themselves against the low interest rate environment by diversify their funding across various tenors (out to 5 years) but rather placed all their 'eggs in one basket' and kept all their deposits short. **Reinvestment risk has collectively been and continues to be the biggest detriment to depositors' interest income over the post-GFC period. Another interest rate cut is still largely priced in by mid-2020.**

At the time of writing (early January), we see value in:

ADI	LT Credit Rating	Term	T/D Rate
Judo Bank	Unrated ADI	2 years	2.20% p.a.
P&N Bank	BBB	5 years	~2.05% p.a.
BoQ	BBB+	5 years	2.05% p.a.
BoQ	BBB+	4 years	1.95% p.a.
AMP Bank	BBB+	18 months	^1.80% p.a.
BoQ	BBB+	3 years	1.75% p.a.
Auswide Bank	BBB	2-3 years	1.65% p.a.
BoQ	BBB+	2 years	1.60% p.a.

[^] AMP T/Ds – these are grossed up rates which includes a 0.20% p.a. rebated commission from Imperium Markets

For those investors that have capacity issues with the "BBB" and unrated ADI sector, we see value in:

ADI	LT Credit Rating	Term	T/D Rate
ICBC, Sydney Branch	A	4 years	~1.90% p.a.
ICBC, Sydney Branch	A	3 years	~1.74% p.a.
ICBC, Sydney Branch	A	2 years	~1.60% p.a.
ING Bank Australia	A	2 years	~1.55% p.a.



The above deposits are suitable for investors looking to provide some income protection and mitigate reinvestment/rollover risk in the low interest rate environment, and particularly with a further interest rate cut a possibility on the horizon.

For terms under 12 months, we believe the strongest value is currently being offered by a number of lower and unrated ADIs offering above-market specials (dependent on daily funding requirements):

ADI	LT Credit Rating	Term	T/D Rate
Judo Bank	Unrated ADI	12 months	2.10% p.a.
Judo Bank	Unrated ADI	6 months	2.01% p.a.
AMP Bank	BBB+	6 months	^2.00% p.a.
Judo Bank	Unrated ADI	9 months	2.00% p.a.
AMP Bank	BBB+	3 months	^1.95% p.a.
AMP Bank	BBB+	9, 12 months	^1.90% p.a.
Bank of Sydney	Unrated ADI	4, 7 months	1.90% p.a.
BNK Bank	Unrated ADI	6 months	1.85% p.a.
Australian Unity Bank	BBB+	3 months	1.75% p.a.
Australian Unity Bank	BBB+	6-12 months	1.70% p.a.
Australian Military Bank	BBB+	3-6 months	1.70% p.a.
Bank of Queensland	BBB+	5-6 months	1.60% p.a.

[^] AMP T/Ds – these are grossed up rates which includes a 0.20% p.a. rebated commission from Imperium Markets

Amongst the higher rated ADIs ("A" rated or higher), the following deposits remain attractive for terms under 12 months:

ADI	LT Credit Rating	Term	T/D Rate
Macquarie Bank	A	3-4 months	1.65% p.a.
ING Bank Australia	A	6, 9 months	1.60% p.a.
NAB	AA-	3-5 months	1.60% p.a.
Westpac	AA-	6 months	~1.58% p.a.
NAB	AA-	6 months	1.57% p.a.
ING Bank Australia	A	12 months	1.55% p.a.



Senior FRNs & Recommendations

Over December, amongst the senior major bank FRNs, physical credit securities were marked around -3bp tighter (at +77bp) at the longer end of the curve (5 years). Those investors that require liquidity with a domestic major bank (highly rated) and can roll down the curve should invest in 5 year terms over 3 year terms (or shorter), given the ability to lock in capital gains as early as two years after being launched. **The grossed up return would be closer to around +100-105bp over a 2 year holding period in a relatively stable credit environment.**

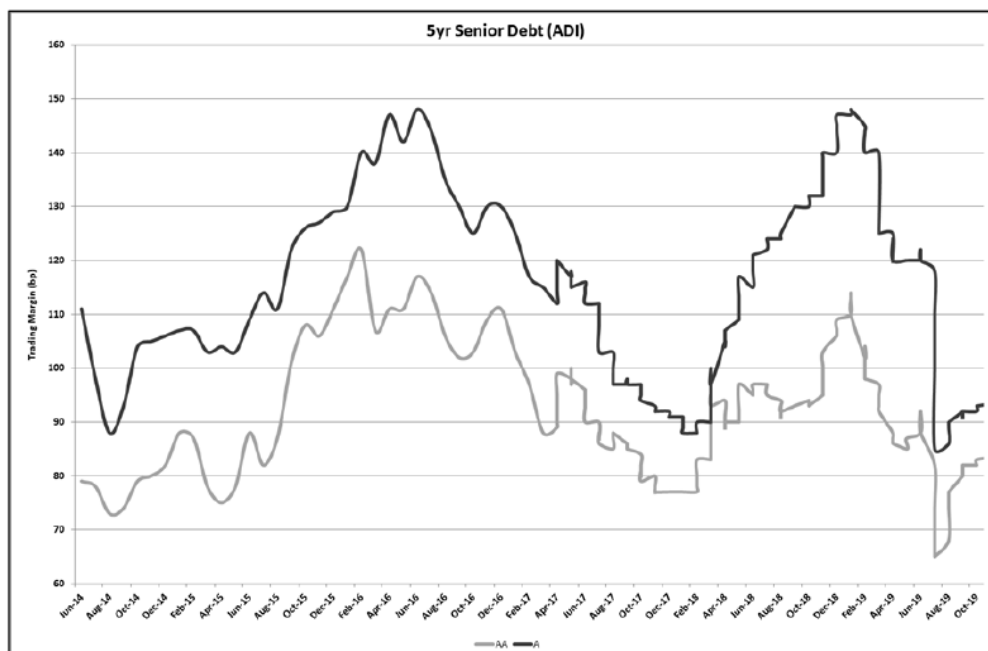
During the month, Bendigo-Adelaide Bank (BBB+) issued a 2¾ year benchmark issue at +85bp, printing \$500m, which we thought was priced at a fair level. There was very little new issuance over December heading into the holiday season.

Collectively over the month, the "A" and "BBB" rated cohorts remained relatively flat across the longer-term tenors. There remains little turnover in the secondary market amongst the lower rated ADI sectors.

Overall, credit remains tight on a historical basis, reaching their levels experienced in early 2018. With a further rate cut priced in over 2020, any medium-longer-dated fixed deposits offered above +100bp should be considered. FRNs will continue to play a role in investor's portfolios mainly on the basis of their liquidity and the ability to roll down the curve and gross up returns over ensuing years (in a relatively stable credit environment).

Senior FRNs (ADIs)	31/12/2019	30/11/2019
"AA" rated – 5yrs	+77bp	+80bp
"AA" rated – 3yrs	+61bp	+61bp
"A" rated – 5yrs	+90bp	+90bp
"A" rated – 3yrs	+73bp	+73bp
"BBB" rated – 3yrs	+90bp	+90bp

Source: IBS Capital



Source: IBS Capital

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

- On or before early 2023 for the "AA" rated ADIs (domestic major banks);
- On or before early 2020 for the "A" rated ADIs; and
- Within 12 months for the "BBB" rated ADIs (consider case by case).

Investors holding onto the above senior FRNs ('benchmark' issues only) in their last 1-2 years are now generally holding sub-optimal investments and are not maximising returns by foregoing realised capital gains. In the current low interest rate environment, any boost in overall returns should be locked in when it is advantageous to do so.

In late August, Council placed a bid of \$3m into the new Bendigo (BBB+) 5 year FRN at +97bp, which settled in early September. This FRN should be viewed as a 4 year holding period, with the ability to 'roll down the curve', realise capital gains which would boost the overall return of the investment portfolio.

At this stage, we prioritise medium-longer dated deposits (2-5 years) given a further rate cut is still largely factored in by mid-2020.



Economic Commentary

International Market

Global equity markets rallied in December as investors welcomed the announcement of the **Phase 1 US-China trade deal**. In the US, equity markets again surpassed their all-time highs, with the S&P 500 Index adding +2.86%, while the NASDAQ rallied another +3.54%. Across Europe, the main equity indices also gained, led by UK's FTSE (+2.67%), France's CAC (+1.23%) and Germany's DAX (+0.10%).

The US unemployment rate fell to a new cyclical low of 3.5% from 3.6% in November, aided by a fall in the labour participation rate from 63.35% to 63.20%. The Fed's preferred core PCE deflator came in +0.1% as expected for November, putting the annual rate at +1.6%, up from +1.5%.

The US Fed kept rates unchanged as widely anticipated. The dot plots suggest the majority (13 out of 17) members expect the policy rate to remain unchanged in 2020, while most see higher rates in 2021. There was little change to their forecast surrounding unemployment, inflation and economic growth.

The UK election saw Boris Johnson's conservative party obtaining its biggest win in 30 years, gaining 365 of the 650 seats, setting up his Christmas wish for a clear path for Brexit. Johnson then moved to amend the Withdrawal Agreement Bill (WAB), aimed at cancelling the possibility of an extension, which increased the possibility of a no deal Brexit on 31 December 2020.

The Bank of England (BoE) kept its cash rate unchanged at 0.75% in a 7-2 decision, with the Bank prepared to cut rates if global growth did not stabilise or Brexit uncertainty remained.

Eurozone CPI for November came in at +1.0% (headline) and +1.3% (core).

Sweden's Riksbank lifted rates from negative territory to 0%, ending their five year experiment at negative rates. Norgesbank kept their rates unchanged at 1.50% although there's around a 40% chance they will hike next year.

Germany looks to be entering a period of political instability with Merkel's Coalition under threat as newly elected SPD leader threatens to pull out. Germany's trade balance rose to €20.6bn from €19.2bn, boosted by a +1.2% m/m jump in exports and coming after a +1.5% rise in September.

Japanese Q3 GDP was revised up to +0.4% q/q from the initially reported +0.1% q/q driven by stronger business investment.

The MSCI World ex-Aus Index gained +2.92% for the month of December to be up +25.39% for the calendar year:

Index	1m	3m	1yr	3yr	5yr	10yr
S&P 500 Index	+2.86%	+8.53%	+28.88%	+13.00%	+9.43%	+11.22%
MSCI World ex-AUS	+2.92%	+8.30%	+25.39%	+10.59%	+6.80%	+7.49%
S&P ASX 200 Accum. Index	-2.17%	+0.68%	+23.40%	+10.26%	+8.97%	+7.86%

Source: S&P, MSCI



Domestic Market

The RBA kept the cash rate at 0.75% in its meeting in December, while retaining its easing bias, *“the Board is prepared to ease monetary policy further if needed”*. They emphasised the *“long and variable lags”* of monetary policy and repeated rates would likely be low for an extended period to *“reach full employment and achieve the inflation target”*.

Australian GDP rose +0.4% q/q to be +1.7% higher over the year. This is unlikely to have any significant impact on growth in employment (which remains the ultimate goal of the RBA). **Retail sales were flat in October** (marked + 0.3%), which insinuates further consumer weakness.

The trade surplus diminished by much more than expected in October, shrinking from an originally stated \$7.2bn in September to \$4.5bn (the smallest surplus since December).

Residential building approvals declined by -8.1% in October against expectations of a mild decline. The decline was driven by both apartments and houses and suggests approvals are yet to find a floor.

Home loan approvals posted another strong rise in October, with the value of new approvals up +2.0% m/m, driven by both owner-occupiers (+2.2%) and investors (+1.4%).

Capital-city prices rose by +2.0% in November, marking the 5th consecutive rise and turning annual growth positive. Nationally, prices are now 5.1% away from the all-time high reached in 2017.

The Government released its Mid-Year Economic and Fiscal Outlook (MYEFO), **with the budget surplus now expected to be \$5bn**, down from the initial forecast of \$7.1bn. There were revisions to revenue, driven by downgrades to super fund taxes and GST, while further out there were downgrades to forecasts for individual taxes, company tax and GST.

The unemployment rate for November ticked back down to 5.2% (from 5.3%), with the participation rate remaining flat. That marks the 8th month of the unemployment rate ranging between 5.2-5.3%, well above what the RBA considers to be the full employment rate of 4.5%.

Despite Australian equities (S&P ASX 200 Accumulation Index) positing a negative month (-2.17%) in December, they have flourished in 2019 (+23.40%), completing its best year since 2009 and breaking through its pre-crisis all-time high.

Credit Market

The main global credit indices tightened over December as financial markets continued their ongoing rally. Credit spreads remain very tight on a historical basis (trading around early 2018 levels):

Index	December 2019	November 2019
CDX North American 5yr CDS	45bp	50bp
iTraxx Europe 5yr CDS	44bp	48bp
iTraxx Australia 5yr CDS	47bp	56bp

Source: Markit



Fixed Interest Review

Benchmark Index Returns

Index	December 2019	November 2019
Bloomberg AusBond Bank Bill Index (0+YR)	+0.07%	+0.08%
Bloomberg AusBond Composite Bond Index (0+YR)	-1.64%	+0.82%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.15%	+0.17%
Bloomberg AusBond Credit Index (0+YR)	-0.85%	+0.72%
Bloomberg AusBond Treasury Index (0+YR)	-2.07%	+0.87%
Bloomberg AusBond Inflation Gov't Index (0+YR)	-2.28%	+1.64%

Source: Bloomberg

Other Key Rates

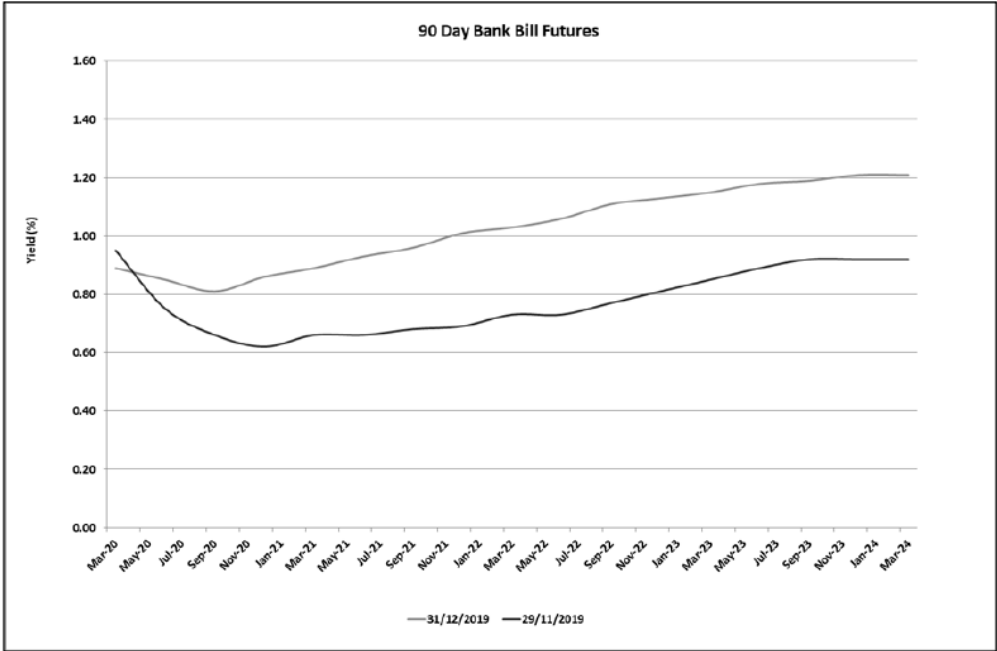
Index	December 2019	November 2019
RBA Official Cash Rate	0.75%	0.75%
90 Day (3 month) BBSW Rate	0.92%	0.89%
3yr Australian Government Bonds	0.92%	0.65%
10yr Australian Government Bonds	1.37%	1.04%
US Fed Funds Rate	1.50%-1.75%	1.50%-1.75%
10yr US Treasury Bonds	1.92%	1.78%

Source: RBA, AFMA, US Department of Treasury



90 Day Bill Futures

Over December, bill futures rose significantly across the longer-end of the curve in the ‘risk-on’ environment, with yields following the movement in the bond market. **At month-end, the futures market was still largely pricing in another 25bp rate cut by mid-2020, which would take the official cash rate down to 0.50%.**



Source: ASX



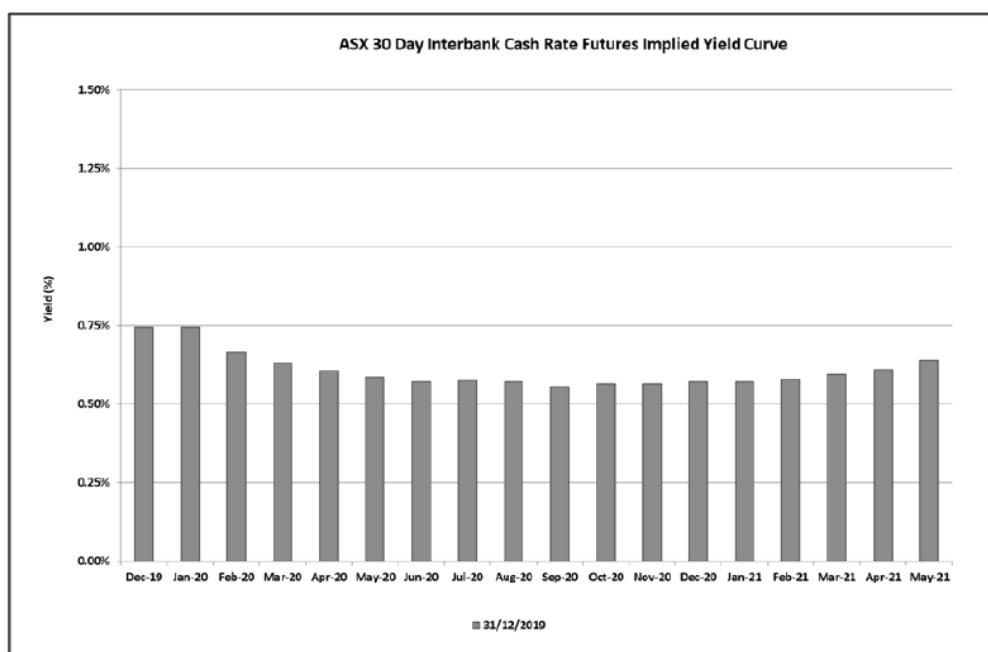
Fixed Interest Outlook

The latest dot plots showed that most members of the US Fed (13 out of the 17) expect the policy rate to remain unchanged in 2020. Fed Chair Powell talked down the prospects of higher rates depicted in the 2021 and 2022 dots, noting that significant, persistent inflation rise is needed in order to hike.

Domestically, the RBA remains on an easing bias and is now targeting 'full employment', as oppose to merely 'reducing' unemployment. They have repeatedly indicated to expect an *"extended period"* of low interest rates in order to achieve full employment and progress towards their inflation target.

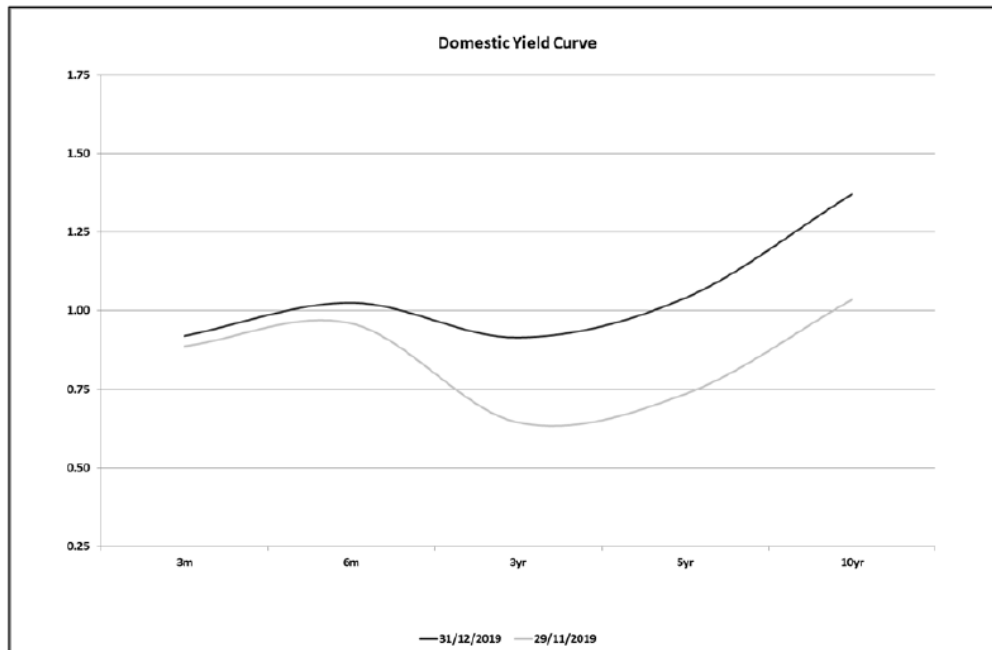
The global key risks for the RBA stem from the impact of ongoing trade and technology disputes, persistently low inflation, political uncertainty (e.g. US, Brexit, Hong Kong, Germany) and a broader slowdown in the global economy. In Australia, they are closely monitoring employment, inflation, wage growth, housing and consumption. Should these areas continue to show signs of softening, **the RBA remains on hand to adjust the official cash rate lower if required.**

The futures market continues to factor in the possibility of another 25bp rate cut by mid-2020, which would take the official cash rate down to 0.50%:



Source: ASX

Over the longer-term, the domestic bond market continues to suggest a 'lower-for-longer' period of interest rates. Over the month, yields rose up to 34bp at the longer end of the curve, with 10-year government bond yields trading around the 1.3% level:



Source: AFMA, ASX, RBA

Disclaimer

Imperium Markets provides fixed income investment advisory services and a financial market platform through which clients and fixed income product providers may transact with each other.

The information in this document is intended solely for your use. The information and recommendations constitute judgements as of the date of this report and take into account the information you provided to Imperium Markets about your investment objectives and investment policy.

Imperium Markets monitors the entire fixed income investible universe and recommends the best rate available to us, regardless of whether a product provider uses our market platform. You are responsible for deciding whether our recommendations are appropriate for your particular investment needs, objectives and financial situation and for implementing your decisions. You may use our platform to transact with your chosen product providers.

Imperium Markets charges a flat fee for our investment advice. Any commissions received are rebated to clients in full. If you choose a product provider who uses our market platform, the product provider pays us 1bp p.a. of the value of the investments transacted.



Monthly Investment Report

01/12/2019 to 31/12/2019



Portfolio Valuation

as at 31/12/2019

Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
Westpac	AA-	TD	GENERAL	Quarterly	14/01/2019	14/01/2020	2.7200	5,000,000.00	29,435.62	11,550.68
Members Equity Bank	BBB	TD	GENERAL	Annual	24/01/2017	24/01/2020	3.2600	2,000,000.00	61,091.51	5,537.53
ICBC Sydney Branch	A	TD	GENERAL	At Maturity	20/02/2019	04/02/2020	2.7200	1,000,000.00	23,473.97	2,310.14
ING Direct	A	TD	GENERAL	Annual	15/02/2018	17/02/2020	2.8700	4,000,000.00	100,646.58	9,750.14
ING Direct	A	TD	GENERAL	Annual	28/02/2018	03/03/2020	2.8900	4,000,000.00	97,230.68	9,818.08
Newcastle Permanent	BBB	TD	GENERAL	Annual	10/03/2016	10/03/2020	3.7000	2,000,000.00	60,010.96	6,284.93
ING Direct	A	TD	GENERAL	Annual	02/03/2018	17/03/2020	2.8800	4,000,000.00	95,631.78	9,784.11
Rural Bank (Bendigo and Adelaide Bank)	BBB+	TD	GENERAL	At Maturity	18/04/2019	14/04/2020	2.5500	2,000,000.00	36,049.32	4,331.51
Auswide Bank	BBB	TD	GENERAL	At Maturity	30/04/2019	29/04/2020	2.4500	5,000,000.00	82,561.64	10,404.11
BOQ	BBB+	TD	GENERAL	Annual	19/05/2017	19/05/2020	3.0000	3,000,000.00	55,726.03	7,643.84
ING Direct	A	TD	GENERAL	Annual	22/05/2018	26/05/2020	2.9400	4,000,000.00	72,170.96	9,987.95
ING Direct	A	TD	GENERAL	Annual	29/05/2018	09/06/2020	2.8800	3,000,000.00	51,366.58	7,338.08
Westpac	AA-	TD	GENERAL	Quarterly	06/06/2018	16/06/2020	2.9100	5,000,000.00	10,364.38	10,364.38
NAB	AA-	TD	GENERAL	Annual	03/07/2018	07/07/2020	2.9000	5,000,000.00	72,301.37	12,315.07
NAB	AA-	TD	GENERAL	Annual	11/07/2018	14/07/2020	2.9200	3,000,000.00	41,760.00	7,440.00
ING Direct	A	TD	GENERAL	Annual	21/08/2018	25/08/2020	2.8500	4,000,000.00	41,539.73	9,682.19
ING Direct	A	TD	GENERAL	Annual	13/09/2018	08/09/2020	2.8700	4,000,000.00	34,597.26	9,750.14
Westpac	AA-	TD	LOCAL BRANCH	Annual	13/09/2017	14/09/2020	3.1700	3,000,000.00	28,660.27	8,076.99



Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
ING Direct	A	TD	GENERAL	Annual	13/09/2018	22/09/2020	2.8700	4,000,000.00	34,597.26	9,750.14
NAB	AA-	TD	GENERAL	Annual	17/10/2018	13/10/2020	2.7800	4,000,000.00	23,153.97	9,444.38
ICBC Sydney Branch	A	TD	GENERAL	Annual	31/10/2018	27/10/2020	2.9300	6,000,000.00	29,861.92	14,930.96
ICBC Sydney Branch	A	TD	GENERAL	Annual	13/11/2018	10/11/2020	2.9300	5,000,000.00	19,667.12	12,442.47
ICBC Sydney Branch	A	TD	GENERAL	Annual	05/12/2018	08/12/2020	2.8600	2,000,000.00	4,231.23	4,231.23
ICBC Sydney Branch	A	TD	GENERAL	Annual	14/12/2018	15/12/2020	2.8900	6,000,000.00	7,601.10	7,601.10
Westpac	AA-	TD	GENERAL	Quarterly	17/12/2019	17/12/2020	1.4600	6,000,000.00	3,600.00	3,600.00
BOQ	BBB+	TD	GENERAL	Annual	24/01/2017	25/01/2021	3.6500	2,000,000.00	68,400.00	6,200.00
Westpac	AA-	TD	LOCAL BRANCH	Annual	21/02/2017	22/02/2021	3.3900	2,000,000.00	58,326.58	5,758.36
BOQ	BBB+	TD	GENERAL	Annual	10/03/2016	10/03/2021	3.8000	3,000,000.00	92,449.32	9,682.19
ING Direct	A	TD	GENERAL	Annual	20/02/2019	16/03/2021	2.8200	2,000,000.00	48,673.97	4,790.14
Westpac	AA-	TD	GENERAL	Quarterly	22/03/2018	23/03/2021	3.0200	4,000,000.00	2,978.63	2,978.63
Westpac	AA-	TD	GENERAL	Quarterly	22/05/2018	25/05/2021	3.1000	4,000,000.00	13,589.04	10,531.51
AMP Bank	BBB+	TD	GENERAL	Annual	25/11/2019	25/05/2021	1.6000	5,000,000.00	8,109.59	6,794.52
AMP Bank	BBB+	TD	GENERAL	Annual	29/11/2019	27/05/2021	1.6000	4,000,000.00	5,786.30	5,435.62
BOQ	BBB+	TD	GENERAL	Annual	29/05/2019	31/05/2021	2.3000	3,000,000.00	41,021.92	5,860.27
Rabobank Australia Branch	A+	TD	GENERAL	Annual	08/06/2017	07/06/2021	3.0200	5,000,000.00	84,394.52	12,824.66
Westpac	AA-	TD	GENERAL	Quarterly	06/06/2018	15/06/2021	3.1000	3,000,000.00	6,624.66	6,624.66
NAB	AA-	TD	GENERAL	Annual	03/07/2018	22/06/2021	3.0000	4,000,000.00	59,835.62	10,191.78
NAB	AA-	TD	GENERAL	Annual	03/07/2018	06/07/2021	3.0000	3,000,000.00	44,876.71	7,643.84



Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
Westpac	AA-	TD	GENERAL	Quarterly	17/07/2018	13/07/2021	3.0400	5,000,000.00	31,649.32	12,909.59
NAB	AA-	TD	GENERAL	Annual	26/07/2018	20/07/2021	3.0400	4,000,000.00	52,970.96	10,327.67
Westpac	AA-	TD	LOCAL BRANCH	Annual	24/07/2019	23/07/2021	1.7500	4,000,000.00	30,876.71	5,945.21
NAB	AA-	TD	GENERAL	Annual	02/08/2018	03/08/2021	3.0700	5,000,000.00	63,923.29	13,036.99
ICBC Sydney Branch	A	TD	GENERAL	Annual	30/08/2019	30/08/2021	1.6200	5,000,000.00	27,517.81	6,879.45
Westpac	AA-	TD	GENERAL	Quarterly	13/09/2018	14/09/2021	2.8800	5,000,000.00	7,495.89	7,495.89
NAB	AA-	TD	GENERAL	Annual	27/09/2018	28/09/2021	3.0500	5,000,000.00	40,109.59	12,952.05
Auswide Bank	BBB	TD	GENERAL	Annual	30/09/2019	30/09/2021	1.7500	4,000,000.00	17,835.62	5,945.21
Westpac	AA-	TD	GENERAL	Quarterly	13/09/2018	12/10/2021	2.8900	5,000,000.00	7,521.92	7,521.92
Auswide Bank	BBB	TD	GENERAL	Annual	23/10/2019	25/10/2021	1.6500	5,000,000.00	15,821.92	7,006.85
Auswide Bank	BBB	TD	GENERAL	At Maturity	25/11/2019	25/11/2021	1.7000	5,000,000.00	8,616.44	7,219.18
ICBC Sydney Branch	A	TD	GENERAL	Annual	05/12/2018	07/12/2021	3.0100	4,000,000.00	8,906.30	8,906.30
ICBC Sydney Branch	A	TD	GENERAL	Annual	16/12/2019	16/12/2021	1.5700	4,000,000.00	2,752.88	2,752.88
Newcastle Permanent	BBB	TD	GENERAL	Quarterly	07/02/2019	08/02/2022	3.0500	4,000,000.00	18,383.56	10,361.64
NAB	AA-	TD	GENERAL	Annual	21/02/2017	21/02/2022	3.4600	5,000,000.00	148,827.40	14,693.15
Westpac	AA-	TD	GENERAL	Annual	21/02/2017	21/02/2022	3.6100	2,000,000.00	62,111.78	6,132.05
BOQ	BBB+	TD	GENERAL	Annual	15/03/2017	15/03/2022	3.8000	2,000,000.00	60,800.00	6,454.79
Newcastle Permanent	BBB	TD	GENERAL	Quarterly	12/03/2019	22/03/2022	2.9000	4,000,000.00	6,356.16	6,356.16
Newcastle Permanent	BBB	TD	GENERAL	Annual	27/03/2019	29/03/2022	2.8000	5,000,000.00	107,397.26	11,890.41
Newcastle Permanent	BBB	TD	GENERAL	Quarterly	18/04/2019	19/04/2022	2.7000	4,000,000.00	22,191.78	9,172.60




Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
BOQ	BBB+	TD	GENERAL	Annual	28/05/2019	30/05/2022	2.4000	4,000,000.00	57,336.99	8,153.42
Rabobank Australia Branch	A+	TD	GENERAL	Annual	08/06/2017	07/06/2022	3.2200	5,000,000.00	89,983.56	13,673.97
NAB	AA-	TD	GENERAL	Annual	02/08/2018	02/08/2022	3.2200	4,000,000.00	53,637.26	10,939.18
NAB	AA-	TD	GENERAL	Annual	16/08/2018	16/08/2022	3.0500	4,000,000.00	46,126.03	10,361.64
ICBC Sydney Branch	A	TD	GENERAL	Annual	28/08/2019	29/08/2022	1.6400	5,000,000.00	28,306.85	6,964.38
Auswide Bank	BBB	TD	GENERAL	At Maturity	06/09/2019	06/09/2022	1.8000	3,000,000.00	17,309.59	4,586.30
Rabobank Australia Branch	A+	TD	GENERAL	Annual	13/09/2017	13/09/2022	3.3800	3,000,000.00	30,558.90	8,612.05
Westpac	AA-	TD	LOCAL BRANCH	Annual	13/09/2017	13/09/2022	3.4100	3,000,000.00	30,830.14	8,688.49
Auswide Bank	BBB	TD	GENERAL	Annual	30/09/2019	30/09/2022	1.7500	4,000,000.00	17,835.62	5,945.21
ICBC Sydney Branch	A	TD	GENERAL	Annual	23/10/2019	24/10/2022	1.7000	3,000,000.00	9,780.82	4,331.51
ICBC Sydney Branch	A	TD	GENERAL	Annual	31/10/2019	31/10/2022	1.7300	5,000,000.00	14,693.15	7,346.58
BOQ	BBB+	TD	GENERAL	Annual	28/05/2019	29/05/2023	2.5500	4,000,000.00	60,920.55	8,663.01
BOQ	BBB+	TD	GENERAL	Annual	27/06/2019	27/06/2023	2.2000	5,000,000.00	56,657.53	9,342.47
ICBC Sydney Branch	A	TD	GENERAL	Annual	27/11/2019	27/11/2023	1.7600	6,000,000.00	10,126.03	8,968.77
ICBC Sydney Branch	A	TD	GENERAL	Annual	16/12/2019	18/12/2023	1.8100	4,000,000.00	3,173.70	3,173.70
Bendigo and Adelaide	BBB+	FRN	GENERAL	Quarterly	06/09/2019	06/09/2024	1.8624	2,999,724.00	3,979.92	3,979.92
BOQ	BBB+	TD	GENERAL	Annual	27/09/2019	27/09/2024	2.0000	2,000,000.00	10,520.55	3,397.26
Westpac	AA-	CASH	GENERAL	Monthly	31/12/2019	31/12/2019	1.4500	12,927,077.39	15,919.78	15,919.78
TOTALS								305,928,801.39	2,952,161.62	626,693.95



Monthly Investment Report

January 2020

 IMPERIUM MARKETS	<p>Imperium Markets Pty Ltd ABN: 87 616 579 527 Authorised Representative of Libertas Financial Planning Pty Ltd AFSL 429 718 Phone: +61 2 9053 2987 Email: michael.chandra@imperium.markets Level 13, 333 George Street, Sydney NSW 2000</p>
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Executive Summary

Compliance

Compliance Measure	Within Policy Limits (Y/N)	Reason if Not Compliant
Term to Maturity	Yes – Compliant	n/a
Counterparty	Yes – Compliant	n/a
Credit Quality	Yes – Compliant	n/a

Performance

As at 31/01/2020	1m (actual)	1m (% p.a.)	FYTD (actual)	FYTD (% p.a.)
AusBond Bank Bill Index	0.08%	0.96%	0.61%	1.03%
Council's Portfolio[^]	0.22%	2.62%	1.62%	2.77%
Outperformance	0.14%	1.66%	1.01%	1.74%

[^]Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

Council's Portfolio

Asset Allocation

The portfolio is predominately directed to fixed term deposits (95%). The remainder of the portfolio is directed to the overnight cash account with Westpac (4%) and the introduction of the FRN with Bendigo-Adelaide (1%).

Should credit securities become more attractive relative to deposits, we would consider increasing the allocation to liquid senior floating rate notes (FRNs). This will not only offer additional upside with regards to the portfolio's investment returns, but also provide additional liquidity (FRNs are saleable – generally accessible within 2 business days). FRNs are also dominated by the higher rated ADIs which allows Council to maintain a bias towards the higher rated banks.

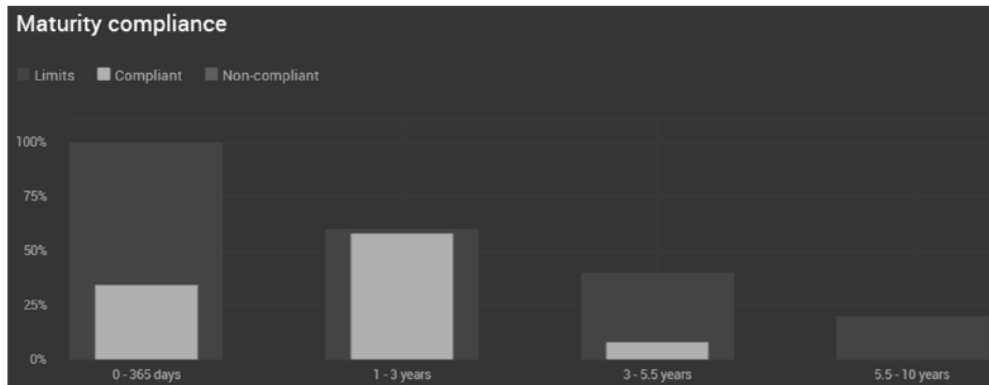
With a further interest rate cut on the horizon over coming months, the priority should be to lock in any attractive medium-longer dated fixed deposits that may still be available.





Term to Maturity

All maturity limits (minimum and maximum) comply with the Investment Policy. Medium-Term (3-5½ years) assets account for around 8% of the total investment portfolio, with capacity of around \$98m at month-end.



Where there is (counterparty) capacity to invest in attractive 3-5½ year investments, we recommend this be allocated to new any remaining attractive fixed term deposits (refer to respective sections below).

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 – 365 days	\$103,942,997	34.20%	0%	100%	\$200,001,914
✓	1 – 3 years	\$176,000,000	57.91%	0%	60%	\$6,366,947
✓	3 – 5.5 years	\$24,001,914	7.90%	0%	40%	\$97,576,050
✓	5.5 – 10 years	\$0	0.00%	0%	20%	\$60,788,982
		\$303,944,911	100.00%			



Counterparty

As at the end of January, Council did not have an overweight position to any single ADI. Overall, the portfolio is diversified across the investment grade credit spectrum (rated BBB- or higher), with no exposure to unrated ADIs.

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	NAB	AA-	\$46,000,000	15.13%	30.00%	\$45,183,473
✓	WBC (St George)	AA-	\$63,942,997	21.04%	30.00%	\$27,240,476
✓	Rabobank	A+	\$13,000,000	4.28%	20.00%	\$47,788,982
✓	ICBC Sydney	A	\$56,000,000	18.42%	20.00%	\$4,788,982
✓	ING Bank Aus.	A	\$38,000,000	12.50%	20.00%	\$22,788,982
✓	AMP Bank	BBB+	\$9,000,000	2.96%	10.00%	\$21,394,491
✓	BOQ	BBB+	\$28,000,000	9.21%	10.00%	\$2,394,491
✓	Bendigo	BBB+	\$5,001,914	1.65%	10.00%	\$25,392,577
✓	Auswide	BBB	\$26,000,000	8.55%	10.00%	\$4,394,491
✓	Newcastle PBS	BBB	\$19,000,000	6.25%	10.00%	\$11,394,491
			\$303,944,911	100.00%		

On 27th August 2019, AMP Bank was downgraded by ratings agency S&P to BBB+ (negative watch), from A- (negative watch). Their short-term rating was unchanged at A-2. This was a result of AMP Group selling its life insurance arm at a revised deal earlier in the month. S&P believed that the group's profits will be less diversified going forward due to this sale. We have no issues with Council's exposure to AMP Bank given they continue to have a robust balance sheet with their level of capital remaining above the minimum regulatory requirement set by APRA.

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

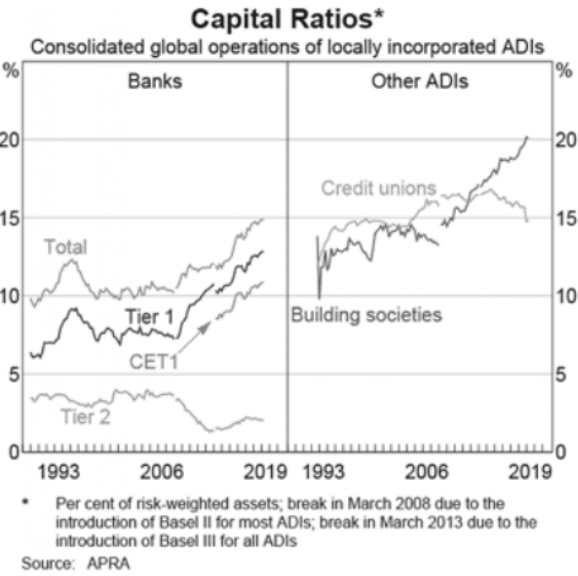
APRA's Chairman affirmed that the banks had satisfactorily moved towards an 'unquestionably strong' capital position and that bank's stress testing contingency plans were now far better positioned than was previously the case years ago. APRA's stress test which hypothetically increased the unemployment rate to 11% (more than double the current rate) and for house prices to fall 35% showed the banks remained above the minimum capital levels. We note that APRA's latest discussion paper also highlighted that the domestic major banks were required to raise more capital while the lower rated ADIs were already deemed to be at a satisfactory level.

Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). We believe that deposit investments with the lower rated ADIs should be continued going forward, particularly when they offer 'above market' specials. Not only would it diversify the investment portfolio and reduce credit risk, it would also improve the portfolio's overall returns.



In the current environment of high regulation and scrutiny, all domestic ADIs continue to carry high levels of capital, particularly amongst the lower (“BBB”) and unrated ADIs. There is minimal (if any) probability of any ADI defaulting on their deposits going forward – this was stress tested during the GFC. **APRA’s mandate is to “protect depositors” and provide “financial stability”.**

The biggest single risk that depositors face in the current low interest rate environment is not credit risk, but reinvestment risk.





Credit Quality

The portfolio remains lightly diversified from a credit ratings perspective. The portfolio is entirely directed to the investment grade ADIs (BBB- or higher), with zero allocation to unrated ADIs. There is high capacity to invest in the higher rated ADIs (A or higher), particularly after the downgrades of BoQ and Bendigo-Adelaide Bank in May 2017, as well as AMP Bank in August 2019, which are all now in the "BBB" rated category.

Conversely, the "BBB" rated ADIs is now close to capacity limits, approximately ~\$4.2m remaining at month-end.

Given the large number of "BBB" rated ADIs issuing deposits currently in the market (and conversely, the low number of "A" or higher rated ADIs), we suggest Council direct new funds into this sector, where attractive and where there is capacity. We note that it is within this category where the most value is currently experienced. The difference in pricing can amount up to 10-20bp on any day.

Should Council continue to exclude investments amongst the unrated ADI sector, we recommend the 10% allocation be directed to the "BBB" rated sector.

All ratings categories are within the Policy limits:

Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	AA Category	\$109,942,997	36.17%	100%	\$194,001,914
✓	A Category	\$107,000,000	35.20%	60%	\$75,366,947
✓	BBB Category	\$87,001,914	28.62%	30%	\$4,181,559
✓	Unrated ADIs	\$0	0.00%	10%	\$30,394,491
		\$303,944,911	100.00%		



Performance

Council's performance for the month ending 31 January 2020 is summarised as follows:

Performance	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.06%	0.19%	0.42%	0.50%	1.10%
AusBond Bank Bill Index	0.08%	0.24%	0.49%	0.61%	1.40%
Council's T/D Portfolio	0.22%	0.67%	1.38%	1.63%	2.87%
Council's FRN Portfolio	0.16%	0.48%	-	-	-
Council's Portfolio [^]	0.22%	0.67%	1.38%	1.62%	2.87%
Outperformance	0.14%	0.43%	0.89%	1.02%	1.47%

[^]Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.

For the month of January, the portfolio (excluding cash) provided a solid return of +0.22% (actual), outperforming the benchmark AusBond Bank Bill Index return by +0.14% (actual). The strong performance continues to be driven by the handful of deposits still yielding above 3% p.a. However, some of these individual deposits are approaching maturity and will be reinvested at much lower prevailing rates.

Over the past 12 months, the portfolio returned +2.87% p.a., outperforming bank bills by 1.47% p.a. and more than 2½ times the official cash rate of 1.10%. This has been very strong given deposit rates reached their all-time lows and margins have generally contracted over the past 3 years.

We are pleased that PMHC remains amongst the best performing Councils in the state of NSW where deposits are concerned, earning on average, more than \$800,000 in additional interest income compared to its peers (as per our October 2019 rankings). We have been pro-active in our advice about protecting interest income and addressing reinvestment risk for many years and encouraged to maintain a long duration position. This is now reflected by the high performance of the investment portfolio. Of the 73 individual deposits PMHC held, 26 are still yielding higher than 3.00% p.a. That is, around 36% of outstanding deposits held is earning an interest rate that is four times the prevailing cash rate of 0.75%.

Investors using the Imperium Markets platform have reduced the invisible costs associated with brokerage, and thereby lift client portfolio returns as investors are able to deal in deposits directly with the ADIs and execute at the best price possible. Council has experienced this over the past 2 years, receiving on average, 2-4bp higher for every deposit dealt on the platform.



Council's Term Deposit Portfolio & Recommendation

As at the end of January 2020, Council's deposit portfolio was yielding 2.61% p.a. (down 2bp from the previous month), with an average duration of ~1.6 years. Where possible, we recommend Council extends or at least maintains this average duration. In the low interest rate environment, the biggest collective risk that the local government sector has faced over the post-GFC era has been the dramatic fall in interest rates - from 7¼% to the current historical low levels of 0.75% (and potentially lower in 2020).

As the past decade has highlighted (post-GFC era), we have seen too many portfolios' roll a high proportion of their deposits between 3-6 months, resulting in their deposits being reinvested at lower prevailing rates. That is, depositors have generally not insured themselves against the low interest rate environment by diversify their funding across various tenors (out to 5 years) but rather placed all their 'eggs in one basket' and kept all their deposits short. **Reinvestment risk has collectively been and continues to be the biggest detriment to depositors' interest income over the post-GFC period. Another interest rate cut is still largely priced in by mid-2020.**

At the time of writing (early February), we see value in:

ADI	LT Credit Rating	Term	T/D Rate
Judo Bank	Unrated ADI	2 years	2.10% p.a.
BoQ	BBB+	5 years	2.05% p.a.
BoQ	BBB+	4 years	1.95% p.a.
AMP Bank	BBB+	18 months	^1.80% p.a.
BoQ	BBB+	3 years	1.75% p.a.
Auswide Bank	BBB	2-3 years	1.65% p.a.
BoQ	BBB+	2 years	1.60% p.a.

[^] AMP T/Ds – these are grossed up rates which includes a 0.20% p.a. rebated commission from Imperium Markets

For those investors that have capacity issues with the "BBB" and unrated ADI sector, we see value in:

ADI	LT Credit Rating	Term	T/D Rate
ING Bank Australia	A	2 years	~1.65% p.a.

The above deposits are suitable for investors looking to provide some income protection and mitigate reinvestment/rollover risk in the low interest rate environment, and particularly with a further interest rate cut a possibility on the horizon.

For terms under 12 months, we believe the strongest value is currently being offered by a number of lower and unrated ADIs offering above-market specials (dependent on daily funding requirements):



ADI	LT Credit Rating	Term	T/D Rate
AMP Bank	BBB+	6 months	^2.00% p.a.
Bank of Sydney	Unrated ADI	6 months	2.00% p.a.
Judo Bank	Unrated ADI	12 months	2.00% p.a.
AMP Bank	BBB+	3 months	^1.95% p.a.
Judo Bank	Unrated ADI	9 months	1.95% p.a.
AMP Bank	BBB+	9, 12months	1.90% p.a.
Judo Bank	Unrated ADI	6 months	^1.90% p.a.
Bank of Sydney	Unrated ADI	4, 5 months	1.90% p.a.
Bank of Sydney	Unrated ADI	7 months	1.75% p.a.
Bank of Us	Unrated ADI	3-4 months	1.75% p.a.
Bank of Queensland	BBB+	6 months	1.60% p.a.
ME Bank	BBB	4-9 months	1.60% p.a.
Australian Military Bank	BBB+	3-6 months	1.55% p.a.
Bendigo-Adelaide	BBB+	5-9 months	1.55% p.a.

[^] AMP T/Ds – these are grossed up rates which includes a 0.20% p.a. rebated commission from Imperium Markets

Amongst the higher rated ADIs ("A" rated or higher), the following deposits remain attractive for terms under 12 months:

ADI	LT Credit Rating	Term	T/D Rate
ING Bank Australia	A	12 months	1.65% p.a.
Macquarie Bank	A	3, 4 months	1.65% p.a.
ING Bank Australia	A	6-11 months	1.60% p.a.
NAB	AA-	3 months	1.60% p.a.
NAB	AA-	5-6 months	1.55% p.a.
NAB	AA-	12 months	1.48% p.a.



Senior FRNs & Recommendations

Over January, amongst the senior major bank FRNs, physical credit securities were marked around -2bp tighter (at +75bp) at the longer end of the curve (5 years). There were new 5 year benchmark issuances by NAB and ANZ, pricing at +77bp and +76bp respectively. ANZ also issued a 3 year benchmark issue at +62bp.

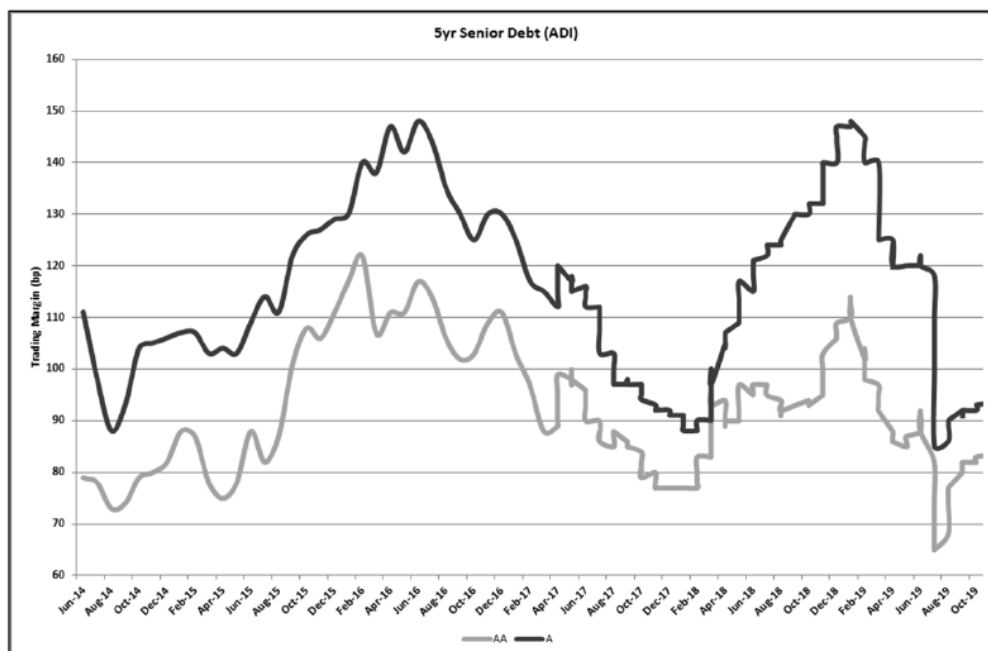
Those investors that require liquidity with a domestic major bank (highly rated) and can roll down the curve should invest in 5 year terms over 3 year terms (or shorter), given the ability to lock in capital gains as early as two years after being launched. **The grossed up return would be closer to around +95-100bp over a 2 year holding period in a relatively stable credit environment.**

Collectively over the month, the "A" rated sector was marked around 3-5bp tighter at the longer-end of the curve. In contrast, the "BBB" rated sector was marked marginally wider after Newcastle PBS (BBB) issued a new 5 year benchmark issue at +112bp, which we thought was priced at a fair level. We expect further issuances with the holiday season now having passed. There remains little turnover in the secondary market amongst the lower rated ADI sectors.

Overall, credit remains tight on a historical basis, reaching their levels experienced in early 2018. With a further rate cut priced in over 2020, any medium-longer-dated fixed deposits offered above +100bp should be considered. FRNs will continue to play a role in investor's portfolios mainly on the basis of their liquidity and the ability to roll down the curve and gross up returns over ensuing years (in a relatively stable credit environment).

Senior FRNs (ADIs)	31/01/2020	31/12/2019
"AA" rated – 5yrs	+75bp	+77bp
"AA" rated – 3yrs	+58bp	+61bp
"A" rated – 5yrs	+85bp	+90bp
"A" rated – 3yrs	+70bp	+73bp
"BBB" rated – 3yrs	+94bp	+90bp

Source: IBS Capital



Source: IBS Capital

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

- On or before early 2023 for the "AA" rated ADIs (domestic major banks);
- On or before early 2021 for the "A" rated ADIs; and
- Within 12 months for the "BBB" rated ADIs (consider case by case).

Investors holding onto the above senior FRNs ('benchmark' issues only) in their last 1-2 years are now generally holding sub-optimal investments and are not maximising returns by foregoing realised capital gains. In the current low interest rate environment, any boost in overall returns should be locked in when it is advantageous to do so.

In late August 2019, Council placed a bid of \$3m into the new Bendigo (BBB+) 5 year FRN at +97bp, which settled in early September. This FRN should be viewed as a 4 year holding period, with the ability to 'roll down the curve', realise capital gains which would boost the overall return of the investment portfolio.

At this stage, we prioritise medium-longer dated deposits (2-5 years) given a further rate cut is still largely factored in over coming months.



Economic Commentary

International Market

There were fresh geopolitical tensions earlier in the month following the assassination by US forces of Qassem Soleimani, Iran's top military commander. **Global equity markets were also dampened on escalating concerns over the deadly Wuhan coronavirus**, in which the World Health Organisation (WHO) eventually declared a global state of emergency.

In the US, the S&P 500 Index finally ended its rally, finishing the month -0.16% lower. In contrast, the NASDAQ continued its rally gaining +1.99% for the month. Across Europe, the major economies fell across the board led by UK's FTSE (-3.40%), France's CAC (-2.87%) and Germany's DAX (-2.02%).

Phase one of the China-US trade deal was confirmed. The agreement required the US to reduce tariffs from 15% to 7.5% on \$120 billion of Chinese imports and refrain from further tariff escalations. In return, the agreement required China to reform its intellectual-property practices and financial markets and to purchase an additional \$200 billion of American goods and services.

The US unemployment rate remained steady at 3.5% in December. US core CPI was +0.1% m/m against +0.2% expected, with the annual rate coming in at +2.3% y/y.

The US FOMC statement had minimal changes. The most significant comment was **US Chair Powell indicating that running at inflation below 2% wasn't adequately meeting economic requirements and furthermore that "2% should never be viewed as the ceiling"**.

UK CPI came through as its weakest level in three years with core CPI at +1.4% y/y against +1.7% expected.

After a 46 year relationship firmly aligned within the EU, and after more than three years of Brexit talks, deals and political wrangling, **the United Kingdom officially left the European Union on January 31.**

The Eurozone unemployment rate was steady at 7.5% in November, remaining at the lowest level since July 2008.

The IMF trimmed its global growth forecasts for 2020 to 3.3% from 3.4% and 2021 by two-tenths to 3.4% from 3.6%.

China's economy grew by 6.1% in 2019, the lowest growth rate since 1990.

The MSCI World ex-Aus Index fell -0.70% for the month of January:

Index	1m	3m	1yr	3yr	5yr	10yr
S&P 500 Index	-0.16%	+6.19%	+19.28%	+12.28%	+10.09%	+11.63%
MSCI World ex-AUS	-0.70%	+4.95%	+15.62%	+9.50%	+7.06%	+7.87%
S&P ASX 200 Accum. Index	+4.98%	+6.08%	+24.72%	+12.36%	+9.33%	+9.08%

Source: S&P, MSCI



Domestic Market

The RBA is expected to keep the cash rate at 0.75% for its first meeting in 2020 (on 4th February). This comes on the back of a better than expected unemployment rate for December.

The unemployment rate for December ticked down to 5.1% (from 5.2%), with the participation rate remaining flat. The unemployment rate remains well above what the RBA considers to be the full employment rate of 4.5%. The underemployment rate stayed at 8.3%, which has remained relatively flat over the year, ranging from 8.2%-8.5%.

Capital-city prices rose by +1.2% in December, marking the sixth consecutive monthly rise and taking annual growth to +3.0% y/y. Building approvals were up a strong +11.8% in November, easily above the expectations of a modest +2% rise.

The trade surplus rose to \$5.8b in November from \$4.1b the previous month (revised down from \$4.5b), easily beating market expectations of a \$4.1b surplus.

Retail sales rose by a strong +0.9% in November, beating market consensus of +0.4%.

PM Scott Morrison announced a \$100m stimulus package of grants for farmers, graziers and primary producers affected by the bushfires.

The headline Q4 CPI came in at +0.7% q/q, to be up +1.8% y/y. The trimmed mean CPI came in at +0.4% q/q and +1.6% y/y, which was in line with the RBA's forecast.

The domestic share market continued its rally, with the S&P ASX 200 Accumulation Index gaining close to +5.0% for the month.

The Australian dollar fell over 4% in January, finishing at US67.24 cents, down from US70.06 cents the previous month.

Credit Market

The main global credit indices widened over January in the "risk-off" environment. Credit spreads remain very tight on a historical basis (trading around early 2018 levels):

Index	January 2020	December 2019
CDX North American 5yr CDS	51bp	45bp
iTraxx Europe 5yr CDS	46bp	44bp
iTraxx Australia 5yr CDS	52bp	47bp

Source: Markit



Fixed Interest Review

Benchmark Index Returns

Index	January 2020	December 2019
Bloomberg AusBond Bank Bill Index (0+YR)	+0.08%	+0.07%
Bloomberg AusBond Composite Bond Index (0+YR)	+2.33%	-1.64%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.20%	+0.15%
Bloomberg AusBond Credit Index (0+YR)	+1.65%	-0.85%
Bloomberg AusBond Treasury Index (0+YR)	+2.78%	-2.07%
Bloomberg AusBond Inflation Gov't Index (0+YR)	+3.61%	-2.28%

Source: Bloomberg

Other Key Rates

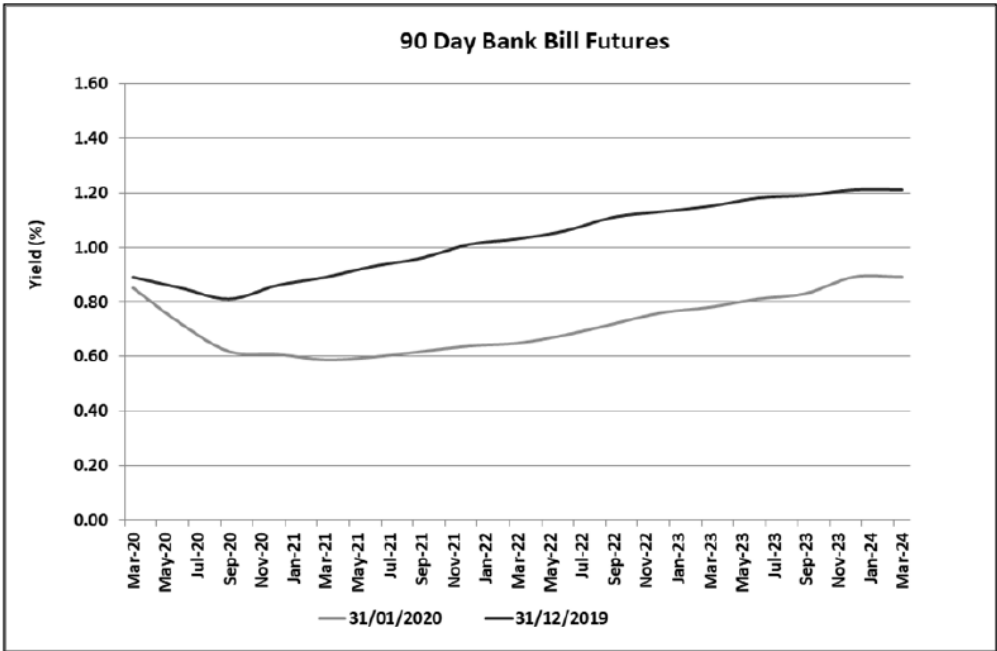
Index	January 2020	December 2019
RBA Official Cash Rate	0.75%	0.75%
90 Day (3 month) BBSW Rate	0.88%	0.92%
3yr Australian Government Bonds	0.62%	0.92%
10yr Australian Government Bonds	0.96%	1.37%
US Fed Funds Rate	1.50%-1.75%	1.50%-1.75%
10yr US Treasury Bonds	1.51%	1.92%

Source: RBA, AFMA, US Department of Treasury



90 Day Bill Futures

Over January, bill futures fell significantly across the longer-end of the curve, with yields following the movement in the bond market. **At month-end, the futures market was still largely pricing in another 25bp rate cut by mid-2020, which would take the official cash rate down to 0.50%.**



Source: ASX



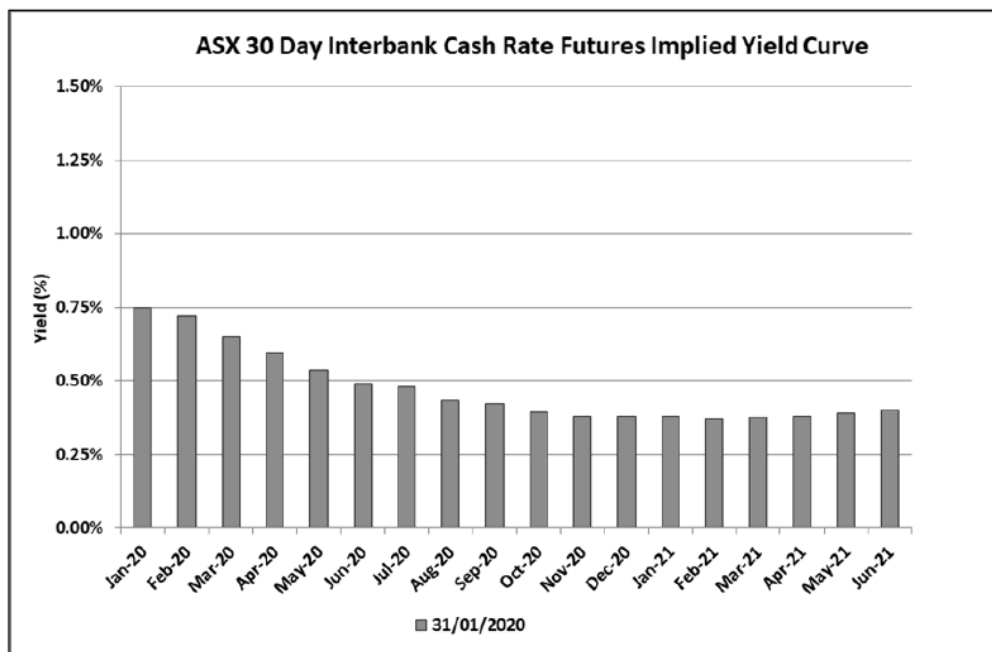
Fixed Interest Outlook

US Fed Chair indicated that the *"Fed is not satisfied with inflation running below 2% and it is not a ceiling"*. However, he also remarked there are grounds for *"cautious optimism"*, noting supporting financial conditions, easing trade tensions and lower odds of a hard Brexit. There are slightly larger expectations that further rate cuts may be delivered by the Fed to warrant their desire for higher inflation. The market is now pricing in around 1.6 cuts by the end of 2020, rather than the 1.2 prior to their official meeting in January.

Domestically, the RBA remains on an easing bias and is targeting 'full employment' (an unemployment rate of around 4½%). They have repeatedly indicated to expect an *"extended period"* of low interest rates in order to achieve full employment and progress towards their inflation target.

The global key risks for the RBA stem from the impact of ongoing trade and technology disputes, persistently low inflation, geo-political uncertainty and a broader slowdown in the global economy. In Australia, they are closely monitoring employment, inflation, wage growth, housing and consumption. Should these areas continue to show signs of softening, **the RBA remains on hand to adjust the official cash rate lower if required.**

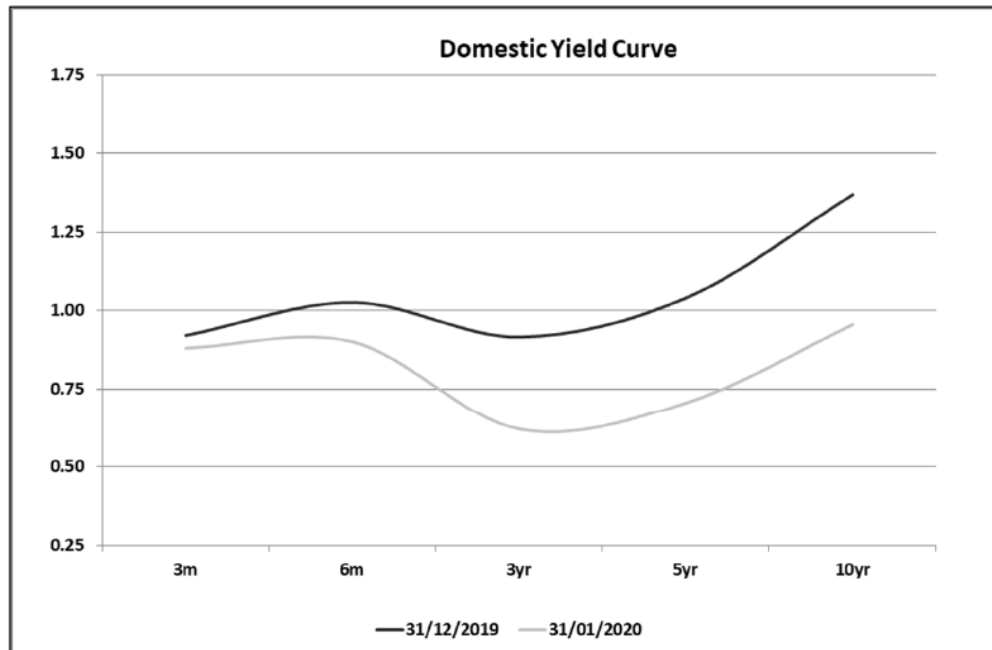
The futures market continues to factor in the possibility of another 25bp rate cut by mid-2020, which would take the official cash rate down to 0.50%, with potential for a further rate cut later in the year:



Source: ASX



Over the longer-term, the domestic bond market continues to suggest a 'lower-for-longer' period of interest rates. Over the month, yields fell significantly up to 41bp at the longer end of the curve, with 10-year government bond yields trading below the 1% level again:



Source: AFMA, ASX, RBA

Disclaimer

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Monthly Investment Report

01/01/2020 to 31/01/2020



Portfolio Valuation

as at 31/01/2020

Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
ICBC Sydney Branch	A	TD	GENERAL	At Maturity	20/02/2019	04/02/2020	2.7200	1,000,000.00	25,784.11	2,310.14
ING Direct	A	TD	GENERAL	Annual	15/02/2018	17/02/2020	2.8700	4,000,000.00	110,396.71	9,750.14
ING Direct	A	TD	GENERAL	Annual	28/02/2018	03/03/2020	2.8900	4,000,000.00	107,048.77	9,818.08
Newcastle Permanent	BBB	TD	GENERAL	Annual	10/03/2016	10/03/2020	3.7000	2,000,000.00	66,295.89	6,284.93
ING Direct	A	TD	GENERAL	Annual	02/03/2018	17/03/2020	2.8800	4,000,000.00	105,415.89	9,784.11
Rural Bank (Bendigo and Adelaide Bank)	BBB+	TD	GENERAL	At Maturity	18/04/2019	14/04/2020	2.5500	2,000,000.00	40,380.82	4,331.51
Auswide Bank	BBB	TD	GENERAL	At Maturity	30/04/2019	29/04/2020	2.4500	5,000,000.00	92,965.75	10,404.11
BOQ	BBB+	TD	GENERAL	Annual	19/05/2017	19/05/2020	3.0000	3,000,000.00	63,369.86	7,643.84
ING Direct	A	TD	GENERAL	Annual	22/05/2018	26/05/2020	2.9400	4,000,000.00	82,158.90	9,987.95
ING Direct	A	TD	GENERAL	Annual	29/05/2018	09/06/2020	2.8800	3,000,000.00	58,704.66	7,338.08
Westpac	AA-	TD	GENERAL	Quarterly	06/06/2018	16/06/2020	2.9100	5,000,000.00	22,721.92	12,357.53
NAB	AA-	TD	GENERAL	Annual	03/07/2018	07/07/2020	2.9000	5,000,000.00	84,616.44	12,315.07
NAB	AA-	TD	GENERAL	Annual	11/07/2018	14/07/2020	2.9200	3,000,000.00	49,200.00	7,440.00
ING Direct	A	TD	GENERAL	Annual	21/08/2018	25/08/2020	2.8500	4,000,000.00	51,221.92	9,682.19
ING Direct	A	TD	GENERAL	Annual	13/09/2018	08/09/2020	2.8700	4,000,000.00	44,347.40	9,750.14
Westpac	AA-	TD	LOCAL BRANCH	Annual	13/09/2017	14/09/2020	3.1700	3,000,000.00	36,737.26	8,076.99
ING Direct	A	TD	GENERAL	Annual	13/09/2018	22/09/2020	2.8700	4,000,000.00	44,347.40	9,750.14
NAB	AA-	TD	GENERAL	Annual	17/10/2018	13/10/2020	2.7800	4,000,000.00	32,598.36	9,444.38



Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
ICBC Sydney Branch	A	TD	GENERAL	Annual	31/10/2018	27/10/2020	2.9300	6,000,000.00	44,792.88	14,930.96
ICBC Sydney Branch	A	TD	GENERAL	Annual	13/11/2018	10/11/2020	2.9300	5,000,000.00	32,109.59	12,442.47
ICBC Sydney Branch	A	TD	GENERAL	Annual	05/12/2018	08/12/2020	2.8600	2,000,000.00	9,089.32	4,858.08
ICBC Sydney Branch	A	TD	GENERAL	Annual	14/12/2018	15/12/2020	2.8900	6,000,000.00	22,328.22	14,727.12
Westpac	AA-	TD	GENERAL	Quarterly	17/12/2019	17/12/2020	1.4600	6,000,000.00	11,040.00	7,440.00
BOQ	BBB+	TD	GENERAL	Annual	24/01/2017	25/01/2021	3.6500	2,000,000.00	1,600.00	1,600.00
Westpac	AA-	TD	LOCAL BRANCH	Annual	21/02/2017	22/02/2021	3.3900	2,000,000.00	64,084.93	5,758.36
BOQ	BBB+	TD	GENERAL	Annual	10/03/2016	10/03/2021	3.8000	3,000,000.00	102,131.51	9,682.19
ING Direct	A	TD	GENERAL	Annual	20/02/2019	16/03/2021	2.8200	2,000,000.00	53,464.11	4,790.14
Westpac	AA-	TD	GENERAL	Quarterly	22/03/2018	23/03/2021	3.0200	4,000,000.00	13,238.36	10,259.73
Westpac	AA-	TD	GENERAL	Quarterly	22/05/2018	25/05/2021	3.1000	4,000,000.00	24,120.55	10,531.51
AMP Bank	BBB+	TD	GENERAL	Annual	25/11/2019	25/05/2021	1.6000	5,000,000.00	14,904.11	6,794.52
AMP Bank	BBB+	TD	GENERAL	Annual	29/11/2019	27/05/2021	1.6000	4,000,000.00	11,221.92	5,435.62
BOQ	BBB+	TD	GENERAL	Annual	29/05/2019	31/05/2021	2.3000	3,000,000.00	46,882.19	5,860.27
Rabobank Australia Branch	A+	TD	GENERAL	Annual	08/06/2017	07/06/2021	3.0200	5,000,000.00	97,219.18	12,824.66
Westpac	AA-	TD	GENERAL	Quarterly	06/06/2018	15/06/2021	3.1000	3,000,000.00	14,523.29	7,898.63
NAB	AA-	TD	GENERAL	Annual	03/07/2018	22/06/2021	3.0000	4,000,000.00	70,027.40	10,191.78
NAB	AA-	TD	GENERAL	Annual	03/07/2018	06/07/2021	3.0000	3,000,000.00	52,520.55	7,643.84
Westpac	AA-	TD	GENERAL	Quarterly	17/07/2018	13/07/2021	3.0400	5,000,000.00	6,246.58	6,246.58
NAB	AA-	TD	GENERAL	Annual	26/07/2018	20/07/2021	3.0400	4,000,000.00	63,298.63	10,327.67



Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
Westpac	AA-	TD	LOCAL BRANCH	Annual	24/07/2019	23/07/2021	1.7500	4,000,000.00	36,821.92	5,945.21
NAB	AA-	TD	GENERAL	Annual	02/08/2018	03/08/2021	3.0700	5,000,000.00	76,960.27	13,036.99
ICBC Sydney Branch	A	TD	GENERAL	Annual	30/08/2019	30/08/2021	1.6200	5,000,000.00	34,397.26	6,879.45
Westpac	AA-	TD	GENERAL	Quarterly	13/09/2018	14/09/2021	2.8800	5,000,000.00	19,726.03	12,230.14
NAB	AA-	TD	GENERAL	Annual	27/09/2018	28/09/2021	3.0500	5,000,000.00	53,061.64	12,952.05
Auswide Bank	BBB	TD	GENERAL	Annual	30/09/2019	30/09/2021	1.7500	4,000,000.00	23,780.82	5,945.21
Westpac	AA-	TD	GENERAL	Quarterly	13/09/2018	12/10/2021	2.8900	5,000,000.00	19,794.52	12,272.60
Auswide Bank	BBB	TD	GENERAL	Annual	23/10/2019	25/10/2021	1.6500	5,000,000.00	22,828.77	7,006.85
Auswide Bank	BBB	TD	GENERAL	At Maturity	25/11/2019	25/11/2021	1.7000	5,000,000.00	15,835.62	7,219.18
ICBC Sydney Branch	A	TD	GENERAL	Annual	05/12/2018	07/12/2021	3.0100	4,000,000.00	19,132.05	10,225.75
ICBC Sydney Branch	A	TD	GENERAL	Annual	16/12/2019	16/12/2021	1.5700	4,000,000.00	8,086.58	5,333.70
ING Direct	A	TD	GENERAL	Annual	30/01/2020	31/01/2022	1.6500	5,000,000.00	452.05	452.05
Newcastle Permanent	BBB	TD	GENERAL	Quarterly	07/02/2019	08/02/2022	3.0500	4,000,000.00	28,745.21	10,361.64
NAB	AA-	TD	GENERAL	Annual	21/02/2017	21/02/2022	3.4600	5,000,000.00	163,520.55	14,693.15
Westpac	AA-	TD	GENERAL	Annual	21/02/2017	21/02/2022	3.6100	2,000,000.00	68,243.84	6,132.05
BOQ	BBB+	TD	GENERAL	Annual	15/03/2017	15/03/2022	3.8000	2,000,000.00	67,254.79	6,454.79
Newcastle Permanent	BBB	TD	GENERAL	Quarterly	12/03/2019	22/03/2022	2.9000	4,000,000.00	16,208.22	9,852.05
Newcastle Permanent	BBB	TD	GENERAL	Annual	27/03/2019	29/03/2022	2.8000	5,000,000.00	119,287.67	11,890.41
Newcastle Permanent	BBB	TD	GENERAL	Quarterly	18/04/2019	19/04/2022	2.7000	4,000,000.00	3,550.68	3,550.68
BOQ	BBB+	TD	GENERAL	Annual	28/05/2019	30/05/2022	2.4000	4,000,000.00	65,490.41	8,153.42



Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
Rabobank Australia Branch	A+	TD	GENERAL	Annual	08/06/2017	07/06/2022	3.2200	5,000,000.00	103,657.53	13,673.97
NAB	AA-	TD	GENERAL	Annual	02/08/2018	02/08/2022	3.2200	4,000,000.00	64,576.44	10,939.18
NAB	AA-	TD	GENERAL	Annual	16/08/2018	16/08/2022	3.0500	4,000,000.00	56,487.67	10,361.64
ICBC Sydney Branch	A	TD	GENERAL	Annual	28/08/2019	29/08/2022	1.6400	5,000,000.00	35,271.23	6,964.38
Auswide Bank	BBB	TD	GENERAL	At Maturity	06/09/2019	06/09/2022	1.8000	3,000,000.00	21,895.89	4,586.30
Rabobank Australia Branch	A+	TD	GENERAL	Annual	13/09/2017	13/09/2022	3.3800	3,000,000.00	39,170.96	8,612.05
Westpac	AA-	TD	LOCAL BRANCH	Annual	13/09/2017	13/09/2022	3.4100	3,000,000.00	39,518.63	8,888.49
Auswide Bank	BBB	TD	GENERAL	Annual	30/09/2019	30/09/2022	1.7500	4,000,000.00	23,780.82	5,945.21
ICBC Sydney Branch	A	TD	GENERAL	Annual	23/10/2019	24/10/2022	1.7000	3,000,000.00	14,112.33	4,331.51
ICBC Sydney Branch	A	TD	GENERAL	Annual	31/10/2019	31/10/2022	1.7300	5,000,000.00	22,039.73	7,346.58
BOQ	BBB+	TD	GENERAL	Annual	28/05/2019	29/05/2023	2.5500	4,000,000.00	69,583.56	8,663.01
BOQ	BBB+	TD	GENERAL	Annual	27/06/2019	27/06/2023	2.2000	5,000,000.00	66,000.00	9,342.47
ICBC Sydney Branch	A	TD	GENERAL	Annual	27/11/2019	27/11/2023	1.7600	6,000,000.00	19,094.79	8,968.77
ICBC Sydney Branch	A	TD	GENERAL	Annual	16/12/2019	18/12/2023	1.8100	4,000,000.00	9,322.74	6,149.04
Bendigo and Adelaide	BBB+	FRN	GENERAL	Quarterly	06/09/2019	06/09/2024	1.8624	3,001,914.00	8,725.22	4,745.29
BOQ	BBB+	TD	GENERAL	Annual	27/09/2019	27/09/2024	2.0000	2,000,000.00	13,917.81	3,397.26
Westpac	AA-	CASH	GENERAL	Monthly	31/01/2020	31/01/2020	1.4500	12,942,997.17	15,939.39	15,939.39
TOTALS								303,944,911.17	3,359,428.99	635,955.37

Kylie Cross

From: Fixed Income Brokers Mailbox
<FixedIncomeBrokersMailbox@bendigoadelaide.com.au>
Sent: Wednesday, 15 January 2020 4:46 PM
To: Council
Cc: Kylie Cross; Money Market Mailbox
Subject: RE: Port Macquarie-Hastings Council Investments
Attachments: Environment-sustainability-Our-Commitment.pdf

Good afternoon,

Thanks for the email and letter.

Please find attached our Statement of Commitment to the Environment. Please also refer to our Sustainable Communities page, which states:

Our Bank considers the social and environmental outcomes of the business decisions we make. As an example of these considerations, our Bank does not lend to projects in the coal and coal seam gas sectors, and we have taken a pragmatic approach that says it makes no sense to broaden our footprint by starting to do so.

https://www.bendigoadelaide.com.au/in_the_community/sustainable_communities.asp

In relation to fossil fuels beyond coal and coal seam gas, I do not have a formal response at this stage. Our Investor Relations team have advised me that they are currently working on a document that will contain this information.

Thanks,
Angus

Angus Morgan | Financial Markets
Bendigo and Adelaide Bank Limited
T: 1800 633 511 | F: 03 5485 7661
The Bendigo Centre, PO Box 480, Bendigo, Victoria 3552
angus.morgan@bendigoadelaide.com.au

From: Kylie Cross <Kylie.Cross@pmhc.nsw.gov.au>
Sent: Friday, 20 December 2019 12:49 PM
To: Fixed Income Brokers Mailbox <FixedIncomeBrokersMailbox@bendigoadelaide.com.au>
Subject: Port Macquarie-Hastings Council Investments
Importance: High

Dear Sir/Madam,

Please find attached correspondence from Council for your attention.

Kind regards

Kylie Cross
Executive Assistant to Director Corporate Performance
Corporate Performance



p (02) 6581 8677

m 0419 144564



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Bendigo and Adelaide Bank Limited ABN 11 068 049 178



Kylie Cross

From: BOQ Money Market <MoneyMarket@boq.com.au>
Sent: Friday, 20 December 2019 3:39 PM
To: Kylie Cross
Subject: RE: Port Macquarie-Hastings Council Investments
Attachments: BOQ-sustainability-report-2019.pdf

Hi Kylie,

Thanks for your email.

Please find attached annual BOQ's Sustainability Report (for the year ending 13 August 2019). Page 13 details our exposure to the fossil fuel mining sector and our support towards a lower-carbon economy.

I hope this answers your questions and have a lovely Christmas break.

Regards,
Tom

**Tom Warrener**

Senior Manager, Money Market Sales | Treasury
BOQ Village | Level 4, 100 Skyring Terrace, Newstead QLD, 4006
t: +61 7 3212 3125 | m: +61 422 514 339
e: tom.warrener@boq.com.au | w: www.boq.com.au



From: Kylie Cross [<mailto:Kylie.Cross@pmhc.nsw.gov.au>]
Sent: Friday, 20 December 2019 11:47 AM
To: BOQ Money Market <MoneyMarket@boq.com.au>
Subject: Port Macquarie-Hastings Council Investments
Importance: High

Dear Sir/Madam,

Please find attached correspondence from Council for your attention.

Kind regards

Kylie Cross

Executive Assistant to Director Corporate Performance
Corporate Performance



p (02) 6581 8677

m 0419 144564

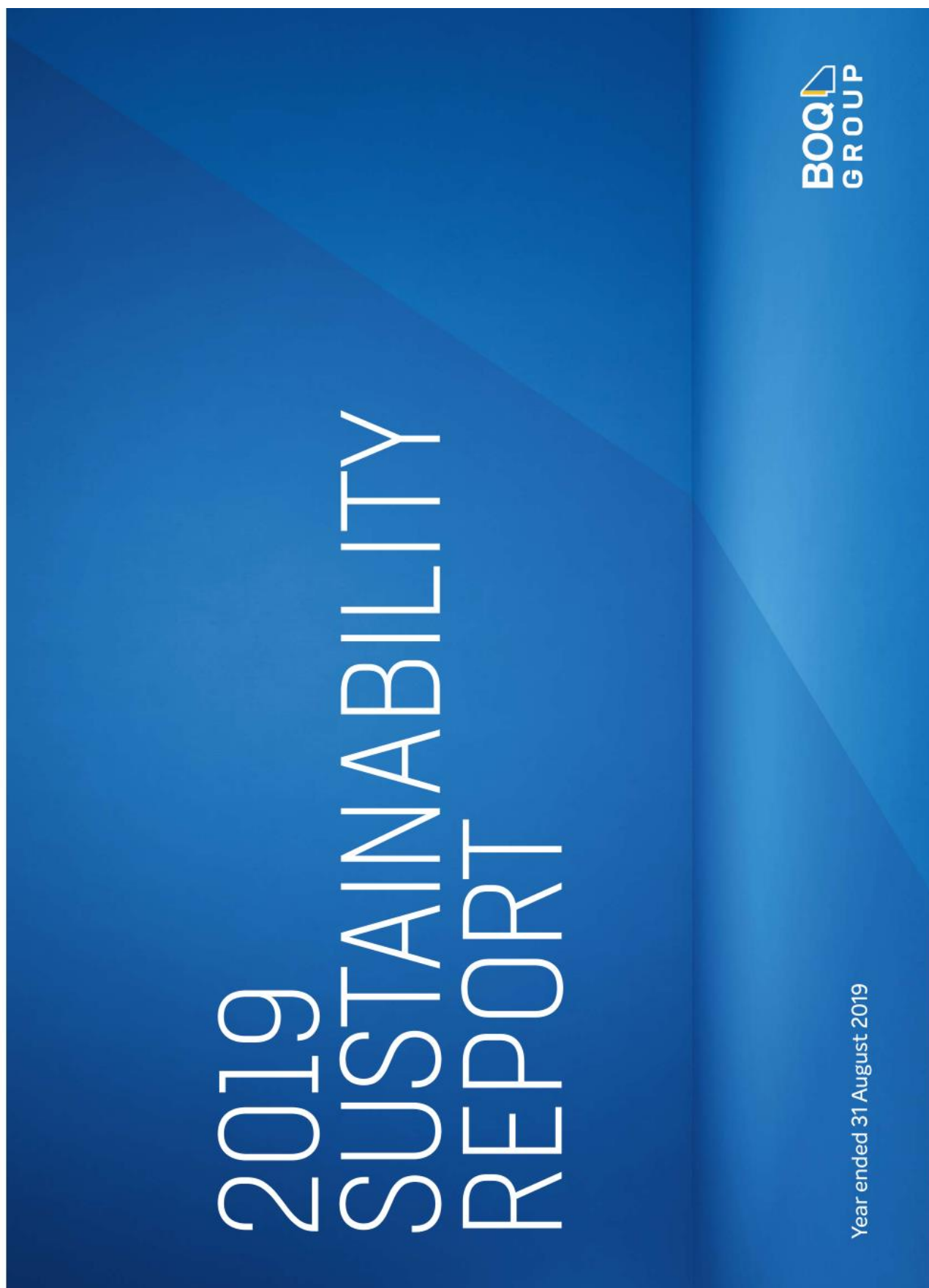


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You should not rely on the contents of this email or any attachments to it. No warranty is made that this email or any attachment is free from viruses or other defect or error."



ABOUT THIS REPORT

This Sustainability Report for the year ended 31 August 2019 forms part of BOQ Group's 2019 reporting suite. It supplements the 'Our approach to sustainability' summary provided in the 2019 Annual Review with further commentary and metrics related to BOQ's sustainable business practices. Further detail about BOQ's approach to sustainable lending, sustainability focus areas, non-financial measures and stakeholder engagement can be found in the Sustainability section of BOQ's website. BOQ Group's full financial statements are contained within the 2019 Annual Report and the 2019 Corporate Governance Statement can be found on the Corporate Governance Statement page of BOQ's website.

Other documents in our 2019 reporting suite

BOQ produces a range of reports designed to meet the evolving expectations of a wide number of stakeholders. Our 2019 reporting suite also includes the following:

Annual Report

Our 2019 Annual Report includes the Group's audited financial statements and other statutory disclosures and is available on the Annual Reports page of our website.

Annual Review

The 2019 Annual Review provides an overview of BOQ's operations across the Group and outlines our strategies for creating long-term value for shareholders, customers, employees, suppliers and the community. It is located on the Annual Reports page of our website.

Corporate Governance Statement

BOQ's 2019 Corporate Governance Statement discloses compliance with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles & Recommendations (3rd edition) and can be found on the Corporate Governance page of our website.



We are always looking for ways to evolve and improve our reporting. Please send your questions, comments or suggestions to our Investor Relations team at InvestorRelations@boq.com.au

Bank of Queensland Limited
ABN 32 009 656 740
AFSL NO. 244616

Right: Stars Foundation girls from Heatley Secondary College taking part in the Townsville NAIDOC march earlier this year.

WELCOME

A social licence to operate must not be taken for granted and needs to be earned every day. BOQ is committed to creating positive social, economic and environmental impacts for our customers and the communities in which we operate.

We recognise that our decisions have both direct and indirect impacts in a variety of ways. Because of this, we believe that business decisions made based on purely financial information is not sufficient; our assessment of risk and opportunity depends on a wide range of environmental, social and governance (ESG) matters that span the short, medium and long-term.

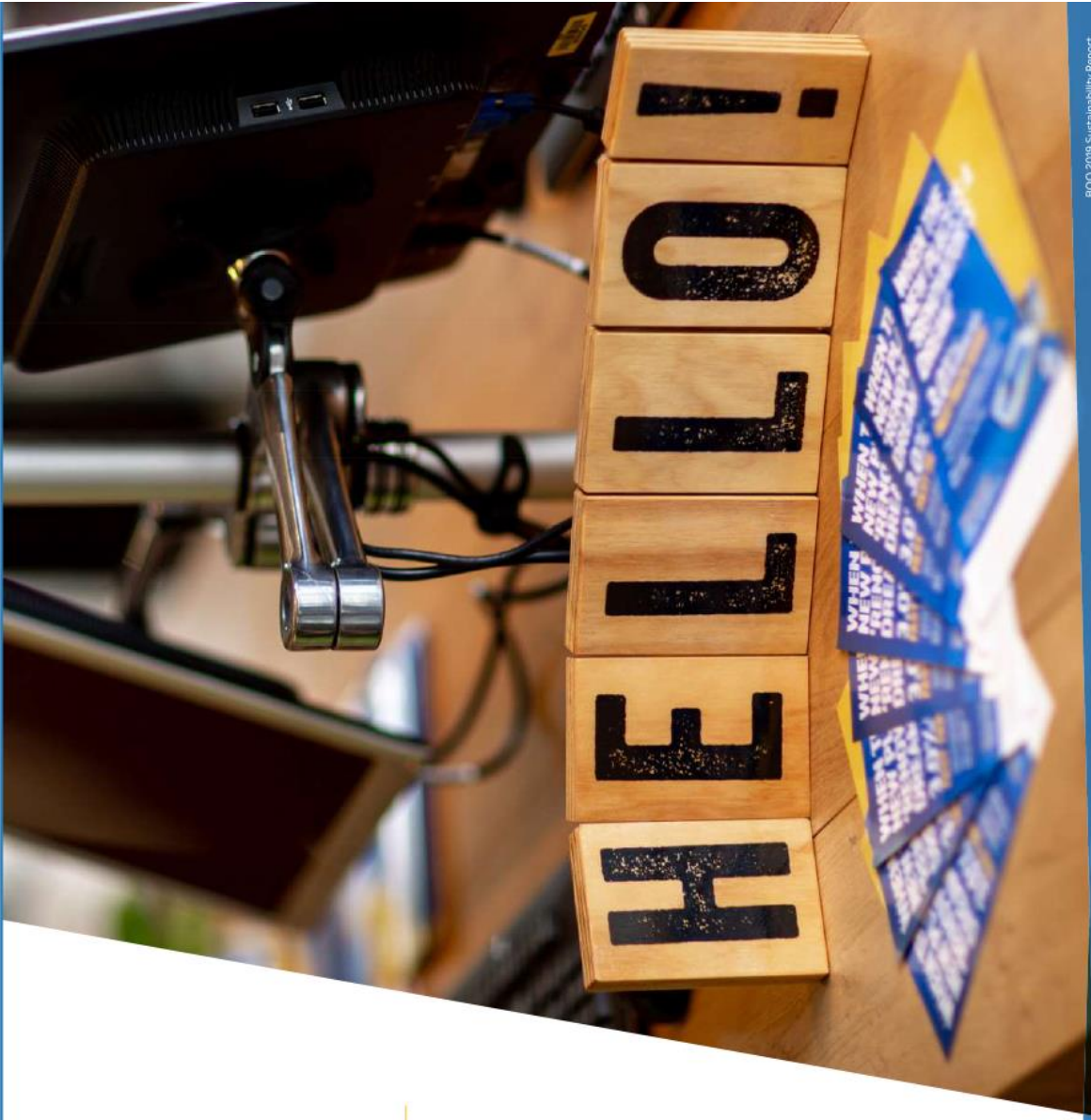
Reporting on our sustainability performance demonstrates our commitment to transparent communication and building a resilient business that is sustainable.

Guide to navigating this Sustainability Report

-  Go to next page
-  Go to previous page
-  Return to contents page
-  Reference to other pages within report

CONTENTS

Our Approach to Sustainability	4
Sustainability Focus Areas	5
Non-Financial Performance Measures	10
Approach to Sustainable Lending	12
Our Stakeholder Engagement	14



OUR APPROACH TO SUSTAINABILITY

Running a business sustainably is a continuous process – one that grows and changes as technology, the economy, consumer preferences, behaviours and community attitudes change.

As a financial services provider, our core function is gathering deposits from and lending to customers. This is why our sustainability efforts focus on BOQ's economic and customer impacts. And because our business contributes to how capital is allocated in the economy, we are conscious of how our customers use funds that we lend. You can find out more about this by visiting the **Approach to sustainable lending** section of this report.

BOQ's approach to sustainability is based on how we deliver our business strategy to contribute to the interests of BOQ's stakeholders. The framework is based around our key stakeholders: customers, shareholders and governance, people and culture, community and environment.

United Nations Sustainability Development Goals (SDGs)

The United Nations Sustainability Development Goals are a collection of 17 global goals set by the UN General Assembly in 2015 for the year 2030. BOQ recognises the importance of playing a part in furthering the global effort to ensure dignity, peace and prosperity for people and the planet, now and in the future. Over the next twelve months we plan to work toward identifying how to best incorporate the goals into our broader sustainability strategy. The SDGs identified with the highest potential for alignment (but are dependent upon the direction of our broader sustainability strategy) include: #5 gender equality, #8: decent work and economic growth, #10: reduced inequalities, and #11: sustainable cities and communities. Further detail will be provided in FY20 with regard to how we are aligning our efforts with the SDGs.



CUSTOMERS

- Providing a secure place for people and businesses to receive, store and save money, earn interest and make payments
- Providing funding that allows people and businesses to buy assets, invest or meet cash flow or business expansion requirements
- Delivering human, empathetic experiences that support financial wellbeing and help customers to achieve their financial goals and prosper

SHAREHOLDERS & GOVERNANCE

- Delivering a steady stream of dividends over the long term
- Continuing to strengthen the Bank through effective risk management and sound corporate governance

PEOPLE & CULTURE

- Providing career and development opportunities for our employees
- Supporting progression toward a more just society through the promotion of equality
- Supporting our franchise branch network, which enables our Owner Managers to own and run a branch and grow a business in their local communities

COMMUNITY

- Contributing to improving the wellbeing of vulnerable Australians through our community partnerships, workplace giving program and volunteering initiatives
- Contributing to public policy to improve the financial system and customer outcomes
- Supporting our business partners and suppliers
- Paying our fair share of taxes

ENVIRONMENT

- Identify ways to reduce the environmental footprint of our direct operations as well as through our supply chain
- Understand and minimise the environmental impact that our lending activities have through our customers' operations

SUSTAINABILITY FOCUS AREAS

The issues that matter most
We manage a range of sustainability issues as part of our everyday business operations.

The full list can be found on the Sustainability Focus Areas page of our website. While all of these issues are important, priorities may change over time.

To determine the most important sustainability issues for us, we conduct an annual assessment of industry trends – referencing internal and external reports and independent research. We also conduct a materiality assessment by engaging with internal and external stakeholders. The assessment offers a clear picture of the issues that have the potential to impact our value creation over the short, medium and long-term. As a result, we are able to direct our efforts and resources to these most pressing emerging risks and opportunities.

This year, we found that the issues identified as being the most important are the same four broad themes first introduced in our FY18 Sustainability Report:

- CONDUCT AND TRUST
- CUSTOMER EXPERIENCE
- ADAPTING TO CHANGE
- WORKPLACE CULTURE



BOQ 2019 Sustainability Report

CONDUCT AND TRUST

Banks are vital to society as they are financial intermediaries of the economy. This role is heavily reliant on trust – particularly between customers and their banks. Lending responsibly and ensuring the security of data are areas that are particularly critical for a healthy economy. Because of this, sound conduct is critical. Improving conduct is an essential part of building trust and supporting future sustainable growth. We have continued to focus our efforts on building trust by doing the right thing by our customers, people and the broader community.

Sound conduct relies on integrity, which is one of the four BOQ values: **we show we care, we achieve together, we act with integrity, and we make a difference.** At BOQ, we define integrity as doing what is right and doing what we say we will do. We recognise that delivering on our purpose, **to deliver more human, empathetic experiences that help customers and communities prosper**, requires a commitment to upholding this value daily. Only then can we truly deliver upon our goal to create long-term value for our customers, people, shareholders and our wider community. The important role that culture plays in setting up a business for success is explored in detail under the 'Workplace culture' theme on page 9 of this report.

Corporate governance

BOQ is committed to improving conduct within the industry, as it is an essential part of building trust within society and supporting future sustainable growth. One important way we drive this commitment is through sound corporate governance.

The ASX Corporate Governance Council defines it as 'the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled by corporations'. This definition encompasses the mechanisms by which companies, and those in control, are held to account. Ethics, risk management and compliance are also elements of corporate governance. Ultimately, corporate governance dictates the shared philosophy, practices and culture of an organisation. If corporate governance is compromised, companies risk a breakdown in philosophy, corner-cutting, soliciting of inappropriate products, and complacent management. In an effort to minimise potential risk in relation to the above issues occurring at BOQ, we focused on the following initiatives in FY19.

A new Banking Code of Practice standard was rolled out across BOQ in 2019 with the aim to promote greater transparency for our customers and to ensure that customer needs always come first. BOQ has developed targeted training to assist our people in supporting customers as they go through periods of vulnerability and financial difficulty.

New dashboard metrics around risk appetite were established, focusing on risks that may impact reputation and/or cultural integrity. Additions include a 'Risk Culture Index', which monitors the risk of losses due to the behaviour of individuals or groups that fail to identify, understand, openly discuss and act on current and future risks. Another measure was the 'Voice of the Customer Matrix', which monitors customer outcomes.

We encouraged employees to participate in the Banking and Finance Oath, an industry-led initiative facilitated by The Ethics Centre to build trust and confidence in the Finance industry. We also leveraged the ongoing effectiveness of our Ethics Committee, which is comprised of representatives from People and Culture, Legal, Risk, Retail and the Customer Advocate. The Ethics Committee examines issues relating to inappropriate conduct and applies an even-handed consistent approach to enforcing outcomes. At this forum, significant customer enquiries and complaints are discussed as well as strategies impacting vulnerable customers, collection activity for minors and domestic and family violence customer assistance programs.

These initiatives are combined with an ongoing effort of maintaining transparency with all stakeholders and fostering a culture where our people feel comfortable to call out any behaviours that do not meet the standards we expect.

Whistleblower program

BOQ's Whistleblower Program, informed by legislative and regulatory requirements, endeavours to maintain a culture that enables and supports speaking up. In addition to BOQ's cultural objectives, BOQ's Whistleblower Program has been drafted having regard to three sources of obligation and recommendation: the Corporations Act (as amended by the Treasury Laws Amendment (Enhancing Whistleblower Protections) Act); the 4th edition of the ASX Corporate Governance Principles and Recommendations; and the Australian Banking Association's (ABA) Guiding Principles – Improving Protections for Whistleblowers.

The legislation commenced on 1 July 2019, and requires a compliant policy to be in place by 1 January 2020. Given the cultural importance of the reforms, BOQ adopted its revised policy almost 6 months earlier than required (in July 2019).

BOQ believes it is a matter of good corporate governance to have a Whistleblower Policy and is committed to protecting whistleblowers. A transparent policy benefits both BOQ's employees and BOQ's stakeholders. BOQ's Whistleblower Policy identifies:

- protections available to whistleblowers;
- how and to whom disclosures that qualify for protection may be made;
- how BOQ will support whistleblowers and protect them from detriment;
- how BOQ will investigate disclosures that qualify for protection;
- how BOQ will ensure fair treatment of employees mentioned in disclosures or to whom such disclosures relate; and
- how the policy is to be made available to officers and employees.

Banking code of practice

The new Banking Code of Practice provides additional safeguards and protections not set out in the law, and, in some areas, sets higher standards than the law.

BOQ has reviewed, developed and implemented a revised suite of terms and conditions for its consumer and small business customers, effective from 1 July 2019. The revised terms and conditions comply with the new Banking Code of Practice and will ensure that BOQ's banking services continue to meet community expectations and standards.

A copy of the revised terms and conditions is available on BOQ's website.

Banking executive accountability regime

The Banking Executive Accountability Regime (BEAR), which took effect from 1 July 2019, established heightened standards of accountability among authorised deposit-taking institutions (ADI) and their most senior executives and directors. BEAR seeks to ensure there are clear consequences in the event of a material failure by an ADI to meet those expectations.

BOQ has recognised BEAR as an opportunity to genuinely strengthen accountability and drive improvement in the way BOQ governs itself.

The BEAR has been embedded within BOQ's internal accountability framework and accountability statements have been adopted by each of the accountable persons within BOQ. Through this process BOQ has reviewed its end to end business processes and identified gaps, areas of overlap or points of handover that required clarification.

Modern Slavery

On 28 June 2018, the Government introduced the Modern Slavery Bill 2018. This Bill requires certain organisations based in, or operating in Australia, which have an annual consolidated revenue of more than \$100m (defined as 'reporting entities'), to annually report on the risks of modern slavery in their operations and supply chains, and to address those risks. The annual statements will need to address mandatory criteria set out in the Bill, including the entity's key modern slavery risks and describing their actions to address those risks. These criteria will provide certainty for business about how to report and ensure statements can be easily compared.

The Modern Slavery Act was passed by Parliament on 29 November 2018 and the reporting requirement entered into force on 1 January 2019. BOQ will submit its first Modern Slavery Statement to the Minister of Home Affairs within 6 months after the end of BOQ's FY20 reporting period (by the end of February 2021).

CUSTOMER EXPERIENCE

Customer expectations are changing. We must continue to meet these expectations by delivering personal, timely, relevant and seamless customer service. Providing great and appropriate customer outcomes underpin everything we do. We will continue to drive engagement and advocacy efforts across the bank.

Changing customer expectations

We live in a 24/7 world characterised by constant connectivity. Customer expectations have evolved in parallel with the technological innovations driving this connectivity. This is true of all segments, but is especially true of the fastest growing segment – millennials – often referred to as the connected generation.

Customers expect more transparency, especially with regard to product terms and conditions. They want simple and easy to use banking services that do not require extensive time to understand and make it easy to get more information or talk to a real person. Customers also value rapid responses to queries and concerns and expect to be able to speak to a banking representative, whenever the need arises through whatever device/channel is of most convenience.

To ensure BOQ continues to meet customer expectations and remains a competitive player well into the future, we will continue to fulfill our 'Customer in charge' pillar goals, which are:

- achieving digital parity and meeting more of our customers' digital needs;
- delivering a seamless customer experience across all channels; and
- tilting to niche segments.

Progress against these goals as well as forward looking plans are explored in detail under the Our FY19 Initiatives – 4 Pillars section of our FY19 Annual Review.

Lending responsibly

Lending responsibly is a top priority for BOQ. We have an obligation to always act in the best interest of our customers by ensuring affordability, transparency of terms and conditions, and supporting a borrower if they experience financial hardship. Key to this, is that credit licensees (such as the Bank) must not enter into a credit contract with a customer if the credit contract is unsuitable for the consumer.

When loan serviceability is not adequately assessed, there may be significant consequences. Loan portfolios risk being compromised but, more importantly, borrowers can experience extreme financial stress, which has a very real impact on a customer's physical and psychological wellbeing, quality of relationships, and, ultimately, the capacity to secure a stable financial future.

Regulatory guidance with regard to lending responsibly is overseen by the Australian Securities & Investments Commission (ASIC). Responsible lending obligations are set out in Chapter 3 of the National Consumer Credit Protection Act 2009 (National Credit Act). At BOQ, we pride ourselves on taking regulatory guidance seriously and maintain an unwavering commitment to our conduct obligations. Our robust credit assessment process looks carefully at individual needs and circumstances to ensure the loan amount is suitable for the individual's circumstances.

We will continue to aim to understand and respect our customers by complying with regulatory guidance and evolving internal credit policies and frameworks to ensure best practices are upheld and responsible customer outcomes are realised.

Competitive products

For BOQ to increase market share we must continue to offer competitive products with fair fees and charges. The competitive landscape in banking is shifting with the entry of new participants, particularly fintech companies. At BOQ, we are embracing change and understand that we need to keep a close eye on industry developments, both domestically and internationally, to ensure we stay competitive and relevant in the lives of our customers.

As a result of listening to customer needs and our commitment to ensuring we stay ahead of industry trends, we delivered the following suite of products and product enhancements in FY19:

- the look and capability of the internet banking website and mobile banking app for BOQ Specialist was upgraded, providing customers with a better digital banking experience;
- VMA launched a credit card mobile app, allowing customers to manage their everyday credit card functions on the go;
- BOQ introduced new deposit products this year that link transactional accounts with savings accounts and that are eligible to receive a bonus interest rate; and
- a refreshed partnership with BOQ Business and our merchant partner was successfully executed, bringing new products to our customers including e-commerce, integrated EFTPOS, China Union Pay, dynamic currency conversion and customer preferred routing.

In addition to the above, we are preparing to introduce the following initiatives in the 2020 calendar year with the goal of lifting our digital capability to meet the modern needs of our customers:

- participation in the New Payments Platform (NPP) that will enable real time payments and enhance visibility into payments, cash management and liquidity;
- a new Financial Markets digital platform that will further strengthen our product offering by enabling international payments and foreign exchange hedging, targeting SME customers;
- an online and mobile banking application for our BOQ Retail customers that will provide a significantly better digital experience;
- a VMA Digital Bank to offer our customers the myriad benefits that come with a market leading technology platform; and
- an online banking platform for BOQ Specialist with Apple Pay, Google Pay and an updated mobile banking application to provide customers with an improved digital offering.

For more information about BOQ's competitive strategy and product delivery, please refer to the Our FY19 Initiatives – 4 Pillars section of our FY19 Annual Review.

Assisting customers experiencing financial difficulty

We know that sometimes circumstances change, and customers might face financial difficulties in keeping their commitments. If customers are concerned about their financial position and feel they might struggle to meet their financial commitments, we can offer financial difficulty support. Assistance may include:

- temporary deferral of loan repayments;
- capitalisation of arrears;
- extending the term of the contract; and/or
- providing interest only repayment options.

We also offer a 'fast track' option for customers experiencing financial difficulty as a result of natural disasters. This service is in place to provide affected customers with a same day outcome and suitable assistance during a difficult time. We have a dedicated Customer Assistance team that assesses each individual circumstance and works to achieve a mutually acceptable outcome. The primary goal is to support the resilience of our communities by ensuring customers are able to meet their financial obligations despite life's ups and downs. For more information about our financial difficulty application processes please visit the Financial Difficulty Assistance page on our website.

BOQ is committed to providing extra care for customers experiencing vulnerability, which may be temporary, fluid or permanent. The Customer Advocate Office was established in 2017 to provide our customers with an alternative avenue to dispute resolution through the delivery of:

- direct or indirect assistance with the customer;
- consultation and advisory; and
- recommendations on outcomes and assistance.

The Customer Advocate Office has evolved during FY19 to include recommendations to the organisation around fairness and transparency in BOQ's operations. We also commenced the roll out of training this year for employees assisting customers experiencing vulnerability, which will be further enhanced during FY20.

Customer satisfaction and advocacy

Independent research commissioned by BOQ shows our customer satisfaction and advocacy scores remain ahead of the major banks, but we are not satisfied with this and we want to do better. We strive to improve customer experience by addressing the challenges and opportunities under our 'Customer in charge' and 'Loved like no other' strategic pillars, detailed in our FY19 Annual Review under 'Our Strategy – 4 Pillars'. These pillars focus on improving customers' experience and expanding BOQ's avenues for growth by putting customers in charge of when, where and how they choose to engage with us.

More details on customer satisfaction can be found in the Non-financial Performance Measures on page 10 of this report.



About this Report

Welcome

Our Approach to Sustainability

Sustainability Focus Areas

Non-Financial Performance Measures

Approach to Sustainable Lending

Our Stakeholder Engagement



8

ADAPTING TO CHANGE

There is one certainty about the future. The pace of technological change will only accelerate. We are also facing significant changes on the regulatory front as government and industry consider new standards of practice for Australia's banks. Organisations that value and foster resilience, agility and innovative thinking will be best positioned to navigate both the challenges and opportunities that accompany technological and regulatory change.

Keeping up with the accelerating pace of change also demands leadership that embraces strategies to build organisational resilience, which we understand to be the ability to quickly recover from setbacks and adapt well to change. This section explores how BOQ considers and is responding to a range of important technological and regulatory developments impacting our business.

Cyber security and customer data privacy

Cyber security has become a key operational risk for organisations across the globe. It is broadly acknowledged that cyber is a major threat to the protection of customer data and, ultimately, to the profitability and reputation of organisations. As we move to a new era in banking by harnessing technology to transform, lift efficiencies, and offer better services to our customers, we need to ensure we have an adequate control environment that can withstand the ever increasing cyber-attacks we are experiencing across the financial services sector in Australia.

We have taken steps to ensure BOQ is well positioned to operate effectively within an elevated cyber risk environment by strengthening our cyber security function in combination with our cyber security service providers. This means we have more control and visibility over how the business protects customer data and assets and, very importantly, have better flexibility and agility to ensure cyber security at BOQ evolves as cyber threats become more sophisticated. To support the protection of data, the cyber security team collaborates with industry-leading threat intelligence partners and other security teams from financial services organisations to keep abreast of trends related to cyber-criminal activities. Additionally, BOQ has established a new and enhanced governance framework ensuring that cyber related issues or risks are dealt with in an effective and efficient manner.

BOQ is also investing in automation and threat intelligence to implement more proactive methods of managing cyber threats. It is important to us that we prevent incidents from occurring in the first place, rather than managing incidents post-event.

Automation and robotics

BOQ is continuing to explore automation and robotics opportunities to support all areas across the bank. This function is tasked with improving productivity, efficiency and customer experience. BOQ is exploring Robotics Process Automation (RPA) and other solutions involving machine learning and artificial intelligence. We are already seeing the benefits from automation across our retail lending and risk processes, as well as throughout IT support and customer on-boarding.

Innovation

BOQ's digital strategy involves delivering value in the form of digital products, services and experiences through dynamic and evolving channels. To keep in step with the rapidly changing environment, innovation is a crucial capability for BOQ. In parallel, BOQ has conducted a number of proof of concepts over the past year, testing customer sentiment around automated savings, personalised digital communication and new product ideas. Design thinking and agile capabilities have also been a key focus with the development of an innovation toolkit and the facilitation of design sprints across many areas of the business.

Digital bank

In delivering digital transformation for BOQ, Virgin Money Australia (VMA) is embarking on building a digital bank of the future. Given the rapid speed of change and to better meet the needs and expectations of VMA's target customer segments, investment is being made into a new customer proposition and technology solution to enable enhanced levels of growth over the coming years.

This year, a rigorous selection process was undertaken, including a 12 week proof of concept to select the technology partner of choice. Also, a proposition design stage including numerous rounds of customer testing was completed to better position the VMA brand and to support the launch of the new transaction and savings accounts.

Application Program Interface (API)

BOQ has continued to develop its internal and external API to support our digital transformation journey. API's are the functionality that supports the way systems communicate with each other, both internally and externally.

This year saw new APIs created to allow internal integrations as well as the ability to connect externally to third parties. With Open Banking requirements being delivered over the course of 2020 and 2021, this will assist BOQ to embrace the change by ensuring we have the necessary capability to share and received data effortlessly.

Building partnerships and investing in fintech opportunities

Over the past 12 months, BOQ has continued to build out its partnership and collaboration approach to achieve better customer outcomes and test new propositions and technologies.

This year saw the establishment of a 12 month Entrepreneur in Residence program to bring in new capabilities. Partnerships in Queensland have continued to be fostered through two-way share opportunities with River City Labs, and expansion of the

relationship with Queensland University of Technology (QUT) including the lease of new space at the Gardens Point campus in Brisbane and a partnership with QUT Creative Enterprise Australia (QUT CEA).

Through the QUT CEA partnership we launched our pilot program, BOQ #WITHSTARTUPS. This provided three start-ups with a dedicated BOQ relationship manager to support them in setting up banking facilities. We also provided mentorship to start-ups participating in the QUT CEA Collider Accelerator program. Keeping abreast of domestic and international start-ups is key to understanding the changing landscape, with many connections being made locally and through our partnership with Plug and Play in Silicon Valley. Plug and Play is a start-up hub that attracts a large pool of start-ups across many industries. As a partner of Plug and Play, we have voting rights to determine who is selected to join their accelerator program, have access to their diverse cohort of start-ups, gain attendance at demo days, and can arrange deal flows and partnerships. BOQ is currently running a pilot for an innovative initiative with a start-up that was identified through Plug and Play.

Open Banking

In 2019, major banks in Australia became the first sector required to comply with the Consumer Data Right law and the transition to Open Banking. Open Banking is intended to reduce the barriers that currently prevent customers from switching between banks and will give customers more control over their information. Banks will be expected to provide open access to data on product terms and conditions and customer transaction use, and customers will have the ability to direct that their data be shared with other bank and non-bank service providers. Open Banking is designed to be customer focused, to encourage competition and create opportunities for new innovation in the sector.

Revisions to Open Banking implementation timelines were recently announced.

Smaller banks like BOQ will now be provided with a consistent 12 month implementation extension, relative to the timeframes applied to the major banks. Under this new timeline, non-major banks that do not elect to participate early will commence sharing consumer data on 1 February 2021.



BOQ 2019 Sustainability Report

WORKPLACE CULTURE

Culture is critical. It can strengthen or undermine our business and the objectives we are trying to achieve. BOQ understands workplace culture to be the characteristics and personalities that set the overall tone of the working environment. Culture plays a powerful role in determining work satisfaction, and ultimately, the financial health and sustainability of our business.

Employee engagement

A key indicator of the cultural health of an organisation is employee engagement, which is indicative of the commitment an employee has to an organisation and its goals. We measure engagement at BOQ through the administration of an annual Group-wide survey that explores a wide variety of metrics that feed into one, aggregated engagement score.

Our score increased from 53% in FY18 to 56% in FY19 as illustrated in the Non-financial Performance Measures on page 11 of this report. Although our employee engagement score is moving in the right direction, this is not where we would like to be. We are undertaking a thorough process to understand the key drivers behind this score and, ultimately, determine what needs to be done to lift this score to a level we can be proud of. While there is some impact from the broader external scrutiny the banking sector has faced this year, there is a lot we can do ourselves to improve.

With regard to external factors, intense public scrutiny of banking practices and its people has continued to dominate media headlines over the past year. Negativity arising from the Royal Commission has no doubt continued to have an impact on employee morale.

Our own internal challenges play an important role in determining employee engagement. One of the most material factors for our business is the perception of progress and differentiation relative to peers.

In an effort to address the above, we have been focused on laying the groundwork for the modernisation of infrastructure and processes, although the retirement of legacy systems has demanded a slower than ideal execution of front-end systems where our customers and people see the benefit most.

In FY20 we plan to focus on delivering on the execution phase of our internal technology projects, which will see an uplift in capabilities across the business. More detail on initiatives planned for FY20 can be found under Our FY19 Initiative section

of our FY19 Annual Review. The modernisation of our technology infrastructure will greatly enhance agility and it is anticipated that this will assist in lifting employee engagement.

We will continue to monitor employee engagement through regular team feedback surveys and our annual group-wide survey. And to ensure we have the agility required to respond quickly to feedback we have renewed our focus on reviewing and enhancing our approach to listening and responding to our people. We will also continue to host regular town halls and online forums which offer employees the opportunity to engage directly and candidly with management around any pressing concerns.

Purpose-led culture

Clarity of the purpose of an organisation - why it exists - has become increasingly important to customers, employees and the communities in which we operate. We embarked on a purpose-led journey this year that included representation from hundreds of people across the whole business who took part in focus groups, interviews and workshops to help develop our collective purpose and refresh our values. Our purpose articulates why we exist, what makes BOQ special, and defines the impact we strive to have on our people, customers and communities.

Together, we identified a purpose that has always been an integral part of our BOQ DNA: **to deliver more human, empathetic experiences that help customers and communities prosper.**

Our refreshed values: **we show we care; we act with integrity; we achieve together; and we make a difference**, provide the blueprint for the behaviours we know we must live and breathe to make our purpose possible.

As an organisation and as individuals, we are committed to ensuring our purpose and values are reflected in all aspects of what we do - including how we recruit, communicate, think about product offerings, and develop our people. We take our values seriously and expect our leaders to not only successfully embed our values within their teams, but also act as custodians - ensuring those who act contrary to our values are held accountable.

This initiative should have a positive impact on employee engagement as a clear understanding of the value we create and to what end is critical for extracting meaning from our work.

Supporting our people

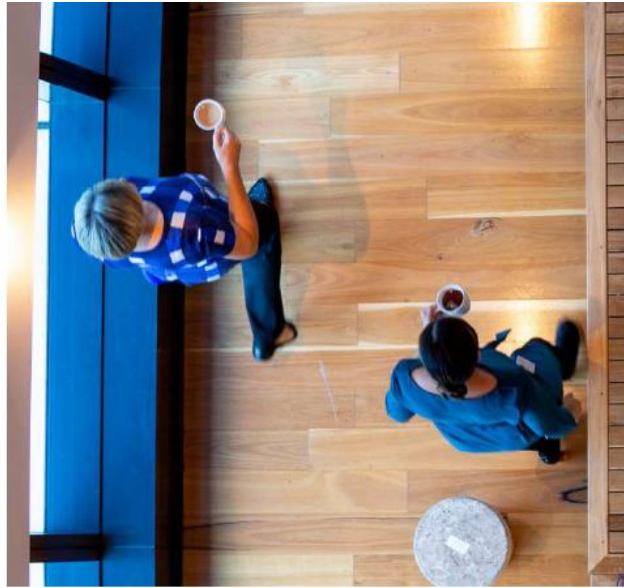
We will continue to foster a culture that attracts and retains the best people by ensuring our employees feel valued and supported. Efforts this year to ensure we deliver upon this commitment include: (1) changes made to our Parental Leave Entitlements to better align with our focus on Inclusion and Diversity, providing greater support for working families and more flexible working options, (2) an enhanced framework to supporting diversity when recruiting new talent, when providing development opportunities for employees, and when framing our talent and succession planning strategy. (3) the roll out of various Inclusion Working Group initiatives, such as 'Lean in Sessions', which are internal round table events featuring senior females leaders who share insights about how to manage potential gender bias in the workplace.

We also launched 'BOQ Thrive', a capability framework that helps our people identify opportunities for personal and professional growth. In addition, we ran a Group wide 'Driving my Development' month that was designed to prompt our people to take ownership of their career development by participating in a range of workshops focusing on personal and professional development.

We continue to work hard to establish and maintain healthy franchise partnerships through continued efforts to simplify the way we operate and by developing a more flexible path to branch ownership.

Overall, we understand the importance of getting culture right. Especially in light of an ever-increasing environment of uncertainty and impending structural and technological changes that will fundamentally transform the future banking landscape. The degree to which our people feel aligned and supported will directly impact levels of resiliency, loyalty and innovative thinking - all critical for successfully navigating challenging future waters.

We address these challenges and opportunities under our strategic pillar, 'Loved like no other', which focuses on maintaining positive stakeholder relationships by living our values, creating a place where people love to work and contributing to the communities in which we operate.



NON-FINANCIAL PERFORMANCE MEASURES

Metric

Our customers

Total customers ('000)

BOQ – 596
VMA – 275

BOQ – 578
VMA – 236

BOQ – 589
VMA – 259

BOQ – 624
VMA – 237

BOQ – 662
VMA – 218

Number of customers actively using internet banking¹

BOQ S – 34
BOQ F – 90

BOQ S – 33
BOQ F – 90

BOQ S – 31
BOQ F – 90

BOQ S – 28
BOQ F – 73

BOQ S – 24
BOQ F – 68

Number of customers actively using mobile banking¹

222,300
190,000

216,700
175,000

211,100
153,800

214,800
142,500

214,400
120,700

Product application submissions received via website (year-on-year change)²

130.08%

15.88%

13.89%

548 BOQ; 2,432 rediATM

588 BOQ; 2,455 rediATM

Number of branches

167

183

190

211

234

Number of ATMs

571 BOQ; 1,604 rediATM

596 BOQ; 2,789 rediATM

628 BOQ; 2,948 rediATM

548 BOQ; 2,432 rediATM

588 BOQ; 2,455 rediATM

Net Promoter Score³

3

8

12

19

24

Customer complaints (year-on-year % change)⁴

55%

13%

-10%

-6%

7%

Percentage of complaints resolved within 5 business days

76%

77%

89%

72%

62%

Customer complaints referred to external dispute resolution (year-on-year % change)

7%

4%

-23%

-4%

-5%

Number of financial difficulty applications approved⁵

2,592

3,000

2,765

2,947

2,377

Our communities

Total community investment⁶

\$471,000

\$636,000

\$577,000

\$709,000

\$608,000

Money raised in support of children's health

\$70,000

\$299,000

\$355,000

\$356,000

\$271,000

Money donated in support of education

\$315,000

\$260,000

\$130,000

\$230,000

\$230,000

Money donated in support of the arts

\$30,000

\$30,000

\$30,000

-

-

Money donated through Workplace Giving program

\$14,000

\$12,000

\$13,000

\$13,000

\$2,000

Dollar matching

\$42,000

\$35,000

\$48,000

\$50,000

\$45,000

Notes

- 1 excludes BOQ Finance, BOQ Specialist and VMA.
- 2 increase due to the introduction of three new linked bonus saver deposit products launched in Q1 FY19 - excludes BOQ Finance, BOQ Specialist and VMA.
- 3 source: RFI Group XPRF Report - August 2019 6 Month Rolling Average (BOQ Retail only).
- 4 in FY19, focus was on increasing the capture and recording of customer complaints across the business. This has included the implementation of a new customer complaints database and refreshed complaint handling training. As a result of our increased capacity to capture customer complaints, an increase in recorded complaints was expected.
- 5 excludes BOQs.
- 6 total community investment is down this year due to a change in the community investment strategy - focus shifted from healthcare to supporting vulnerable Australians, which saw the omission of the annual 'Banking on our Kids' fundraising appeal.

NON-FINANCIAL PERFORMANCE MEASURES (CONTINUED)

Metric	2019	2018	2017	2016	2015
Our people – BOQ Group					
Employee numbers ⁷	2,495	2,564	2,374	2,252	2,234
Employee numbers – excluding contractors ⁸	2,387	-	-	-	-
Franchise network employees ⁹	749	788	855	987	1,120
Percentage of workforce full time ¹⁰	80%	73%	77%	76%	75%
Percentage of workforce part time ¹⁰	12%	11%	12%	13%	13%
Percentage of workforce casual ¹⁰	5%	5%	5%	5%	6%
Percentage of women in the workforce ¹¹	61%	59%	61%	61%	60%
Percentage of leadership roles held by women ¹¹	40%	41%	39%	33%	28%
Percentage of women on Board	30%	22%	30%	33%	33%
Percentage of Aboriginal & Torres Strait Islander people ¹²	0.8%	1%	1%	-	-
Percentage of employees identifying as having a disability ¹²	1.5%	1%	3%	-	-
Percentage of employees over 55	11%	11%	10%	11%	11%
Employee engagement ¹³	56%	53%	60%	61%	67%
Average tenure (years)	4.62 years	4.22 years	4.66 years	4.06 years	3.93 years
Average days absenteeism per employee per year (excludes OMBs)	5.4 days	4.9 days	4.7 days	5.3 days	4.4 days
Voluntary turnover (excludes OMBs, contractors)	171%	19.9%	16.8%	18.4%	19%
WH&S incidents reported within 24 hours and investigated within 48 hours	92% / 99%	95% / 98%	86% / 90%	85% / 70%	86% / 72%
Lost time injury (number of incidents) ¹⁴	3	3	3	6	9
Our environment – Group					
Electricity consumption (t(CO2-e)) ¹⁵	4,082	4,102	4,891	5,278	5,910
Energy usage – purchased electricity (GJ) ¹⁵	18,368	18,459	19,894	21,469	24,039
Fuel consumption for work vehicles (kL) ¹⁶	121	122	124	129	132
Air travel (000 kms)	12,510	13,467	14,008	14,358	11,814
Paper usage (reams)	36,314	41,286	45,946	53,270	56,556
Shred X waste (tonnes) all diverted from landfill	159	162	169	169	212
Comingled recycling (tonnes) ¹⁷	8.99	10.33	-	-	-

Notes

- 7 employee numbers of BOQ Group (including employees of Owner Manager branches) and includes permanent and fixed term full time and part time employees, casual employees, and contractors (engaged by an agency or individual agreement).
- 8 employee numbers of BOQ Group (including employees of Owner Manager branches) and includes permanent and fixed term full time and part time employees and casual employees. Excludes all contractors.
- 9 employee numbers of Owner Manager branches and includes permanent and fixed term full time and part time employees and casual employees.
- 10 includes OMB and BOQ Group. Excludes all forms of contractors.
- 11 proportion of women in leadership roles across BOQ. Excludes OMB employees and all forms of contractors.
- 12 data captured for the first time in 2017.
- 13 changed methodology in 2017 to align with best practice measures for engagement.
- 14 lost time injury is an incident that results in the loss of a full work shift after the day of injury and results in an accepted workers compensation claim (data includes incidents which are work related and excludes journey and recess claims).
- 15 excludes facilities where energy is provided by the landlord (56 branches in FY19).
- 16 tool of trade and pool cars only (excludes BOQS and WMA).
- 17 data captured for the first time in 2018 Newcastle (QLD) and Chiffley Tower (NSW) offices only.

APPROACH TO SUSTAINABLE LENDING

At BOQ we recognise our corporate and social responsibility to maintain a lending portfolio comprised of sustainable assets. To this end we have identified a number of industries that fall outside of our risk appetite, or for which we require additional risk assessments to be completed.

Our process

Part of our standard process for managing risk is to consider the economic, environmental and social sustainability of our customers and potential customers. We do this by:

- working closely with our customers to understand their businesses;
- having a clearly expressed and communicated risk appetite in relation to reputational and environmental matters;
- undertaking a comprehensive analysis throughout the credit decision and management process to identify potential issues; and
- having a suite of credit policies and practices that ensure risks and issues are identified.

While reputation and environmental risk can arise from a number of areas, from a lending perspective we focus on:

- the nature and operation of the borrower's business and income sources;
- the nature and location of the property where the business operates (both leased and owner-occupied property) on which the activity occurs or where security property is located;
- contamination issues arising from land use; and
- potential risk of animal welfare issues.

All lending decisions are referred to a credit decision team who closely evaluate:

- the legislative or regulatory restrictions or controls under which the business must operate;
- compliance with legislation and regulation, both historical and ongoing;
- the potential for liability for environmental issues to be assumed by BOQ at some future date; and
- the sustainability of income sources relied upon to make loan repayments and the sustainability of asset values utilised as security.

Throughout this process we work closely with customers and potential customers to understand how they are able to manage sustainability risks and reduce their impact. We may also engage independent third parties to make assessments on our behalf. Where we have concerns as to the customer's ability to comply with their legal obligations or determine that our association with the business or industry poses substantial economic or reputation risk, then BOQ will decline to be involved. Final authority for the credit team's decisions rest with the Executive Credit Committee chaired by our Chief Risk Officer.

Evolving our risk management

We are aware this is an area that is attracting increasing focus from our stakeholders and as a result we have taken a number of steps in recent years:

- we introduced a Conduct and Reputational Risk Framework to outline BOQ's prudent and proactive approach to managing reputation risk;
- as part of our Lending policies, we also have a Prohibited List of Industries and Activities for which we have no risk appetite; and
- we introduced an Ecological Care and Sustainability Lending Policy, which helps guide our lending decisions and strengthen controls when considering lending in a range of industries that have the potential for environmental and animal welfare impact.

We regularly monitor emerging sustainability concerns and will continue to evolve our risk management and reporting accordingly.



Climate change

BOQ acknowledges the increased community concern about climate change and the impact that businesses have on the environment they operate in.

These impacts arise both directly through physical footprint, resource utilisation and output and indirectly through supply chain and customer support. Climate change is one of the most significant issues that will impact the long term prosperity of our economy, environment and society. We support the goal of governments around the world to limit global warming to less than 2 degrees Celsius (and as close to 1.5 degrees Celsius as possible) above pre-industrial levels and to transition to net zero emissions by 2050 as outlined in the Paris Agreement. As part of the banking industry, we believe we have role to play in assisting the transition to a lower carbon economy, through both the resources we utilise directly and through our financing activities.

The transition to a lower-carbon economy requires significant and, in some cases, disruptive changes across economic sectors and industries. We understand the financial sector must take action now to identify where financial dislocations and sudden losses in asset value may occur. In order to help identify the information needed by stakeholders to appropriately assess and price climate-related risks and opportunities, BOQ's Risk team is conducting a review of its current approach to managing climate-related risk with a view to making recommendations, which will be considered for implementation in 2020, to better embed climate-related risk in BOQ's policies and processes.

In developing this plan, BOQ will consider the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), which aims to ensure clear, comparable and consistent climate-related financial risk disclosures are available to stakeholders. Further detail about potential climate-related risks and our approach toward alignment with the TCFD is available on page 24 of our FY19 Annual Report. As part of its annual portfolio stress testing simulation, in 2018 BOQ included a weather-related event as a scenario to be tested. This involved a severe flood scenario in South-East Queensland, with inundation to a level of seven metres (compared to the 2011 Brisbane flood level of four metres). The financial impact of this scenario was immaterial in terms of direct physical impact on BOQ's lending portfolio.

BOQ's 2019 stress testing scenarios include a severe long term drought scenario and a long term sea-level rise analysis (based on data from the Intergovernmental Panel on Climate Change's (IPCC) RCP8.5 high emissions scenario). The final results of these scenarios are expected to be available later in the 2019 calendar year and will be included in BOQ's ICAAP Report.

Lending to the fossil fuel mining sector

BOQ does not directly fund mining projects. As at 31 August 2019, ~\$31m (less than 0.1% of our loan book) has been provided through equipment financing to companies directly involved in fossil fuel mining.

In 2018 BOQ committed to cease funding equipment directly involved in the extraction of fossil fuels. The terms of current lending facilities do not exceed 5 years, which means BOQ will have no exposure to fossil fuel extraction equipment by the end of 2023.

We will continue to support business and consumer loan applicants in regional areas who may be reliant on income from the mining industry, within the context of our group risk appetite. When assessing any new lending, a key element of the lending assessment is the sustainability of income sources to service the debt as well as the value of the borrower's assets, both of which can be impacted by changes in economic conditions. BOQ will continue to monitor changes in economic conditions, related to climate change and a host of other factors, when determining our appetite for lending across the economy.

Our actions

In FY19, BOQ Finance established a new Energy Efficient Equipment Finance Program, by joining the Clean Energy Finance Corporation (CEFC) co-financing program. The CEFC is a government entity established to facilitate increased flows of finance into Australian based renewable energy, energy efficiency and low emissions technology. The program will allow BOQ to provide small business owners with competitive finance for eligible equipment.

In addition to the above BOQ aims to make a positive environmental contribution to the communities in which we operate by:

- considering the environment in relevant business decisions;
- improving measurement and reporting of our operational environmental impact via BOQ's non-financial performance table;
- building out disclosures that align with the Task Force on Climate-related Financial Disclosures' recommendations; and
- actively managing and improving our sustainability approach by engaging with stakeholders to understand impacts, trends and attitudes relating to climate change.

Animal welfare

We are conscious of the industries we support through our lending and this consideration extends to those industries whose business activities involve the treatment, production, breeding, transport or housing of animals.

The World Organisation for Animal Health (OIE) sets the international standard and provides an effective framework for animal welfare management. The OIE is an intergovernmental organisation with the global mandate to improve animal health, animal welfare and veterinary public health. OIE standards have become the de facto international reference for animal welfare in the trade of animals and their products in developed and developing markets. OIE standards act as a guide for the development of assurance programs and it is envisaged that they will be increasingly used as a basis for bilateral agreements between OIE member countries.

We align our practices with the OIE's five freedoms of animal welfare and their general principals of animal welfare. We encourage all our borrowers to adhere to these standards and this has become part of our business as usual lending practice.





OUR STAKEHOLDER ENGAGEMENT

It is only through thoughtful consideration of the issues raised and perceived by our stakeholders that future sustainability risks and opportunities can be effectively predicted and responded to. In an effort to capture our stakeholders' voices the following sets out our approach to ensure meaningful engagement is captured throughout the year.

Customers

Ongoing monitoring and analysis of customer feedback and complaints through our call centres, online, surveys, social media, focus groups and regular engagement by branch teams.

Shareholders

Direct feedback from shareholders, regular briefings and meetings with investors, analysts, governance agencies, proxy advisors and through our Annual General Meetings.

Employees

Annual Group-wide employee engagement survey, Yammer (internal social media platform), blogs, Town Hall forums and regular team meetings.

Government and regulators

Cooperative approach with regulators and active participation in policy development through lodgement of submissions to relevant government inquiries and reviews, and engagement with key State and Federal political and Departmental stakeholders.

Non-governmental organisations

Direct discussion on ESG issues (industry trends and community expectations) and Bank strategy/policy developments.

Suppliers

Regular communication with new suppliers throughout the tender process and periodic governance meetings with top quartile suppliers.

Community

Ongoing communication via organisational engagement and volunteering, fundraising initiatives and events, involvement in workshops and funded programs and ongoing partnership meetings.

Kylie Cross

From: Ernest Sacco <Ernest.Sacco@nab.com.au>
Sent: Friday, 20 December 2019 3:34 PM
To: Kylie Cross
Cc: Council
Subject: RE: Port Macquarie-Hastings Council Investments
Attachments: 2019-sustainability-report-pdf.pdf

Kyle

We make all our information public, refer links below.

I have also included NAB's sustainability report for 2019.

NAB is one of the leaders in this space, let me know if you require anything further.

Climate Change

<https://www.nab.com.au/about-us/social-impact/environment/climate-change>

ESG Risk Management

<https://www.nab.com.au/about-us/social-impact/shareholders/esg-risk-management>

Social Impact Environment

<https://www.nab.com.au/about-us/social-impact/environment>

ESG Risk Management

<https://www.nab.com.au/about-us/social-impact/shareholders/esg-risk-management>

Social Impact

<https://www.nab.com.au/about-us/social-impact>

Ernest Sacco

Director,

Investor Sales, Markets

Corporate & Institutional Banking | National Australia Bank Limited

Level 26, 255 George St, Sydney NSW 2000

Tel: +61 (0) 2 9295 1144 | Mob: +61 (0) 437 479 867

Email: Ernest.Sacco@nab.com.au

Website: www.nab.com.au/hiis



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Peter Lee Associates Australia 2018.

¹ Foreign Exchange Survey: Financial Institution Respondents. Rating against the four major domestic banks. ² Debt Securities Investors Survey. Ranking against all banks.

3 Debt Securities Investors Survey. Ranking against the four major domestic banks. 4 Debt Securities Investors Survey. Most Active Respondents. Ranking against all banks.

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From: Kylie Cross <Kylie.Cross@pmhc.nsw.gov.au>
Sent: Friday, 20 December 2019 12:44 PM
To: Ernest Sacco <Ernest.Sacco@nab.com.au>
Subject: Port Macquarie-Hastings Council Investments
Importance: High

Dear Ernest,

Please find attached correspondence from Council for your attention.

Kind regards

Kylie Cross
Executive Assistant to Director Corporate Performance
Corporate Performance



p (02) 6581 8677

m 0419 144564



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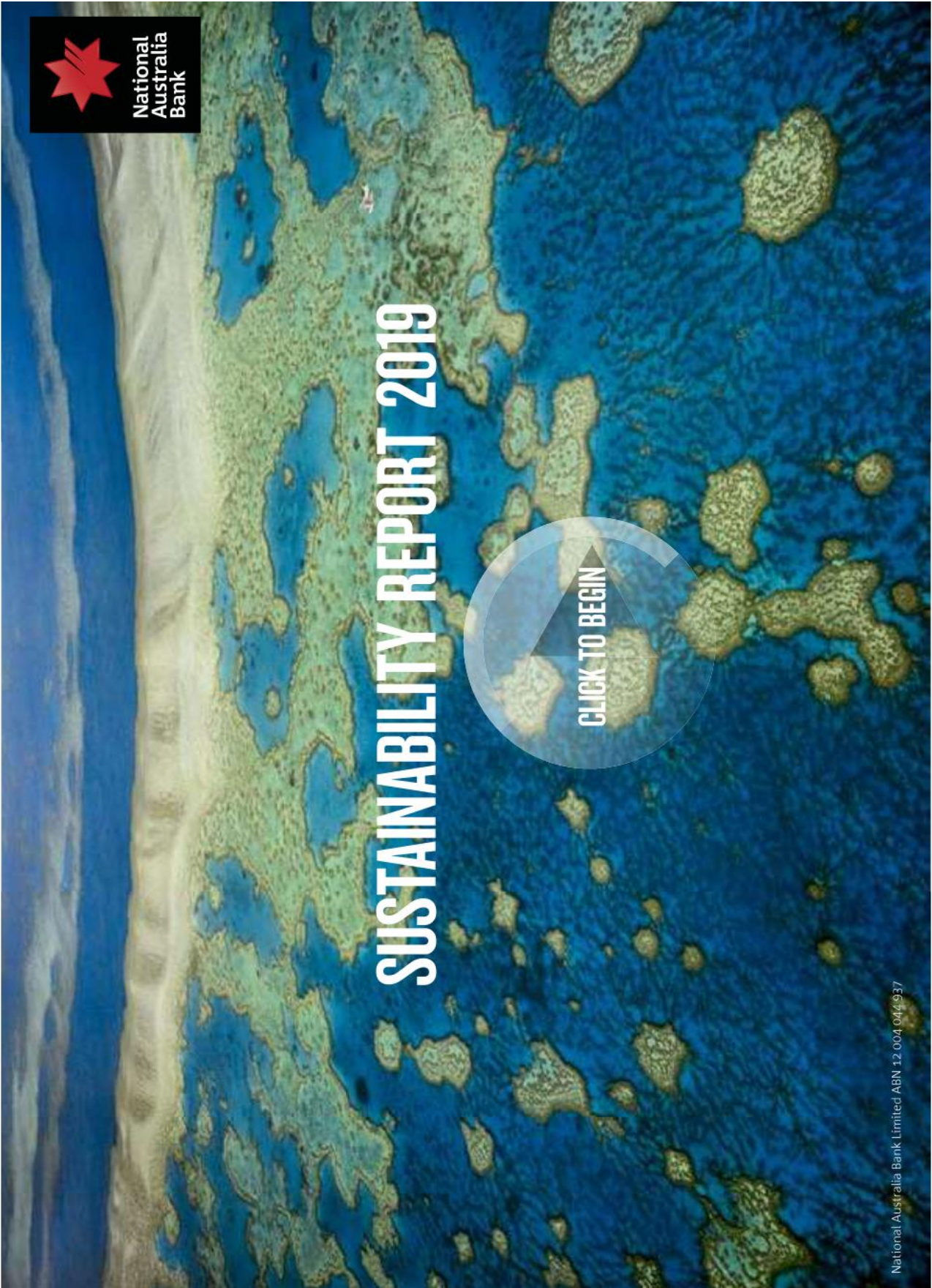
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About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

This Sustainability Report and accompanying Sustainability Data Pack (the 'Data Pack') cover the NAB Group's performance from 1 October 2018 to 30 September 2019 unless otherwise stated. They are part of our 2019 Annual Reporting Suite, which also includes the Annual Review and Annual Financial Report. You can find the full suite [here](#).

This Sustainability Report is prepared using the Global Reporting Initiative Standards core option. It also refers to the Task Force for Climate-related Financial Disclosures recommendations and the Integrated Reporting and United Nations Sustainable Development Goals frameworks.

IF YOU HAVE ANY QUESTIONS
OR COMMENTS

Send them through to
social.impact@nab.com.au

This report sets out our environmental, social and governance performance. We'll explain what we're doing to meet changing community expectations, and deliver on our vision to be Australia's leading bank, trusted by customers for exceptional service.

ABOUT THIS REPORT

CONTENTS

ABOUT THIS REPORT	2	MATERIAL THEMES	10
LEADERSHIP MESSAGE	3	→ Governance, conduct and culture	11
OUR SNAPSHOT	4	→ Customer support and experiences	14
2019 SCORECARD	5	→ Addressing climate change and environmental sustainability	21
OUR APPROACH	6	→ Engaging our people	30
HOW WE LISTEN	9	→ Transformation & technology	35
		→ Stronger communities	38
		HOW WE ACT	43
		ASSURANCE	46
		GLOSSARY	47



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
 - Customer support and experiences
 - Addressing climate change and environmental sustainability
 - Engaging our people
 - Transformation & technology
 - Stronger communities
- How we act
- Assurance
- Glossary

LEADERSHIP MESSAGE



Since 2015, we have provided \$33.6 billion in environmental financing¹ to help our customers address climate change and support the transition to a low-carbon economy. Building on this and our commitment to making the energy shift outlined in the *Australian National Outlook* report, we increased our target to provide \$70 billion in environmental financing.

We are determined to serve our customers better and create a culture that builds, maintains and preserves trust. Helping businesses and consumers achieve their goals is the right thing to do because done well, it delivers benefits for all our stakeholders.

Philip Chrichton, Chairman

Together with CSIRO we launched the Australian National Outlook Report 2019, aimed at building a better future for all Australians. The report identified five shifts Australia needs to make to be a prosperous nation in 2060 and we have acted to help Australia realise this vision.

As part of the Australian National Outlook, we committed \$2 billion in financing to drive innovation in the emerging technology sector and a further \$2 billion to help address Australia's social and affordable housing crisis. We launched a partnership with ClimateWorks to enable farmers to adopt sustainable and profitable land management practices, helping to drive environmental improvements and economic resilience.

We recognise the role we can play in the development of a more sustainable banking industry and have joined 130 banks from across the world as inaugural signatories of the United Nations' (UN) Principles for Responsible Banking. These are consistent with our commitment to the UN Global Compact principles on human rights and the Sustainable Development Goals.

We have sought to lead in areas where we can have the largest impact on climate change. Over the past year, we have been the 13th largest lender to the renewable energy industry in the world and we are proud to be Australia's number one bank for global renewables transactions².

Our sustainability report helps to explain how our products and services create value and help build a stronger future for our customers, our people, our shareholders and the broader community.

We recognise our broader role and ability to help others grow. This year we paid \$4.3 billion in salaries to more than 34,000 employees, \$3.1 billion in government taxes and levies, \$5 billion in shareholder dividends, spent \$5.1 billion with suppliers and invested \$57 million with our community partners and programs.

As Australia's largest business bank and largest regional and rural bank, we are proud to support business investment and growth. This year we grew market share ahead of our peers in the small to medium enterprise sector, the engine room of the economy.

The financial health and wellbeing of our customers is the core of our business and we have made significant investments this year to support customers experiencing vulnerability. A new, dedicated customer support team is now in place for those experiencing vulnerability, as well as a new Indigenous Customer Service Telephone Line to improve access for Aboriginal and Torres Strait Islander customers, particularly those living in remote areas.

Our scale and resources also mean we have an opportunity to make a positive and enduring contribution to our economy and community.

1. Rankings based on IIGlobal League Table, M.I.A. Renewables, Last 12 months ending 30 September 2019. Value of Deals (database searched on 29 October 2019).
2. Represented as a cumulative amount of new environmental finance since 1 October 2015. Refer to 2019 Sustainability Data Pack for more information.

OUR 2019 SNAPSHOT



185
fees reduced or removed in
Australian Banking and Wealth

\$155m
in benefits returned to customers

OUR NETWORK FOOTPRINT

892
branches & business banking centres

1,601
ATMs

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

- 9.9% cash return on equity¹
- 14 NPS for priority segments²
- 54% people engagement³
- 52.3% cost to income ratio⁴

\$57.1m
community investment⁵

FUNDING FOR THE FUTURE

\$2bn investment in emerging technology by 2025

\$2bn investment in affordable housing by 2025

and launching a new ClimateWorks partnership on sustainable agriculture

~9m customers

19,673 customers experiencing hardship assisted

\$40m⁶ microfinance loans

\$2,092m provision for remediation costs

\$247m returned to customers since June 2018

\$33.6bn Progress against environmental financing commitment⁷

\$70bn BY 2025

\$3.1bn taxes paid including \$0.4b bank levy

AUSTRALIA'S FIFTH LARGEST INCOME TAX PAYER

ROYAL COMMISSION PROGRESS

76	recommendations
5	complete
34	in progress
29	do not currently require action
8	not applicable

\$17.6bn NAB'S ECONOMIC VALUE DISTRIBUTED

based on payments to government, suppliers, shareholders, our people, and the community.

#1 IN BUSINESS LENDING

22.1% market share⁸

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

1. Excluding large notable items, cash ROE is 12.2%. Cash ROE is defined in the Glossary on page 47. Objective is to have #1 cash ROE amongst major Australian banks. 2. Net Promoter[®] and NPS[®] are registered trademarks and Net Promoter Score and Net Promoter Index are trademarks of Satmetrix Systems, Inc. 3. People engagement is based on the 2019 Employee Engagement Survey conducted by Aon (now known as Krieger). Objective is to be in the top quartile in Australia and New Zealand (ANZ). 4. Excluding large notable items, CTI ratio is 44.3%. Refer to page 47 for a definition. Objective is to have a CTI ratio towards 35%. 5. Corporate community investment ranges from short-term donations to long-term capacity-building programs. 6. Excluding large notable items, CTI ratio is 44.3%. Refer to page 47 for a definition. Objective is to have a CTI ratio towards 35%. 7. Provided in partnership with Good Shepherd (Australia and New Zealand). 8. APRA Monthly Banking Statistics as at September 2019. Reference to how our environmental finance commitment is calculated. © 2019 National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686 A147514 11/18

2019 SCORECARD

The targets below show our progress in meeting our business and social commitments. They align with the **United Nations Sustainable Development Goals (SDGs)** pathway to a stronger future – for people and the planet. The SDGs are 17 global goals that Australia and other nations have signed to achieve a better and more sustainable future. These targets support new NAB's Social Impact Strategy and will be revised in line with its goals. More information is in the *Our approach* section.



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

TARGET/COMMITMENT	SUSTAINABLE DEVELOPMENT GOALS			2018	2019	PROGRESS
NPS priority segment scores: To be #1 major Australian bank and net positive				-16 #2 Aus major bank	-14 #1	↑
Employee engagement: To be in the top quartile in Australia and New Zealand, with a 69% engagement rating				54%	54%	↔
Environmental financing: To provide \$70 billion in environmental financing over 10 years (by 2025)				\$22.9bn	\$33.6bn ¹	↑
Our Group environmental operational targets (from 2015 base year): a) Science-based GHG emissions (tCO ₂ -e) – 21% reduction by 2025 b) Energy use (GJ) – 5% reduction by 2020 c) Office paper (tonnes) – 10% reduction by 2020 d) Customer eStatements – 50% of all statements by 2020 e) Water use (kL) – 10% reduction by 2020 f) Waste to landfill (tonnes) – 5% reduction by 2020 g) Data Centre Power Usage Effectiveness – average below 1.5 by 2020				a) 12% reduction b) 8% reduction c) 36% reduction d) 59% uptake e) 6% reduction f) 23% reduction g) 1.40	a) 18% reduction b) 12% reduction c) 43% reduction d) 64% uptake e) 5% reduction f) 26% reduction g) 1.40	↔
Our Group supplier sustainability targets: 90% of material suppliers comply with our Global Supplier Sustainability Principles 100% of new/re-contracted suppliers in sensitive sectors assessed for ESG risks each year				GSSP 88% ESG 100%	GSSP 88% ESG 100%	↔
Gender equality: 40% – 60% of either gender represented at all levels of the business by 2020				52% female overall 31% female in executive management	51% female overall 33% female in executive management	↔
Microfinance: Provide \$130 million in capital for microfinance loans to Australians ¹				31,743 loans \$34.6m	34,215 loans \$38.4m	↑
Indigenous Inclusion: 70 Indigenous Australian traineeships offered per year ²				84	76	↔
Technology: \$2 billion investment in the local technology industry by 2025				N/A	NEW	N/A
Affordable Housing: \$2 billion investment in affordable housing by 2023				N/A	NEW	N/A
1. Delivered in partnership with Good Shepherd. 2. While 76 new traineeships were offered this year, 50 Indigenous Australian trainees were employed in 2019. 3. Represented as a cumulative amount of new environmental finance since 1 October 2015. Refer to the 2019 Sustainability Data Pack for more information.						↓ Below expected progress ↔ Steady ↑ Well progressed



- About this report
- Leadership message
- Our snapshot
- 2019 scorecard
- Our approach**
- How we listen
- Material themes
 - Governance, conduct and culture
 - Customer support and experiences
 - Addressing climate change and environmental sustainability
 - Engaging our people
 - Transformation & technology
 - Stronger communities
- How we act
- Assurance
- Glossary

OUR APPROACH

OUR ECONOMIC CONTRIBUTION

A strong economy benefits the community in different ways. Our business contributes to wider economic prosperity by creating jobs, stimulating inclusive growth and helping people improve their financial health. We distribute \$17.6 billion in payments that flow on to different stakeholders. How our economic value is distributed towards important socio-economic activities is listed on the left. More information about how we create value for our stakeholders is in our [Annual Review](#).






WHO WE ARE

We have more than 34,000 employees¹ and nine million customers who rely on us to deliver secure, easy and reliable banking services. Our branches and offices in more than 890 locations in Australia, New Zealand, London and New York serve those local communities. We are also Australia's biggest business and agricultural bank – serving two key sectors of the economy.

We take our role in the community seriously, which is why we are fixing the issues found in the Royal Commission into Misconduct in the Banking, Superannuation & Financial Services Industry. An update on our response to the Royal Commission recommendations is [online here](#).

We fell short of community expectations and we are determined to be better for our customers and communities. This means being open and transparent about how we are learning from our mistakes, changing our culture and making progress. This report shows how we are taking responsibility for our positive and negative impacts on people and the environment.

OUR ECONOMIC VALUE DISTRIBUTED

	SUPPLIERS	Payments made for the provision of utilities, goods and services.	\$5.1bn
	COMMUNITY INVESTMENT	Community partnerships, donations, grants, in kind support and volunteering.	\$57m
	SHAREHOLDERS	\$5 billion dollars in dividend payments to more than 573,000 shareholders.	\$5.0bn
	EMPLOYEES	Employee salaries, superannuation contributions and incentives.	\$4.3bn
	GOVERNMENTS	Payments made to governments in the form of the Bank Levy (\$383 million paid) plus \$2,725 million in income taxes, goods and services taxes, fringe benefit taxes and payroll taxes among others.	\$3.1bn
→ Total Economic Value Distributed¹			\$17.6bn

OUR INDIRECT ECONOMIC CONTRIBUTION

\$61bn in new home lending.	\$356bn in deposits managed for retail and business customers.	\$202bn in assets under management – helping customers plan and save for retirement.
\$87bn in new business lending.		

1. Based on number of full-time equivalent employees (FTE) as at 30 September 2019.
2. Aligned to the Global Reporting Initiative standards. Economic value distributed includes operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments.

OUR APPROACH

OUR SOCIAL IMPACT STRATEGY

Australia's largest businesses have a responsibility to make decisions that create a better and stronger nation. We are taking a long-term view and investing now for a better future. This year, we launched a new Social Impact Strategy to shift the dial on significant social challenges facing our business and community. It sets goals for what we will seek to achieve by 2030, in line with the United Nations' **Sustainable Development Goals (SDGs)**. Each Social Impact goal is paired with relevant SDGs where we can make a difference to the societal challenge. This means focusing our resources on where we can have the biggest impact and link our Social Impact Strategy to NAB's broader ambition and responsibilities.

Our priority SDGs are:

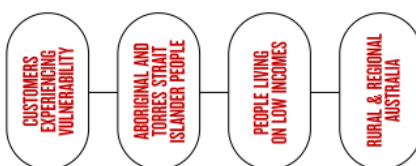
- #7 Affordable and clean energy
- #8 Decent work and economic growth
- #11 Sustainable cities and communities
- #13 Climate action
- #15 Life on land.

You can learn more about our approach to the SDGs online [here](#).

SOCIAL IMPACT STRATEGY

Australia is changing – fast. This brings about challenges, and also presents new opportunities for NAB to continue to drive change for good. We've set out four goals that we're tackling to drive positive change. We're working with our people, customers and communities to help move Australia forward.

WE WILL PAY PARTICULAR ATTENTION TO:



OUR GOALS



FINANCIAL HEALTH

Helping people reduce financial stress and feel more in control of their money.

Our priorities:

- Access to financial services
- Assisting customers experiencing vulnerability and hardship
- Building the financial health of our people and customers



STRONGER COMMUNITIES

Creating more sustainable, accessible and inclusive communities across Australia.

Our priorities:

- Affordable Housing
- Indigenous Business
- Supporting the for-purpose sector
- Diversity & Inclusion



BANKING ON NATURE

Driving investment in natural assets to improve the wellbeing of our communities.

Our priorities:

- Enhancing biodiversity and ecosystems
- Future-proofing Australian Agriculture
- Natural disaster recovery and resilience



CLIMATE ACTION

Working with communities to ensure they are more resilient to climate change, and supporting a low-carbon economy.

Our priorities:

- Clean energy
- Just transition to a low-carbon economy
- Climate Adaptation

HOW WE'RE MAKING CHANGE

GIVING STRATEGICALLY

We're partnering with organisations to maximise the impact of our volunteering, workplace giving and grants through the NAB Foundation.

ACTING RESPONSIBLY

We're minimising our environmental and social risk impacts, creating a diverse and inclusive workplace, and supporting people in times of need.

CREATING VALUE

We're finding new commercial opportunities that address the environmental and social challenges facing Australians today.

This approach calls for measuring success in a broader manner. We will develop key metrics to track our performance against each priority area but we'll also measure how we are contributing to addressing the overall societal challenge. Some new population level metrics are required for areas such as financial health, a just

transition to a low-carbon world, and community preparedness for natural disasters. We will develop these metrics for our Social Impact Strategy next year. They will inform new performance goals and future sustainability reporting.



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary



OUR APPROACH

HELPING AUSTRALIA SHIFT TOWARDS A SUSTAINABLE FUTURE

This year, we made landmark commitments to drive Australia towards a sustainable future.

This was part of our participation in the **Australian National Outlook (ANO)**, a multi-stakeholder collaboration with CSIRO and other organisations.

The ANO mapped a sustainable path for Australia to reach its social and economic potential in 2060. This path is based on five key land, energy, culture, urban and industry shifts that government, business and the wider community must make together.

We made key commitments to help make the required land, urban, industry and energy shifts. These were: (a) launching a partnership with ClimateWorks Australia to develop sustainable agriculture metrics to improve natural asset management, (b) investing \$2 billion in affordable housing by 2023, (c) investing \$2 billion in the emerging technology sector to spur innovation by 2025 and (d) increasing our environmental financing commitment from \$55 billion to \$70 billion by 2025. We'll keep setting targets to drive these shifts and put Australia on a path to realising a future with a positive outlook.

We signed up to the **United Nations Principles for Responsible Banking**. These six Principles require banks to be more transparent about how products and services create value for customers, clients, investors, and society. As a founding signatory to the Principles, we participated in the core group of 30 global banks that developed the Principles. The Principles provide the framework for a sustainable banking system, and aim to help the banking industry demonstrate how it makes a positive contribution to society. Signing up commits us to meeting all the Principles over the next four years.

The table on the right summarises how we are currently tracking against the Principles and where we need to increase our efforts. We have a good foundation in place to meet these commitments, but there is work to do to align our business with society's goals.

PROGRESS AGAINST THE UN PRINCIPLES FOR RESPONSIBLE BANKING

PRINCIPLE

1. ALIGNMENT

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

OUR PROGRESS

A foundation is in place. We need to review existing targets and commitments following an impact analysis.

2. IMPACT

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Uplift is required to develop new methodologies that measure impacts. More investment in scenario analysis is required, particularly in areas outside climate risk. We will develop targets to help align our lending portfolio with the SDGs and the Paris Climate Agreement to limit global warming to less than 2 degrees, striving for 1.5 degrees.

3. CUSTOMERS & CLIENTS

We will work responsibly with our clients and customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

A foundation is in place with Climate Change, Natural Value, Affordable Housing and other Divisional and Subsidiary strategies. We will continue to build on this.

4. STAKEHOLDERS

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

A foundation is in place. Uplift is required in advocacy – this is being addressed in NAB's Social Impact and Climate Change strategies.

5. GOVERNANCE & TARGET SETTING

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

A foundation is in place but integrating sustainability considerations into remuneration and performance management is a gap. There is more work to be done to develop sustainability-related lending portfolio targets.

6. TRANSPARENCY & ACCOUNTABILITY

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

A foundation is in place. Incremental effort is required to integrate the Principles into year-end reporting and non-financial assurance processes.

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

HOW WE LISTEN

We have a responsibility to listen to and act on our stakeholders' feedback.

This helps us understand different groups, what they need and how we should respond. These include our people, customers, advocacy groups, non-governmental organisations, government, regulators, investors, community partners, unions, industry groups and media. You can find out more about our approach to Stakeholder Engagement [online here](#).

We also participate in industry memberships and collaborations, with more information [online here](#).

This year, NAB completed a Self-Assessment into governance, accountability and culture at the request of the Australian Prudential Regulation Authority (APRA). See the *Governance, conduct and culture* section for more details. One of our Self-Assessment goals was to bring the voice of the customer back into the bank. The voice of the customer guides our decisions and actions. The Net Promoter System (NPS)¹ is our leading customer feedback measure. It provides real-time feedback by asking customers how likely they are to recommend NAB to friends, family or colleagues, using a 0-10 scale. We then calculate a final score between -100 and +100 by subtracting the

percentage of people who disagree from the percentage of those who agree.

In 2019, the average Net Promoter Score of our priority segments was -14, which is a 2 point improvement on last year, giving us an equal #1 ranking among the major Australian banks. The individual segments had a mixed performance, with none achieving our strategic objective of being NPS positive:

- Home Owners (HL@bank) NPS increased from -17 to -13, keeping us in the #2 position among our peers.
- Investors -20 fell 1 point from last year but remained #1.
- Small Business improved from -21 to -15, while Medium Business -5 to -8 decreased this year.

Our teams review feedback and insights from the Net Promoter System weekly, and use their findings to sharpen our focus and instigate change.

ACTING ON CUSTOMER FEEDBACK

This year, we launched a Customer Complaints Reduction Council. It aims to address the root causes of complaints, and reduce the top three complaints areas by 25%. The top three areas were wrongly charged fees, non-transparent fees and interest, and giving customers a poor experience during the product set up process.

A systematic review of these complaints helped to improve customers' experiences by targeting where we got it wrong with our products and services. This led to a 10% reduction in complaints for these top three areas and reversed a four year trend where the top three complaint areas grew by 33%. This review also informed our fee removal program (see the *Customer support and experiences* section for more).

Overall we achieved a four per cent reduction in complaints from our Australian and New Zealand customers, moving from 236,696 complaints in 2018, to 226,714 this year. Refer to our [Data Pack](#) for more information.

IDENTIFYING WHAT MATTERS

Every year we ask our stakeholders for feedback on our performance. These insights shaped our activities and reporting. We used a four-stage process to clarify material themes:

1. Identifying issues based on last year's themes. We used internal processes (employee engagement survey, peer review, reviewing environmental, social and governance (ESG) performance in sustainability rating benchmarks) combined with external frameworks and standards to check whether they remained relevant.
2. Prioritising themes with stakeholders. We engaged with customers, consumer advocates, industry associations, the investment community and NAB leaders to get their feedback.
3. Validating themes via an internal management group, with input from our senior leaders.
4. Reviewing validated themes against last year's report feedback, specific feedback on disclosures, and considered in the context of our operating environment.

9

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

1 Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter Systems are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld. Refer to Glossary on page 47 for definition of NAB's priority segments.



THEME	WHY IT IS IMPORTANT	SUSTAINABLE DEVELOPMENT GOAL
GOVERNANCE, CONDUCT AND CULTURE 	<p>What we have learned from the Royal Commission, and how we are responding and driving cultural change. This means behaving and acting in a way that puts customers' needs first and manages non-financial risk.</p>	
CUSTOMER SUPPORT AND EXPERIENCES 	<p>Ensuring we get it right for customers every time, delivering fair customer outcomes. This includes building financial health, lending responsibly and providing fit-for-purpose products and great service.</p>	
ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY 	<p>How we take action on climate change and show leadership in environmental sustainability. We recognise that carbon risk and our role in the transition to a low-carbon economy are increasingly important to our stakeholders and the community.</p>	
ENGAGING OUR PEOPLE 	<p>How we manage, care for, listen to and develop our people. A happy, engaged and diverse workforce is essential in serving our customers well and delivering results for our business.</p>	
TRANSFORMATION AND TECHNOLOGY 	<p>How we're transforming the way we use technology to achieve better customer outcomes, bolster data security and privacy, and ensure our success in an increasingly digital future.</p>	
STRONGER COMMUNITIES 	<p>Our role in building a stronger economy, supporting communities and driving innovation. This includes backing small to medium businesses, rural and regional Australia and the for-purpose sector, as well as investing in critical infrastructure.</p>	

Learn more about our material themes and why they are important [online here](#). This includes more details about other important themes such as human rights and supply chain impacts which appear in the *How we act* section of this report.

MATERIAL THEMES

OUR MATERIAL THEMES

Our material themes are the issues that matter most to our stakeholders and our business. They're part of an ongoing process to improve our practices and better respond to community expectations. This year's high priority themes were governance, customer and climate-related. We're committed to being open and transparent about our progress in addressing the past mistakes found in the Royal Commission and APRA Self-Assessment on governance, culture and accountability. We also play a key role in helping our customers transition to a low-carbon economy.

More information on these themes appears in order of priority.

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

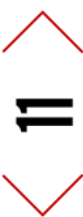
How we act

Assurance

Glossary



GOVERNANCE, CONDUCT AND CULTURE



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

• Governance, conduct and culture

- Customer support and experiences
 - Addressing climate change and environmental sustainability
 - Engaging our people
 - Transformation & technology
 - Stronger communities
- How we act
- Assurance
- Glossary

There's still more work to do so that culture change is genuinely understood and owned by all leaders.

Driving cultural change

Making cultural changes will drive higher standards of conduct. NAB's Culture Plan aims to drive this change with three priorities:

- Customer First – we put our customers first every time;
- Disciplined – we are uncompromising on accountability and standards, learning from our experiences; and
- Simpler for our People – we ensure our systems and processes are efficient, and build capability.

A key activity in the plan is building leadership engagement and role modelling. We launched a foundational leadership program to set expectations and ensure consistent practices; 950 leaders have completed this program so far. It aims to lift employee engagement and help our leaders to role model our desired culture.

We are also investing in our broader workforce to build their risk management knowledge and skills. This year, we launched a digital self-service learning platform for all employees. It targets the core organisational capabilities that need to lift based on the APRA Self-Assessment. A Conduct Risk training program will launch by the end of 2019. This will improve our teams' ability to manage non-financial risk.

WHAT ARE WE DOING?

Implementation of APRA Self-Assessment actions and Royal Commission recommendations

We will drive effective change to improve outcomes for customers and achieve sustainable, long-term performance. Our Self-Assessment was a thorough examination of weaknesses in our governance, accountability and culture frameworks and practices. It identified 26 actions organised around five overarching goals and this work sits alongside NAB's Royal Commission response. The Royal Commission has established new standards and expectations across the industry. We will implement the recommendations in line with their intent and we are making progress where there is sufficient regulatory, industry and legislative guidance to do so. A report detailing the progress against our Self-Assessment and the recommendations of the Royal Commission are [online here](#).

Changing a culture requires new ways of thinking and acting in our customers' interests. We have made first steps but there is still a long way to go. We have introduced a new leadership framework to embed customers' needs and expectations into how we engage our teams.

Maintaining momentum during a leadership transition has been hard. It has also been challenging to ensure that a consistent change agenda is rolled out. The priority has been engaging leaders to drive the change.

Being a secure and reliable bank that makes the right decisions

WHY IS IT IMPORTANT?

The past year has been one of the most challenging in recent history for financial services in Australia. The events discussed in the Royal Commission have eroded community trust in financial institutions, including NAB. We are acting on the recommendations and findings of the Royal Commission and carrying out the actions required by our APRA Self-Assessment. Our culture must change to be better for customers, our people and the community. This means having a culture that drives the right behaviours and decisions.

Five key cultural inhibitors have been the root causes of our failures in governance, accountability and culture. These were listed in the APRA Self-Assessment:

- 1 We have not brought the rigour and discipline to get it right every single time.
- 2 We have over-relied on our people to make up for deficiencies in our system and processes.
- 3 We have not consistently brought the collective intensity or individual resolve required to fix complex issues.
- 4 We have not listened to or learned enough from our customers, regulators and employees.
- 5 While we have a strong commitment to customers, we have too often put other priorities first.

These root causes underpin our plans to change how we serve customers and run our business.

Our systems and processes need to reinforce the rigour and discipline which underpins our desired culture. A diagnostic review of our conduct and consequence management framework against leading practices informed changes to our Employee Conduct Management Framework. This improves how we drive accountability, apply consequence management process and recognise those who do the right thing.

A simpler performance framework has been introduced with mandatory risk, customer and people goals for employees. Work continues to assess and monitor the effectiveness of NAB's various performance and reward programs. This includes implementing the Sedgwick Retail Banking Remuneration recommendations.

Tracking progress

This year, we introduced a new monthly Culture Index to track progress on our cultural change program. The index has shown a slight improvement (four per cent) in a seven month period. This is most likely due to more visible leadership on taking actions that benefit customers and reinforcing our cultural priorities, including NAB's external customer and community announcements.

A new culture dashboard was developed to track our cultural change progress. It includes metrics about the cultural inhibitors in our Self-Assessment. These measures give us insights into how we are improving our risk culture and whether activities are effective.



12

Promoting a speak up culture

Our Code of Conduct sets high standards for doing the right thing by customers and holds our people to account for them. This year, there were 1,278 conduct breaches. All investigations are impartial and confidential. There were 5.2% more breaches this year (up from 1,215 in 2018). This led to 986 disciplinary actions, with 292 people leaving NAB. More than half of these breaches (58%) were due to personal conduct that didn't reflect our values.

Speaking up can be difficult, so we provide our employees with a Whistleblower Program, a safe and confidential channel for raising concerns about wrongdoing. Employees can raise concerns via the Faircall service, an independently monitored external hotline, anonymously if they prefer. The Whistleblower Program's role is to provide a safe environment that supports and protects our employees.

The Whistleblower Program takes all wrongdoing concerns seriously and where an investigation is required, appoints an internal or external investigator with the right capability and independence to investigate the concerns.

There were 155 wrongdoing disclosures made to our Whistleblower Program in 2019, which is a marked increase from 123 last year. Twenty nine were partially or fully substantiated resulting in appropriate consequences being applied, 60 were not substantiated, 32 did not proceed (due either to the withdrawal of the disclosure, insufficient information being available to properly investigate the concerns

or agreement with the disclosing person that the matter would be best dealt with through another channel), three were unproven, and 31 remain under investigation.

Making things right for customers

During the year, we set up a Centre for Customer Remediation to manage complex remediation programs and fix the mistakes identified by the Royal Commission. Approximately 473,000 payments have been made to customers since June 2018 at a total value of \$247 million. We also put in place a specialist customer hotline (1800 112 324) for people concerned about their superannuation. NAB announced an additional \$832 million cost after tax for customer remediation matters related to increased provisions for our customer-related remediation program in September. Our total remediation provisions are \$2,092 million.

There are currently more than 950 people working on customer remediation across NAB as we bring greater focus and discipline to resolving issues and making sure they do not happen again.

Strengthening Board oversight

The Board is committed to bridging the gap between what we say and what we do, as identified in the Royal Commission final report. Although challenging and uncomfortable, this year has provided us with the opportunity to reflect and re-evaluate how and why we've done things, to focus on fixing our mistakes and earning trust.

The Board has strengthened governance practices and required that management improve the quality and frequency of information on risk management performance, including non-financial risk. The Board has been more challenging of management overall. It receives regular updates on culture, trust and reputation. The Board Customer Committee supports the Board to oversee a significant lift in the importance given to the voice of the customer and a sharper focus on customer outcomes using insights from complaints to drive continuous improvement. It reviewed and evaluated the principles that govern remediation programs.

Find more about these committees and the Board's work this year in our Corporate Governance Statement [here](#).

Responsible remuneration

Put simply, we need to reward the right behaviours if we want them to flourish. The Royal Commission has shown us that incentive structures haven't always driven the right outcome for customers. The new executive remuneration framework applies to the Group CEO and Executive Leadership Team. It is designed to better meet shareholder expectations for long-term performance outcomes and more closely align the interest of Executives and shareholders. The framework applies to 2019 onwards.

Read our Remuneration Report for more information [here](#).

CALLING OUT WRONGDOING

Whistleblower cases are treated confidentially, however, two recent cases became public because of the courage of NAB whistleblowers.

These cases showed the important role that whistleblowing plays in addressing wrongdoing:

- The Introducer Program: An anonymous whistleblower raised concerns about fraud connected to NAB's Introducer Program. This led to 10 bankers having their employment terminated, and extensive changes to (and ultimately the end of) the Introducer Program.
- High profile fraud: A whistleblower raised concerns about a possible serious fraud on NAB. The concerns were reported to police by NAB and if proven represent a serious breach of trust by a former employee.

In both cases the concerns were raised anonymously in a confidential environment.

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- **Governance, conduct and culture**

- Customer support and experiences

- Addressing climate change and environmental sustainability

- Engaging our people

- Transformation & technology

- Stronger communities

How we act

Assurance

Glossary

1. This includes human rights and modern slavery-related disclosures which can be raised through this channel.



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- **Governance, conduct and culture**
 - Customer support and experiences
 - Addressing climate change and environmental sustainability
 - Engaging our people
 - Transformation & technology
 - Stronger communities
- How we act
- Assurance
- Glossary



HOW ARE WE TRACKING?



SUSTAINABLE DEVELOPMENT GOALS

TARGETS

- Enhance regular variable reward plan assessment processes to ensure the plans meet their objectives and drive the right customer outcomes

FUTURE PLANS

Roll out our Culture Plan

Introduce enhanced mandatory conduct risk training

LEARN MORE

- [Performance and remuneration](#)
- [Our Code of Conduct](#)
- [Royal Commission and APRA Self-Assessment response](#)



CUSTOMER SUPPORT AND EXPERIENCES



Getting the basics right and achieving real outcomes

WHY IS THIS IMPORTANT?

We exist to serve our nine million customers. Events this year have highlighted where we let them down and how we need to change our mindset to bring the voice of the customer back into the bank. Customers want their bank to be simple, reliable and easy to deal with.

There are fundamentals that we need to fix so that our customers can trust us to get it right every time. We have also set up specialist teams and changed processes to resolve issues faster and better support customers experiencing vulnerability.

WHAT ARE WE DOING?

Getting it right for customers

The 'Getting it Right for Customers' program is part of our response to the Royal Commission. This program involves reviewing all NAB product areas (excluding Wealth) to determine where we can simplify and improve the ways that we serve customers. Phase one involved developing the Customer Outcomes Framework. The Customer Outcomes Framework is a set of principles about how we will put customers first, fix mistakes, meet their needs, and be transparent, easy and reliable. Each principle has a set of standards which outline what we will do to enact these promises and translate into customer outcomes.

Phase two applied the framework to our products. We assessed 43 product groups and reviewed key business processes. This identified the hot spots for customer complaints and failures against the customer outcomes framework. We learned that we need to improve how we communicate with customers so fee information is easy to understand and servicing and processing requests are clear. Products can be designed better so that customer needs are considered at the outset. This also helps customers to take advantage of full product features.

Phase three reviewed 300 products from the design to customer use stage against the framework through a series of working groups. Unsecured lending, Home lending, Everyday banking and Payments and Merchant Solutions reviews were completed this year. The next step is to complete the remaining product reviews and implement the recommended high priority changes to improve these products so that they embed the Customer Outcomes Framework principles and achieve the right outcomes.

ADVOCATING FOR CUSTOMERS

Since 2016, NAB's Office of the Customer Advocate has worked to make it easier for customers when things go wrong by helping to facilitate fair outcomes and prevent future problems.

This year, the Office of the Customer Advocate played a role in boosting NAB's support for customers experiencing vulnerabilities. We worked with NAB employees to help them identify when a customer may be vulnerable, how a vulnerability may affect their ability to engage with NAB, and the extra care we need to take to identify and respond to these needs. We have worked closely with our disputes team, NAB Resolve, on how to engage and support customers experiencing vulnerability to ensure that we fully understand, investigate and address their concerns. This work

also reviewed how to better support customers dealing with bereavement or those customers who have been the victim of scams.

The Office of the Customer Advocate works with the broader business to ensure customers are treated fairly. We worked with NAB Resolve to improve how we communicate to customers about the outcome of dispute investigations. Letters now have a greater acknowledgement of the customers' concerns and an explanation about the reasoning behind the outcome. The Office has worked with the business to improve the ongoing disclosure of terms and conditions for some savings accounts and term deposits to increase customers' understanding about how they can best access their benefits and features.

14

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- **Customer support and experiences**
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary



MAKING A DIFFERENCE FOR CUSTOMERS

Customers expect great banking services. This year, we took the following actions to help our customers to access better quality banking services.

- **Reduced or removed fees for customers:** More than 185 fees were reduced or removed as part of our fee clean up program.
- **Launched ApplePay:** Listening to our customers who have been long calling for the digital payments system.
- **Supported emerging tech industries:** Pledged \$5 billion in funding for the emerging tech industries by 2025, reinforcing our commitment to help Australia make the industry shift in the Australian National Outlook report.
- **Community support:** Giving specialist support to Mascot Tower residents, including home loan payment relief for up to six months, interest fee reversal and assistance with other NAB accounts.
- **Committed \$2 billion to fund affordable housing by 2023:** This funding will create affordable and social housing supply and supports the Australian National Outlook's urban shift to realise a positive future.
- **Ending the introducer payments program:** Giving customers the confidence to come to NAB because of the products and services we provide – not because a third party received a payment to recommend us.
- **Frontline remuneration:** Putting customers' needs first and removing incentives from relevant frontline staff.
- **Being the bank for regional and rural Australia:** Keeping regional and rural branches open until at least 2021, investing in regional Customer Connect Centres that better serve regional customers and create local jobs (see *Stronger communities* section for more).
- **Special Olympics:** Expanded support for diverse and inclusive communities in partnership with Special Olympics Australia as Principal Partner until 2022.
- **Helping customers in difficulty:** Introducing a new Code of Conduct for insolvency firms so that customers are well supported, and no longer charging default interest.
- **Launched new Indigenous Customer Service Line:** To better support Indigenous customers, especially in remote and rural locations with a specially trained team.

FINANCIAL HEALTH AND RESILIENCE

We want to offer our customers exceptional service by providing products and services that suit their individual situation and meet their needs. This is part of our responsible lending approach which ensures that customers have easy to access and understand information about our everyday banking and lending products. This is increasingly about proactive and personal communication with customers about how to prevent problematic debt, avoid fees and maximise savings.

We introduced some changes this year to help customers better manage their money and develop good financial habits. These included:

- Giving customers more information about how to get the full value out of banking products and being transparent about fees. Choice Package customers are proactively sent emails and text messages reminding them about benefits and fees two months and two weeks before their annual package fee is due.
- Giving customers early reminders about the upcoming date of their interest only loan expiry. Customers receive a call from a banker and an email reminder at least six months before the loan expiry to encourage them to plan their next step.
- Proactively contacting customers to remind them about their fixed rate loan expiry.
- Encouraging Reward Saver customers to maximise how much interest they can earn each month. New Reward Saver customers receive monthly text messages with tips on how to earn bonus interest every month to

reinforce good savings behaviours and get the best out of their banking products.

We also focused on credit cards to support people who experience problem debt. Initiatives were:

- Waiving the \$15 late payment fee for customers with a good track record of making credit card repayments on time. We sent text messages and emails to customers notifying them about reversing the late payment fee. This was for customers who had paid on time for at least 11 consecutive months.
- Contacting customers who incurred a late payment fee with information and tips on how to avoid late payment fees.
- Contacting customers who are at risk of falling into problematic debt. We send them an email that promotes our hardship support services, encourages customers to talk to a financial advisor and call us for help.
- Customers at risk of problematic debt also receive an email with financial health education information about budgeting, repayment calculators and avoiding interest.
- For customers who have fallen into problematic debt, we send a text message reminding them that the more they pay off their monthly balance, the less interest they'll have to pay.
- All credit card customers who haven't paid their minimum monthly payment receive a reminder text message three days before the due date.

Material themes

- Governance, conduct and culture
- **Customer support and experiences**
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities
- How we act
- Assurance
- Glossary



UNDERSTANDING FINANCIAL STRESS AND HARSHIP IN NEW ZEALAND

This year, we launched the NZ Wellbeing Index in partnership with Auckland University of Technology. It reports on the financial wellbeing of Kiwis on a quarterly basis. The most recent results polled 1000 Kiwis. It found that most enjoy a relatively high level of personal wellbeing though there were concerns about a slowing global economy and its impact on New Zealand. Home ownership was linked to wellbeing and Kiwis enjoyed higher wellbeing across different income levels.

Despite these relatively optimistic views, the most recent quarterly results found that many Kiwis didn't have enough savings to deal with emergencies and unexpected life issues. Having insufficient wealth to fund retirement was the biggest cause of ongoing financial stress, with 60% of people believing they won't have enough savings for retirement.

Wellbeing measures help illuminate how people and communities are progressing. The NZ Wellbeing Index captures New Zealanders' self-perceptions of life satisfaction, life worth, happiness and anxiety. The research gives us insights into how we can build the financial health of New Zealanders to deal with unexpected shocks and plan for the future.

Having insufficient wealth to fund retirement was the biggest cause of ongoing financial stress, with 60% of people believing they won't have enough savings for retirement.

HARDSHIP ASSISTANCE

Customers in financial stress can find dealing with a bank overwhelming. That's why our NAB Assist team plays a vital role supporting NAB customers who are facing financial difficulty. NAB Assist tailors options to suit a customer's needs from payment arrangements through to hardship options. These may include reduced payments, moratoriums, or longer-term solutions. Some customers experiencing financial hardship may also deal with personal issues. These include mental illness, gambling addiction, substance abuse, homelessness and family violence.

We partner with Uniting Kildonan, experts in providing social support services to the community. We regularly refer our customers to their 'CareRing' Program which helps people get back on their feet and links them with specialised services that tackle the personal issues that often go hand-in-hand with money problems. We've also continued to provide Domestic and Family Violence Assistance Grants to customers leaving violent relationships and homes.

Some new initiatives were launched this year to enhance our customer support. More than half of customers say that 'unemployment' or 'underemployment' is their main reason for hardship. We introduced the NAB@Work program to connect home loan customers with an Employment Coach for help getting back into the workforce. The Employment Coach provides tools and advice so people can feel job-ready and re-enter the workforce faster. They can also access other support networks such as financial counsellors to help with their current situation.

Customers struggling with home loan repayments can find it hard to deal with the process of selling their home once they've made that decision. We introduced a referral program for customers who want support selling their home. Customers are referred to Agent Select, a property advisory service that gives free and independent advice on property trends such as local sales prices and real estate agent fees. Customers receive an agent report and referral for the top real estate agents in their area, ranked by sale prices achieved and fees, and a pricing guide for their property. This gives customers the ability to make informed decisions when selling their home. This helps enable a timely sale for the highest price with the lowest fees.

Here are the highlights from this year's NAB Assist performance:

- 90% of our customers dealing with financial difficulty return to regular repayments within 30 days.
 - 96% are back to financial health within 90 days.
 - NAB Assist Net Promoter Score +67 and our financial hardship team consistently sitting around +74.
 - First Call Resolution 96%.
- Governance, conduct and culture
 - **Customer support and experiences**
 - Addressing climate change and environmental sustainability
 - Engaging our people
 - Transformation & technology
 - Stronger communities
- How we act
- Assurance
- Glossary

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes



CUSTOMER SUPPORT AND EXPERIENCES

PROVIDING EMERGENCY RELIEF WHEN CUSTOMERS NEED IT MOST

When disasters hit, people and communities need emergency support to recover from shocks. Our NAB Assist team provides on-the-ground advice and support to people affected by unplanned events.

An example was supporting the Mascot and Opal Towers residents affected by cracking and structural defects in the buildings. We proactively contacted NAB customers who live in or own properties in the Mascot and Opal Towers in Sydney to offer them NAB Assist support. This included up to six months repayment hold on mortgages, access to counselling services and repayment support for products such as personal loans and credit cards.

Another example was NAB Assist being on the ground to support customers affected by the drought in Tamworth, New South Wales. We provided specialised hardship support in-store and trained the local branch team about our financial hardship approach to identify customers in need and how to refer them to our NAB Assist team or external partners.

FINANCIAL INCLUSION

People on lower incomes experience higher levels of financial stress. Stress about managing costs of living or paying off debt can entrench disadvantage and financial exclusion. The latest Financial

Resilience in Australia research from the Centre of Social Impact in partnership with NAB, found that close to one in three respondents with very low levels of economic resources used low-cost or informal credit such as Centrelink Advance or No Interest Loans Scheme (NILS), or borrowing from family or friends. Those people were also over-represented in using high-cost credit such as payday lenders.

These customers need better access to easy and affordable services. Our 16-year partnership with Good Shepherd provides no and low interest loans to Australians and New Zealanders who would usually be excluded from mainstream banking. They may be excluded because of lower income or financial capability levels, or bad credit histories from other major lenders. Our ongoing annual commitment is to provide \$130 million in Australia and NZ\$60 million in New Zealand.

BNZ's Community Finance program celebrated its fifth anniversary this year. Since inception, more than 1,900 families have received more than five million in low cost loans and saved an estimated \$2.7 million in interest and fees. We reaffirmed our commitment to disrupt predatory lending practices in New Zealand, and pledged to provide millions more dollars in no and low interest lending to the community in the next five years.

NAB is an active member of the Thriving Community Partnership and the Financial Inclusion Action Plan initiative. Both forums bring government, community and

businesses together to help drive greater inclusion and financial wellbeing for all Australians.

BNZ's Community Finance program complements the NZ Government's launch of a new cross-sector strategy to address financial hardship.

The Safer Credit and Financial Inclusion Strategy is a partnership between the financial services sector, community organisations and central government, including Good Shepherd NZ and BNZ. It aims to create solutions that help New Zealanders access affordable and appropriate financial services.

Highlights from this year were:

- Improving how customers access the No Interest Loans Scheme, and technology improvements to increase the total number of microfinance loans supported from 31,743 to 34,215 in Australia.
- Launching a pilot in Good Money Queensland to provide loans that will help low income people find and stay in private rental accommodation.
- Releasing a research report called, Money stories: financial resilience among Aboriginal and Torres Strait Islander Australians, in partnership with the Centre for Social Impact and First Nations Foundation. The research found that wealth is culturally specific. Many Aboriginal and Torres Strait Islander people experience and interact with money in ways that emphasise sharing rather than accumulating wealth. Financial insecurity is higher for this group, with many people experiencing higher levels of financial stress.
- Supporting 27 community organisations to build the financial resilience of Indigenous clients through the Indigenous

Money Network. We provided small grants for a range of projects, from translating documents into local languages, to running community engagement events and building financial literacy.

- Continuing to offer customers an easy, digital microfinance product Speckle. Speckle provides small cash loans of up to \$2,000 online. Since it launched two years ago, it is estimated that customers have saved over \$800,000 in unfair fees and charges and 82% of clients report reduced financial stress.

- Boosting funding and resourcing for the BNZ Community Finance program to double the number of community loan workers issuing no and low interest loans.

- Launching the Good Shop in South Auckland and Porirua.

The Good Shop is run by The Salvation Army. It is a mobile truck service that offers access to practical financial advice, food, and quality household goods available on interest-free loans, supported by BNZ and Good Shepherd NZ. The Good Shop takes on the mobile traders who target vulnerable communities with inflated prices and high-cost credit.

- Launching a mobile branch in Foxton, Martin, Ōtaki and Pahiataua in the Manawatu-Whanganui region that offers access to practical financial advice. Since launching in June 2019, the BNZ mobile branch has covered 8,500 kms, the equivalent of traveling the length of New Zealand five times.

and facilitated more than 600 interactions with customers who previously had no branch to visit. It will also be available in more regions next year.

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences**
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- **Customer support and experiences**
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

THE CUSTOMERS EXPERIENCING VULNERABILITY FRAMEWORK

Customers experiencing vulnerability have different and sometimes complex needs. Too often, banks are hard to deal with and don't treat customers in vulnerable situations with the empathy and care they need. We are making our banking services more inclusive and accessible. The Royal Commission showed us where we got it wrong and why we must simplify our financial products and services for all customers.

During the year, we launched a Customers Experiencing Vulnerability Framework to improve how we support these customers and meet the new requirements set out in the Code of Banking Practice. We believe that customers experiencing vulnerability deserve the same standard of exceptional service as anyone else. NAB defines customer vulnerability as:

Vulnerability is a personal situation, where people are exposed and susceptible to harm or loss. Everyone may experience being vulnerable in their life and its impacts can be experienced differently. Customer vulnerability involves an inter-play of personal and environmental circumstances, market practices and the actions of our organisation.

We launched a specialist NAB Customer Support team to assist customers experiencing

vulnerability (see the *Improving Customer Support* case study on page 20).

Driving fundamental change requires us to think about how we affect customers when we design products, sell and communicate them, service customers and resolve issues. This year we identified a range of initiatives in four key focus areas:

1. Making it easy – for customers experiencing vulnerability who disclose and seek support;
2. Universal design, service and change – keeping vulnerable customers at the heart of design, service and change processes;
3. Building our capability – employee training and support to enable and empower support for customers experiencing vulnerability; and
4. Older customers – inclusive and accessible banking services and reducing susceptibility to elder financial abuse, scams and fraud.

We are taking action for customers experiencing vulnerability to make it easier to access banking services and provide support when it matters most.

Learn more about the Customers Experiencing Vulnerability Framework [online here](#).

**CUSTOMER SUPPORT AND EXPERIENCES**

This is just one example of how specialised customer support can make a difference. Customers can call the Indigenous Customer Service Line directly on 1800 966 100.

CREATING AN INDIGENOUS CUSTOMER SERVICE LINE

Aboriginal and Torres Strait Islander Australians face financial exclusion at higher rates than non-Indigenous Australians. For some Indigenous customers in remote locations, accessing basic banking services can be difficult.

This is why we have launched a dedicated phone line for Indigenous customers. The NAB Indigenous Customer Service Line helps improve access to financial services for customers who are often the most excluded.

One of our bankers, Daniel, recently took a call from Tania*. The first thing he heard was a male voice saying, "Tania wants to transfer money, can you help?"

Daniel had done financial abuse training, so the request raised a red flag.

He continued with the call, and found that Tania was difficult to identify. She'd provided a different address and couldn't advise on any recent transactions. Looking at the notes on Tania's account, he saw that she had repeatedly failed NAB's ID authentication process and hadn't been able to access any banking for two years.

What Daniel didn't initially know was that Tania was elderly and partially deaf. She was also from a remote Indigenous community in far-north Queensland, and English was her second language. The man speaking on her behalf wasn't a financial abuser, but her support worker.

Daniel was able to draw on his training as a member of the Indigenous Customer Service Line. The team can ask modified identification questions that cater to the language or cultural differences experienced by some Indigenous customers. With these new modified questions, Tania passed the identification process. Daniel then spent time with her resetting internet banking, issuing a new debit card, and updating her address. When Tania got access to telephone banking, she cried on the phone. She now had immediate access to her funds.

After focusing on far-north Queensland, our Indigenous Customer Service Line is expanding into other areas in Australia to ensure we get things right for more customers.

**Not her real name*



RESPONSIBLE FINANCE

Responsible finance involves lending in a way that mitigates credit risk, and ensures customers can afford to pay their loans back. It is also about providing finance for activities like merchant services, trade finance, bonds and other financing activities in a way that's ethical and prudent. We manage risk at an asset, customer, sponsor and portfolio level to ensure we're providing responsible finance.

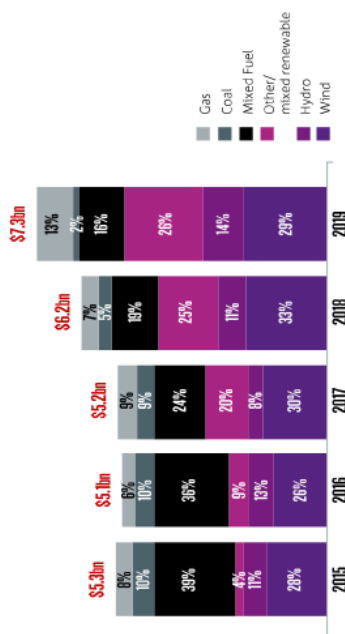
Our lending book reflects the key industries in Australia's economy, and we closely monitor our exposure to industry sectors and activities that may have higher ESG risks. We've engaged with investors, NGOs and other stakeholders about our exposure to a range of industry sectors with higher ESG risks – including resources, power generation, oil and gas, tobacco and intensive agriculture.

Renewables now represent 69% of our power generation exposures, moving from 43% in September 2015 (see chart on the right). We've disclosed a number of our credit risk policy settings on our website – you can find this information [online here](#). More information about our sector reviews is in the *How we act* section.

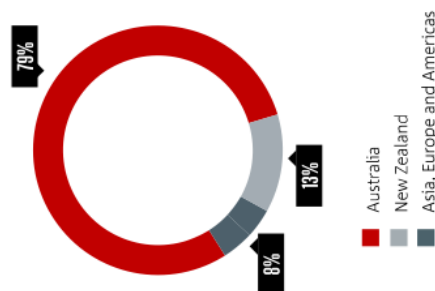
Our Level 2 Regulatory Group¹ Exposure at Default (EaD) by sector is in the table on the right. Our EaD by region is mostly in Australia (79%), followed by New Zealand (13%) and in other countries (8%). Our lending exposure to major tobacco companies has kept decreasing. It is now at less than 0.0003% EaD (at 30 September 2019) – down from 0.001% in the prior year. Our remaining exposure in the tobacco sector comprises minor exposures to wholesale and retail tobacco in Australia and New Zealand, and remains consistent with last year at less than 0.005% of EaD.

As Australia's largest agribusiness lender², agriculture is a major priority for us – and a key focus in our Natural Value and Climate Change strategies. Learn more in the *Addressing climate change and environmental sustainability* section.

POWER GENERATION EXPOSURES BY FUEL SOURCE (%)
AND TOTAL EXPOSURE AT DEFAULT (\$BN)³



GROUP EXPOSURE AT DEFAULT
BY REGION (%)



LEVEL 2 REGULATORY GROUP¹ EXPOSURE AT DEFAULT
(EaD) BY LEVEL 1 ANZSIC CLASSIFICATION (\$M)⁵

	2019	2018	2017
Accommodation, Cafes, Pubs and Restaurants	10,503	9,433	9,295
Agriculture Forestry, Fishing and Mining	56,310	51,824	49,204
Property and Business Services	24,172	21,328	19,355
Commercial Property	73,874	75,211	75,262
Construction	11,600	10,665	10,281
Finance and Insurance	112,000	106,897	106,340
Manufacturing	20,624	19,130	19,412
Personal	15,778	16,998	17,344
Residential Mortgage	388,315	387,072	378,162
Retail and Wholesale Trade	32,079	30,796	30,405
Transport and Storage	24,881	22,358	20,631
Other	92,920	85,532	81,273
Total	863,056	837,244	816,965

1. The Level 2 regulatory group comprises NAB and the entities it controls, excluding superannuation and funds management entities. Insurance subsidiaries and securitisation special purpose vehicles to which assets have been transferred in accordance with the requirements for regulatory capital relief in APS 120 securitisation.

2. RBA Banking Statistics/NAB APRA Submission, 2019. The Level 2 regulatory group comprises NAB and the entities it controls, excluding superannuation and funds management entities. Insurance subsidiaries and securitisation special purpose vehicles to which assets have been transferred in accordance with the requirements for regulatory capital relief in APS 120 securitisation.

3. The Level 2 regulatory group comprises NAB and the entities it controls, excluding superannuation and funds management entities. Insurance subsidiaries and securitisation special purpose vehicles to which assets have been transferred in accordance with the requirements for regulatory capital relief in APS 120 securitisation.

4. The Level 2 regulatory group comprises NAB and the entities it controls, excluding superannuation and funds management entities. Insurance subsidiaries and securitisation special purpose vehicles to which assets have been transferred in accordance with the requirements for regulatory capital relief in APS 120 securitisation.

5. Prepared in accordance with NAB's methodology (based upon the 1993 ANZSIC codes) on a net EaD basis.

Material themes

- Governance, conduct and culture
- **Customer support and experiences**
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities
- How we act
- Assurance

Glossary



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- **Customer support and experiences**
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

IMPROVING CUSTOMER SUPPORT

Customers in vulnerable situations who need extra support can now access more proactive help. We established the NAB Customer Support Hub this year. This team is made up of employees who receive specialist training about working with customers experiencing vulnerability. Since it was launched in June 2019, the Customer Support Hub has assisted more than 840 customers, with over 40% of calls relating to domestic and family violence.

The NAB Customer Support team also refers customers to external partners such as Uniting CareKing, Adult Safeguarding agencies, domestic and family violence services, gambling health services, financial counsellors and other specialist agencies.

Since 2016, NAB Assist has referred more than 1,500 customers to Uniting Kildonan's CareKing program for assistance. Eighty per cent of customers said domestic violence was one of their vulnerabilities. More than 130 customers obtained the NAB customer domestic and family violence grant. The grant helps customers to be financially independent and provides support for those who are struggling to leave violent relationships or homes.

WORKING WITH GOOD SHEPHERD TO MAKE A BETTER AUSTRALIA

We are building on our 16-year partnership with Good Shepherd to help all Australians be good with their money.

This year, we have helped almost 72,000 Australians access the low and no interest finance they need to bounce back from hardship. Some people don't have access to credit or banking, which can put them at risk of falling into poverty and missing out on opportunities. NAB can play a role in helping people experiencing vulnerability by offering simple, easy and affordable access to small loans and other financial resources.

We've provided 34,215 loans in partnership with Good Shepherd, state and federal governments, in more than 600 locations in Australia. This amounts to \$38.4 million in microfinance loans for essential household goods or education expenses.

In partnership with Good Money and state governments, Good Money stores have opened in Victoria, South Australia and Queensland. These branches are in community areas where people can get access to small loans and have conversations with experts to build their healthy relationship with finance, rather than going to payday lenders.

More information about our partnership with Good Shepherd is [here](#). Refer also to our [Data Pack](#).

**CUSTOMER SUPPORT AND EXPERIENCES****HOW ARE WE TRACKING?**

CURE RATES:
90% 30 DAY CURE RATES
96% 90 DAY CURE RATES

+67 NPS FOR NAB ASSIST
+74 FOR HARSHIP ASSISTANCE CUSTOMERS

PARTNERED WITH GOOD SHEPHERD TO HELP
72,000 AUSTRALIANS WITH MICROFINANCE PRODUCTS AND SERVICES

34,200 MICROFINANCE LOANS IN AUSTRALIA
6,700+ MICROFINANCE PRODUCTS & SERVICES FOR INDIGENOUS AUSTRALIANS

-14 NPS IN PRIORITY SEGMENTS

SUSTAINABLE DEVELOPMENT GOALS**TARGETS**

- NPS positive and #1 for priority segments
- \$2bn funding over five years to help emerging technology companies and innovators grow

FUTURE PLANS

Achieve 8 customer goals in our Accessibility Action Plan 2019-2020, and 8 economic participation commitments in our Reconciliation Action Plan 2019-2021

\$130m and NZ\$60m capital commitments to support provision of microfinance loans to Australians and New Zealanders

LEARN MORE

- 📄 [Our customers](#)
- 📄 [Our Social Impact approach](#)
- 📄 [Banking Code of Practice](#)



ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY



Backing a sustainable future for all people and the environment

WHY IS IT IMPORTANT?

We recognise climate change is a significant risk to our environment, economy and society. Financial regulators have recognised it is also a systemic risk to the financial system. Climate change will affect everyone from residential property owners and farmers to investors seeking long-term stable returns. Our customers are key players in these industry sectors. We are playing an active role in addressing climate change and supporting low-carbon opportunities for our customers. We believe an orderly approach to the low-carbon transition is critical to ensure communities have access to secure, reliable and affordable energy and to ensure the transition is just.

Our Social Impact Strategy has two pillars that help tackle climate change: Climate Action and Banking on Nature. Managing natural assets and future proofing the agricultural sector is a critical challenge for our agri-business customers. Our Natural Value program seeks to factor how farmers manage natural capital like water, land and soil into credit risk assessments. The likely increasing frequency and scale of extreme weather events supports our drive to incentivise sustainable agricultural management. This is a

win-win situation. It makes our customers, their assets and our loan book more resilient. It also creates a healthier environment.

WHAT ARE WE DOING?

NAB will take a range of actions to help meet the goals of the Paris Agreement on climate change while supporting security of energy supply in Australia and New Zealand and working with customers, related suppliers and their employees and communities in which they operate.

We will seek to manage our portfolio aligned with the Paris Agreement goal of keeping global warming to less than two degrees Celsius, striving for 1.5 degrees Celsius above pre-industrial levels. The bank will review targets each year against the latest global climate scenarios and relevant technology developments. The changes include:

- Increasing our environmental financing commitment from \$55 billion to \$70 billion by 2025. NAB is Australia's largest arranger of renewable energy finance¹ and 69% of our energy financing in 2019 was for renewables.
- Increasing our internal renewable energy objective from 50% to 100% by 2025 and signing up to the RE100 initiative, bringing together businesses committed to using only renewable electricity.

- Supporting current coal-fired power generation customers implementing transition pathways aligned with Paris Agreement goals of 45% reduction in emissions by 2030 and net zero emissions by 2050. NAB will not finance new or material expansions of coal-fired power generation facilities unless there is technology in place to materially reduce emissions.

- Capping thermal coal mining exposures at current levels and reducing thermal coal mining financing by 50% by 2028 and intended to be effectively zero by 2035, apart from residual performance guarantees to rehabilitate existing coal assets. NAB will not take on new-to-bank thermal coal mining customers.

We set environmental targets to help us stay focused on reaching our goals. This year, we progressed towards our 2025 science-based GHG emissions reduction target², delivering a 18% reduction from our 2015 base year. We are on track to meet most of our 2020 environmental performance targets. However, progress against our water target was challenged this year, largely because planned capital works for our most water-intensive site were postponed.

You can find information about our operational footprint and environmental performance in our **Data Pack**. And if you'd like to know

more, head [online here](#).

Financing sustainable infrastructure projects

Delivering great outcomes for our customers can also deliver great outcomes for our communities and the environment. Our project finance (PF) portfolio plays a big role in supporting Australia and New Zealand's growth. This year, we provided project finance for our 130th renewable energy transaction since 2003. This cements our role as Australia's leading arranger of project finance for Australian renewable energy³, helping our customers and community make the low-carbon transition.

As at 30 September 2019, PF represented 1.95% of total NAB Group Exposure at Default – and of the deals in our PF portfolio to which Equator Principles (EPs) applied, 98.1% were in designated countries and 1.9% were in non-designated countries⁴. In 2019, we closed 23 new PF transactions, refinanced 26 existing transactions, and removed 29 transactions from our loan book.

While transactions can be declined at any stage of negotiation or due diligence, none were declined in 2019 specifically on the basis of social or environmental risks or issues. Our current global portfolio of renewable energy projects represents a total generation capacity of 10,516 MW and we have arranged \$9.4 billion worth

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

1. Rankings based on IIC Global League Table, MIA, Renewables, Last 12 months ending 30 September 2019, Value of Deals (database searched on 29 October 2019).
2. Refer to footnote 4 on page 27 for further information on our science-based emissions reduction target.
3. Data Source: BloombergNEF Country Profile for Australia - Top Renewable Energy Players (2004 to 3Q 2019). Cumulative totals are in USD as at 30 September 2019. Totals do not include large hydro.
4. Designated countries are those deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment.



ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

of loans since 2003.

In 2019, we financed an additional 2,520 MW of installed renewable energy generation capacity through renewable energy projects – including finance for wind and solar assets in Australia, US and the UK.

This year, the aggregate estimated¹ share of the total Scope 1 and 2 greenhouse gas (GHG) emissions from the Australian designated power generation assets² in our PF portfolio is around 295,330 tCO₂-e (262,591 tCO₂-e in 2018). We have calculated our estimated share as a percentage of the

relevant debt at September 2019. Our PF activities are a key part of our commitment to help address climate change and support the low-carbon transition. Refer to tables and charts below on our project finance activities and exposures.

We apply the Equator Principles to project-related transactions. A break down of project finance deals by Equator Principles categories is also below, and in our **Data Pack**. Our 2019 Equator Principles Report will be available on [our website](#) in January 2020.

Project finance by sector as a percentage of total portfolio value (expressed as EaD as at 30 September 2019)

SECTOR	2019	2018	2017	2016	2015
Energy (renewable)	19	19	15	11	12
Energy (coal and gas-fired) ³	6	5	6	6	7
Economic infrastructure	35	36	37	34	33
Social infrastructure	16	16	19	20	21
Water treatment infrastructure	3	4	4	5	7
Mining and refining (metals and coal) ³	7	7	6	8	7
Oil and gas	11	11	10	12	11
Other	3	2	3	4	2

Project finance deals by Equator Principles categories (as at 30 September 2019)

EQUATOR PRINCIPLE CATEGORY	NUMBER OF PROJECTS	PROJECTS AS A % OF TOTAL PORTFOLIO VALUE
A	5	8%
B	81	48%
C	23	16%
Pre-EP adoption (pre 2007)	8	4%
Project finance post EPs III to which EPs do not apply	43	24%

1 As these GHG emissions are not generated directly by NAB, we have relied on the public information disclosed by the Australian Clean Energy Regulator, which is information reported by designated generation facilities for the purpose of National Greenhouse and Energy Reporting. Our methodology involved identifying the reported Scope 1 and 2 GHG emissions associated with each generation facility we project finance in Australia. We then multiplied these emissions by NAB's participation in financing for each facility as % of debt as at 30 September 2019. We then aggregated our share of Scope 1 and 2 GHG emissions to get the total tCO₂-e for the portfolio of power generation assets we project finance in Australia.

2 The designated power generation assets are those power generation facilities that are included in the Australian designated power generation facilities list as at 30 September 2019. The designated power generation facilities list covers 92.6% of the Australian power generation assets (measured as MW capacity of the power generation facilities). The remaining 7.4% of assets (measured as MW capacity of the power generation facilities) was not available.

3 In 2019, coal-fired power is 0.2% and the remaining balance is gas-fired. Coal is 15% of mining and refining.

4 Expressed as a percentage of total portfolio value as at 30 September 2019.

22

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences

- Addressing climate change and environmental sustainability

- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary



ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

OFFERING CUSTOMERS THE WORLD'S FIRST GREEN TERM DEPOSIT

UBank's Green Term Deposit is a leading example of how an innovative financial solution can help tackle climate change. UBank is our online-only subsidiary with a more agile and challenger bank business model.

In March 2019, UBank launched the world's first Climate Bond certified consumer Green Term Deposit. This green product gives customers the chance to use their money to positively impact the environment. Their savings are allocated for financing a portfolio of low-carbon projects, such as wind and solar

power generation, electrified passenger rail and green buildings. It has raised almost \$357 million in deposits that are currently being directed to low-carbon projects. It has also reinvigorated the customer base for term deposits.

The UBank Green Term Deposit won 'Best Green Innovation' at the Finder Awards. There is potential to scale up similar green products for the broader NAB Group. It is something our customers care about and have responded to which fuels us to develop more innovative green products.

PROVIDING CRITICAL INFRASTRUCTURE TO HELP STUDENTS LEARN

Infrastructure that supports health and education is critical for the community. That's why social infrastructure is a key focus in our Infrastructure and Energy Strategy.

NAB provided project finance for the refurbishment of purpose built student accommodation for the Australian National University. As part of NAB's due diligence and credit risk assessment, we undertook an ESG risk assessment which included consideration of a range of environmental aspects related to the accommodation development. These included environmental approvals, treatment of any hazardous materials on site – including occupational health and safety risks for access and removal and stakeholder engagement (including students) in the design. This project was screened to check whether Equator Principles should apply to the project financing of the refurbishment, as we had previously project financed this accommodation. The outcome was that the Equator Principles did not apply to this transaction because the accommodation was an existing asset undergoing refurbishment and there were no material changes to the social and environmental impacts arising from the development. We also came to a view that the classification of this project as a Category C project had not changed since we categorised it as part of our original project financing.



ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

GREEN PRODUCTS AND SERVICES

	2019	2018	TREND
Total number of renewable energy (RE) transactions since 2003	130	114	↑
Total Value of RE transactions since 2003 (\$bn committed)	9.4	7.7	↑
Cumulative Green Bonds (by number) issued by NAB and related entities since November 2014	6	6	↔
Cumulative Green and Sustainability Bonds (by number) arranged by NAB and related entities since November 2014 ³	24	16	↑

BNZ was also a Joint Lead Manager on Auckland Council's second green bond which raised NZ\$150 million towards projects that benefit the environment, such as efficient buildings, waste management and low-carbon transport.

The NZ corporate sector also engaged in sustainable finance activities during 2019. BNZ was a Joint Lead manager on transactions for Argosy Property (NZ\$100 million) and Contact Energy (NZ\$100 million). BNZ has been taking an active role in educating customers about ESG risk management and sustainable finance including the issue of green and sustainable bonds. An example was a Sustainability Forum BNZ held for investors in Auckland in late 2019.

Sustainable Impact finance

Sustainable Impact finance provides opportunities to invest in companies and funds that offer both financial returns and a positive social or environmental impact. We allocate capital to projects or activities that drive a positive social outcome and create shared value for our community and business. Impact investment and responsible investment are key levers that drive these outcomes.

We have arranged 24 green, social and sustainability bonds to date. The six green bonds issued by NAB and its related entities, plus green term deposits, have raised over \$4.3 billion for NAB financing of eligible green and social projects (as defined by NAB's SDG Green Bond Framework).

This year, NAB participated in eight public green, social and sustainability bond deals and three sustainability-linked loans including:

- Arranging Australia's largest ever green bond – the \$1,800 million TCorp Green Bond. Proceeds were earmarked for low-carbon transport and sustainable water projects.
- Arranging the world's first Climate Bond certified green bond for a retail property landlord – \$300 million Queensland Investment Corporation Shopping Centre Fund green bond.

- Acting as a Mandated Lead Arranger on the \$1,400 million Sydney Airport sustainability-linked loan (see case study on page 25 for more detail).

We're also working with the other major banks, super funds, insurers, peak bodies and academia as part of the Australian Sustainable Finance Initiative to develop a roadmap for sustainable finance. The roadmap will be a national action plan to enable the finance sector to contribute systematically to a more sustainable and resilient economy. We are also participating in the NZ Sustainable Finance Forum.

New Zealand activity

This year, the NZ market for green and sustainability bonds has grown, with BNZ playing a leading role in supporting this demand. BNZ was the arranger for the Housing New Zealand Sustainability Financing Framework and a joint lead manager for the inaugural NZ\$500m Sustainability Bond in March 2019¹.

The bonds have subsequently been renamed "Wellbeing Bonds" – proceeds are used for projects within the Sustainability Financing Framework and contribute towards the United Nations Sustainable Development Goals². These projects are related to green buildings, minimising pollution and creating affordable housing.

1. Housing New Zealand Limited is the issuing entity for the Crown Agent, Kāinga Ora – Homes and Communities.
2. See: <https://www.hnz.co.nz/assets/Wholesale-investor-docs/Final-Term-Sheet-190328-HNZ-Oct26.pdf>.
3. This number does not include the NAB issued social bond.



ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY



MAKING THE LOW-CARBON TRANSITION WITH SUSTAINABILITY-LINKED LOANS

Sustainable debt products are powerful tools to help our customers transition to a low-carbon economy.

Traditional green, social or sustainable bond issuances allocate proceeds to specific projects which deliver positive environmental and/or social outcomes. We are also developing solutions that support the 'brown' to 'green' transition from traditional to renewable industries. Sustainability-linked loans (SLL) offer new opportunities to innovate. They are behaviour-based and incentivise better environmental and social performance outcomes within the financing arrangement. Behaviour-based debt is an opportunity to incentivise faster and greater social impact in sectors not easily transitioned to more sustainable business models. It is overtaking proceeds-based sustainable debt in terms of volumes raised. This approach can extend some of the benefits traditionally associated with green finance to 'brown' sectors. It reflects a wider shift in financial services and the public conversation about tackling climate change. From climate change to biodiversity or

inclusive growth, from green to brown, from sustainable loans to transition bonds, from labelled use-of-proceeds to sustainability or impact-linked financings. One thing is sure: transition is everywhere.

Two leading examples of SLLs this year were Sydney Airport and AGL. Sydney Airport's SLL was the first syndicated SLL in Australia. Under the SLL, Sydney Airport's sustainability performance over time will be assessed by the independent ESG ratings agency, Sustainalytics. Sydney Airport's sustainability performance target is based on improving its Sustainalytics ESG Risk Rating. The target ESG Risk Rating would place it the top fifth percentile of the airport industry index.

AGL is the first energy company in the Asia Pacific region to enter into a SLL. AGL's SLL incentivises efficiency and gradual improvement in AGL's emissions performance. Specifically, there are two key performance metrics that AGL is incentivised to achieve over the life of the loan. The first relates to emissions intensity and the other to renewable energy and storage capacity.

Responsible investment

Responsible investment is an important way to ensure our funds are screened for ethical and socially responsible factors.

The table below summarises the responsible investment approach that our main wealth management businesses

follow. Socially responsible investment (SRI) funds consider ethical, social and environmental impacts as well as financial returns. Our total SRI funds were \$518 million in 2019. This represented 0.32% of total funds under management. You'll find the full list of SRI funds in the [Data Pack](#).

COMPANY	RESPONSIBLE INVESTMENT APPROACH
NAB's superannuation funds managed by NULUS Trustees including MLC Fund, Plum, Masterkey	An ESG Risk Management section in the NULUS Governance Policy requires that ESG factors be incorporated into investment decisions. The investment portfolio is monitored for ESG exposure on an ongoing basis.
JBWere	Adopts Socially Responsible Investing based on three pillars: Integrating ESG factors, screening based on ethical investing and impact investment.
BNZ	Responsible Investment policy that incorporates ESG factors and excludes investment in companies involved in producing cluster munitions, anti-personnel mines, nuclear weapons and tobacco or tobacco products. BNZ Investment Services Limited is a signatory to the United Nations Principles for Responsible Investment.

Natural Value

Our Natural Value Strategy helps our customers to better manage natural capital by mitigating risks and harnessing opportunities. Agribusiness is a major priority for NAB. As Australia's largest agribusiness bank by market share, we've got a stake in managing the risks and health of our landscape. This is a key part of our Natural Value strategy.

This year, we pledged to help Australia make the necessary land shift to achieve a sustainable future. We announced an Australian-first initiative with ClimateWorks to develop a system for measuring natural capital, including defining a set of national sustainable

agriculture metrics. These metrics will quantify the cost and risk benefit to farmers of managing natural resources sustainably.

The partnership aims to improve access to environmental and economic data about sustainable resource management, such as water, soil, biodiversity and other natural resources. These metrics will empower farmers to manage natural farm resources better and access incentives by quantifying benefits to regulators, investors, financiers, supply chains and markets. This improved information should also help farmers in drought where changing climate conditions and

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences

Addressing climate change and environmental sustainability

- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- **Addressing climate change and environmental sustainability**
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

**ADDRESSING CLIMATE CHANGE
AND ENVIRONMENTAL SUSTAINABILITY**

challenging weather conditions make it difficult to protect natural assets like water and soil that underpin their resilience and productivity. More information about how we're working with rural and regional Australia is in the *Stronger communities* section.

Natural Value research and partnerships

As part of our research focus this year, we worked with partners to run several surveys:

- The Institute of Sustainable Futures surveyed irrigators on the financial implications of water scarcity risks.
- CSIRO and Agforce surveyed QLD graziers on the linkages between land management activities, land condition and business outcomes.
- The FoodAgility Cooperative Research Centre and the Australian Wine and Research Initiative embedded financial metrics for the first time in the Sustainable Wine Australia survey to understand how sustainable management affects financial performance (see case study at right).

Climate change strategy

Our Climate Change strategy has four focus areas:

1. Leadership commitments
2. Developing climate change knowledge and insights
3. Supporting our customers through the low-carbon transition
4. Investing in organisational capability to identify and respond to climate change risks and opportunities.

Banks are responding with increasing ambition to the climate change challenge. We ranked eighth on the Autonomous Research Paris-Readiness Index of global banks' climate risk policies¹. We commenced phase two of the United Nations Environment Program Finance Initiative's pilot on the Task Force on Climate-related Financial Disclosures (TCFD). Our reporting aligns with the TCFD's recommendations. You can read more about this in our Annual Financial Report [here](#).

DRIVING LONG-TERM INDUSTRY TRANSFORMATION

About a third of the Australian wine industry has been collecting good environmental metrics for more than a decade. This has been driven by demand in key export markets such as Canada and Europe for local producers to demonstrate environmental standards.

The local industry can point to farms that are environmentally sound, but it has not been able to quantify the link between good sustainable management and business performance. This has made it difficult for vineyards to prepare a business case to improve sustainability. It also means lenders cannot appropriately consider sustainable vineyard management in credit decisions, which constrains investment.

In an Australian-first, a partnership between the Food Agility Cooperative Research Centre, the Australian Wine Research Institute, Queensland University of Technology and NAB aims to help farmers with sustainable practices get better access to finance and to future-proof their businesses from environmental events like drought.

The project will identify links between environmentally sustainable practices and financial performance among Australian wine-grape growers.

If we can link improved sustainability performance to financial outcomes then lenders can support customers better to invest in activities that achieve good environmental and business outcomes. This could drive large scale uptake of sustainable farming practices.

The results of the project are pending and will be shared with the wine sector and agricultural industry more broadly as a leading example of how to link smart environmental investments with business outcomes.

¹ Autonomous Research, Global Banks 2019 – Climate Risk: Must do Better.



ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY



This year, we made progress on our climate change strategy and increased the ambition in our commitments.

The Climate Change Commitments below underpin our climate change strategy. They were developed by NAB's Climate Change Working Group.

COMMITMENT	2019 ACHIEVEMENTS	NEW AMBITION
Provide \$55 billion in environmental finance by 2025 to assist the low-carbon transition ¹ . This includes: <ul style="list-style-type: none"> \$20 billion to support green infrastructure, capital markets and asset finance \$35 billion in new mortgage lending flow for 6 Star residential housing in Australia. 	<p>\$175 billion</p> <p>\$16.1 billion</p> <p>10%²</p> <p>We have included climate-related disclosures in our 2019 Annual Financial Report and 2019 Full Year Investor Presentation here.</p> <p>This year we achieved an 18% reduction in emissions against our science-based emissions reduction target to reduce GHG emissions by 21% by 30 June 2025 from a 2015 base year.</p> <p>We disclose how we use our internal carbon price in our annual CDP response, which can be downloaded here.</p>	<p>Increase NAB's environmental finance commitment from \$55 billion to \$70 billion by 2025, by increasing our commitment to provide financing for green infrastructure, capital markets and asset finance from \$20 billion to \$35 billion.</p> <p>Increase NAB's Renewable Energy commitment from 50% to 100% by 2025 and sign up to the RE100 initiative.</p> <p>Join the Principles for Responsible Banking Collective Commitment to Climate Action in the first quarter of 2020. This will involve NAB: (a) setting targets to align our lending exposures to support the low-carbon transition and the Paris Agreement and (b) developing sector-specific plans to support our clients in accelerating the low-carbon transition.</p>
Source 50% of our Australian electricity from renewable energy by 2025 (this commitment was increased from 10% by 2018 in FY2017).		
Report climate change information through mainstream reporting channels and increase our carbon risk disclosure in half and full-year results and annual reporting, incorporating stakeholder input ³ .		
Set a science-based GHG emission reduction target for our operations ⁴ .		
Commit to putting a price on carbon ⁵ and align to the UN Global Compact's business leadership criteria on carbon pricing.		
We are committed to transparency and integrated reporting which means we are working to identify, develop and implement new ways to deliver on our commitment to carbon risk disclosure.	<ul style="list-style-type: none"> Participated in the UNEP FI TCFD Phase 1 pilot Responded to 2019 CDP Climate Change Survey Maintained our National Carbon Offset Standard certification in Australia and will publish our Public Disclosure Summary 	<p>Signed up to the UN Principles for Responsible Banking.</p> <p>Increased investment in managing climate risk and aligning our portfolio to the Paris Agreement.</p> <p>Undertake further transition risk scenario analysis on coal-related sectors which is already in progress. In addition to the REMIND model used in Phase 1 of the UNEP FI TCFD pilot, we are considering other climate-related scenarios. These include the International Energy Agency's New Policy Scenario and Sustainable Development Scenario, and a 1.5 degrees Celsius scenario from Global Energy Monitor. This work helps us map transition pathways for coal-related sectors.</p>

1. Represented as a cumulative amount of new environmental finance since 1 October 2015. Refer to Data Pack for more information.

2. NAB has received 1% of the certificates but has contracts and arrangements established to deliver the 10% (through Melbourne Renewable Energy Project and Data Centre Solar).

3. We commenced reporting climate risk metrics for shareholders for the first time in our Half Year Investor Presentation in 2015.

4. We have set a science-based emissions reduction target of 21% by 30 June 2025 from a 2015 base year, aligned with the Science Based Targets initiative (SBTi) methodology. The target has been prepared in accordance with the Sectoral Decarbonisation Approach (SDA) 'Services Buildings' methodology published by the Science Based Target Initiative.

5. We first established an internal carbon price in 2010 as part of our approach to carbon neutrality.

About this report	
Leadership message	
Our snapshot	
2019 scorecard	
Our approach	
How we listen	
Material themes	
• Governance, conduct and culture	
• Customer support and experiences	
• Addressing climate change and environmental sustainability	
• Engaging our people	
• Transformation & technology	
• Stronger communities	
How we act	
Assurance	
Glossary	



ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

28

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

ENSURING PEOPLE AND COMMUNITIES DON'T GET LEFT BEHIND IN A LOW-CARBON TRANSITION

Regions such as the Latrobe Valley in Victoria, the Hunter Valley in NSW and the Gladstone region in Queensland are traditional mining areas. These are communities that could be hit hard by a shift towards a low-carbon economy if government, business and civil society do not plan for a just transition.

A just transition sets out a path for people and communities to move away from carbon intensive industries. This often means re-skilling and re-deployment programs for workers who were employed in affected industries. This social change can create financial and emotional stress for a community. That's why it's important for government, business, unions and the wider community to work together so that these regional centres can deal with any changes and create new opportunities for local jobs, industries and livelihoods.

Next year, NAB will develop a just transition plan with our customer's government and other stakeholders through the Global Compact Network Australia. We will define our role in supporting a just transition, identifying the most affected sectors, regions and customers. This work has begun in the form of providing transition finance to help organisations move away from carbon intensive activities. See the case study on *Making the low-carbon transition with sustainability-linked loans* earlier in this section.

Working together to address climate change

It is important to work with other organisations to collectively address the climate challenge. NAB is involved in the following climate-related projects:

- **IAG and Climate KIC**
We have been working separately with both IAG and Climate-KIC on climate change adaptation and resilience. These collaborations are focused on identifying adaptation projects and developing a scalable approach to adaptation finance.
- **Energetics**
We supported the development of a tool to help assess the potential impacts that future changes in climatic conditions may have on the factors that may affect credit risk in the dairy industry.

address) into coordinates that can pinpoint a property location on a map. This process was developed and piloted this year. The next step is to test this process with other segments of our lending portfolio next year.

After geocoding our Australian retail mortgage portfolio, we overlaid it with cyclone data to assess the potential impact of cyclones on our mortgage portfolio under different climate scenarios. The scenario analysis was done in partnership with the Climate and Energy College in collaboration with the Potsdam Institute for Climate Impact Research. Initial analysis suggests that if climate change is not mitigated and average global temperatures exceed 1.5 degrees Celsius, an increased portion of our Australian retail mortgage portfolio will experience cyclones. The work to refine this methodology is ongoing. Future work will help to understand the implications of how greater cyclone risk could affect probability of default. Following further testing, we will add other overlays of physical hazard data such as flooding, drought, and extreme heat, and apply the approach to other lending portfolio segments.

Read more about this scenario analysis and process, as well as our climate risk management, strategy, governance and performance in our **Annual Financial Report**.

Climate change risk

There is growing awareness of climate change as a significant risk to our environment, and a major challenge for the global economy and community. We support a just transition to a low-carbon economy, in line with the Paris Agreement to limit global warming to less than 2 degrees Celsius, striving for 1.5 degrees Celsius above pre-industrial levels.

Managing climate change will open up more opportunities for us to help our customers. As a global provider of financial products and services, we can play a key role in financing the low-carbon transition and green growth while meeting our regulatory requirements. Climate-related risks and opportunities are integrated into our business strategy and Risk Management Framework, so we can become a more sustainable and resilient business.

This year, we continued our credit risk policy reviews into carbon intensive, climate sensitive and low-carbon sectors. See the case study in the *How we act* section.

Assessing physical risks

The Energy Transitions Hub at the University of Melbourne helped us to geocode data from our mortgage lending portfolio so it could be overlaid with physical climate risk information. Geocoding is a process that converts addresses (like a street

1. Green growth describes a path of economic growth that uses natural resources in a sustainable manner.



ADDRESSING CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

HOW ARE WE TRACKING?



SUSTAINABLE DEVELOPMENT GOALS



TARGETS

- 21% carbon emissions reduction by 2025
- 5% energy and waste to landfill reductions by 2020
- 10% water reduction by 2020
- 50% of Australian electricity from renewable sources by 2025

FUTURE PLANS

Join the Principles for Responsible Banking Collective Commitment to Climate Action

Source 100% of Australian electricity from renewable sources by 2025

Provide \$70bn environmental financing by 2025

Develop and roll-out climate change training for employees

LEARN MORE

- 📄 [Our ESG risk management approach](#)
- 📄 [Our climate change approach](#)
- 📄 [Natural Value](#)

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- **Addressing climate change and environmental sustainability**
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

¹ Represented as a cumulative amount of new environmental finance since 1 October 2015. Refer to our Data Pack for more information.
² Ranking based on IIC Global League Table, M&A, Renewables, Last 12 months ending 30 September 2019. Value of Deals (database searched on 29 October 2019).



ENGAGING OUR PEOPLE



Supporting and enabling an inclusive workforce to serve our customers now and in the future

WHY IS IT IMPORTANT?

To serve our customers and community better, we need an engaged, capable and diverse workforce. Strong leadership and a culture that inspires our people to be their best are also important.

Our people need to keep up with changing technology and customer preferences. We can support our people by providing innovative and effective training, and building the right skills to succeed.

The findings of the Royal Commission deeply affected our people, who want to ensure we learn from our mistakes and make the right changes to respond. We are committed to facing these challenges and learning from them – at the same time looking after our most important asset, our people. Information about our Culture Priorities and how we're driving cultural change is in the *Governance, conduct & culture* section.

WHAT ARE WE DOING?

About our people and strategy

We have an international workforce of more than 34,000 employees¹. Ninety eight per cent of our people work in Australia and New Zealand, while the remainder are in London, New York and parts of Asia.

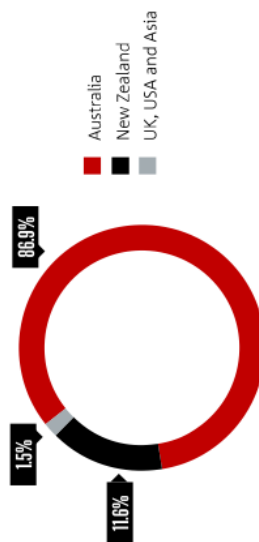
Our People Strategy aims to strengthen our business with outstanding leaders, brilliant bankers and a future-ready workforce. It also aims to embed a

workplace culture based on five core values aligned to our purpose and vision:

- 1. Passion For Customers**
 - Get it right for our customers, every single time
 - Take a stand for our customers
- 2. Be Bold**
 - Be exceptional
 - Step in, step up, speak your mind
- 3. Win Together**
 - One NAB, One Badge
 - Make it simpler and faster
- 4. Respect For People**
 - Show care for everyone
 - Be candid with each other
- 5. Do The Right Thing**
 - Act with integrity
 - Be true to your word

A clear set of behaviours is needed to earn back trust in banking. This year, we supported leaders to role model and raise awareness about the values and behaviours that ensure we do the right thing for customers and put their needs before anything else. The focus was on the themes that were most evident in the Royal Commission findings and APRA Self-Assessment: putting the customer first, being disciplined and making things simpler for our people. See the *Governance, conduct and culture* section for more.

EMPLOYEE DISTRIBUTION (%) BY GEOGRAPHIC REGION



WORKFORCE BY CONTRACT TYPE AND GENDER (%) 2019

	FEMALE	MALE
Permanent term full-time	28.1	34.8
Permanent term part-time	9.3	1.5
Fixed term full-time	0.5	0.7
Fixed term part-time	0.2	0.1
Casuals	1.5	0.5
External/temporary employees/contractors	7.4	15.4

EMPLOYEE TURNOVER RATE BY GENDER 2019

	FEMALE	MALE
Voluntary turnover rate	10.9%	10.8%
Involuntary turnover rate	6.2%	4.1%
Total turnover rate	16.7%	14.9%

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- **Engaging our people**
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

¹. Based on number of full-time equivalent employees (FTE) as at 30 September 2019.



Engagement

Engagement underpins employee wellbeing and motivation, and our ability to attract and retain talent. Better engagement translates to better customer outcomes. Our analysis found that Retail Branches and Business Banking Centres with high employee engagement have twice the customer satisfaction of other branches and centres with disengaged employees.

In 2019, our overall engagement score was 54%, flat compared to 2018. We fell short of our long-term aspiration to be in the top quartile in Australia and New Zealand (which was 69% this year). While the result is far from our goal, it is not surprising given this year's challenging events. Employee feedback from our annual engagement survey is summarised below:



Health, safety and wellbeing

We offer a range of tools, resources, services and programs to help manage physical health and mental wellbeing. These include an early intervention program and proactive approach to managing claims, so that employees receive appropriate rehabilitation support.

All employees and their immediate family have access to MyCoach Employee Assistance Program (EAP). This is an independent and confidential counselling service, supporting our people—and, more recently, all Business Banking and Retail customers - during difficult times.

MyCoach EAP was enhanced this year to include a life coaching service for all employees, providing a holistic offering around health, nutrition and wellbeing, and a coaching service for our leaders to help them have difficult conversations with more confidence and capability.

We offer an online health and wellbeing portal to our people, including free behavioural change and evidence-based

health programs. By focusing on physical and psychological wellbeing, our people can perform and be resilient in times of change.

Preventing injuries and absenteeism

We are committed to safe and sustainable return-to-work outcomes so that injured employees receive leading treatment and rehabilitation to support their recovery. This has led to fewer lost-time injury claims and kept our lost-time injury frequency rate (LTIFR) stable and low over time.

LTIFR ¹	2019	2018	2017
Australia	0.49	0.75	0.65
New Zealand	1.11	0.24	1.66

We also measure sick, care and bereavement leave. Our people have two days per year of planned sick leave, in addition to the 12 days paid sick leave accrued during the year which means they can support their wellbeing by attending preventative and planned health appointments. Australian employees can also access unlimited domestic and family violence leave. This also can be used to support family or friends who are experiencing domestic violence.

ABSENTEEISM ²	2019	2018	2017
Australia	8.59	8.28	8.37
New Zealand	6.57	6.29	6.61

Supporting our people through change

In November 2017, we announced workforce changes so that we can be simpler, faster and closer to our customers. This transformation would remove 6000 existing roles, and create 2,000 new jobs by 2020 in the areas of technology, data science and artificial intelligence. So far, 1,045 new FTE roles have been created and 1,816 FTE have been removed.

We know that it is a difficult time for our people as we automate and simplify our business, but we're treating them with care and respect. Our 2016 Enterprise Agreement (EA) sets out employment arrangements for our Australian employees, and underpins our approach as we reshape our workforce.

Our people have a right to freedom of association and collective bargaining. We continued our constructive relationship with the Finance Sector Union (FSU) this year in negotiating a new 2019 enterprise agreement.

Employees covered by our collective bargaining agreement (CBA) are as follows:

CBA COVERAGE	2019	2018	2017
Australia	100%	100%	100%
New Zealand	7%	8%	10%

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

¹ Lost time injuries are defined as a workplace injury resulting in an employee being absent from work for at least one full shift, and for which the employee receives workers compensation. LTIFR = Lost time injuries × 1,000,000 hours worked ÷ (average annual full-time equivalent employees × 40-hour working week × 46 weeks per year). From 2018, a 37.5-hour working week is used in the calculation for New Zealand. Past results may have been revised upwards due to additional lost time injuries being recorded after the reporting period has ended. Current year results may also be revised as additional lost time injuries are recorded in our system. Any updates will be reflected in future reporting. In line with local reporting requirements, New Zealand LTIFR calculation in 2018 used population of employees in New Zealand only.

² Absenteeism represents the total number of unscheduled absence days during the period divided by the average number of full-time equivalent employees (excluding casual employees). Past results may have been revised upwards due to additional absences being recorded after the reporting period has ended. Current year results may also be revised as additional absences are recorded in our system. Any updates will be reflected in future reporting.



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- **Engaging our people**
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

DIVERSITY AND INCLUSION

We know that a diverse and inclusive workforce – one that truly reflects our customers and community – drives innovation, engages our people and builds productivity, resulting in a better experience for our customers.

Strategy and leadership

The overarching focus of our Diversity & Inclusion (D&I) strategy is to foster an inclusive culture. The strategy includes three strategic priorities: gender equality, life stage inclusion and lesbian, gay, bisexual, transgender and intersex (LGBTI+) inclusion.

The strategy also focuses on cultural inclusion and accessibility, and is enabled by leadership, flexibility and NAB's employee resource groups (ERGs). ERGs are voluntary, employee-led groups that foster a diverse, inclusive workplace. They are: Gender Balance, NABility, NAB Pride and Cultural Inclusion. Our Executive Leadership Team has direct accountability for execution of the strategy.

Seventy four per cent of NAB employees experience an inclusive workplace, a two per cent increase on 2018¹. Our aim is to reach 77% (or higher), which represents the top quartile of organisations in Australia and New Zealand.

Supporting our people through flexible working

We continue to offer a wide range of flexible working options. The right option depends on a balance between the needs of the customer, business,

team and employee. Providing a flexible work environment increases productivity, supports work-life balance and helps retain talent.

In 2019, 83% of our people said that they had the flexibility needed to accommodate priorities at work, home and in the community².

Gender equality

We have set a bold target to achieve 40-60% gender representation at every business level by 2020³. We have missed our interim gender targets for 2019, and although we made some progress (see table on next page), it was not enough to reach our target.

This year's main activities were:

- Increasing senior leadership accountability for achieving NAB's gender equality targets by continuing to include gender diversity in senior leaders' performance goals.
- Mandating 50:50 gender representation on recruitment shortlists for all roles at all levels.
- Encouraging participation in our Breakthrough development programs for women.
- Striving to have women remain equally represented during our talent assessment process.

Katherine Fagg was appointed to the Board as a non-executive Director, commencing 16 December 2019. This falls outside the financial year. This brings our female representation at Board level up to 40%.

Training and development

People who are being developed are more likely to be motivated and engaged. Our training priorities are to build leadership and critical banking skills.

Training highlights this year were:

- Launched the Propel pilot, a tailored training experience for bankers to foster resilience, mindsets and activities that support them in their roles. 300 bankers were part of the first phase in Q3 FY19, with 1,000 more planned to complete the program by December 2019.
- Introduced new Customers Experiencing Vulnerability Framework and Data Breach training for all employees, and worked with the Australian Banking Association to deliver four Banking Code of Practice learning modules.
- Supported the bankers' continuing education on credit skills training, including a new bi-annual assessment that identifies strengths and gaps
- Partnered with LinkedIn Learning to make about 8,000 courses⁴ available to our employees, with over 44,000 courses undertaken since June 2018.
- Set up virtual communities of practice on Workplace, our digital social media platform to foster online learning and sharing.

Investing in our talent

In responding to feedback from the Royal Commission and APRA Self-Assessment, our ambition is to have outstanding leaders at NAB. More information is in the *Governance, conduct & culture* section.

Building a pipeline of diverse and inclusive leaders for the future and transforming the culture of our business relies on strong talent management practices. We are progressing our approach to set up consistent talent practices related to hiring, development and succession for the top four layers. This year, 265 talent assessments were completed and 60 senior leaders attended enterprise-wide talent development programs.

Succession plans are in place for critical roles and next year, we will focus on career development for bankers, technology roles and critical areas where skills are scarce and demand is high.

¹ Topics include cloud computing (AWS), finance fundamentals, coding languages, critical thinking, data analytics and emotional intelligence.
² Source: Employee Engagement Survey conducted by Aon (now known as Kinetic). Inclusion Index is an average score from four selected diversity and inclusion questions.
³ **Towards 2020: NAB's road to gender equality** outlines how we plan to achieve gender equality in more detail.



At NAB, we believe in equal pay for work of equal value and closing the gender pay gap. Many factors determine a person's pay including their skills, experience, qualifications, performance and work hours. At an organisational level, when comparing the base salary of all women to men at NAB, our gender pay gap is 21.1%. This is lower than the average pay gap for the financial and insurance services industry at 22.9%. However, it is still not where we want it to be. Our biggest opportunity to reduce the organisational pay gap is to achieve equal gender representation at all levels.

NAB's 2019 Corporate Governance Statement and **'Towards 2020: NAB's road to gender equality'** have more information about our gender equality activities.

Life Stage

We offer comprehensive support for new parents. This includes 12 weeks of paid primary carer's leave, regardless of gender, and up to 40 weeks of unpaid primary carer's leave that accumulates superannuation and accrues long service leave. We encourage non-birth parents to take parental leave. In 2019, 34% of our employees commencing primary carer's leave of more than two weeks were men.

This year we saw an increase in the return to work rate after parental leave (of more than 90 days) from 82.5% in 2018 to 83.2% in 2019. We also partnered with Care Corporate to offer support and resources for employees who have caring responsibilities, such as caring for children, persons with disability or elders.

LGBTI+

We want to create a culture where our LGBTI+ employees aren't defined by their sexual orientation, or their gender identity. This year we achieved Gold Employer Status in the Australian Workplace Equality Index (AWEI). The AWEI is the national benchmark on LGBTI+ workplace in Australia. We committed to a further three years as the Principal Partner of Midsumma Festival and have been supporting the LGBTI+ community and its allies through this partnership since 2013. We have supported other LGBTI+ community events in Australia including the Chillout Festival, Fair Day at Brisbane Pride and Pride Cup Australia.

Accessibility

This year we worked with the Australian Network on Disability to make it easier for our people and customers to engage with us. Our new 'Better Together' Accessibility Action Plan (2019-2020) sets out how we're trying to build an inclusive culture. Anyone can read the Plan [online here](#).

The 'Neurodiversity at NAB' Program was a new pilot launched in our Enterprise Security team. It aims to provide meaningful and sustainable employment for people on the autism spectrum.

We also proudly announced our increased support of Special Olympics Australia, to become Principal Partner until 2022. The partnership builds on NAB's role as Presenting Partner of the 2018 Special Olympics National Games hosted in Adelaide.

Cultural Inclusion

Our workplace should reflect the cultural representation of our community. This year, we increased our focus on cultural diversity in leadership. We hosted and were the Exclusive Partner of the 2019 'Board Director Experience' series with the Asian Leadership Project designed for colleagues from culturally diverse backgrounds who are current or aspiring directors.

Our Indigenous employment program continued this year, offering 76 Indigenous Australian traineeships as part of our Reconciliation Action Plan. Read more in the *Stronger communities* section.

NAB's African Australian Inclusion Program celebrated its 10th anniversary this year. The professional program for skilled African-Australians provides six months' paid corporate experience. Since its inception, 465 employees have participated in the program.

Data Pack

Full performance information is in our

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- **Engaging our people**
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

Gender equality table - our 2020 female representation objectives

FEMALE REPRESENTATION MEASURABLE OBJECTIVE ²	2018 ACTUAL	2019 ACTUAL	2019 TARGET	2020 TARGET
NAB Board (non-executive directors)	33%	33%	-	40-60%
NAB Group Subsidiary Boards	39%	39%	-	40%
Executive Management (Salary Group 6 & 7)	31%	33%	37%	40%
Senior Management (Salary Group 5)	32%	34%	37%	40%
Management (Salary Group 4)	38%	37%	-	40-60%
Non-management (Salary Group 1-3)	57%	55%	-	40-60%
Australian Talent Population ³	41%	41%	50%	50%
Australian graduate program intake ⁴	46%	46%	50%	50%
Total organisation	52%	51%	-	40-60%

1 Workplace Gender Equality Agency (WGEA) 2017-2018 benchmark report.

2 The Australian Talent Population includes employees who have been objectively assessed against evidence-based criteria, and selected by Divisional Leadership Teams as having upward potential.

3 The Australian Talent Population includes employees who have been objectively assessed against evidence-based criteria, and selected by Divisional Leadership Teams as having upward potential.

4 As at 30 September 2019, 46% of the graduates who have accepted positions in NAB's 2020 Australian graduate program are female.



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability

Engaging our people

- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

**HOW ARE WE TRACKING?****54%**OVERALL EMPLOYEE
ENGAGEMENT**FY19**INTERIM GENDER
EQUALITY TARGETS
NOT MET**83%**AUSTRALIAN EMPLOYEES
RETURN TO WORK AFTER
PARENTAL LEAVE**5.5%**AUSTRALIAN MALE
EMPLOYEES WHO TOOK
PARENTAL LEAVE**465**AFRICAN AUSTRALIAN
INCLUSION PROGRAM
PARTICIPANTS SINCE
INCEPTION**83%**OF OUR PEOPLE WORK
FLEXIBLY**SUSTAINABLE DEVELOPMENT GOALS****TARGETS**

- Top quartile (>69%) employee engagement
- 95% of high performing employees retained
- Every level 40-60% female representation by 2020
- 30% of Senior Leaders identified as Key Talent

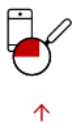
FUTURE PLANS

Achieve our 2020 gender equality targets – 40-60% of either gender represented at every level

Realise progress towards Australia and New Zealand top quartile Inclusion Index (77%)

LEARN MORE

- ☒ [Our people](#)
- ☒ [Gender equality](#)
- ☒ [Workplace accessibility](#)
- ☒ [Health and wellbeing](#)



TRANSFORMATION AND TECHNOLOGY

Being a secure, technology enabled, innovative business

WHY IS IT IMPORTANT?

Our customers expect access to banking services in an easy and digitally enabled way whenever it suits them while knowing their data is secure. Strong technology foundations underpin this experience. Our strategy allows us to move faster, change quicker, and be more efficient and resilient for our customers.

Security is critical for our customers. It is one of our biggest business priorities because customers trust us with their data and their money. We've bolstered our efforts to protect customers and their information. This is part of how we're transforming the way we manage data privacy, security and risks. And we're investing more than ever to make banking simpler and faster for our customers.

WHAT ARE WE DOING?

Technology and resilience

We have continued to implement our technology strategy. The key activities have been accelerating our migration to cloud-based software platforms, insourcing technology, improving system reliability and increasing our security capabilities.

Building in-house technical capability makes us a stronger business and cuts our dependence on outsourcing IT services. We're halfway through insourcing our infrastructure and workplace technology services.

Our people continue to become certified in cloud computing. More than 950 employees have been industry certified in Amazon Web Services (AWS), Microsoft Azure and Google Cloud Platform. This is the most AWS certified people in Australian and New Zealand businesses except Amazon itself.

There were 66 high and critical technology incidents this year in Australia, a 42% drop compared to last year. Ongoing investments to address root causes have driven a long-term decline in high and critical incidents and made our systems more reliable.

Key ways that we bolstered our security systems this year were:

- Launching an insider threat monitoring program which monitors employee misconduct and fraud using NAB systems. This responds to the Royal Commission recommendations about enforcing ethical behaviour standards.

- Improving email security for the nab.com.au domain name. This reduces email-based fraud, scams and phishing attacks targeting our customers with email addresses that look like they're coming from NAB.

- Replacing older identity management and data protection platforms to protect NAB's information and systems.

Tackling financial crime

Up to \$2 trillion illegal money is laundered through financial institutions every year: and less than one per cent is frozen or confiscated. We prevent criminal activities such as anti-money laundering and counterterrorism financing, fraud, bribery and corruption, and sanctions and embargoes. Our financial crime approach is based on three principles: vigilance, intelligence and convergence.

You can find out more about how we manage financial crime and uphold the Wolfsberg Group Anti-Money laundering principles [here](#).

JULY DATA BREACH INCIDENT

In July 2019, NAB's data protection software detected that a NAB employee had uploaded the personal information of approximately 11,500 customer records to a third party website. This information included the customer name, date of birth, contact details and in some cases, a government-issued identification number, such as a driver's licence number.

The team mobilised quickly after confirming that the upload was unauthorised. Regulators were notified within 72 hours, including the Office of the Australian Information Commission, APRA, ASIC and the United Kingdom Information Commissioner's Office. NAB then began contacting affected customers. We set up a 24/7 hotline for inbound customer calls and acted quickly with over 80% of affected customers contacted through various channels within two business days. We offered each customer compensation to replace government-issued identification, where appropriate. We also offered to cover the cost of a subscription to 12 months of independent fraud monitoring.

The incident prompted a review. We strengthened the controls around our data leakage prevention and detection capabilities, and rolled out additional mandatory training for all NAB staff globally. It covered privacy and data breach practice, procedure and obligations. This event helped review our new data breach playbook, particularly the role each stakeholder plays during a critical incident. Most importantly, the breach reinforced the need for quick, transparent action and how vital it is to manage risks and compensate customers. More information about technology incidents is in the Annual Review, and our Data Pack [here](#).

35

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- **Transformation & technology**
- Stronger communities

How we act

Assurance

Glossary



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- **Transformation & technology**
- Stronger communities

How we act

Assurance

Glossary

The second was a Green Term Deposit for Consumers, certified by the Climate Bonds Initiative (see the case study in the *Addressing climate change and environmental sustainability* section).

UBank also enhanced the Free2Spend app to improve customers' financial health. Free2Spend is an innovative in-app budgeting tool that helps customers take control of their spending and saving. It uses real-time updates to keep customers on track to hitting their savings goal. UBank customers using Free2Spend have set themselves a combined goal value of \$490 million. They're on track to achieving their goals, having already saved \$109 million. Ten per cent of UBank transaction account customers are using Free2Spend.

Investing in technology has helped us become more agile for our customers. To be simple, fast and reliable for customers, NAB needs modern technology platforms that are fit for purpose and adaptable. We enhanced frontline technology, including five times faster network speed. We also decommissioned seven legacy platforms to deliver a single, modern reporting platform. Key activities this year redesigned and improved the customer experiences for our most critical customer experiences such as home lending, business lending and everyday banking. These included redesigning our end-to-end home lending process, and delivering new features in our NAB Mobile Banking and NAB Connect mobile apps. We also launched Apple Pay in May, which has already been adopted by 500,000 customers.

Becoming simpler and faster

NAB products and services should be easy for customers to use and understand. In 2019 we removed 72 products and reduced or removed 185 fees as part of our fee clean-up program. Getting rid of fees such as repeat statement fees, foreign currency charges and legal fees for business customers makes life simpler and easier for our customers.

Digital innovation

We built new data and technology foundations this year, including an advanced analytics platform, and new reporting tools. The new reporting tools help our people access data more easily and quickly to serve our customers. For example, bankers can access customer details and sales reporting more quickly on mobile digital devices out in the field.

NAB Ventures is our incubator that funds start-ups and fintechs. This helps accelerate our own digital transformation and tap into the latest technologies. Since launching in mid-2016, NAB Ventures has made 14 strategic investments in data management, payments, real estate, and cyber security start-ups. Last year we committed to doubling funds available for fintech investment to \$100 million.

This year, UBank launched two world firsts to help transform the customer experience. The first was Mia, the world's first digital human in the home loan area. Mia is powered by Artificial Intelligence and can answer common questions from customers about the home loan application process. It is designed to help streamline the customer experience. Since Mia's launch, it has given over 9,200 responses with an accuracy rate of 81%. Mia handles an average five questions per customer interaction and achieves a +25 NPS.

via another financial institution. This impacted approximately 16,490 NAB customers on the platform including individuals, sole traders, small business owners and organisations. The third significant event occurred via the third party, LMW (formerly LandMark White). This was caused by an exposed application programming interface that was exploited by a malicious attacker. This affected about 17,911 NAB customers.

Other less significant breaches were caused by phishing emails and a phone scam targeting online customers who applied for credit card and personal loan products. These incidents affected 219 NAB credit card and personal loan customers.

Strong data governance practices help organisations better protect and improve the quality of critical data. We also trained over 120 data stewards from every banking division. They are charged with promoting good data practices, resolving data issues and improving data quality across the bank. Improving the quality of our customer's data will help us to better interact and achieve outcomes for our customers. Currently, 15% of customer complaints are data quality related.

This year, we launched the Data Guild and the Analytics Guild to create a data community and retain talent in core skill areas. Today, the Data Guild has approximately 380 members, and the Analytics Guild has approximately 1600 members.

Data security, privacy and management

It is important that we ensure resilient systems and invest in world-class data security systems. This helps to ward off growing cyber security threats, which is one of the top risks facing our business today. Protecting the privacy of our customers' data is critical. This year, we created a privacy operations function, developed global privacy standards, and wrote a data breach playbook. We also rolled out mandatory privacy training to all employees to ensure there is a clear understanding of data privacy policy and good practice. The training reinforces a mindset of protecting our customers' data with as much rigour as we protect their money.

This year, the Office of the Australian Information Commissioner was notified of eight data breaches related to NAB. One was reported by a third party. We responded to nine complaints referred from the Commissioner's office.

Three major breaches of personal data affected NAB customers during the banking financial year. One was caused by human error at NAB following the unauthorised external upload of personal information. This affected approximately 11,500 NAB customers (see case study on previous page). The second major breach was when the PayID New Payments Platform Australia (NPPA) suffered an enumeration attack



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- **Transformation & technology**
- Stronger communities

How we act

Assurance

Glossary



HOW ARE WE TRACKING?





STRONGER COMMUNITIES



Building a stronger economy and supporting communities

WHY IS IT IMPORTANT?

We've been part of Australia's growth story for the past 160 years. Our success is tied to the people, businesses, and communities who have achieved their goals. Their progress will make our nation better than it is today.

For NAB, this means supporting small businesses, being part of the public debate about what's good for our society and economy, having close relationships with grassroots communities, knowing what matters for rural and regional areas and making sure people feel connected and included. It also means tackling big issues concerning Australia's future, such as affordable housing, supporting Indigenous businesses and building the capacity of the for-purpose sector. For-purpose organisations are non-profits, social enterprises and other organisations with social missions.

WHAT ARE WE DOING?

Community investment

Our Corporate Community Investment (CCI) approach is aligned to two key pillars of our Social Impact strategy: Financial Health and Stronger Communities. Using the London Benchmarking Group (LBG) framework, CCI measures the dollar value of what we contribute to community organisations through donations, partnerships, sponsorships and volunteering¹.

This year we invested \$57.1 million in community activities (see chart to the right), a \$2.7 million increase from last year. The two main focus areas of our investment are disadvantage/welfare (through our partnership with Good

Shepherd) and grassroots sport (through our support of the AFL, AFLW and Special Olympics Australia). For more information, refer to the [Data Pack](#).

We partner with experts to address complex societal problems and drive change. Five principles provide a framework for building critical partnerships and managing relationships with the for-purpose sector:

- 1 We want bold, purpose-led sponsorships and partnerships
- 2 We value a collaborative partnership for the long term
- 3 We want to engage our people to create a big impact
- 4 We want to maximise the value from the partnership
- 5 We act on issues that matter and create value for the community.

NAB Foundation is our philanthropic arm which supports for-purpose organisations to adopt new and innovative ways to address societal issues. This year's focus was on transferring knowledge and building the capacity of the for-purpose sector. Beyond funding, we provide in-kind support that leverages the skills and resources of the wider NAB Group and focuses on engaging our people with key partners.



1. Refer to Glossary on page 47 for definitions of LBG corporate community investment categories.

38

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- **Stronger communities**

How we act

Assurance

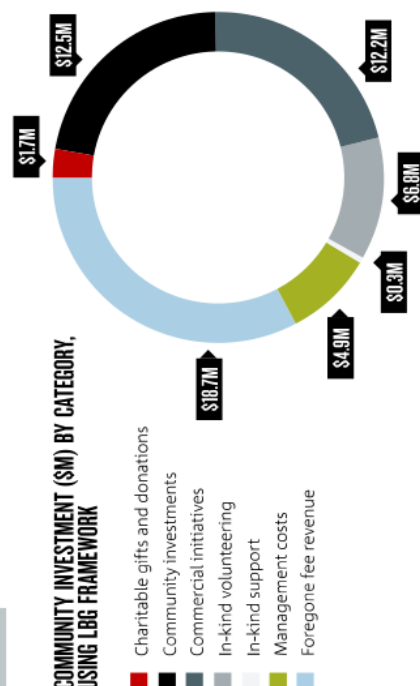
Glossary

BUILDING THE CAPACITY OF THE FOR-PURPOSE SECTOR

A vibrant for-purpose sector makes sure that people can access the services and support that they need.

- We back these important community service organisations with a dedicated national network of community sector bankers. The future of the sector depends on skilled and capable leaders who can deal with large-scale societal challenges. This year, NAB and JB Were offered a series of capacity building programs for Directors and Senior Leaders from the for-purpose sector, including:
- Governance Foundations for Not-for-Profit Directors course in partnership with the Australian Institute of Company Directors. This offered 120 places in five Australian cities.
- 2019 Social Leadership Program: Lifting the Gaze which engaged more than 300 leaders in a week-long event series.
- The Governance for Social Impact course was delivered to more than 100 leaders from Australia's largest for-purpose organisations. It was co-developed and delivered with the Centre for Social Impact.

COMMUNITY INVESTMENT (\$M) BY CATEGORY, USING LBG FRAMEWORK





About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- **Stronger communities**

How we act

Assurance

Glossary

**Giving back**

Research shows there are strong links between a workforce that is productive and engaged in a company's corporate social responsibility program. Providing employees opportunities to make a positive impact on social and environmental issues can increase job satisfaction¹. Recent NAB research found that our social impact work increases employee pride and decreases voluntary attrition by a factor of 4². This saves NAB up to \$44 million per year.

Our people value their opportunities to engage with the community. And with more than 34,000 people, we can make a real difference. Our employees are entitled to two days a year to volunteer with a non-profit organisation of their choice, and in 2019, they contributed 13,464 volunteer days valued at \$6.8 million.

Our Australian employees are also encouraged to support a charity that matters to them through our workplace giving program. We match donations up to \$1,200 for each employee, every year. This year we matched more than \$730,000 in donations for these charities. For more information on our volunteering and community investment performance, refer to the [Data Pack](#).

BUILDING DEEPER RELATIONSHIPS WITH OUR COMMUNITY PARTNERS

For-purpose organisations play a vital role in the community. These organisations have a strong social mission and provide critical services for communities in need. In three examples below, it is the relationship that increased the social impact, not just the funding.

Infoxchange is a social enterprise that provides technology for social justice in Australia and New Zealand. Our NAB Assist team regularly use the online service Ask Izzy, a website developed by Infoxchange that connects people who are in crisis with services they need right now and nearby. The team participated in skilled volunteering that tested the beta website before Infoxchange launched a new feature, funded by the NAB Foundation. The new feature made it safer and easier for people experiencing domestic and family violence to find help. The NAB Assist team also contributed to an Ask Izzy design workshop to help Infoxchange explore how they can better assist service providers, such as NAB, to support its users at risk of or experiencing domestic and family violence. Infoxchange has run more training and hosted an Ask Izzy drop in centre at NAB to increase digital literacy and understanding about how to use Ask Izzy, and improve our NAB Customer Care team's interactions with customers experiencing vulnerability.

WIRE is a community organisation that offers free support, referral and information for all Victorian women, non-binary and gender-diverse people. WIRE developed a Women & Money toolkit with funding from the NAB Foundation. The toolkit helps finance sector professionals engage more effectively with women, and support customers experiencing family violence and financial abuse. WIRE trained our NAB Customer Care team, running two courses tailored for phone based work, "Dealing with Difficult Calls" and "Financial Abuse in the context of Family Violence". The training gave the NAB Customer Care team more knowledge and confidence to engage in difficult conversations with customers and identify family violence and financial abuse.

Two Good Co is a social enterprise that employs women who have experienced domestic violence and other traumatic events in their Work Work Coaching program. NAB skilled volunteers also worked with this NAB Foundation partner to support the program, which promotes self-belief, positive connections and realising a person's potential through gainful employment. NAB volunteers were mentors and role models for participants. They gave practical advice on resumes, interview techniques and other employment matters. NAB volunteers worked closely with the Work Work program manager who provided training and support to prepare them for working with their partnered participant. It is a big commitment but highly rewarding because of the important impact it can have on these women's lives.

¹ 2016 Cone Communications Millennial Employee Engagement Study replicated by the NAB People Analytics team.
² NAB People Analytics research replicated an international study of CSR perceptions and workforce productivity. The estimated \$44 million represents the estimated cost of 1% attrition per year.



MAKING A DIFFERENCE THROUGH VOLUNTEERING

Skilled volunteering gives our community partners more than money.

There are three key benefits:

- It leverages the skills and expertise of our employees to drive sustainable social change.
- It provides significant value and builds capacity for our customers and community partners.
- It leads to strong leadership and capability outcomes for our people.

This year we designed unique skilled volunteering programs for our people and community.

For many New Zealanders, being anxious about scams is a barrier to getting online. Thousands of BNZ employees put their skills to good use helping communities and businesses be safer online and avoid scams. 'Scam Savvy' is a week-long event in August where we focus on raising awareness and helping New Zealanders protect themselves from scams and be confident online. This year, BNZers from across the business held Scam Savvy sessions in branches, Partners Centres, in some of our larger customer locations and in the community in locations such as schools, malls, libraries and

retirement homes. In 2019, we helped more than 55,000 New Zealanders get Scam Savvy and feel safer online. The purpose built Get Scam Savvy tool helps people learn what some of the common scams are, how to spot them and how to respond.

A team of nine NAB volunteers worked with Launch Housing, an innovative homelessness and housing services provider. Launch Housing's mission is to end homelessness by providing high quality housing, support, education and employment services to thousands of people across 14 sites in metropolitan Melbourne. Launch Housing social enterprise, HomeGround Real Estate is a professional real estate agency offering for-purpose property management services.

Any income through fees is reinvested into the community through Launch Housing's work. The NAB volunteers worked with HomeGround Real Estate to develop a plan to scale the social enterprise. This included reviewing tactics on how to improve performance, increase properties under HomeGround's management, how to grow brand awareness through an effective marketing strategy, and expand the model to other cities.

Affordable housing

There is a chronic shortage in appropriate housing for very low to moderate income households in Australia, and shelter for those in crisis. Homelessness is on the rise and one million additional social and affordable homes will be required by 2036¹. NAB has helped Australians access homes and housing. We provided \$61 billion in new home lending to customers this year², and worked with organisations that provide social and affordable housing. Affordable housing is housing that is affordable for people on mid to lower incomes and is reasonably adequate in standard and location.

This year, we pledged \$2 billion in financing over three years to support the social and affordable housing sector. This will help Australia make an urban shift to support people who need different housing options. We want to play a bigger part in strengthening the building blocks of Australia's housing market, across the housing spectrum.

Our goal is to make a difference by mobilising the investment community behind financial products and structures that will open new pathways to crisis, social, community and low-cost housing. We can play a role by collaborating across the sectors that intersect with this issue – developers, insurers, governments, non-profits, investors, regulators and most importantly, the many Australians who bank with us.

Supporting regional and rural Australia

NAB has strong roots in regional and rural Australia. This is based on longstanding customer relationships and a wide branch network. This year, we announced that we will keep all branches open in regional and rural areas until at least January 2021. This built on our previous commitment to keep branches in drought-affected communities open.

This matters to regional customers and businesses because 2,000 NAB employees are from these communities and almost half of our branch network is in regional and rural Australia – the highest of any major bank. These relationships contribute \$2.7 billion in revenue to the Group (26% of total revenue) and make up 40% of our business customers. We deliver banking services to about one million customers in the regions. We are also the biggest small to medium enterprise business and agribank lender by market share³.

We opened four new banking centres to better serve regional communities this year. The Customer Connect Centres employ specialist bankers with local insights and experience who partner with regional and agribusiness customers to help them to grow their businesses. Small business and agribusiness customers can access bankers through various channels, including phone and email and self-service and digital banking technology. Customers will also experience faster resolution of simple customer queries at the first point of contact. For more complex banking requirements, specialist bankers will be available to provide support. The new Customer Connect hubs are in Toowoomba, Queensland, Bunbury, Western Australia, Bendigo, Victoria, and Tamworth, New South Wales. This means better service and more jobs for these regional communities (see the break out box on the next page for more).

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- **Stronger communities**

How we act

Assurance

Glossary

¹ Estimating need and costs of social and affordable housing delivery, UNSW and City Futures Research Centre, March 2019.
² Based on drawdowns (excluding redraws) of our Australian and New Zealand customers.
³ APRA Monthly Authorised Deposit-taking Institution Statistics.



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- **Stronger communities**

How we act

Assurance

Glossary

OPENING NEW HUBS IN REGIONAL AUSTRALIA

During the year, we opened four new Customer Connect Centres in regional areas. We're proud to invest in these communities and give our regional customers better service.

TOWWOOMBA CONNECT CENTRE

- We invested about \$300,000 in upgrading the centre.
- There are 15 roles at the centre.

BUNBURY CONNECT CENTRE

- We invested \$650,000 in the new centre.
- There are two new jobs and nine internal roles that make up the team.

BENDIGO CONNECT CENTRE

- NAB has invested \$1 million on the refurbishment of the Bendigo Hub.
- There is a new 20 seat conference room in the retail space for business and community use.
- There is a new 20 seat conference room in the retail space for business and community use.
- It has customer co-working facilities where customers can book meeting rooms, and use Wi-Fi.
- There are 18 new roles in the connect centre.
- The Centre supports 8,000 small business or agri customers across regional Victoria and Tasmania.

TAMWORTH CONNECT CENTRE

- This new centre has created new local job opportunities and attracted new team members from other areas to Tamworth.
- 22 bankers work at the Centre - 17 are existing NAB employees and five are new starters.
- 10 people have moved to Tamworth to work in the Connect Centre.

**STRONGER COMMUNITIES****SUPPORTING FLOOD AFFECTED CUSTOMERS IN QUEENSLAND**

In March this year, torrential rain and floods hit Queensland outback communities. This had a devastating impact on graziers who lost cattle in flood waters and were already dealing with the ongoing drought.

We stepped up relief for regional customers affected, including deferring interest and repayments for up to three years in line with the Australian Government's support package. Our NAB Assist financial hardship team worked closely with these customers to support them through financial challenges. We also supported our local bankers to train them in hardship and wellbeing triggers and offer solutions for unique customer scenarios.

We have committed to helping the flood-affected primary producers in the impacted areas. We will:

- Not foreclose on or force the sale of collateral of existing NAB loans for three years.
- Defer interest and repayments for existing NAB loans for up to three years on a case by case basis.
- Offer a 2.44% rate for new loans for an existing NAB customer and primary producer where the government provides up to 40% of the loan via a restocking grant.
- Only require acquired stock as security for restocking loans.
- Make the \$500 million concessional loan scheme announced in February available to customers with existing loans who need extra support to restructure their existing facilities. This scheme offers loans at a reduced rate.



About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- **Stronger communities**

How we act

Assurance

Glossary

HOW ARE WE TRACKING?**STRONGER COMMUNITIES****SUPPORTING INDIGENOUS SUCCESS**

Indigenous Australians are two and a half times more likely to be financially excluded¹. As a bank, we can help close this gap. We want to create a future where Indigenous Australians have the same financial opportunities and resilience as non-Indigenous Australians. The past decade has also seen Indigenous businesses grow by 72%, adding between \$2.2-\$6.6 billion to Australia's Gross Domestic Product².

We launched our eighth Reconciliation Action Plan (RAP) - and fourth with Elevate status - this year which aims to accelerate Indigenous economic participation. The RAP sets targets for microfinance, businesses development, meaningful careers, and creating an inclusive work place. A key stake in the ground was partnering in the Meering 50 First Australians Procurement Accelerator. It aims to support mature businesses aspiring to develop commercial relationships with major corporate partners. This project helps to achieve our RAP commitments and supports a broader ecosystem for Indigenous business success. In 2019, we have provided more than 6,700 microfinance loans for Indigenous Australians on low incomes, and spent \$1.4 million with Indigenous businesses. More information on how we're supporting Indigenous Australians is in the *Customer support and experiences* and *Engaging our people* sections.

SUSTAINABLE DEVELOPMENT GOALS

TARGETS

- \$2bn investment in affordable housing by 2023

FUTURE PLANS

Be the bank for regional and rural Australia and Indigenous business

Achieve the 18 targets in our 2019-2021 Reconciliation Action Plan

Keep all regional branches open until at least 2021

LEARN MORE

- [Our community](#)
- [Indigenous Australian support](#)
- [NAB Foundation](#)

1. Financial Resilience in Australia 2018 research by the Centre for Social Impact and NAB.
 2. Australian Bureau of Statistics 2018 Census data on Indigenous business owner managers.
 3. Based on drawdowns (excluding redraws) for home lending, and new and increased (on and off balance sheet) commitments for business lending.
 4. June 2019 NAB APRA submission / RBA Banking System.

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

DEVELOPING ESG-RELATED PRINCIPLES TO HELP DECISION-MAKING

Our customers represent a wide range of sectors across the economy. Decisions about who we lend to are based on guidance and tools that support bankers to complete the 'Know Your Customer' processes as part of loan origination (onboarding) and annual review processes.

Understanding the risks in our customers' businesses helps to better meet their needs. Two new sets of guiding Principles were developed this year, supporting customers and bankers to manage ESG risk issues. The first helped assess customers whose businesses are involved with animals, including agribusiness. The second was to ensure that we do not indirectly support predatory finance.

Supporting good animal welfare practices

The agricultural sector is a critical industry for Australia and New Zealand. Our customers represent diverse agricultural businesses from primary production to food processing. Animal welfare is an important issue for these customers and the broader community. This is reflected in various laws, industry codes and standards and community expectations.

This year, we developed a set of **Animal Welfare Principles** to guide bankers in assessing our customers' animal welfare practices, and to clarify our role in supporting customers engaged in any form of business involving animals. The Principles define

HOW WE ACT

MAKING GOOD DECISIONS

The NAB Board oversees our business performance, including how our practices affect people and the environment. They receive updates on issues related to our community and environmental activities, and environmental, social and governance (ESG) risks.

The Group Chief Risk Officer is responsible for managing ESG risk, supported by several key committees that govern risk across our business. These include the:

- Board Risk Committee (BRC)¹;
- Executive Risk Committee (ERC)²;
- Group Non-Financial Risk Committee (GNFRC)³;
- Group Credit and Market Risk Committee (GCMRC)⁴;

Information about our Risk Management approach is in the Corporate Governance Statement and **online here**.

We identify, measure, monitor, report and oversee ESG risks according to the Group's Risk Management Framework (RMF) in line with the Group's Risk Management Strategy. Our ESG Risk

all customers and suppliers to be screened against the list for involvement in these sensitive sectors and areas – and if they engage in those activities, it triggers an ESG risk assessment. This could be part of the loan origination or on-boarding process for new customers, or the tendering and contracting process for new suppliers. It may also be part of the review process for our existing customers and suppliers.

We give our people tools to help assess and manage ESG risks. This year, we developed two new sets of Principles to guide our bankers in understanding ESG risks related to animal welfare and non-bank financial institutions. See the case study for more details.

We voluntarily sign up to initiatives that help banks set standards and improve ESG risk management practices. These include the UN Global Compact, the Equator Principles and, more recently, the Principles for Responsible Banking. You can see the full list **online here**. And you can read more about our ESG risk management approach **online here**.

Principles provide an overarching framework for including ESG risk considerations in the RMF, and in our everyday decision-making processes. Learn more about our ESG Risk Management and Principles **here**.

At NAB, ESG risks are managed in an integrated manner as part of our processes for managing risks in our material risk categories⁵. ESG risk assessment is part of our credit risk assessment and due diligence processes, and factor into decisions about our operations and suppliers. For more information about the risks facing the NAB Group, read our **Annual Financial Report**.

We maintain a High Risk ESG Sectors and Sensitive Areas list to help our bankers and procurement professionals know which sectors and activities may have a higher inherent exposure to ESG-related risks. It also sets out sectors and activities where we have restricted or no appetite.

This list is reviewed and updated to incorporate emerging and changing ESG risks.

Our Credit Risk Policy and Supplier Sustainability Program requires

1. BRC supports the Board with oversight of the NAB Group's risk profile and risk management within the context of the Board Determined Risk Appetite Statement and makes recommendations to the Board on current and future risk appetite and particular risks or risk management practices.
2. ERC supports the Board with oversight of risk matters related to risk culture, integrated risk governance processes, and risk strategy and performance.
3. GNFRC supports the CEO and Group Chief Risk Officer to oversee the management of operational, regulatory and compliance risk, which includes conduct and prudential based regulatory risk, and oversight of the Group's Environmental Agenda and performance including our climate change strategy.
4. GCMRC oversees risk in the context of managing the Group's credit risk portfolio. This includes ESG risk in the context of the Group's credit policy settings.
5. The material risks managed by the Group are credit risk, operational risk, compliance risk, conduct risk, balance sheet & liquidity risk, market risk, regulatory risk and strategic risk. For more information on these, and other principal risks and uncertainties faced by the Group, refer to our 2019 Annual Financial Report.

HOW WE ACT

44

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture
- Customer support and experiences
- Addressing climate change and environmental sustainability
- Engaging our people
- Transformation & technology
- Stronger communities

How we act

Assurance

Glossary

See the *Addressing climate change and environmental sustainability* section for more details.

We also did more work to build our internal capability to conduct physical climate risk scenario analysis. See the *Addressing climate change and environmental sustainability* section for more information. Further details are also in our **2019 Annual Financial Report**.

RESPECTING HUMAN RIGHTS

Caring for people who are affected by our business is an important part of our governance approach. Our approach to human rights is based on doing business in a way that respects the rights and dignity of people, avoids human rights abuses, and upholds applicable legal requirements. This is set out in our Group Human Rights Policy, which was updated during the year to reference the new modern slavery requirements we are subject to. We consulted with a number of social NGOs during this process. You can find the Policy on [our website](#).

Our 2019 Modern Slavery Act statement is available [online here](#). It outlines what we've done to keep our operations and supply chain free from slavery and human trafficking. This year, we conducted a gap analysis of our current practices against the Australian Modern Slavery Act requirements. We have started to undertake activities necessary to meet the requirements of the Act, with our first report against the Australian modern slavery requirements due next year.

Update on Credit Risk Policy Reviews into carbon intensive, climate sensitive and low-carbon sectors

Carbon intensive, climate sensitive and low-carbon sectors will be affected by the climate change transition in different ways. This impacts how NAB plays a role in funding the transition to a low-carbon economy. This year, we continued our phased review of credit risk policy settings for these sectors. We conducted a further review of the coal sector using transition scenarios to forecast possible future impacts on the coal sector arising from the low-carbon transition. Outcomes of the review process have led us to implement the following credit risk policy settings. Although NAB continues to support existing customers across the mining and energy sectors to facilitate an orderly transition to a low-carbon economy, we will not finance:

- New thermal coal mining projects or new-to-bank thermal coal mining customers.
- Oil/tar sands extraction projects.
- Oil and gas projects within or impacting the Arctic National Wildlife Refuge area and any similar Antarctic Refuge.
- New or material expansions of coal-fired power generation facilities, unless there is technology in place to materially reduce emissions.

Supporting good animal welfare practices (continued)

Good animal welfare practices and outline our expectations that customers will meet required animal welfare regulations, standards and conventions. It sets out the animal-related activities we will not finance. The Principles will be integrated into our ESG risk assessment process, which is part of the credit risk assessment and due diligence process.

The Principles were developed in consultation with several key industry associations and animal welfare organisations including NGOs. The integrity of the agribusiness sector is critical to ensure its sustainability, and we will work with our customers to make ongoing animal welfare improvements.

Enabling better access to finance

Recent research has found that one in five households in Australia have used payday loans in the past three years. There is rising concern that customers in vulnerable situations and small businesses may be exploited through

predatory financing practices. This can lead to individuals and business getting trapped in cycles of debt which can result in payment default, compounding to their financial burden.

Good Shepherd and NAB launched a digital microfinance loan, Speckle, in 2016 as a responsible alternative to payday lending. This prompted a review of our ESG risk credit policy setting which prohibited lending to payday lenders. The review focused on how to avoid lending to non-bank financial intuitions (NBFI) involved in predatory financing activities.

To help determine whether a potential or existing customer may be engaging in predatory financing activities, we developed a simple set of five principles and a checklist of questions. Engaging with social NGOs and customers helped to shape the NBFi principles. The customer engagement process showed that the new principles can positively impact on responsible lending practices.

HOW WE ACT

As a major Australian bank, we have a responsibility to work with stakeholders to uphold human rights. That's why we continue to engage in industry dialogue about how to apply the Guiding Principles for Business & Human Rights to banking products and services. This includes being part of industry working groups that are reviewing the Equator Principles (EP4), including giving consideration to proposed changes relating to social impacts and human rights. NAB also became a founding signatory to the United Nations Principles for Responsible Banking which includes human rights-related commitments. Human rights-related feedback can be provided, or rights holder concerns raised, by contacting our NAB Resolve team. Contact details for this team are on our website. Where issues are raised or identified, appropriate actions will be taken in accordance with our grievance processes – including relevant engagement with customers and rights holders. This year, no modern slavery concerns were raised with us. Three customer discrimination complaints were received. Employee-related human rights concerns are managed through our employee relations processes or via our Whistleblower Program (see the *Governance, conduct and culture* section).

LEARN MORE

[Our ESG risk management](#)

[Our supply chain](#)

[Sustainability Data Pack](#)

NAB respects the land rights of communities that are, or may be, impacted by our customers and suppliers by including land rights in our approach to ESG risk management, relevant policies and tools. This is set out in our Improper Land Acquisition Policy Statement which is [online here](#). We also consider the land rights of communities as part of our ESG risk assessment processes. And as part of our annual sustainability reporting, we report on our actions to meet Policy commitments. A full list of our actions and progress is in our [Data Pack](#).



- About this report
- Leadership message
- Our snapshot
- 2019 scorecard
- Our approach
- How we listen
- Material themes
 - Governance, conduct and culture
 - Customer support and experiences
 - Addressing climate change and environmental sustainability
 - Engaging our people
 - Transformation & technology
 - Stronger communities
- How we act**
- Assurance
- Glossary

ASSURANCE

To provide our stakeholders with a higher level of confidence in our reporting, we engage Ernst & Young to provide limited assurance over key metrics included in the 2019 Annual Review and the 2019 Sustainability Report and limited assurance that NAB has identified and reported on its Material themes (and that the associated disclosures are complete) within the 2019 Annual Review.

Additionally, KPMG provide reasonable assurance over our Australian National Greenhouse and Energy Reporting (NGER) data (Scope 1 and 2 GHG emissions), along with limited assurance over the following:

- Specified GHG emissions and offset data relating to NAB Group.
- Renewable energy generation as a proportion (%) of the Group's exposure to the power generation sector, expressed as

Exposure at Default (EAD), as at 30 September 2019.

- Project Finance (PF) by sector as a proportion (%) of total PF portfolio value, expressed as total committed and uncommitted exposure, as at 30 September 2019.
- Progress towards NAB's Group-wide target to undertake financing activities of \$55 billion over the ten years to September 2025 to help address climate change and support

the transition to a low-carbon economy.

The metrics (other than environmental metrics) covered by external assurance are listed below. The assurance statements provided by Ernst & Young and KPMG are available [on our website](#). Content indices for the Global Reporting Initiative standards and United Nations Global Compact are available in our [Data Pack](#).

46

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture

- Customer support and experiences

- Addressing climate change and environmental sustainability

- Engaging our people

- Transformation & technology

- Stronger communities

How we act

Assurance

Glossary

ASSURED INDICATOR	SCOPE	ASSURED INDICATOR	SCOPE
Code of Conduct breaches (by category and outcome)	Australia	Total number and rate of employee turnover (voluntary/involuntary and by gender)	Group
Number of whistle-blower disclosures received under the Whistleblower Policy (inc. partially or fully substantiated, not substantiated and remaining under investigation)	Australia	Total retention rate of high performers	Australia & New Zealand
Number of data breach notifications sent to the Office of the Australian Information Commissioner (OAIC)	Australia	Percentage of critical / material / strategic suppliers that are compliant with Group Supplier Sustainability Principles	Group
Net Promoter Score (by segment)	Australia & New Zealand	Employee Engagement – current model	Group
Total customer complaints (by region and by category - showing percentage change), including total number of substantiated complaints received concerning breaches of customer privacy from regulatory bodies and other outside parties	Australia & New Zealand	Ratio of basic salary, female to male (by employment level)	Group
Number of critical and high priority technology incidents	Australia	Percentage of high risk category suppliers with ESG risk assessments completed	Australia & New Zealand
Number of customers assisted experiencing financial hardship	Australia	Employee Engagement – Response Rate	Group
Cure rates for NAB Assist and NAB Care customer accounts (30 days and 90 days)	Australia	Employee engagement – Inclusion index	Group
Cumulative number of low income Australians assisted with products / services (by product type)	Australia	Female representation on Group Subsidiary Boards	Group
Number and dollar value of microfinance loans written (by type)	Australia & New Zealand	Number and dollar value of Volunteering Days (skilled and general)	Group
Total workforce (by FTE, Headcount, age group, gender, employment type, employment level)	Group	Return to work rate (from primary carer's leave, long service leave and parental leave)	Australia
Female representation in total workforce	Group	LTIFR – including total days lost due to stress	Australia & New Zealand
Female representation in Executive Management	Group	Absenteeism	Australia & New Zealand
Percentage of total workforce over 50	Group	Community Investment (by dollar value, Region, type, focus area)	Group

GLOSSARY

- Supporting – such as nutrient cycles and crop pollination.
- Cultural – such as spiritual and recreational benefits.

Employee engagement

Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organisation, and put discretionary effort into their work.

Energy consumption (direct)

Direct energy consumption refers to energy from fuel used in buildings for heating and back-up power generation, as well as fuel used in our vehicle fleet.

Energy consumption (indirect)

Indirect energy consumption refers to electricity consumption from grid supply, and from trigeneration and solar PV.

Energy production (direct)

Indirect energy production refers to electricity generated through trigeneration and solar PV.

Energy production (indirect)

Net energy consumption refers to gross energy consumption minus indirect energy production.

Environmental, Social and Governance (ESG)

Describes the consideration of the environment, social and governance factors that impact on the risk and return profile of a company's operations and investments.

ESG risk incorporates the three main areas of concern that have developed as the central factors in measuring the sustainability and ethical impact of a company's operations. They can arise directly through a company's own operations, or indirectly through customers and suppliers. ESG issues include managing the company's carbon footprint, addressing diversity, human rights and financial inclusion and ensuring there are policies and structures in place to provide robust management of the organisation.

Equator Principles (EPs)

A voluntary set of standards for determining, assessing and managing social and environmental risk in project finance transactions. Equator Principles Financial Institutions (EPFIs) commit to not providing loans to projects where the borrower will not be unable to comply with their respective social and environmental policies and procedures that implement the EPs. Refer to website.

Exposure at Default (EAD)

An estimate of the total committed credit exposure expected to be drawn at the time of default for a customer or facility. The EAD Group would incur in the event of a default.

Biodiversity

The variety of flora and fauna – nature's living assets.

BNZ

Bank of New Zealand.

Carbon footprint

The measure of the impact that activities in a defined carbon inventory will have on the environment, measured in units of carbon dioxide equivalent.

Carbon inventory

A defined list of GHG emission sources that an organisation uses to calculate its carbon footprint.

Carbon offset

A credit that is purchased to negate an amount of carbon (one tonne) included in a defined carbon footprint.

Continuing operations

The components of the NAB Group which are not discontinued operations.

CO₂-e (carbon dioxide equivalent)

The common unit of measure for the expression of Greenhouse Gas (GHG) emissions. Each unit of GHG has a different global warming potential. Therefore all greenhouse gases are converted back to tonnes (tCO₂-e) of carbon dioxide equivalent to enable consistent comparison and measurement.

Cost to income (CTI) ratio

Represents operating expenses as a percentage of net operating income.

Dollars or \$

Australian dollars unless specified otherwise.

Discontinued operations

A component of the NAB Group that either has been disposed of or is classified as held for sale, and represents a major line of business or geographical area of operations, which is part of a single co-ordinated plan for disposal.

Ecosystem

A natural habitat which includes a combination of soil, air, water, flora and fauna, and climate e.g. desert, forest, ocean, grassland.

Ecosystem services

Natural services derived from the earth's natural assets, on which human beings are reliant. Ecosystem services are worth trillions of US dollars per year and provide food, fibre, water, health, energy, climate security and other essential services for everyone. The United Nations 2004 Millennium Ecosystem Assessment (MEA) grouped ecosystem services into four broad categories:

- Provisioning – such as the production of food and water.
- Regulating – such as the control of climate and disease.

Materiality assessment

Our formal, annual assessment of ESG themes affecting the organisation and influencing the decisions of our stakeholders.

Material supplier

A material supplier, as defined in accordance with APRA Prudential Standard CPS 231 or regional equivalent, performs an outsourcing activity that has the potential, if disrupted, to have a significant impact on NAB Group's business operations or its ability to manage risks effectively.

NAB

National Australia Bank Limited (ABN 12 004 044 337).

NAB Group

NAB and its controlled entities (including BNZ).

Natural Capital

Comprises Earth's natural assets (biodiversity and ecosystems) and the ecosystem services resulting from them.

Natural Value

Recognition of the contribution that biodiversity and ecosystem goods and services have on economic sustainability.

Net Promoter Score

Measures how likely a customer would be to recommend NAB to a friend or colleague on a scale of 0-10. The overall score is calculated by subtracting the percentage of customers that answer 6 or below ('detractors') from the percentage of customers that answer 9 or 10 ('promoters').

NPS priority segments

Priority Segments Net Promoter Score (NPS) is a simple average of the NPS scores of four priority segments: NAB defined Home Owners (Home Loan @ Bank) and Investors, as well as Small Business (SME) and Medium Business (MSME). The NPS priority segments NPS data is based on six month rolling averages from DBM Atlas & BFSM Research.

Return on Equity

Return on Equity (ROE) is calculated by dividing cash earnings by average equity.

Science Based Target Initiative

The Science Based Targets initiative is a partnership between UN Climate Change, World Resources Institute and WWF, which helps companies determine how much they must cut emissions to prevent the worst impacts of climate change.

Scope 1 GHG emissions

This includes direct emissions from within an organisation's boundary. These emissions are from sources that the organisation owns or controls such as:

- Combustion of fuel in boilers, furnace or generators that are owned or controlled by the reporting company.
- Generation of electricity, steam or heat in equipment that is owned or controlled by the reporting company.
- Business travel in vehicles such as company cars or corporate jets that are owned or

controlled by the reporting company, employee commuting in company-owned or controlled vehicles, such as company cars.

- HFC emissions from company owned or controlled refrigeration or air-conditioning equipment.

Scope 2 GHG emissions

Indirect emissions from electricity that is used by the organisation but is generated outside the organisation's boundary by another company, such as an electricity provider. This is called 'purchased electricity'. This includes indirect emissions from the generation of purchased electricity, steam, or heat.

Scope 3 GHG emissions

All other indirect emissions that occur outside the boundary of the organisation as a result of the activities of the organisation including indirect emissions from:

- Business travel in non-company owned or controlled vehicles, such as rental cars, employee cars, rail and commercial planes.
- Combustion of fuel in boilers or furnaces not owned or controlled by the reporting company.
- Employee commuting in vehicles not owned or controlled by the reporting company, such as light rail, rail, buses and employees' cars.

- Third-party production or manufacture of materials and resources used by the reporting company, such as furniture, paper and equipment.
- Indirect losses resulting from the transmission of electricity and other fuels.

Shared Value

The generation of measurable business returns by addressing social and environmental challenges.

Socially Responsible Investment

Investments made under a strategy which seeks to deliver financial return and social good. These may include investments that screen out companies deemed negative, such as those that produce cluster munitions, or tobacco products.

Total Shareholder Return

Total Shareholder Return (TSR) combines share price appreciation and dividends paid for a particular period to show the total return expressed as a percentage.

We, Our or Us

Refers to NAB, BNZ or the NAB Group as the context requires.

Key Information

Refer to 2019 Sustainability Data Pack for key information on reporting period, organisational boundary, scope, forward-looking statements, estimations and reporting of GHG emissions.

47

About this report

Leadership message

Our snapshot

2019 scorecard

Our approach

How we listen

Material themes

- Governance, conduct and culture

- Customer support and experiences

- Addressing climate change and environmental sustainability

- Engaging our people

- Transformation & technology

- Stronger communities

How we act

Assurance

Glossary

Kylie Cross

From: Anton Morris <anton.morris@newcastlepermanent.com.au>
Sent: Friday, 20 December 2019 1:59 PM
To: Council
Cc: Kylie Cross; Nicole Spencer
Subject: Port Macquarie-Hastings Council Investments - Attn Rebecca Olsen
Attachments: 20122019113627-0001.pdf

Good afternoon Rebecca,

Please refer to the following with regard to Council's request (attached) dated 20 December 2019.

Newcastle Permanent Building Society (NPBS) is a provider of retail banking and financial services.

NPBS has a proportion of its assets invested in high quality liquid assets which are required for liquidity management. The definition of these liquid assets are prescribed by the Australian Prudential Regulatory Authority (APRA).

The balance of assets are in the form of loans to our members. Approximately 98% of these assets are residentially secured mortgage loans with the balance consisting of other retail products such as personal loans and credit cards.

As a provider of retail banking services, NPBS doesn't engage in lending to large corporates or businesses, but focuses on its members and the communities in which it operates.

Further information can be found on our website in relation to our community involvement and contributions from the Newcastle Permanent Charitable foundation

<https://www.newcastlepermanent.com.au/community>
<https://www.newcastlepermanent.com.au/charitable-foundation>

Please let me know if you require any additional information

Kind regards
Anton

Anton Morris
Manager Liquidity – Treasury Department

p 02 4927 4564 f 02 4927 4556 m 0402 128 746



Newcastle Permanent Building Society Limited
ACN 087 651 992
Australian Financial Services Licence 238273
Australian Credit Licence 238273
307 King Street Newcastle West NSW 2302
PO Box 5001 Hunter Region Mail Centre NSW 2310
www.newcastlepermanent.com.au
13 19 87



Please consider the environment before printing this email.

From: Kylie Cross <Kylie.Cross@pmhc.nsw.gov.au>
Sent: Friday, 20 December 2019 12:43 PM
To: Anton Morris <anton.morris@newcastlepermanent.com.au>
Subject: Port Macquarie-Hastings Council Investments

Dear Anton,

Please find attached correspondence from Council for your attention.

Kind regards

Kylie Cross

Executive Assistant to Director Corporate Performance
Corporate Performance



p (02) 6581 8677

m 0419 144564



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Kylie Cross

From: Carcasona, M. (Mary-Jane) <Mary-Jane.Carcasona@ing.com.au>
Sent: Tuesday, 4 February 2020 11:19 AM
To: Nicole Spencer
Cc: Kylie Cross
Subject: RE: Port Macquarie-Hastings Council Investments
Attachments: 20122019113556-0001.pdf

Hi Nicole,

Apologies on our delayed response on the request attached.

Please refer to ING's below response in regards to the request from Port Macquarie-Hastings Council.

Please feel free to ask any other additional questions or comments regarding our response below.

We share your concern about climate change and believe society must transition to a low-carbon economy.

As a financial institution, we recognise we play a critical role in this transition, by financing change, sharing knowledge and using our influence. That's why ING Group is a founding signatory for the United Nations' Principles for Responsible Banking, which aims to provide the framework for a sustainable banking system and help banks to align their business strategy with society's goals.

Please know that in Australia, we do not finance coal fired power plants. Our financing of renewable energy projects includes the 100 MW Clare solar farm in North Queensland and the 256 MW Kiamal solar farm in Victoria, the largest in the state.

Globally, we do not finance new coal fired power plants and will decrease our exposure to thermal coal power generation to close to zero by 2025.

By the end of 2025, globally we'll also no longer finance clients in the utilities sector that are more than 5% reliant on coal fired power in their energy mix. We will continue to finance non coal energy projects for these clients in support of their energy transition.

Phasing out thermal coal is just one approach we take. As a bank we make more impact with what we do finance than with what we don't finance. Globally we have a loan book of about €600 billion across many sectors, including fossil fuels, which we have begun steering towards meeting the Paris Agreement's two-degree goal, with the ambition to strive for 1.5 degrees.

We call our strategy to get there the [Terra approach](#). It focuses on the sectors in our loan book that are responsible for most greenhouse gas emissions and shows our pathway towards climate alignment in each sector.

Please also take a look at our [first Terra progress report 2019](#) which shows the latest results on measuring the climate impact of our lending book. We intend to issue our second Terra progress report at the end of this year.

Thank you,
Mary-Jane

Mary-Jane Carcasona
Investor Solutions Sales Associate

60 Margaret Street, Sydney NSW 2000
GPO Box 4094, Sydney NSW 2001
T +61 2 9028 4619 M +61 455 050 468
ing.com.au

Everyday Banking Home Loans Savings Insurance Super

ING
How banking



How many trees have you saved today?

From: Carcasona, M. (Mary-Jane)
Sent: Friday, 20 December 2019 2:28 PM
To: Kylie Cross
Cc: AU-ID-Middle Market
Subject: RE: Port Macquarie-Hastings Council Investments

Hi Kylie,

Thanks for your email.

I will revert back to you regarding the correspondence prior to the deadline date.

Many thanks,
Mary-Jane

Mary-Jane Carcasona
Investor Solutions Sales Associate

60 Margaret Street, Sydney NSW 2000
GPO Box 4094, Sydney NSW 2001
T +61 2 9028 4619 M +61 455 050 468
ing.com.au

ING
How banking

Everyday Banking Home Loans Savings Insurance Super



How many trees have you saved today?

From: Kylie Cross [mailto:Kylie.Cross@pmhc.nsw.gov.au]
Sent: Friday, 20 December 2019 12:46 PM
To: Carcasona, M. (Mary-Jane)
Subject: Port Macquarie-Hastings Council Investments
Importance: High

Dear Mary-Jane,

Please find attached correspondence from Council for your attention.

Kind regards

Kylie Cross
Executive Assistant to Director Corporate Performance
Corporate Performance



p (02) 6581 8677
m 0419 144564





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Port Macquarie-Hastings Council
Budget Review for the quarter ended 31 December 2019
Income & Expenses

	ANNUAL					YEAR TO DATE			CURRENT QUARTER			
	Original Budget 2019/20	Original Budget including Carry-over 2019/20 (000's)	Approved Changes Jul-Aug 19 Reviews (000's)	Approved Changes Sep-Nov 19 Reviews (000's)	Revised Budget	Projected year end result 2019/20 (000's)	YTD Actuals (000's)	YTD Budget (000's)	Actuals as a % of Budget	Oct 19 - Dec 19 Actuals	Oct 19 - Dec 19 Budget	Actuals as a % of Budget
Income												
Rates and annual charges	100,316	100,316			100,316	100,316	96,937	96,437	100.5%	2,203	1,919	114.8%
User charges and fees	39,804	39,804			39,804	39,804	16,097	17,120	94.0%	10,030	9,736	103.0%
Interest and investment revenue	8,701	8,701			8,701	8,701	4,174	4,248	98.3%	2,076	2,129	97.5%
Other revenues	5,440	5,463	194	(118)	5,539	5,539	2,979	2,729	109.2%	1,534	1,448	105.9%
Grants and contributions - operating	15,990	16,445	34	(398)	16,081	16,081	5,854	6,933	84.4%	3,644	5,261	69.3%
Grants and contributions - capital	31,373	36,241	219	1,330	37,790	37,790	12,848	13,360	96.2%	7,922	8,653	91.5%
Total income from continuing operations	201,624	206,970	447	814	208,231	208,231	138,889	140,827	98.6%	27,407	29,146	94.0%
Expenses												
Employee costs	54,004	54,004	(51)	187	54,140	54,140	25,614	27,854	92.0%	13,332	14,262	93.5%
Borrowing costs	2,465	2,465			2,465	2,465	1,253	1,253	100.0%	832	832	100.0%
Materials and contracts	43,411	46,287	(153)	(15)	46,119	46,119	16,930	20,318	83.3%	9,414	11,785	79.9%
Depreciation	49,135	49,135			49,135	49,135	25,086	24,568	102.1%	12,404	12,284	101.0%
Other expenses	14,229	14,269		700	14,969	14,969	6,803	7,409	91.8%	3,452	4,121	83.8%
Net Loss/(Profit) from disposal of assets	3,000	3,000			3,000	3,000	1,114	0		1,168	0	0.0%
Total expenses from continuing operations	166,244	169,160	(204)	872	169,828	169,828	76,800	81,402	94.3%	40,603	43,284	93.8%
Net operating result from continuing operations - Surplus/(Deficit)	35,380	37,810	651	(58)	38,403	38,403	62,089	59,426	104.5%	(13,196)	(14,138)	93.3%
Net operating result before capital items - Surplus/(Deficit)	4,007	1,569	432	(1,388)	613	613	49,241	46,066	106.9%	(21,117)	(22,791)	92.7%

**Port Macquarie-Hastings Council
Budget Review for the quarter ended 31 December 2019
Capital Budget (excluding Commitments)**

	Original Budget 2019/20	Carry- over (000's)	Approved Changes Jul-Aug 19 Reviews (000's)	Approved Changes Sep- Nov 19 Reviews (000's)	Revised Budget	YTD Actuals (000's)	YTD Budget (000's)	Actuals as a % of Budget	Oct 19 - Dec 19 Actuals	Oct 19 - Dec 19 Budget	Oct 19 - Dec 19 Actuals as a % of Budget
Capital Funding											
General fund rates and environmental levy	5,614	3,093	356	(104)	8,959	4,357	9,689	45.0%	4,043	7,650	52.9%
Capital grants and contributions	15,164	4,891	244	1,683	21,982	4,356	9,502	45.8%	2,825	5,634	51.1%
Internal Restrictions	22,304	5,329	419	835	28,887	8,007	15,391	52.0%	4,851	8,508	57.0%
External Restrictions	28,622	6,283	662	0	35,567	13,748	23,127	59.4%	8,762	11,243	77.9%
S7.11/64 funds	18,866	2,298		585	21,749	1,786	6,785	26.3%	548	3,752	14.6%
Loans	1,500	0		2,400	3,900	195	326	59.8%	190	254	74.8%
Total Capital Funding	92,070	21,893	1,681	5,399	121,043	32,449	64,820	50.1%	21,220	36,940	57.4%
Capital Expenditure											
General fund asset purchases/construction	48,039	14,284	1,105	5,399	68,827	14,038	34,871	40.3%	8,723	20,908	41.7%
Waste management asset purchases/construction	273	1,237	793	0	2,303	324	1,421	22.8%	244	1,077	22.7%
Water supply asset purchases/construction	7,963	719	(88)	0	8,594	2,236	4,267	52.4%	1,074	1,909	56.3%
Sewerage services asset purchases/construction	25,698	5,653	(129)	0	31,222	10,717	19,262	55.6%	7,527	9,530	79.0%
Capital Expenditure excluding Loans	81,973	21,893	1,681	5,399	110,946	27,315	59,821	45.7%	17,568	33,424	52.6%
Loan Repayments (principal)	10,097		0	0	10,097	5,134	4,999	102.7%	3,652	3,517	103.8%
Total Capital Expenditure	92,070	21,893	1,681	5,399	121,043	32,449	64,820	50.1%	21,220	36,941	57.4%

Port Macquarie-Hastings Council
Budget Review for the quarter ended 31 December 2019
Cash & Investments

	Original Budget 2018/19 (000's)	Carry- over (000's)	Approved Changes Jul- Aug 19 Reviews (000's)	Approved Changes Sep-Nov 19 Reviews (000's)	Revised Budget	Projected year end result 2019/20 (000's)	YTD Actuals (000's)
Unrestricted	6,243		127		6,370	835	
Externally restricted							
Developer Contributions (Incl Water & Sewer)	103,447	(2,305)	132		101,274	101,274	
Unexpended contributions	99				99	99	
Unexpended grants	5,974				5,974	5,974	
Unexpended loans	(2,500)	(299)			(2,799)	(2,799)	
Water Supply	70,032	(209)	(21)		69,802	69,802	
Sewerage Services	22,027	(4,278)	67		17,816	17,816	
Employee Leave Entitlements (Restricted)	1,060				1,060	1,060	
Special Rates	1,607	(159)			1,448	1,448	
Domestic Waste Management	18,011	(1,237)	(823)	(735)	15,216	15,216	
Stormwater Management	(139)	(313)			(452)	(452)	
Deposits & Bonds	7,395				7,395	7,395	
Total externally restricted	227,013	(8,800)	(645)	(735)	216,833	216,833	
Internally restricted							
Operational Reserves							
Committed Works	6,259	(3,145)	(17)		3,097	3,097	
Employee Leave Entitlements	5,617				5,617	5,617	
Office Building & Equipment	1,176	(1,600)			(424)	(424)	
Plant Replacement	5,204	(1,989)			3,215	3,215	
Working Capital	6,719	(697)	123		6,145	6,145	
	24,975	(7,431)	106	0	17,650	17,650	0
Quarantined Funds							
Crown Reserves	214	(160)			54	54	
Environment Levy	1,056	(800)	(39)		217	217	
Onsite Effluent	667				667	667	
Surf Clubs	766				766	766	
Tourism & Industry Promotion	494		(140)		354	354	
Wauchope Heated Indoor Pool	0	0			0	0	
	3,197	(960)	(179)	0	2,058	2,058	0
Roads & Infrastructure							
Asset Revaluation	125	(40)			85	85	
The Glasshouse	457				457	457	
Ferries Maintenance	1,339	(292)			1,047	1,047	
Infrastructure Priorities	514	(30)			484	484	
Lake Road Upgrade	157				157	157	
Major Buildings Renewals	(34)	(89)			(123)	(123)	
Playing Fields	300				300	300	
PM Town Centre Masterplan	883	(20)			863	863	
Road Environmental Works	55				55	55	
Regional Road Infrastructure	6,038		63		6,101	6,101	
Strategic Priorities Reserve	6,253				6,253	6,253	
Transport Infrastructure Renewal	2,327	(751)			1,576	1,576	
Works Associated with Developments	150				150	150	
	18,564	(1,222)	63	0	17,405	17,405	0
Council Business Units							
Airport	3,016	(761)	(500)		1,755	1,755	
Crematorium & Lawn Cemetery	964				964	964	
Property Investment	2,438	(154)			2,284	2,284	
	6,418	(915)	(500)	0	5,003	5,003	0
Coastal & Estuary Management							
Canal Maintenance	(220)	(12)			(232)	(232)	
Lake Cathie Dredging	28				28	28	
Town Beach Sand Nourishment/4WD Access	685				685	685	
	493	(12)	0	0	481	481	0
Other							
Council Election	286				286	286	
Cultural Activities	85	(80)			5	5	
HACC Greenmeadows	2				2	2	
Planning Studies	6	(44)			(38)	(38)	
Street Lighting	871				871	871	
Town Bands	0				82	82	
	1,250	(124)	0	0	1,208	1,208	0
Total internally restricted	54,897	(10,664)	(510)	0	43,805	43,805	
Total restricted	281,910	(19,464)	(1,155)	(735)	260,638	260,638	
Total cash and investments	288,153	(19,464)	(1,028)	(735)	267,008	261,473	313,083
Available cash	6,243	0	127	0	6,370	835	

Total Cash & Investments per the Trial Balance 313,083
less Cash at Bank & on Hand (7,154)

Total funds invested per the Investment Report 305,929

Responsible Accounting Officer Statement

All restricted funds are invested in accordance with Council's Investment Policy.
Council's cash has been reconciled to the bank statement to the 31 December 2019
The YTD Total Cash and Investments have been reconciled with funds invested and Cash at Bank.

Port Macquarie-Hastings Council
Budget Review for the quarter ended 31 December 2019
TCORP Ratios
T-Corp Ratios

Ratio	Purpose	Definition	Benchmark	Projected June 2020 Position			Internal Target - Short Term (1-2 yrs)	CALCULATION METHOD
				June 2019 Actual Result	Original 2019/20 Budget	Revised 2019/20 Budget		
Operating Performance	This ratio measures Council's achievement of containing operating expenditure within operating revenue.	(Operating Revenue excluding capital grants and contributions - operating expenses) / (Operating Revenue excluding capital grants and contributions)	Greater than 0	5.12%	4.57%	2.81%	>0%	Budget
Own Source Revenue	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. A Council's financial flexibility improves the higher the level of its own source revenue.	Operating Revenue excluding all grants and contributions/ Total Revenue including all grants and contributions	Greater than 60%	65.42%	76.52%	74.17%	60.00%	Budget
Unrestricted Current Ratio	This ratio is designed to represent Council's ability to meet short term obligations as they fall due.	Current assets less all external restrictions/ current liabilities less specific purpose liabilities	Greater than 1.5	1.74	2.30	1.75	>1.5	Estimate
Debt Service Cover	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.	(Op results before capital excluding interest & depn, impairment, amortisation) / (Principal repayments + borrowing costs)	Greater than 2	4.32	4.73	4.58	>2	Estimate
Rates and Annual Charges Outstanding Percentage	To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	Rates and annual charges outstanding/ Rates and annual charges collectible	<5% metro and <10% rural	5.01	4.73	5.50	< 5.5%	Estimate
Cash Expenses Cover	This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash flow.	(Current year's cash equivalents + term deposits) / (Payments from cash flow of operating and financing activities) x 12	Greater than 3 months	28.42	28.53	29.73	> 3 months	Estimate
Building and Infrastructure Renewals Ratio	This ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration measured by its accounting depreciation.	Asset renewals (building, infrastructure and other structures)/Depreciation, amortisation and impairment (building, infrastructure and other structures)	100%	70.22%	60.74%	75.00%	>45%	Estimate
Infrastructure Backlog Ratio	This ratio shows what proportion the backlog is against the total value of Council's infrastructure.	Estimated cost to bring assets to a satisfactory condition/ Total value of infrastructure, building, other structures and depreciable land improvement assets.	Less than 2%	6.66%	4.91%	6.50%	<6%	Estimate
Asset Maintenance	This ratio compares actual versus required annual maintenance, as detailed in Special Schedule 7 (of the annual financial statements).	Actual asset maintenance/Required asset maintenance	Greater than 1	1.00	0.89	0.85	>.9	Estimate

Meets ratio benchmark
 Close to meeting ratio benchmark
 Does not meet benchmark

Port Macquarie-Hastings Council
Budget Review for the quarter ended 31 December 2019
Consultancy and Legal Expenses

	Quarterly expenditure excluding GST	Budgeted Y/N
Expense		
Legal Fees	36,899	Yes
Business Consultant	70,893	Yes
Engineering Consulting	583,093	Yes
Environmental Consulting	117,311	Yes
Property Development	116,331	Yes
Total Expense	924,527	

Port Macquarie-Hastings Council
Budget Review for the quarter ended 31 December 2019
Contracts entered into during the December quarter.

Division	Contractor	Contract detail & purpose	Contract value	Commencement Date	Duration of Contract	Budgeted Y/N	Explanation as to why not budgeted.
Infrastructure	Eire Constructions Pty Ltd	T-19-29 Dunbogan Flood Access Road - Stage 1	\$1,114,058	16-Oct-19	Complete on finalisation of project	Yes	Not Applicable
Infrastructure	King & Campbell Pty Ltd	T-19-26 Environmental Assessment & Development Application for Planned Works at Port Macquarie Airport	\$190,946	20-Nov-19	Complete on finalisation of project	Yes	Not Applicable
Digital Technology	S5 Technology Group Pty Ltd	T-19-63 Technology Infrastructure Management Agreement	\$102,283	20-Nov-19	Complete on finalisation of project	Yes	Not Applicable
Infrastructure	Mid North Coast Contractors Pty Ltd	T-19-28 Woods St Construction Upgrade	\$1,018,596	11-Dec-19	Complete on finalisation of project	Yes	Not Applicable
Infrastructure	SMEC Australia Pty Ltd	T-19-49 Port Macquarie Road Network Planning Project	\$295,231	11-Dec-19	Complete on finalisation of project	Yes	Not Applicable
Infrastructure	InQuik Pty Ltd	T-19-66 Supply and Delivery of Scrubby Creek and Thompsons Bridges	\$352,000	11-Dec-19	Complete on finalisation of project	Yes	Not Applicable

BUDGET VARIATIONS - January 2020											
Section	Project	Project Description	Capital/ Operating	Division	Full Year Original Budget	Full Year Current Budget	Actuals to January 2020	New Yearly Proposed Budget - January 2020	Movement	Funding Source	EFFECT ON FUNDING POSITION
Adjustments which impact Council's Budget Position											
A review of salaries and wages costs in Finance, Procurement & Corporate Performance has been undertaken in January, resulting in a budget adjustment.											
Finance	264	Salaries & Wages	Operational	Corporate Performance	2,281,022	2,281,022	1,121,184	2,181,022	-100,000	Revenue	- 100,000
Finance	10850	Overhead Income	Operational	Corporate Performance	-3,849,605	-3,849,605	-2,244,704	-3,791,485	58,120	Revenue	58,120
Procurement	328	Salaries & Wages	Operational	Corporate Performance	573,375	573,375	231,232	423,375	-150,000	Revenue	- 150,000
Procurement	10930	Overhead Income	Operational	Corporate Performance	-810,014	-810,104	-472,318	-766,199	43,905	Revenue	43,905
Corporate Performance	181	Salaries & Wages	Operational	Corporate Performance	786,969	786,969	386,112	686,969	-100,000	Revenue	- 100,000
Corporate Performance	10430	Overhead Income	Operational	Corporate Performance	-890,320	-890,320	-519,148	-871,590	18,730	Revenue	18,730
Total adjustments which impact Council's Budget Position											
									-229,245	-229,245	-229,245
Council has received a \$1M grant from the Department of Planning Industry & Environment as funding for Bushfire Disaster Recovery											
Emergency Management	42011	Bushfire Disaster Recovery	Operational	Infrastructure	0	0	458,658	1,000,000	-1,000,000	Grant	0
Emergency Management	19252	Grants - Bushfire Disaster Recovery	Operational		0	0	0	-1,000,000	1,000,000	Grant	0
Council has received a Grant in the amount of \$50,000 through the Everyone Can Play Funding Initiative for the upgrade of Blair Reserve.											
Parks, Recreation & Buildings	41940	Blair Reserve	Capital	Development & Environment	85,750	85,750	20,863	135,750	-50,000	Grant	0
Parks, Recreation & Buildings	19282	Grants Capital - Parks & Recreation	Capital		0	0	-10,000	-50,000	50,000	Grant	0
Council has received a grant as part of the Coastal and Estuary Planning Program for the Illaroo Road Revetment Wall Project											
Natural Resources	41822	Illaroo Road Revetment Wall	Capital	Development & Environment	29,824	29,824	22,800	39,724	-9,900	Grant	0
Natural Resources	19231	Grants Capital - Natural Resources	Capital		-22,490	-22,490	0	-32,390	9,900	Grant	0

BUDGET VARIATIONS - January 2020											
Section	Project	Project Description	Capital/ Operating	Division	Full Year Original Budget	Full Year Current Budget	Actuals to January 2020	New Yearly Proposed Budget - January 2020	Movement	Funding Source	EFFECT ON FUNDING POSITION
Council has received a \$59,468 Library Local Priority Grant from the NSW State Library											
Community Engagement	40935	Library Local Priority Grant	Operational	Strategy & Growth	74,234	74,234	33,488	133,702	-59,468	Grant	0
			Operational		-74,234	-74,234	-59,468	-133,702	59,468	Grant	0
Council has received two grants as part of the Road Safety Behavioural Program											
Transport & Traffic	41998	Cycling Safety Project	Operational	Infrastructure	0	0	0	5,000	-5,000	Grant	0
			Operational		0	0	0	3,000	-3,000	Grant	0
Transport & Traffic	19331	Grants Capital - Natural Resources	Operational		0	0	0	-8,000	8,000	Grant	0
Council has received a grant for the Better Waste and Recycling Fund											
Waste	50080	Better Waste & Recycling Fund	Operational	Corporate Performance	22,523	22,523	0	134,269	-111,746	Grant	0
			Operational		-22,523	-22,523	0	-134,269	111,746	Grant	0
Total Grant Funding									1,239,114		0
Reserve Movements											
Offset Planting at the Flynns Beach Seawall to be transferred from the capital budget to reserve and performed by Environmental Services in the 20/21 financial year											
Parks, Recreation & Buildings	41037	Flynns Beach Seawall	Capital	Development & Environment	1,622,200	1,493,978	1,455,726	1,483,978	10,000	Reserve	0
			Capital		-555,646	-555,646	0	-545,646	-10,000	Reserve	0
Total Reserve Movements									10,000		0

BUDGET VARIATIONS - January 2020										
Section	Project	Project Description	Capital/ Operating	Division	Full Year Original Budget	Full Year Current Budget	Actuals to January 2020	New Yearly Proposed Budget - January 2020	Funding Movement Source	EFFECT ON FUNDING POSITION
New Project Bids										
Water Supply Security - Emergency Actions Project. This project is to maintain water supply to the LGA by consideration of an Emergency Desal Plant and the upgrade of the Wauchope WTP										
Water Supply	29548	Water Supply Security - Emergency Actions Project	Capital	Water Supply	0	0	10,999	500,000	-500,000 Reserve/Grant	0
Water Supply	19226	Capital Grants - Water Supply	Capital		0	0	0	-125,000	125,000 Grants	0
Water Supply	19229	Transfer from Reserve - Water	Capital		-5,823,000	-6,032,009		-6,407,009	375,000 Reserve	0
Total New Project Bids									500,000	0
Movement between Projects										
Insurance Excess relating to the rebuild of the Rainbow Beach, Bonny Hills amenities rebuild										
Parks, Recreation & Buildings	42013	Rainbow Beach Amenities Repair	Capital	Development & Environment	0	0	0	5,000	-5,000 Revenue	-5,000
Parks, Recreation & Buildings	418	Camden Haven Building Maintenance	Capital		306,552	306,552	171,210	301,552	5,000 Revenue	5,000
Total Movements between Projects									5,000	0
Budget Variation Requests - Approved by Executive										
Budget Variance for additional funding to complete the design and environmental approvals for the Town Green (West) scope of works.										
Parks, Recreation & Buildings	41834	Town Green Upgrade (Central & West)	Capital	Development & Environment	41,674	41,674	36,593	200,000	-158,326 Reserve	0
Parks, Recreation & Buildings	41471	TCMP - Foreshore Walkway	Capital		985,000	985,000	33,452	826,674	158,326 Reserve	0
Budget Variance for Cairncross Facility Upgrade and Expansion Approvals										
Waste	50069	Cairncross - Facility Upgrade & Expansion Approvals	Capital	Corporate Performance	95,958	95,958	5,710	210,958	-115,000 Reserve	0
Waste	50104	Cairncross Landfill Covers	Capital		165,000	165,000	0	50,000	115,000 Reserve	0

BUDGET VARIATIONS - January 2020											
Section	Project	Project Description	Capital/ Operating	Division	Full Year Original Budget	Full Year Current Budget	Actuals to January 2020	New Yearly Proposed Budget - January 2020	Movement	Funding Source	EFFECT ON FUNDING POSITION
Budget variance relating to the Port Macquarie Sewer Rising Main 71 from Greenmeadows Drive to the Port Macquarie STP Coffin Inlet to allow the project to proceed to construction phase.											
Sewerage	30146	Port Macquarie Sewer Rising Main 71	Capital	Infrastructure Planning	1,278,397	1,278,397	13,651	1,700,000	-421,603 Reserve		0
Sewerage	19219	Transfer from Reserve - Sewerage	Capital		-22,900,000	-27,089,976	0	-27,511,579	421,603 Reserve		0
Total Budget Variations approved by Executive									694,929		0
ORGANISATIONAL TOTAL - THIS REVIEW											
FORECAST FOR FINANCIAL YEAR ENDED 30 JUNE 2020											
Original Budget as at 1 July 2019					Shortfall						
Plus: Adjustments											
July Review					0						
August Review					Surplus						
September Review					125,477						
October Review					Surplus						
November Review					14,783						
December Review					0						
January Review					Balanced						
					Balanced						
					229,245						
FORECAST FOR 30 JUNE 2020					Shortfall						
					-605,693						
Notes:	1	The result shown above is the general fund result. All surpluses/deficits in the water, sewerage and waste funds are transferred to/from reserves.									
	2	Reserve are internal restrictions that hold funds for a specific purpose, e.g. The airport has its own reserve and all income and expenditure relating to the airport is credited/debited to that reserve.									
	3	Council projects are funded from a variety of funding sources. Below is a definition of the various types of funding that are used to fund projects. Revenue - All funds that are generated through rates, annual charges, fees and charges, interest etc. These funds are untied and can be expended on any project that Council considers appropriate.									
		Grants - Government grants can either be monetary or otherwise and may be tied or untied. Tied grants are required to be used for a specific purpose such as the construction of a road. Untied grants may be applied for any purpose council considers appropriate.									
		Contributions - Contributions are non-reciprocal transfers to Council in the sense that Council is not required to give value in exchange for the contributions directly to the contributor. Examples are contributions given by ratepayers towards capital works in their vicinity.									
		Reserves - Reserves are internal restrictions held for a specific purpose, e.g. The airport has its own reserve and all income and expenditure relating to the airport is credited/debited to that reserve.									
		S7.11 and S64 Contributions - Section 7.11 of the NSW Environmental and Planning Act (1979) and section 64 of the Local Government Act (1993) provides NSW local government with a formal legal framework for levying developers for the provision of infrastructure, services and amenities - known as developer contributions.									
	4	Some projects are funded by multiple funding sources, e.g. a capital project may be funded by s7.11 funds, grants and revenue. The effect on capital column will only show the revenue funding adjustment as the other types of funding will have an income line budget adjustment shown in the report.									

BUDGET VARIATIONS - January 2020											
Section	Project	Project Description	Capital/ Operating	Division	Full Year Original Budget	Full Year Current Budget	Actuals to January 2020	New Yearly Proposed Budget - January 2020	Movement	Funding Source	EFFECT ON FUNDING POSITION

PORT MACQUARIE HASTINGS COUNCIL
2019-2020 Works Program Review

Division	Section	Project Description	Detailed Description	Amounts Reallocated from 19/20 to 20/21	Amounts Reallocated from 19/20 to Outer Years
Development & Environment	Natural Resources	Illaroo Rd - Stormwater Remediation	Construction	150,000	400,000
Corporate Performance	Airport	PM Airport - Security Equipment Upgrade		405,000	
Corporate Performance	Digital Technology	Information & Communications Technology - Projects	Undertake Information and Communications Technology Projects	1,500,000	
Corporate Performance	Waste Disposal	Cairncross Recycling Industrial Zone Improvements	Concrete Processing Facility Establishment Stage 1 - EIS, Design, Planning & Approvals	80,000	
Development & Environment	Aquatic Facilities	Port Macquarie Aquatic Facility	Design Finalisation	430,000	
Development & Environment	Parks & Recreation	Rainbow Beach Sports Fields	District Facilities	500,000	3,500,000
Development & Environment	Parks & Recreation	Lake Cathie Foreshore Masterplan	Develop new skate park facility	290,000	
Development & Environment	Parks & Recreation	Sancroix/Thrumster Sports Fields	Detailed design and approvals	260,000	
Development & Environment	Parks & Recreation	Vince Inmon Sporting Fields	Sports Facility Upgrade	530,000	
Development & Environment	Parks & Recreation	Wayne Richards Park	Stages 3 & 4	260,000	
Infrastructure	Drainage	Develop Urban Stormwater Catchment Management Plans	Develop plans for each of the 62 catchment areas	113,000	
Infrastructure	Drainage	Stormwater Remediation - 35 Hart Street	Investigation of stormwater remediation - Planning and Designs	90,000	
Infrastructure	Drainage	Stormwater Remediation - Panorama Drive Bonny Hills	Detailed design of remedial options	94,501	
Infrastructure	Water Supply	Construction of the Southern Arm Trunk Main(DN750) - Pacific Hwy to Bonny Hills	Pre-construction of trunk main from Pacific Hwy to Bonny Hills	185,000	
Infrastructure	Water Supply	Marbuk Motorised Valve	Relocation	350,000	
Infrastructure	Water Supply	Pre Construction Works - Trunk Main from Bonny Hills to Kew (Area 12) Reservoir - Stage 1	Pre-construction of trunk main from Bonny Hills to Kew Reservoir	350,000	
Infrastructure	Water Supply	Sancroix Reservoir to Area 13	Trunkmain	920,000	
Infrastructure	Water Supply	Water Trunkmain Augmentation	Between Sancroix Reservoir and Wauchope	995,000	
Infrastructure	Sewerage Services	Continuation of Construction of Kew STP Upgrade	Upgrade existing Kew STP to serve Kew & Area 15 development incl redirection of existing SPS31 at West Haven	1,500,000	3,300,000
Infrastructure	Sewerage Services	Continuation of Pre-construction of Thrumster Sewerage Treatment Plant (Area 13) - Phase 1 200000EP	Continuation of pre-construction of Thrumster STP (Area 13)	911,000	
Infrastructure	Sewerage Services	Inlet Works Replacement for Port Macquarie STP	Inlet works replacement for Port Macquarie STP	700,000	
Infrastructure	Sewerage Services	Long Term Asset Management Systems	Stage 1 - Strategic Asset Data & System Review including Options Assessment and develop Implementation Plan	250,000	
Infrastructure	Sewerage Services	Preconstruction works for upgrade of Lake Innes Sewerage Pump Station #71 (PMSPS71)	Pre-construction work for upgrade of Lake Innes Sewerage Pump Station #71	100,000	

Division	Section	Project Description	Detailed Description	Amounts Reallocated from 19/20 to 20/21	Amounts Reallocated from 19/20 to Outer Years
Infrastructure	Sewerage Services	Small Towns Sewerage Scheme Construction	Finalisation of the Small Village Sewerage Scheme at Long Flat, Comboyne, and Telegraph Point	6,700,000	
Strategy & Growth	Strategic Property Investments	Airport Business Park - Development Planning & Feasibilities	Lot 25, DP1123026 Boundary Street, Port Macquarie	100,000	
Strategy & Growth	Strategic Property Investments	Greenmeadows Dr - Development Planning and Feasibilities	Lot 2, DP1235691 Greenmeadows Drive, Port Macquarie	80,000	
Strategy & Growth	Strategic Property Investments	Property Purchase Investigations		80,000	
Infrastructure	Transport and Traffic	Bago Road Rehabilitation	Milligan's Road to Bluewater Crescent	1,400,000	
Infrastructure	Transport and Traffic	Hastings River Drive & Boundary Streets	Upgrade	1,000,000	
Infrastructure	Transport and Traffic	John Oxley Drive	Detailed Design	100,000	
Infrastructure	Transport and Traffic	Kew Main Street	Upgrade	100,000	
Infrastructure	Transport and Traffic	Kindee Bridge	Replacement Planning - Detailed Design	361,176	
Infrastructure	Transport and Traffic	Koala Street Upgrade Concept Designs	Concept Designs for the upgrade of Koala Street only	100,000	
Infrastructure	Transport and Traffic	Orbital Road Investigations	Preparation of strategic business case for Orbital Road	600,000	
Infrastructure	Transport and Traffic	Pembroke Road - Stoney Creek Bridge Upgrade	Detailed Design	300,000	
Infrastructure	Transport and Traffic	Scrubby Creek Bridge	Upgrade	450,000	
Infrastructure	Transport and Traffic	Transport and Stormwater Investigations and Design	Additional Transport & Stormwater Designs and Investigations	160,000	
Development & Environment	PM Town Centre Masterplan	TCMP - Port Macquarie Foreshore Walk Project	Undertake Delivery	500,000	
Development & Environment	Natural Resources	Sophora Tomentosa	Reintroductions Grant	10,000	
Strategy & Growth	Strategic Planning	Yippen Creek Planning Investigations		67,000	
Infrastructure	Drainage	Black Swan Terrace	Stormwater Detention Facility	200,000	
Infrastructure	Fleet Management	Port Macquarie Depot	Construct new Work Depot	1,900,000	
Development & Environment	Parks & Recreation	Hastings River Recreational Boating Improvements	Undertake design/pre-construction for provision of new facility as per Boating Needs Investigation	435,000	
Development & Environment	Parks & Recreation	Kendall Local Park	Replacement of skatepark at end of useful life	150,000	
Development & Environment	Parks & Recreation	Vince Inmon Amenities & Lighting Upgrade		70,000	
Infrastructure	Sewerage Services	Port Macquarie Sewer Pump Station #71 & Rising Main	Upgrade of Port Macquarie Sewer Pump Station 71 and new rising main to STP	675,000	
Infrastructure	Transport and Traffic	Kindee Bridge	Immediate Structural Repairs to ensure bridge remains serviceable.	300,000	
Infrastructure	Transport and Traffic	RMS Grants - Beach to Beach Shared Path		600,000	
Infrastructure	Transport and Traffic	Bril Bril Road Upgrade		450,000	
Infrastructure	Transport and Traffic	Schools to Schools Shared Pathway - Plan & Design		300,000	
				28,151,677	7,200,000

2018-2019 GRANT APPLICATION REGISTER

Date Submitted	Project Title	Grant Program	Organisation Offering the Grant	Grant amount applied for	Council's contribution	Amount granted	Funding Type (Local, State, Federal)	Grant Successful?	Estimated preparation time (hours)
27-Jun-18	Westport Public School	RMS	Roads & Maritime Services	\$3,336	\$0	\$3,336	State	Yes	30
01-Jul-18	Bus Shelter Replacement Program	Council Passenger Transport Infrastructure Grant Scheme	Transport for NSW	\$126,500	\$0	\$126,500	State	Yes	35
01-Jul-18	Bold Street Pedestrian Crossing	Stronger Country Communities Fund (Round 1)	NSW Department of Industry	\$347,000	\$0	\$347,000	State	Yes	100
01-Jul-18	Update technology and resources	Local Priority Grant 2018/19	NSW State Library	\$45,029	\$0	\$45,029	State	Yes	72
04-Jul-18	Hastings-Macleay Koala Recovery Partnership (Mid North Coast Joint Organisation application)	OEK Saving Our Species (\$450,000) + Koala Hospital (\$150,000) + KSC (\$60,000) over three years	Office of Environment & Heritage	\$660,000	\$270,000	\$660,000	State + Local + Other	Yes	70
23-Jul-18	New South Wales Bike Week	RMS	Roads & Maritime Services	\$2,000	\$0	\$2,000	State	Yes	35
24-Jul-18	Youth Opportunities Program	FACS Youth Opportunities Program 2018/19	NSW Family and Children's Services	\$39,500	\$0	\$0	State	No	14
14-Aug-18	Seniors Week Festival	NSW Seniors Festival	NSW Department of Premier and Cabinet	\$3,000	\$0	\$0	State	No	5
18-Aug-18	Contaminated Land Management (joint application with Kempsey & Bellingen Councils)	2018-2021 Council Regional Capacity Building Program	NSW Environment Protection Authority	\$417,000	\$0	\$0	State	No	23
20-Aug-18	Port Macquarie West Sewer Development Project (EOI). Refer to 3	Growing Local Economies - Regional Growth Fund	NSW Department of Premier and Cabinet	\$0	\$0	\$0	State	No	16
31-Aug-18	Glasshouse Regional Gallery Program 2019	2019 Arts and Cultural Organisations Funding	Create NSW	\$100,000	\$0	\$70,000	State	Yes	35
31-Aug-18	Stuart Park Regional Sporting Precinct Upgrade	Regional Sport Infrastructure Fund (Round 2)	NSW Office of Sport	\$3,192,586	\$800,000	\$3,192,586	State	Yes	2
31-Aug-18	Fire hazard reduction program	Rural Fire Service Hazard Reduction Works (RFFR reimbursables)	NSW Rural Fire Service	\$226,138	\$0	\$196,920	State	Yes	4
18-Sep-18	Library Van	Regional Culture Fund	Create NSW	\$136,470	\$0	\$136,470	State	Yes	70
21-Sep-18	Glasshouse Studio Performance Space Seating Upgrade	2018 Medium Scale Cultural Fund - Infrastructure Round 2	Create NSW	\$127,828	\$19,179	\$127,828	State	Yes	35
03-Oct-18	Pembrook Road Safety Treatments	NSW Safer Roads Program	Roads & Maritime Services	\$130,000	\$0	\$130,000	State	Yes	5
03-Oct-18	Rawdon Island Road Safety Treatments	NSW Safer Roads Program	Roads & Maritime Services	\$150,000	\$0	\$150,000	State	Yes	5

2018 -2019 GRANT APPLICATION REGISTER (cont.)									
Date Submitted	Project Title	Grant Program	Organisation Offering the Grant	Grant amount applied for	Council's contribution	Amount granted	Funding Type (Local, State, Federal)	Grant Successful?	Estimated preparation time (hours)
03-Oct-18	Bago Road safety improvements between Greggs Road and Lookout Road	Australian Government Black Spot Program	Roads & Maritime Services	\$200,000	\$0	\$200,000	State	Yes	5
03-Oct-18	Wauchope Town Centre Entry Thresholds	Australian Government Black Spot Program	Roads & Maritime Services	\$100,000	\$0	\$100,000	State	Yes	5
12-Oct-18	Port Macquarie Maritime Facility (Koonoonbung Fisherman's Wharf for Crown Lands)	Regional Communities Development Program	Department of Premier & Cabinet	\$1,800,000	\$0	\$1,800,000	State	Yes	5
15-Oct-18	Bri Bri Road Upgrade and Sealing	Fixing Country Roads	Infrastructure NSW	\$8,607,000	\$200,000	\$0	State	No	5
15-Nov-18	Young Leader's Program for Port Macquarie	Building Better Regions Fund	Dept of Industry Innovation & Science	\$25,000	\$25,000	\$25,000	Federal	Yes	5
15-Nov-18	Cultural Economy Plan for Port Macquarie-Hastings	Building Better Regions Fund	Dept of Industry Innovation & Science	\$25,000	\$37,500	\$25,000	Federal	Yes	5
15-Nov-18	Kew Town Centre Upgrade	Building Better Regions Fund	Dept of Industry Innovation & Science	\$800,000	\$800,000	\$800,000	Federal	Yes	5
04-Dec-18	Scoping Study for Port Macquarie Water Treatment Plant	Safe and Secure Water Program	Department of Industry - Water	\$57,000	\$228,000	\$57,000	State	Yes	24
14-Dec-18	Camden Haven Shared Path section, various pedestrian refuges, kerb extensions and ramps.	RMS Active Transport	Roads & Maritime Services	\$1,808,000	\$805,000	\$805,000	State	Yes	10
21-Dec-18	Play and Stay Town Beach playground renewal	Play and Stay NSW grant fund	Dept of Planning & Environment	\$200,000	\$415,000	\$0	State	No	5
21-Dec-18	Play and Stay Blair Street playground upgrade	Play and Stay NSW grant fund	Dept of Planning & Environment	\$50,000	\$85,000	\$50,000	State	Yes	5
13-Jan-19	ArtWalk - Creative Festival	Destination NSW	Destination NSW	\$20,000	\$26,000	\$0	State	No	5
Recurring Grant	Flood Mitigation Structures - Maintenance Grant	Floodplain Maintenance Program	Office Environment & Heritage	\$9,700	\$0	\$9,700	State	Yes	5
05-Feb-19	Scrubby Creek Bridge Upgrade	Bridges Renewal Program	Dept of Infrastructure, Regional Development and Cities	\$455,000	\$455,000	\$455,000	Federal	Yes	20
05-Feb-19	Thompsons Bridge Upgrade	Bridges Renewal Program	Dept of Infrastructure, Regional Development and Cities	\$415,000	\$415,000	\$415,000	Federal	Yes	20
08-Feb-19	Local Government Heritage Studies	Community Heritage Grants	Office of Environment & Heritage	\$30,000	\$30,000	\$30,000	NSW	Yes	5

2018 -2019 GRANT APPLICATION REGISTER (cont.)

Date Submitted	Project Title	Grant Program	Organisation Offering the Grant	Grant amount applied for	Council's contribution	Amounted granted	Funding Type (Local, State, Federal)	Grant Successful?	Estimated preparation time (hours)
08-Feb-19	Small Heritage Grants Program	Community Heritage Grants	Office of Environment & Heritage	\$10,000	\$11,250	TBA	NSW	TBA	2
08-Feb-19	Heritage Advisory Services	Community Heritage Grants	Office of Environment & Heritage	\$10,000	\$13,500	TBA	NSW	TBA	2
28-Feb-19	Orbital Road Strategic Business Case Development	Direct request to Member for Port Macquarie	.	\$400,000	\$400,000	\$0	NSW	No	0.50
01-Mar-19	Flying Fox - Kooloonbung Creek Management Plan	LG NSW - Flying Fox Grants Program	LG NSW	\$30,750	\$36,000	\$30,750	NSW	Yes	20
01-Mar-19	Airport Security Screening Upgrades	Regional Airport Security Screening Fund	Dept of Home Affairs	\$405,000	\$0	\$405,000	Federal	Yes	35
22-Mar-19	Jabiru Reserve Fish Cleaning Table	Crown Reserves Improvement Fund	Department Primary Industries	\$18,255	\$0	TBA	State	TBA	5
03-Apr-19	Port Macquarie West Sewer Development Project (Business Case)*	Growing Local Economies - Regional Growth Fund	Department of Premier & Cabinet	\$4,818,500	\$385,480	\$0	State	No	45
15-Mar-19	Bulk Water Filtration Plant Soping Study	Restart NSW - Safe and Secure Water Program	Department of Planning Industry and Environment	\$58,120	\$174,360	\$58,120	State	Yes	70
28-May-19	IWCM Strategy	Safe and Secure Water Program	Department of Planning Industry and Environment	\$109,571	\$328,713	\$109,571	State	Yes	175
			TOTAL	\$26,168,283	\$5,959,982	\$10,562,810			1045

2019 -2020 GRANT APPLICATION REGISTER (as at 31 January 2020)

Date Submitted	Date Outcome advised	Project Title	Grant Program	Organisation Offering the Grant	Grant amount applied for	Council's contribution	Amount granted (or to be announced)	Funding Type (Local, State, Federal)	Grant Successful?	Estimated prep time (hours)
31-Jul-19		Safer Roads program (7 projects)	NSW Safer Roads Program & Australian Government Black Spot Program	Roads & Maritime Services	\$ 1,500,000	\$0	TBA	State + Federal	TBA	30
09-Aug-19	01-Dec-19	Seniors Week	Seniors Week 2020 - seniors sports clinics	NSW Department of Premier and Cabinet	\$ 2,650	\$1,200	\$0	State	No	2
02-Sep-19	11-Dec-19	Annual Gallery Program Grant	2019/20 Annual Organisation Funding	Create NSW	\$ 130,000	\$0	\$ 70,000.00	State	Yes	35
30-Aug-19		Port Macquarie - Hastings GPT Audit and Maintenance Planning	NSW EPA's Litter Prevention Grants Program - Round 5	NSW EPA	\$ 30,000	\$30,000	TBA	State	TBA	5
27-Sep-19		Laurie Park, Laurieton - provision of kerb and gutter and parking	Stronger Country Communities Funding - Round 3	NSW Department of Premier and Cabinet	\$ 410,000	\$0	TBA	State	TBA	5
27-Sep-19		Town Green West Upgrades	Stronger Country Communities Funding - Round 3	NSW Department of Premier and Cabinet	\$ 500,000	\$500,000	TBA	State	TBA	12
30-Sep-19		Bus Shelter Replacement Program (16 shelters)	Council Passenger Transport Infrastructure Grant Scheme	Transport for NSW	\$ 176,000	\$0	TBA	State	TBA	20
04-Oct-19	18-Dec-19	Local Priority Grant	State Library Subsidy	State Library	\$ 59,488	\$0	\$59,488	State	Yes	5
31-Oct-19		Jabiru Fish Cleaning Table	Recreational Fishing Trust	NSW Department of Primary Industries, Fisheries NSW	\$ 18,255	\$0	TBA	State	TBA	5
07-Nov-19		Port Macquarie ANZAC Day Dawn Service - traffic management	Arzac Community Grant Program	NSW Veterans Affairs	\$ 2,000	\$5,641	TBA	State	TBA	2
19-Nov-19	02-Dec-19	Lake Innes Acid Sulfate Soil Management Options Study	Coastal & Estuary Grants Program - Coastal & Estuary Planning Stream	NSW Department of Planning Infrastructure & Environment	\$ 147,500	\$147,500	\$295,000	Local + State	Yes	3
6/12/19 EOI		Westport Park Boat Ramp Parking Upgrade	Boating Now (Round 3) EOI	Roads & Maritime Services	\$ 737,275	\$250,000	TBA	State	TBA	5
11-Dec-19		Town Beach Playground	Everyone Can Play 2019-20	NSW Department of Planning Infrastructure & Environment	\$ 200,000	\$415,000	TBA	State	TBA	20

2019 -2020 GRANT APPLICATION REGISTER (as at 31 January 2020)

Date Submitted	Date Outcome advised	Project Title	Grant Program	Organisation Offering the Grant	Grant amount applied for	Council's contribution	Amount granted (or to be announced)	Funding Type (Local, State, Federal)	Grant Successful	Estimated prep time (hours)
12-Dec-19		Construct a Parallel Taxiway	Regional Airports Program Aviation safety & accessibility	Australian Government Business	\$ 3,500,000	\$3,500,000	TBA	Federal	TBA	20
16-Dec-19		Emergency Operations Centre Communications Upgrade	NSW Infrastructure - Disaster Readiness & Community Infrastructure	NSW Office of Responsible Gambling	\$ 45,000	\$45,000	TBA	State	TBA	10
18-Dec-19		Bicentenary 200Together	Building Better Regions Fund Round 4 Community Investments Stream	Department of Infrastructure, Transport, Cities and Regional Development	\$ 20,000	\$0	TBA	Federal	TBA	5
19-Dec-19		Wauchope Regional Sporting Complex Stage 1	Building Better Regions Fund Round Four (Infrastructure Stream)	Department of Infrastructure, Transport, Cities and Regional Development	\$ 5,000,000	\$10,000,000	TBA	Federal	TBA	35
23-Dec-19		1. Highfield Circuit PMQ Pavement Resurfacing Works	Fixing Local Roads Round 4	Transport for NSW	\$ 200,000	\$0	TBA	State	TBA	15
23-Dec-19		2. Toorak Court PMQ Pavement Resurfacing	Fixing Local Roads Round 4	Transport for NSW	\$ 105,000	\$0	TBA	State	TBA	12
23-Dec-19		3. Bago Road Wauchope Pavement Rehabilitation Works (between Milligans Rd & Timbertops Cl)	Fixing Local Roads Round 4	Transport for NSW	\$ 1,110,000	\$1,110,000	TBA	State	TBA	18
23-Dec-19		4. Pembroke Road, Redbank (Pembroke Road between Beechwood Rd and Stoney Crk Rd)	Fixing Local Roads Round 4	Transport for NSW	\$ 2,440,000	\$0	TBA	State	TBA	20
23-Dec-19		5. Pembroke Road, Pembroke (Pembroke Road between Loggy Crk Bridge and north of Saltwater Crk Bridge)	Fixing Local Roads Round 4	Transport for NSW	\$ 550,000	\$0	TBA	State	TBA	18
23-Dec-19		6. Lome Road Pavement Rehabilitation Works (between Smiths Rd and Logans Crossing Rd)	Fixing Local Roads Round 4	Transport for NSW	\$ 3,540,000	\$0	TBA	State	TBA	25
				Total	\$ 20,423,148	\$16,004,341	\$424,468			327

Joint Grant Application

Date Submitted	Date Outcome advised	Project Title	Grant Program	Organisation Offering the Grant	Grant amount applied for	Council's contribution	Amount granted (or to be announced)	Funding Type (Local, State, Federal)	Grant Successful	Estimated prep time (hours)
Dec 2019 Submitted		Co-application with Kempsey Council Maria River Road	Fixing Local Roads Round 4	Transport for NSW	\$ 17,000,000	\$0	TBA	State	TBA	20

Election Funding Commitments to Council

Election Funding Commitments	Date Outcome advised	Project Title	Election Commitment by:	State/Federal	Commitment Amount	Action
03-Mar-19		Maria River Road Sealing	NSW Nationals and Liberals Fixing Locals Roads Program	State	not specified	PMHC + Kempsey to co-apply for \$17m Fixing Local Roads grant. https://www.lesliewilliams.com.au/maria-river-road-to-be-sealed
14-Mar-19		Duplication of Ocean Drive	NSW Liberals and Nationals Government	State	\$50 million	
16-Apr-19		Town Green West Upgrade	Federal Liberal National Coalition Government	Federal	\$1.5million	Progressing. Council submitted detailed project plan to Federal Government and awaiting funding agreement to be finalised.
12-May-19		Sealing of The Hatch Road	Federal Liberal National Coalition Government	Federal	\$370,000	
12-May-19		Sealing 12 km of Lome Rd (total cost \$20m)	Federal Liberal National Coalition Government	Federal	\$5 million	

Bush Fire Recovery Commitments to Council (as of 31/01/2020)

Commitments	Date Outcome advised	Project Title	Announcement by:	State/Federal	Amount	Action
09-Jan-20	09-Jan-20	Natural Disaster Category 'C' declaration for Bush Fire Recovery	Prime Minister / Dr David Gillespie	Federal	\$1 million	Council developing an implementation plan for this grant in consultation with affected communities and relevant stakeholders.
Jan-20		Economic Recovery and Community Resilience Grants Program	Premier Gladys Berejiklian	State	\$660,000 (approx)	\$4m for Mid North Coast Mid North Coast Councils. Still awaiting further information on the receipt and criteria for use of these funds (approx. \$660k per Council if distributed evenly)

AGENDA

ORDINARY COUNCIL
20/11/2019

Item: 11.04

Subject: LOCAL STRATEGIC PLANNING STATEMENT

Presented by: Strategy and Growth, Jeffery Sharp

Alignment with Delivery Program

1.3.1 Provide effective leadership and equity.

...

RECOMMENDATION

That Council:

1. Endorse the recommended approach for development of the first Local Strategic Planning Statement for the Port Macquarie-Hastings Local Government Area as detailed in this report.
2. Request the General Manager write to the Minister for Planning and Public Spaces, seeking a 12 month extension to the statutory timeline for making of a Local Strategic Planning Statement by Port Macquarie-Hastings Council.

Executive Summary

As a result of amendments made in March 2018 to the *Environmental Planning and Assessment (EP&A) Act 1979*, the NSW planning system has shifted its focus to up-front strategic planning. This new structure establishes line of-sight alignment between key planning priorities identified at the State and regional scale with finer-grained planning at the local level.

As part of the new structure, Councils are required to prepare a **Local Strategic Planning Statement (LSPS) before 1 July 2020**.

The statements will give effect to regional plans and inform local statutory plans and development controls. The LSPS will act as a unifying document, drawing together and summarising planning priorities identified through State, regional and local strategic work.

Council has recently received correspondence from NSW Planning Industry and Environment (DPIE) dated 28 October 2019 (Attachment 1) which again specifies the need for Council submit a completed timeline setting out key milestones by 11 November 2019.

In addition, the Department in association with the NSW Office of Local Government, has offered support and training to North Coast councils to assist in the preparation of this important strategic planning document. However, there is still a lack of clarity around the process and inconsistencies in rolling out information to regional councils.

While Council staff support the need for a LSPS and have participated in recent training sessions offered at Crescent Head and Kempsey, and note that a number of relevant agency sectors have issued requirements, Council is now faced with a limited timeline in which to review and consult with agencies in relation to their

Item 11.04

Page 1

AGENDA

ORDINARY COUNCIL
20/11/2019

recommendations, as well as engage with our community consistent with our 2019-20 In Focus commitments to “put customers at the centre of everything we do”.

This report recommends that Council write to the Minister for Planning and Public Spaces, seeking a 12-month extension of the deadline to deliver the LSPS.

An extension would allow staff to comprehensively engage with the community, to deliver a considered Community Strategic Plan, together with an evidence-based LSPS that is in line with the regional vision, goals and actionable priorities of the North Coast Regional 2036, relevant State Strategies and Sector Agency recommendations. An extension would also provide for improved alignment between the planned review and update of our Community Strategic Plan and the on-going roll out of community plans in 2020.

Discussion

In March 2018, amendments to the Environmental Planning and Assessment Act 1979 (the EP&A Act) introduced a new requirement for local councils to prepare and make an LSPS.

An LSPS must set out:

- the 20-year vision for land use in the local area;
- the shared community values that are to be maintained and enhanced;
- how development and change will be managed into the future; and
- the special values and characteristics which contribute to local identity.

Additionally, the statement will shape how the planning controls in our Local Environmental Plan (LEP) evolve over time to meet the community's aspirations and needs in the context of regional priorities (the LEP being the legal instrument to deliver the LSPS). Importantly, the LSPS will act as a mechanism to introduce change in the LGA and integrate planning across the EP&A Act and the Local Government Act (LG Act).

In the context of the Port Macquarie-Hastings LGA, the LSPS will also:

- provide Council and the community with an opportunity to identify and protect the existing and future character of local communities within the Port Macquarie-Hastings region;
- identify opportunities for housing choice to meet the needs of our diverse community;
- maximise our community's health, prosperity and wellbeing through the creation of active and vibrant community facilities and places;
- facilitate safe and convenient travel within neighbourhoods through an accessible and integrated movement network;
- promote good urban design;
- recognise the value of and protect our unique natural and cultural assets;
- recognise/acknowledge the value of our agricultural land to our economy;
- set the strategic priorities for other Council planning documents across all of Council's functions under the EP&A Act and LG Act.

It is Council's objective to comprehensively engage with our community, to deliver a considered Community Strategic Plan, together with an evidence-based LSPS that is in line with the regional vision, goals and actionable priorities of the North Coast Regional 2036, relevant State Strategies and Sector Agency recommendations.

Item 11.04

Page 2

Item 10.22
Attachment 1

Page 253

AGENDA

ORDINARY COUNCIL
20/11/2019

Council is about to embark on a comprehensive engagement program to inform the development of the Community Strategic Plan (CSP) - "Think 2050" which will commence in late January through to May 2020. There is a unique and clear opportunity to consolidate the engagement program for the LSPS with that of the CSP. There are benefits to both the community and Council in this approach:

- we do not create confusion within the community by engaging on what are two highly interlinked documents which address similar (but distinct) issues;
- we do not create a situation of engagement fatigue with our community;
- we can be more effective and efficient with our engagement activity (maximising our resources for the least cost across the 2 projects); and
- we ensure that our LSPS is well-informed by the community and is consistent with our Community Strategic Plan.

Most importantly Council demonstrates to our community our commitment to their genuine involvement in the development of a key document that will drive the delivery of their aspirations and agreed priorities over the next two decades.

In taking this approach, it will not be possible for Council to achieve the 1 July 2020 deadline to make an LSPS which achieves our objective (as outlined above) and would stand up to public scrutiny.

In addition to the above, the following factors also make the achievement of 1 July 2020 deadline unachievable.

- Council is still receiving critical State agency recommendations, guidance and advice for regional LSPS preparation, which needs to be incorporated into our community engagement approach and LSPS preparation. We are now faced with a limited timeline in which to review and consult with these agency sectors in relation to their recommendations for preparation of our LSPS;
- Although there has been training and information provided by the Department of Planning, Industry and Environment for commencing this important strategic planning, Council has, until recently, been consistently advised that Port Macquarie-Hastings Urban Growth Management (UGMS) 2036 would substantially satisfy the requirements for an LSPS. We now understand that this approach is not sufficient, and it is clear that there is a considerable body of strategic work to be completed in order to address our regional partnership responsibilities under the North Coast Regional Plan 2036, to inform the priorities for our LSPS;
- Important work not yet commenced but considered critical to the development of the LSPS includes development of a Local Housing Strategy (recently commissioned); Rural Lands Strategy to enhance and protect our agricultural land, grow agribusiness, and sustainably manage our natural resources; Development of a local Heritage Study (programmed to commence in 2020) and development of a Destination Management Plan (due for completion early 2020).
- The endorsement process by the Department also remains unclear and further guidance from DPI& E is being requested.

The proposed milestones and timeframe using this approach are outlined below:

Activity/Milestone	Dates
Community Engagement for CSP and LSPS	Dec 2019 - end May 2020
Develop Draft LSPS	June 2020 - September 2020

Item 11.04

Page 3

Item 10.22
Attachment 1

Page 254

AGENDA

ORDINARY COUNCIL
20/11/2019

Review draft LSPS with new Council body	October 2020
Prepare Council report to recommend LSPS to go on Public Exhibition	November 2020
LSPS on Public Exhibition with draft CSP	November 2020 - March 2021
Review and amend LSPS	April - May 2021
Prepare Council report to recommend LSPS to be endorsed	June 2021
LSPS published on Planning Portal	By 1 July 2021

The above timelines are consistent with the development of the CSP - Think 2050.

Options

The following two options are available for consideration:

1. Council could resolve to develop a LSPS informed by a comprehensive engagement program in conjunction with the CSP engagement and key supporting strategies and plans. Completion date by 30 June 2021.
2. Council could resolve to develop a LSPS which meets the 1 July 2020 deadline.

Option 1 is recommended by staff.

While Council has been requested to provide the Department of Planning Industry and Environment with a completed timeline setting out key milestones to achieve an LSPS by the statutory date, it is recommended that Council request an extension to the statutory timeline outlining the proposed timeline as set out above.

A comparative analysis of these two options is shown below:

	Option 1	Option 2
LSPS well-informed by community using targeted and timely engagement	✓	Limited - reliant on existing engagement and limited targeted engagement
Clear alignment between CSP and LSPS	✓	Potentially limited as LSPS will need to reference existing CSP - Towards 2036
Engagement informing LSPS incorporates North Coast and State planning priorities	✓	Incomplete as not all agencies may be represented in the engagement
LSPS informed by key Council strategies (e.g. Housing Strategy)	✓	X - timeframe does not allow for inclusion of these plans
Approach minimises community confusion and engagement fatigue	✓	X
Synchronised CSP & LSPS reviews consistent with IP&R Framework	✓	X - there will be a need to review the LSPS within 12 months of adoption of the

Item 11.04

Page 4

Item 10.22
Attachment 1

Page 255

AGENDA

ORDINARY COUNCIL
20/11/2019

		Community Strategic Plan, in June 2021.
Development of LSPS meets legislative deadline	X	✓

It is noted that the State government has provided substantial resources and additional timeframes to metropolitan councils for completion of their Local Strategic Planning Statements and that the LGNSW has been petitioning NSW Planning Industry and Environment on behalf of regional councils for similar extensions. However, the most recent advice from the Department is that failure to deliver council's first LSPS by the statutory time frame would be breach of the regulation (Attachment 2).

Community Engagement & Internal Consultation

This report has been developed in consultation with the Group Manager, Community Engagement, the Director, Strategy & Growth and the Director, Development & Environment.

Planning & Policy Implications

As with any plan prepared under the provisions of the Environmental Planning & Assessment legislation, once adopted, the LSPS has Statutory recognition.

The statements will become the primary resource to express the desired future for the Local Government Area (LGA) as a whole and for specific areas. The LSPS will identify the need for further local strategic planning effort such as precinct and master planning, local character statements, and infrastructure and local housing strategies.

The LSPS will translate strategic planning work into local priorities and actions that inform the review and development of future strategic plans at the regional level. This feedback cycle from local to regional planning ensures that the line of-sight between the different levels of spatial planning works both ways. It provides an opportunity for our community to work with Council to shape the future direction and strategic priorities for planning and managing the sustainable use of land across our LGA.

The LSPS must also identify the basis on which Council will monitor and report on the implementation of strategic planning priorities and actions.

Fig 1. Strategic-led Planning Framework



AGENDA

ORDINARY COUNCIL
20/11/2019

All Local Strategic Planning Statements must be published on the NSW Planning Portal, and consistent with section 11A of the *Environment Planning & Assessment (Savings and Transition and Other Provisions) Regulation 2017*. All regional councils are required to make their first LSPS before 1 July 2020.

Following adoption of the LSPS, a comprehensive review of Council's key strategies will be required to ensure any changes in strategic direction, priorities and/or actions are incorporated.

Financial & Economic Implications

In itself there are no financial implications in relation to the development of the LSPS.

This initiative is not included in the current 2019/20 operational plan of Council. Facilitating the Community discussions with the planned engagement on the Community Strategic Plan will have the least significant additional impact on operational activities.

Additionally, once complete, the LSPS will identify a number of actions that will need to be delivered over the short, medium and long term. Each of these actions will be the subject of a separate report to Council detailing specific financial impacts (if any) and effectively form part of the future work program for various areas of Council.

Attachments

1. Planning Industry and Environment Letter to Council 28 October 2019
2. Planning Minister's Response to Local Government NSW

Port Macquarie-Hastings Council
PO Box 84
Port Macquarie
NSW Australia 2444
DX 7415
e council@pmhc.nsw.gov.au

ABN 11 236 901 601



31 January 2020

Refers to: MDPE19/3813

Mr Tim Hurst
Deputy Secretary
Local government, Planning and Policy
Planning and Assessment
Department of Planning, Industry & Environment
GPO Box 39
SYDNEY NSW 2001

Dear Mr Hurst

Re: Request to Complete LSPS Timeline

I refer to your correspondence advising that Council's request for an extension to complete the Local Strategic Planning Statement (LSPS) was not granted.

While this response was quite disappointing given the importance of producing such a statement in consultation with our community, unfortunately as indicated in our previous correspondence, Council adopted (via resolution at its November 2019 Ordinary Council Meeting) a timeframe which will have our LSPS completed in conjunction with our new Community Strategic Plan.

Council has also previously indicated that we do not agree that the Urban Growth Management Strategy meets the Departments guidelines on the development of LSPS's. Importantly, not all of our communities are represented in the strategy and vital communities, including those that live and work in our rural areas, towns and villages were represented in the engagement for the Strategy, which is now some 3-4 years ago.

In addition, I would point out that the Port Macquarie-Hastings community is in the process of recovering from one of the most significant emergencies NSW has seen in its history with the 2019 Bushfires. Our community and the people that have been directly and indirectly affected by the fires and Council are focused on this recovery process in addition to the ongoing unprecedented drought. Accordingly, the level of engagement Council could expect in such a short timeframe and the feedback from such engagement would be very limited, hence resulting in a statement that would be of very little value to our community.

Given these circumstances, I respectfully request that you reconsider your determination in this matter, for not only Port Macquarie-Hastings Council but all of the NSW Councils that have been affected by these horrific fires and allow our communities with an opportunity to recover. Without additional time and given the resolution of Council that staff must comply with, unfortunately I am unable to provide the additional information on the timeline requested by the Department to have the LSPS completed by July 2020.

pmhc.nsw.gov.au

Page 1

PORT MACQUARIE OFFICE
17 Burrawan Street, Port Macquarie NSW 2444
t 02 6581 8111 f 02 6581 8123

WAUCHOPE OFFICE
49 High Street, Wauchope NSW 2446
t 02 6589 6500

LAURIETON OFFICE
9 Laurie Street, Laurieton NSW 2443
t 02 6559 9958



A follow up report will be presented to the Ordinary Council Meeting scheduled on 19 February 2020 which will include the response to our request for an extension, seeking Council's determination in this matter. Once this has been further considered by the Council, I will then be able to provide an indicative timeline on the development of the LSPS for Port Macquarie - Hastings Council.

Yours sincerely

A handwritten signature in black ink, appearing to be "Jeffrey Sharp", written over the typed name.

Jeffrey Sharp
Director Strategy & Growth



**Planning,
Industry &
Environment**

Mr Craig Swift-McNair
General Manager
Port Macquarie-Hastings Council
PO Box 84
PORT MACQUARIE NSW 2444

Attention: Ms Melissa Watkins

PORT MACQUARIE HASTINGS	
TRIM No	CRM No
06 JAN 2020	
Keyword	
Activity	
Subject	
Folder DD032: 2019-00000006-001.	

MDPE19/3813

Dear Mr Swift-McNair

Thank you for your correspondence to the Hon. Rob Stokes MP, Minister for Planning and Public Spaces, seeking a 12-month extension for completion of Council's Local Strategic Planning Statement (LSPS). The Minister asked me to respond on his behalf.

I acknowledge Council's desire to integrate the development of its LSPS with a planned review and update of its Community Strategic Plan in 2020–21.

All regional councils are required to make their first LSPS before 1 July 2020, therefore an extension to the time frame is not approved. Council is encouraged to prioritise the completion of its LSPS to set out its land use planning vision, planning priorities and actions for the area.

It will be the role of the incoming Council to set the Community Strategic Plan, and it is open to Council to review and update the LSPS after the new Community Strategic Plan is prepared.

I note your letter raises issues with the LSPS program. I am aware that Council has been advised that:

- it remains the Department of Planning, Industry and Environment's view that the Port Macquarie-Hastings Urban Growth Management Strategy 2036 can form the substantial basis of the LSPS (should Council wish to take that approach);
- the Department has no formal endorsement process of Council's LSPS under the *Environmental Planning and Assessment Act 1979*;
- the Department has a range of resources to help Council prepare its LSPS (as outlined in my previous correspondence to Council); and
- the Department's regional team can help Council develop its LSPS, including considering agency advice and the key matters to be addressed.

I invite Council to contact the Department to discuss the progress of its LSPS and identify how the Department can assist. I also request that Council complete and return by 31 January 2020 the enclosed timeline setting out when key milestones will be achieved to make its first LSPS before 1 July 2020.

If you have any more questions, please contact Mr Jeremy Gray, Director, Northern Region, at the Department on 6643 6643.

Yours sincerely

Tim Hurst
Deputy Secretary, Local Government, Planning and Policy
Planning and Assessment
Encl: LSPS timeline template 19/12/19

320 Pitt Street Sydney NSW 2000 | GPO Box 39 Sydney NSW 2001 | planning.nsw.gov.au

Port Macquarie-Hastings Council

Timeline for preparing Council's LSPS

	Milestone	Expected completion date
1	Council endorsement of draft LSPS for public exhibition	
2	Commencement of public exhibition of draft LSPS	
3	End of public exhibition of draft LSPS	
4	Council endorsement of final LSPS	
5	Submission of final LSPS to DPIE for review and publication on the NSW Planning Portal	

2 Your Community Life

What we are trying to achieve

A healthy, inclusive and vibrant community.

What the result will be

We will have:

- Community hubs that provide access to services and social connections
- A safe, caring and connected community
- A healthy and active community that is supported by recreational infrastructure
- A strong community that is able to identify and address social issues
- Community participation in events, programs, festivals and activities

How we will get there

- 2.1 Create a community that feels safe
- 2.2 Advocate for social inclusion and fairness
- 2.3 Provide quality programs, community facilities and public spaces, for example, community halls, parks and vibrant town centres
- 2.4 Empower the community through encouraging active involvement in projects, volunteering and events
- 2.5 Promote a creative and culturally rich community

**Port Macquarie Croquet Club**

Buller Street, Port Macquarie NSW 2444 | PO BOX 1668 Port Macquarie
secretary@portmacquarietroquet.com.au | www.portmacquarietroquet.com.au

Patron Peta Pinson | President John Hincks | Secretary Bridget Earle

The General Manager,
Port Macquarie Hastings Council,
P.O. Box 84,
Port Macquarie 2444

cc Peta Pinson,
Mayor of Port Macquarie-Hastings Council.

10th January, 2020.

Dear Craig,

As a non-profit organisation, we have found that we are able to claim to have the fees reimbursed for the costs incurred from the two attached paid quotations (26544 and 25772).

The Croquet Club would be very grateful to have this financial help.

Thank you.

Yours sincerely,

Bridget E. Earle

Bridget Earle (Secretary)

25489.

PORT MACQUARIE HASTINGS	
TRIM No	CRM No
16 JAN 2020	
Keyword	
Activity	
Subject	
Folder SD 2019-5132-1	

PO Box 84
Cnr Lord & Burrawan Streets
PORT MACQUARIE NSW 2444
ABN 11 236 901 601
Phone +61 2 6581 8111
Fax +61 2 6581 8123
Email: dev.quotes@pmhc.nsw.gov.au

PO Box 84
Cnr Lord & Burrawan Streets
PORT MACQUARIE NSW 2444
ABN 11 236 901 601
Phone +61 2 6581 8111
Fax +61 2 6581 8123
Email: dev.quotes@pmhc.nsw.gov.au

Quotation

Date: 17/09/2019 11:24
Doc Ref: 2019090000 Terminal: 30/09/19
Port Macquarie Hastings Council
PO Box 84
Port Macquarie NSW 2444

Quote No.: 25772

stings Council

Quote Date: 19 September 2019
Expiry Date: 30 June 2020
Officer: Abby Nash

Details	Amount
GA - Microfilm/Scan	165.00
Arch. for Private St	174.00
Archive Fee	41.00
Total value:	380.00
Lodgement	
Charge	284.69

28469

2019-5132.1

Port Macquarie Hastings Council

Our free drop service.

e you must include a cheque made payable to the relevant agency eg, NSW
application documents. Refer to Council Fees and Charges for full details.
yable on all applications. Extra fees apply if supporting documents are
and digitised. Application documents can be provided on disk, USB or via

Fee Description	GST	Total
Archive Fee	\$0.00	\$41.00
Application Lodgement Fee	\$0.00	\$165.00
Section 68 Approval for Private Stormwater Works o	\$0.00	\$174.00
Total GST		\$0.00

QUOTE TOTAL:

\$380.00

Notes: This application may attract Development Contribution fees which are not included in this quotation. To determine if Development Contributions are payable contact a Contributions Planner at dev.contributions@pmhc.nsw.gov.au. This quotation has been prepared based on the information supplied by the customer. The advised cost of work is compared with industry Building Cost Indicators and if estimates are found to be inadequate or if new information is provided, Council reserves the right to alter fees.

Office Use Only:

Account Ref:

Date Paid: 19-9-19 Amount Rec'd: \$ 380.00
Receipting Officer: H.A. Receipt No. 5699335

Printed 11:21:34AM, 19/09/2019

Page 1 of 1



DRAFT CULTURAL STEERING GROUP CHARTER

Adopted: **Ordinary Council 2020 xx xx**

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1.0 OBJECTIVES

- Assist Council in the implementation and review of the Cultural Plan.
- Assist Council in monitoring the success of the Plan against established criteria.
- Engage with and provide input to Council on other Arts and Cultural matters which are relevant to the Local Government Area.
- Provide and receive two-way feedback from the community.

2.0 KEY FUNCTIONS

- The Cultural Steering Group will provide a forum in which Local Government and community leaders can discuss and debate, plan and progress local and regionally significant cultural and creative outcomes that continue the growth of our community and our places in the Port Macquarie Hastings Local Government Area.
- The Steering Group is to be an interactive group that provides a forum for developing the strategic community arts, culture and active spaces direction for the Local Government Area. The Steering Group is committed to collaboration, innovation and development of a 'whole-of-place' approach for the purpose of promoting community capacity building that will ensure the wellbeing of our community while developing a clear sense of and connection to our place.

3.0 MEMBERSHIP

3.1 Voting Members

- Councillors, Economic and Cultural Development Portfolio
- Director
- Group Manager Economic and Cultural Development
- Glasshouse Venue Manager
- Community representatives, as appointed by Council ([refer 3.5](#)).

3.2 Non-Voting Members

- Other members, including State and Federal Government representatives and specific constituent groups within various sectors may be invited to attend meetings or working groups on certain issues or to progress an agreed outcome, as approved by the Steering Group.

3.3 Obligations of Members

- Commit to working towards advancement of the cultural endeavours within the Local Government Area.
- Act honestly and in good faith.
- Act impartially at all times.
- Participate actively in the work of the Steering Group.
- Exercise the care, diligence and skill that would be expected of a reasonable person in comparable circumstances.
- Comply with this Charter document at all times.

- Facilitate and encourage community engagement with Steering Group and Council initiatives to support good cultural outcomes for our community.
- As per Section 226 (c) of the NSW Local Government Act 1993, the Mayor is the principal spokesperson for the governing body and Councillors that are members of a Steering Group are to obtain the Mayor's agreement to make media and other statements. Further, only the Mayor, or a Councillor with the Mayor's agreement and otherwise in accordance with Council policies and procedures, may release Council information through media statements or otherwise, and the release of such information must be lawful under the Council adopted Code of Conduct. Council officers that are members of Steering Groups are bound by the existing operational delegations in relation to speaking to the media.
- A Councillor as a member of a Steering Group or the Steering Group itself has no delegation or authority to make decisions on behalf of Council, nor to direct the business of Council. The only decision making power open to Councillors is through formal resolutions of Council.
- A Councillor as a member of a Steering Group or the Steering Group itself cannot direct staff and must abide by the decisions of Council and the policies of Council.
- Councillors, Council staff and members of this Steering Group must comply with the applicable provisions of Council's Code of Conduct in carrying out the functions as Council officials. It is the personal responsibility of Council officials to comply with the standards in the Code of Conduct and regularly review their personal circumstances with this in mind.

3.4 Member Tenure

- Steering Group members will serve for a period of two (2) years after which Council will call expressions of interest for the next two (2) year period. Existing Steering Group members will be eligible to re-apply for a position and serve additional terms. Any changes in the composition of the Steering Group require the approval of Council.

3.5 Appointment of Members

- A formal Expression of Interest process will be undertaken across the Local Government Area as a way of determining the independent representatives on the Steering Group. Members of the Steering Group will be representative of cultural interests across the Local Government Area rather than a single issue. The members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the cultural and community sectors in the Port Macquarie Hastings region. Applications from individuals and representatives from interest groups, as shown below in no particular order, and who meet the selection criteria will be encouraged;

- [Birpai Local Aboriginal Land Council](#)
- [Bunyah Local Aboriginal Land Council](#)
- [Local creative industries](#)
- [Local Arts Groups](#)
- [Local Heritage Groups](#)
- [Greater Port Macquarie Tourism Association](#)
- [Education Institutions](#)

- Where practicable the membership will represent the geographical spread of the Port Macquarie-Hastings Local Government Area, and a diverse range of cultural, gender and age groups.
- Council, by resolution duly passed, will appoint members to the Steering Group.

4.0 TIMETABLE OF MEETINGS

- Meetings will be held monthly (or more regularly if required). Meetings will generally be held at the main administration office of Port Macquarie-Hastings Council.

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5.0 MEETING PRACTICES**5.1 Decision Making**

- Recommendations of the Steering Group shall be by majority of the members present at each Meeting and each member shall have one (1) vote.
- The Chairperson shall not have a casting vote.
- In the event of an equality of votes on any matter, the matter shall be referred directly to Council's Executive Group and then to Council.
- Recommendations from the Steering Group are to be made through the General Manager or the relevant Director, who will determine under delegation, the process for implementation.
- The Steering Group has no delegation to allocate funding on behalf of Council. The Steering Group may make recommendations to Council about how funding should be spent in relation to the above-mentioned objectives, however those funds will only be applied and expended following a formal resolution of Council.
- The Steering Group may establish working groups to support actions and activities within the strategies or to assist in the delivery of projects and events as deemed appropriate. All projects are to be aligned with Council's suite of Integrated Planning and Reporting documents.

5.2 Quorum

- A quorum must include a minimum of one (1) Councillor or one (1) Council Executive staff member being present. The quorum for the Steering Group will be met if half of the members plus one are present.

5.3 Chairperson and Deputy Chairperson

- The Chairperson shall be the Councillor, Chair Economic and Cultural Development Portfolio.
- The Deputy Chair shall be the Councillor, Alternate Chair Economic and Cultural Development Portfolio.
- At all Meetings of the Steering Group, the Chairperson shall occupy the Chair and preside. In the absence of the Chairperson and Deputy Chair, as the Steering Group's first item of business, the Steering Group shall elect one of its members to preside at the Meeting (elected chair must be a Council representative).

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5.4 Secretariat

- The Director is to be responsible for ensuring that the Steering Group has adequate secretariat support. The secretariat will ensure that the business paper and supporting papers are circulated at least three (3) days prior to each meeting. Minutes shall be appropriately approved and circulated to each member within three (3) weeks of a meeting being held.
- All Steering Group agendas and minutes will be made available to the public via Council's web site, unless otherwise restricted by legislation.

5.5 Recording of explicit discussions on risks

- The Secretariat shall record all discussions that relate to risks.

6.0 CONVENING OF "OUTCOME SPECIFIC" WORKING GROUPS

- The Steering Group can at times request a working group to be convened, for a limited period of time, for a specific action, these specifics will be minuted clearly. The working group will report back to the Steering Group with outcomes.
- These Working Groups, may include, but not limited to:

- Australia Day - To stimulate a public awareness and recognition of Australia Day and Australia Day Awards.
- Handa Sister City - To further and implement the ideals of the relationship established in the sister city arrangement.
- Any working groups established under this Steering Group will be responsible for providing updates to the Group. The working groups will be an informal gathering with notes collected and managed by the senior staff member in attendance and will be tabled at the Steering Group meetings.

Deleted: <#>Aboriginal Advisory Group - to assist with the delivery of the Aboriginal portfolio of programs and activities and the ongoing implementation of the Aboriginal Awareness and Understanding Strategy.¶
<#>Youth Advisory Council - to develop a voice for our youth in Council and the Community.¶

7.0 CONFIDENTIALITY AND CONFLICT OF INTEREST

- Any independent members of the Steering Group will be required to complete a confidentiality agreement that will cover the period of their membership of the Steering Group.
- Steering Group members must declare any conflict of interests at the start of each meeting or before discussion of a relevant item or topic. Details of any conflicts of interest should be appropriately minuted.
- Where members or invitees at Steering Group meetings are deemed to have a real or perceived conflict of interest, it may be appropriate that they be excused from Steering Group deliberations on the issue where the conflict of interest may exist.

Attachment 1: Handa-Port Macquarie Sister City Activity Summary (1990-2019)

Activities undertaken under the Sister City Agreement include:

- Visits to Port Macquarie by members of the Handa Junior Chamber of Commerce (Jaycees) to facilitate cultural exchange and trade/commerce promotion activities
- Cultural exchanges/tours undertaken by the Hastings Koala Orchestra and reciprocally the Handa Junior Brass Band (alternate years)
- Cultural/Educational tours undertaken by Handa Higashi Senior High School with over 320 students having participated in the annual study tour to Port Macquarie since the Agreement has been in place.
- Several Trips to Handa undertaken by Students from Port Macquarie High Schools, undertaking Japanese language and culture studies (prior to 2008)
- Other cultural exchanges coordinated by the Handa International Association
- Hosting of delegations from Handa City including several visits by Mayors and City Hall officials from Handa City.
- The dedication of the park reserve at Settlement Point, Port Macquarie as "Sister City Park".
- Commemoration of the 10th Anniversary of the Sister City Agreement through the planting of cherry trees gifted to the people of Port Macquarie by Handa City Council, and the placement of a plaque in recognition of this at Kooloonbung Creek Reserve.

There have also be additional benefits identified as:

- The Koala Hospital received a direct personal donation by Mr Koichi Yamada, former Mayor of Handa City Council of \$30,000.00.
- Mr Futamura (introduced to Port Macquarie via the Sister City relationship) purchased of "Sails Resort" (formally Pelican Shores) and a house for his staff in River Park Road. Whilst these properties have since been on-sold, at the time they contributed via investment in refurbishments, employment of local staff, operating expenditure using local suppliers, etc.
- Japan is now Cassegrain Wine's top export market.
- Visit to Port Macquarie-Hastings by Mr Nakano, CEO of Mizkan Vinegar Group (Headquarters located in Handa). Mizkan Vinegar now export their products worldwide and is available in supermarkets in Port Macquarie.
- Injection of funds to local travel agents and associated businesses through the bi-annual visit to Handa by the Hastings Koala Orchestra and reciprocal visit by the Handa Brass Band.
- The Memorandum of Understanding between Nihon Fukushi University in Handa and Charles Sturt University – PMQ Campus was signed in December 2017.