

Ordinary Meeting

Meeting Date: Monday, 25 January, 2021

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

Attachments (Under Separate Cover)

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PLANT SCHEDULE

| Code | Latin Name (Common Name - Mature Height) | Qty | Size | State |
|------|--|-----|----------|-------|
| B | Banksia integrifolia (Heath banksia - 8m) | 10 | 35 litre | yes |
| E | Eucalyptus tereticornis (Bongai - 12m) | 2 | 35 litre | yes |
| M | Moronea sparsa (Broad leaved paper bark - 10m) | 10 | 35 litre | yes |

LEGEND

- turf
- Excavate if grade at areas to be turfed to 100mm below required finished levels. Do not excavate within 1000mm of the trunk of any existing tree to be retained. Ensure that all surface water runoff is directed towards wet pits, kerbs, etc. and away from buildings. Ensure that no ponding will occur. Rip the subgrade to 100mm level 100mm depth of exported topsoil. Just prior to spreading the turf, spread 'Starry's No. 17 bone fertiliser' over the topsoil at the recommended rate. Lay 'Starry's' turf rolls closely butted. Fill and seal gaps with topsoil. Water thoroughly.
- proposed tree planting

DATE: 17/09/20
AWARD: 17/09/20
ISSUE: 1

rfa
landscape architects

PROJECT:
PROPOSED DOG PARK
THURGATE OVAL
Bolong Road
BOMADERRY

Client:
Bomaderry Community Inc

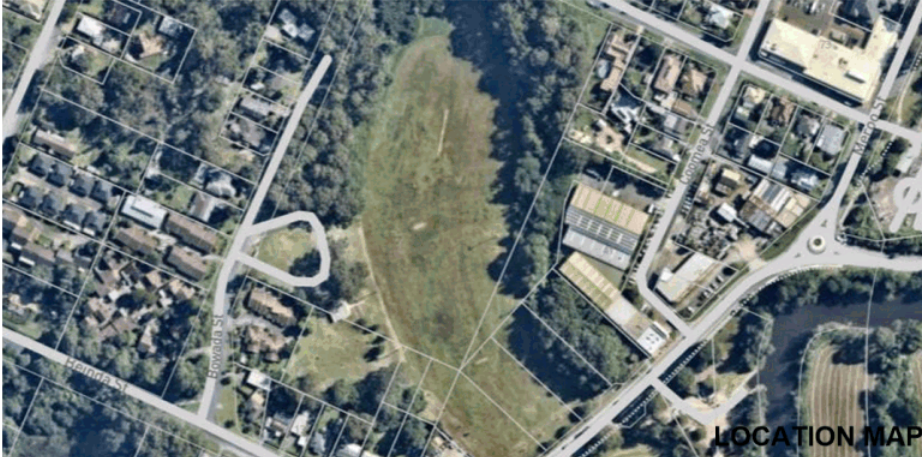
Drawing Title:
LANDSCAPE PLAN

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| Drawn: DA | Scale: 1:100 @ A1 | Sheet No: 1 | Sheet Total: 1 |
| Drawn: HK | Scale: 1:100 @ A1 | Sheet No: 1 | Sheet Total: 1 |
| Drawn: RF | Scale: 1:100 @ A1 | Sheet No: 1 | Sheet Total: 1 |

Project No: 46218 L-01

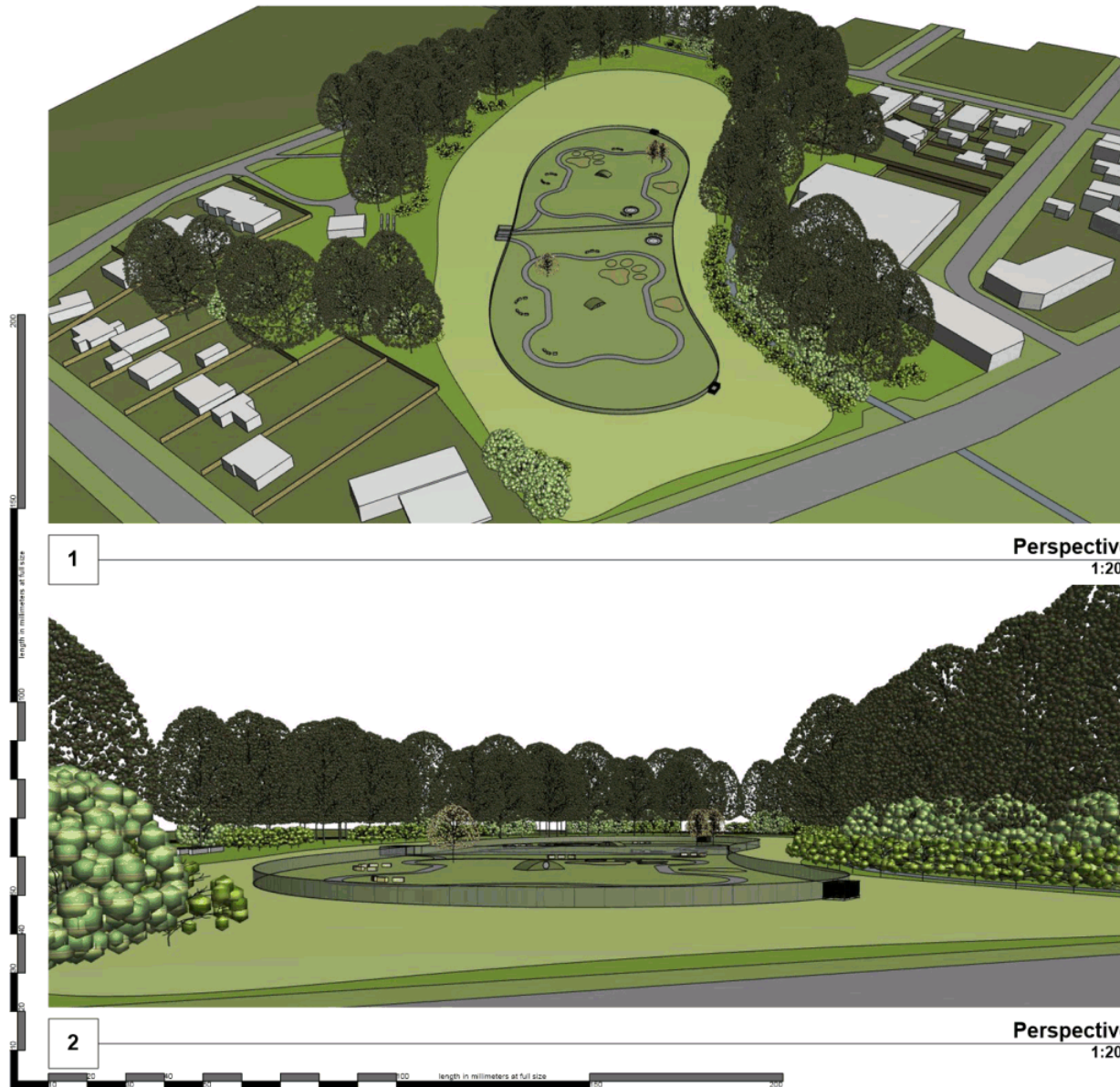


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|--|------------|--|
| Proposed Dog Park | SK | po box 396, camden, nsw, 2570 t: +61 412 700 510 e: info@btadesign.com.au 31 meroo street, bomaderry, nsw 2541 australia |
| Thurgate Oval, Bolong Road, Bomaderry, NSW, 2541 | Issue C | |
| Shoalhaven City Council | 2020-005 | |
| Bomaderry Community Inc | 17/09/2020 | |



LOCATION MAP

brett taylor + associates
 residential | industrial | commercial



| RevID | ID | Revision | Date |
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| C | SK | Preliminary Sketch | 04.09.20 |
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NORTH

bta

Proposed Dog Park

Thurgate Oval, Balong Road
Bomaderry NSW
2541

Bomaderry Community Inc.

brett taylor + associates

residential | industrial | commercial

po box 356 camden nsw 2570

81 meroo street, bomaderry, nsw 2541 australia

info@btaesign.com.au | +61 412 700 610

All dimensions and floor levels are to be verified by the Designer prior to construction of the building work.
Any discrepancy will be the responsibility of the Designer.
Clients agree that any appearance of the Designer's work is for informational purposes only and does not constitute a contract.
All drawings are the property of the Designer and are not to be reproduced or used in any way without the written consent of the Designer.
All drawings are to be based on the information provided by the Client and are not to be used for any other purpose.
If necessary, the Designer will be responsible for any and all costs incurred in the production of the drawings.

PERSPECTIVE VIEWS

Viewing Number: A02

Project No: 2020-005

Date: 17/09/2020

Drawn by: SK

Checked by: BT

Approved by: BT

Scale: as noted

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| RevID | ID | Revision | Date |
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| C | SK | Preliminary Sketch | 04.09.20 |
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NORTH

bta

Proposed Dog Park

Thurgate Oval, Bolong Road
Bomaderry, NSW
2541

Bomaderry Community Inc.

brett taylor + associates

residential | industrial | commercial

po box 356 camden nsw 2570
81 meroo street, bomaderry, nsw 2541 australia

info@btadesign.com.au | +61 412 700 610

All dimensions and floor levels are to be verified by the Designer prior to construction of the building works.
Any discrepancies are to be brought to the attention of the Designer.
Clients should ensure appropriate permits are obtained from relevant authorities.
Signed Documents must be taken to a professional to stamp.
All boundary statements must be verified by the Designer prior to the commencement of any building works.
All engineering drawings are required to be signed and dated by the Designer.
Documents to be submitted to Council's representatives and relevant authorities.
All documents to be signed and verified by the Designer with relevant authorities before any building work commences.
If copyright, the design and the associated documents are subject to copyright laws and may be the confidential or any other matter under applicable laws and rules in Australia.

CONCEPT SITE PLAN

Design Number: **A04**

Project No: **2020-005**

Client: **BT**

Designer: **BT**

Date: **17/09/2020**

Scale: **SK**

Status: **as noted**



| RevID | ID | Revision | Date |
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Bomaderry NSW
2541

Bomaderry Community Inc.

brett taylor + associates

residential | industrial | commercial

po box 356 camden nsw 2570
81 meros street, bomaderry, nsw 2541 australia

info@btadesign.com.au | +61 412 700 610

All dimensions and floor areas are to be verified by the Designer prior to construction of any building work.
Any development and its location is the responsibility of the Designer.
Clients should ensure appropriate permits are obtained from relevant authorities.
Proposed boundaries must be taken in accordance to existing.
All boundaries shown must be verified by the Designer prior to the commencement of any building work.
All existing structures shown are to be removed (unless noted otherwise).
Boundaries to be shown and verified by the Designer prior to construction and completion of the building.
All dimensions to be shown and verified by the Designer prior to construction and completion of the building.
All dimensions to be shown and verified by the Designer prior to construction and completion of the building.
All dimensions to be shown and verified by the Designer prior to construction and completion of the building.

OVERALL SITE PLAN

Design Number: **A05**

Project No: **2020-005**

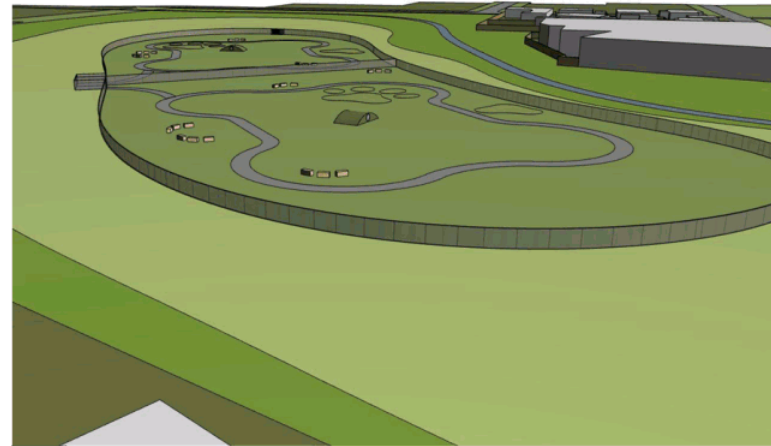
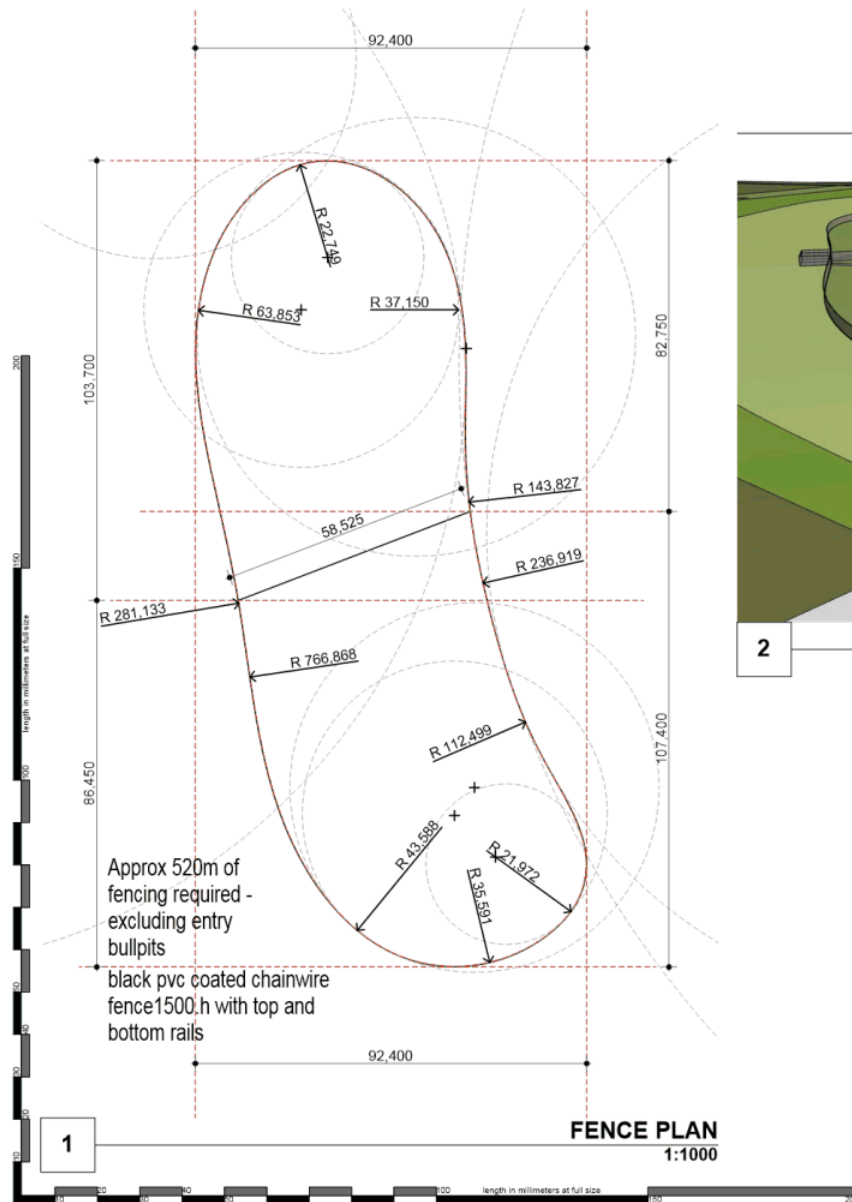
Date: **17/09/2020**

Drawn by: **SK**

Checked by: **BT**

As noted





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Bomaderry NSW
2541

Bomaderry Community Inc.

brett taylor + associates

residential | industrial | commercial

po box 356 camden nsw 2570

51 meros street, bomaderry, nsw 2541 australia

info@btadesign.com.au | +61 412 700 610

All dimensions and floor levels are to be verified by the builder prior to commencement of the building work.
Any discrepancies are to be brought to the attention of the designer.
Clients agree that any variations or amendments are to be made in writing.
Signed documents must be taken in person to the designer.
All building documents must be verified by the designer prior to the commencement of any building work.
After construction, changes are required to be made to the design prior to the commencement of any building work.
Documents to be submitted to the designer's requirements and standards. The designer's requirements and standards are to be followed.
All documents to be signed and verified by the designer prior to commencement of the building work.
If copyright, the design and the associated documents are subject to copyright laws and may not be reproduced or any other matter without written consent from the designer.

FENCE PLAN

Design Number: A07

Project No: 2020-005

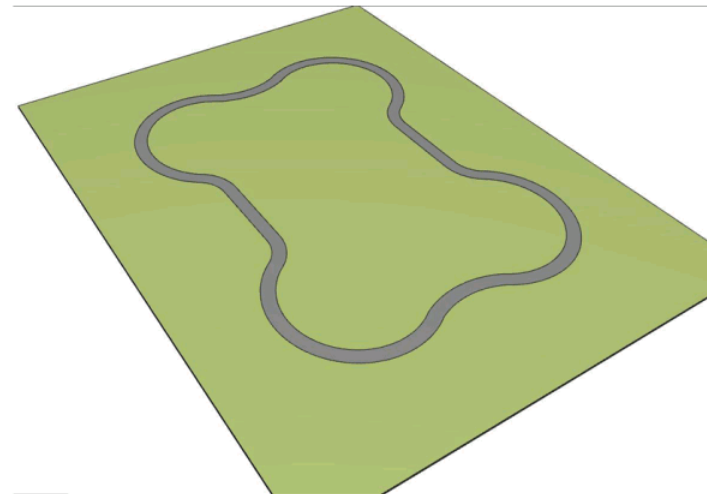
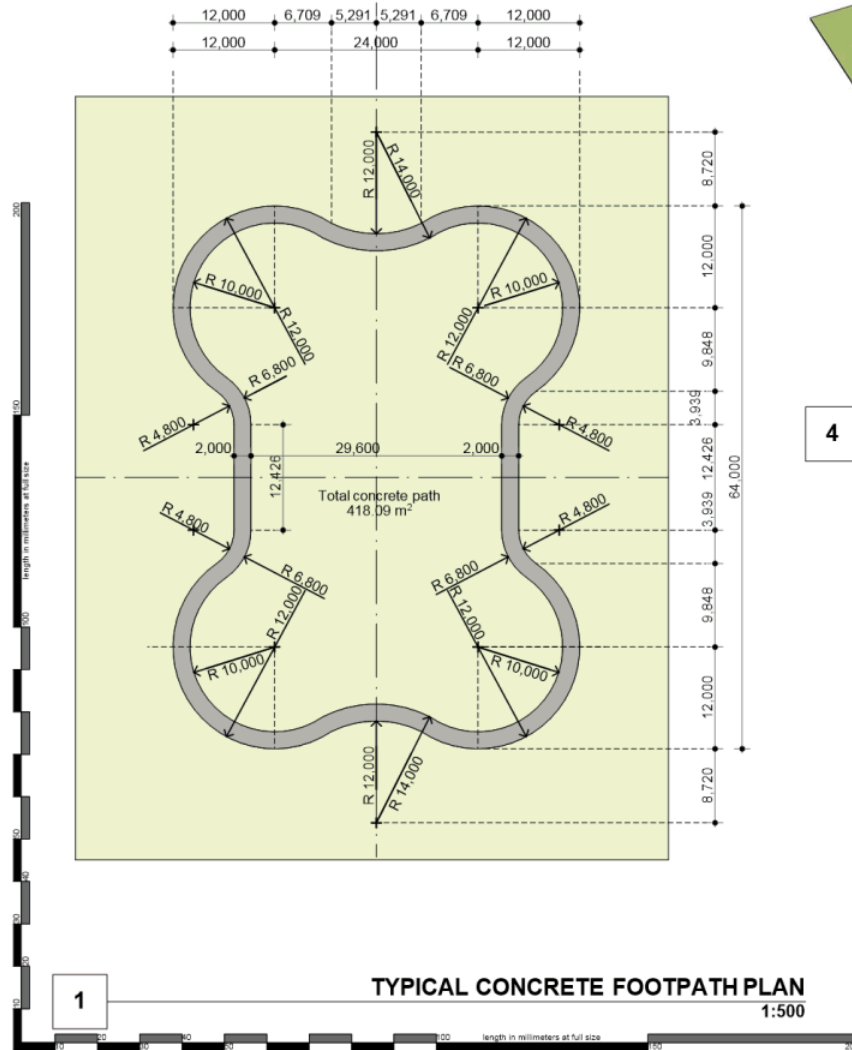
Date: 17/09/2020

Author: SK

Check: BT

Drawn: BT

Scale: as noted



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FOOTPATH PERSPECTIVE

| RevID | ID | Revision | Date |
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2541

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brett taylor + associates

residential | industrial | commercial

po box 356 camden nsw 2570

81 meros street, bomaderry, nsw 2541 australia

info@bttadesign.com.au | +61 412 700 610

All dimensions and floor levels are to be verified by the Designer prior to construction of the building works.
Any discrepancies are to be brought to the attention of the Designer.
Clients should ensure appropriate permits are obtained prior to construction.
Signed Documents must be taken in accordance to the relevant planning and building laws.
All building documents must be verified by the relevant planning and building laws.
All construction drawings are required to be signed and dated by the Designer.
Documents to be submitted to Council's requirements and standards. Bttadesign.
All documents to be issued and verified by the Designer with relevant authorities before any building work commences.
If copyright, the design and the associated documents are subject to copyright laws and may not be reproduced or any form without written consent from bttadesign.com.au.

FOOTPATH PLAN

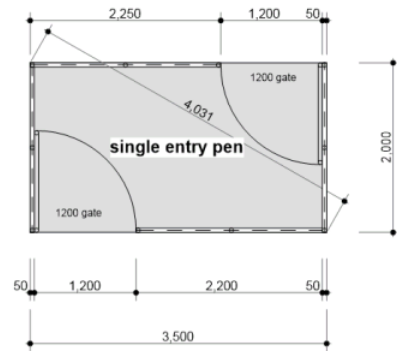
Drawing Number: A08

Project No: 2020-005

Client: BT

Designer: BT

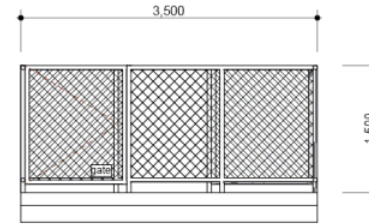
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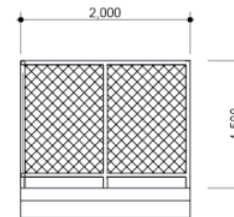
1 SINGLE ENTRY PEN PLAN
1:50



2 SINGLE ENTRY PEN PERSPECTIVE



3 SINGLE ENTRY PEN ELEVATION 1
1:50



4 SINGLE ENTRY PEN ELEVATION 2
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brett taylor + associates

residential | industrial | commercial

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81 meros street, bomaderry, nsw 2541 australia

info@btadesign.com.au | +61 412 700 610

All dimensions and floor areas are to be verified by the builder prior to commencement of any building work.
Any discrepancies are to be brought to the attention of the designer.
Clients should ensure all requirements are accompanied by relevant documents.
Signed documents must be taken to a professional for sealing.
All building documents must be sealed by the relevant person to the satisfaction of all building parties.
After completion, drawings are required to be sealed and dated prior to the building.
Drawings are to be stamped and sealed by the builder with relevant signatures and dates.
All drawings to be sealed and verified by the builder with relevant signatures and dates.
If copyright, the design and the associated documents are subject to copyright laws and may not be reproduced or any part thereof without written consent from bta + associates.

SINGLE ENTRY PEN PLAN

Drawing Number: A09

Project No: 2020-005

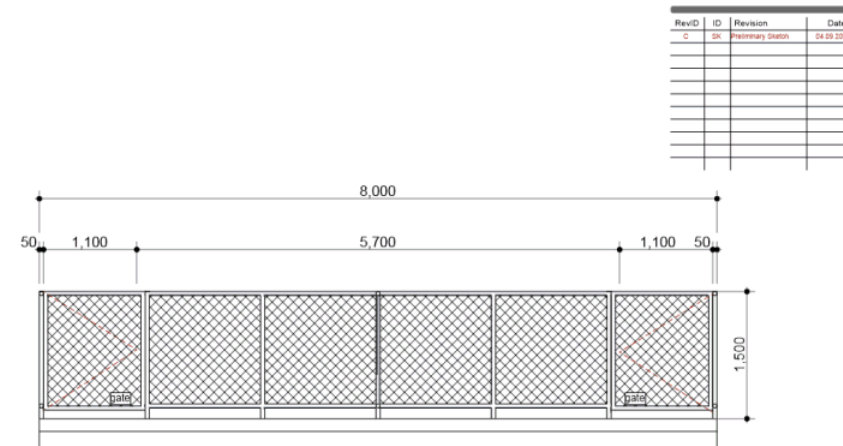
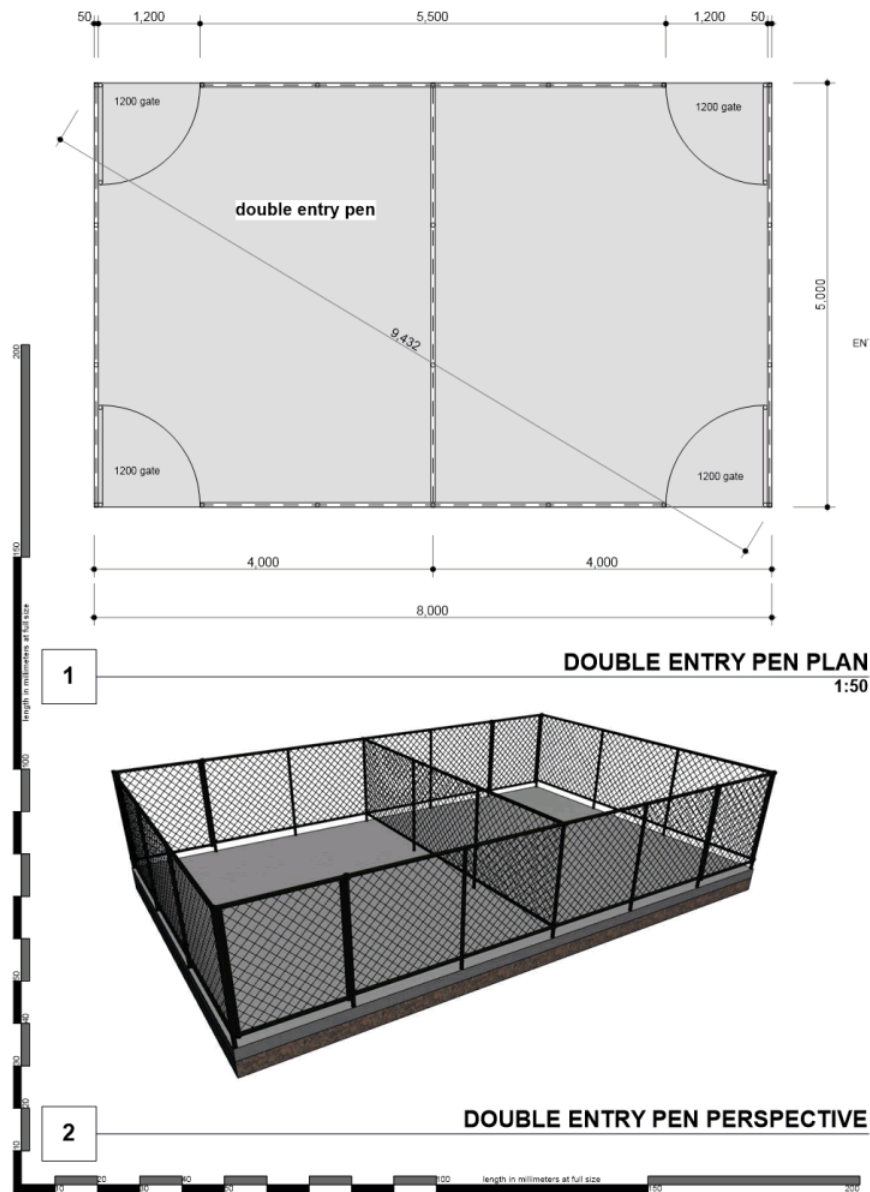
Client: BT

Designer: BT

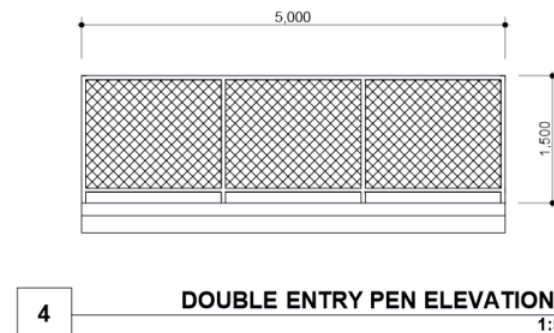
Date: 17/09/2020

Scale: SK

Status: as noted



3 **DOUBLE ENTRY PEN ELEVATION 1 1:50**



4 **DOUBLE ENTRY PEN ELEVATION 2 1:50**

| RevID | ID | Revision | Date |
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NORTH

bta

Proposed Dog Park

Thurgate Oval, Balong Road
Bomaderry NSW
2541

Bomaderry Community Inc.

brett taylor + associates

residential | commercial | civil/landscape

po box 356 camden nsw 2570

81 meros street, bomaderry, nsw 2541 australia

info@btadesign.com.au | +61 412 700 610

All documents and drawings are to be verified by the Designer prior to construction of any building work.
Any alterations are to be brought to the attention of the Designer.
Clients agree an agreement prior to construction of any building work.
If the Designer is to be engaged to provide a professional service, the Designer must be engaged prior to construction of any building work.
All building work must be completed by the Designer prior to the commencement of any building work.
All building work must be completed by the Designer prior to the commencement of any building work.
All building work must be completed by the Designer prior to the commencement of any building work.
All building work must be completed by the Designer prior to the commencement of any building work.

DOUBLE ENTRY PEN PLAN

Drawing Number: A10

Project No: 2020-005

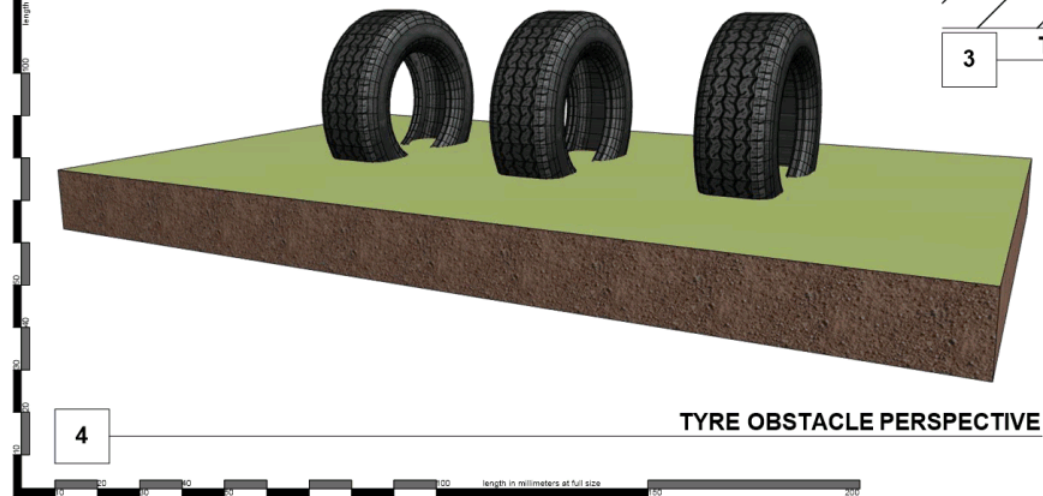
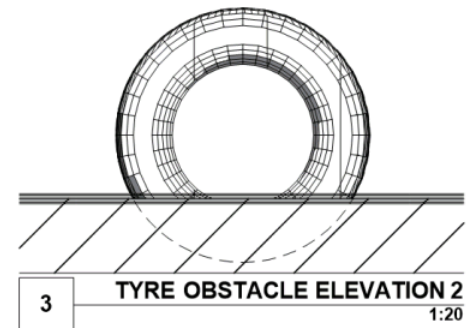
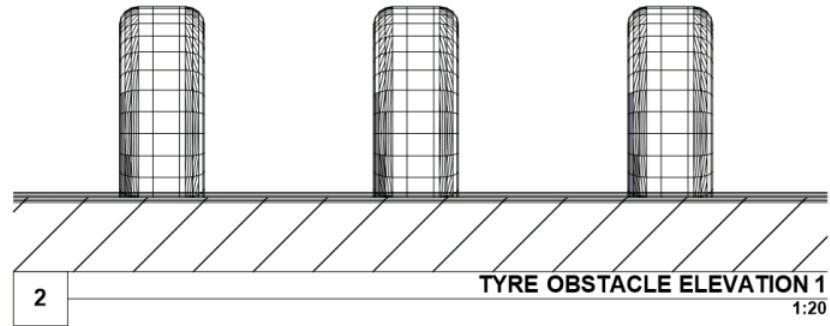
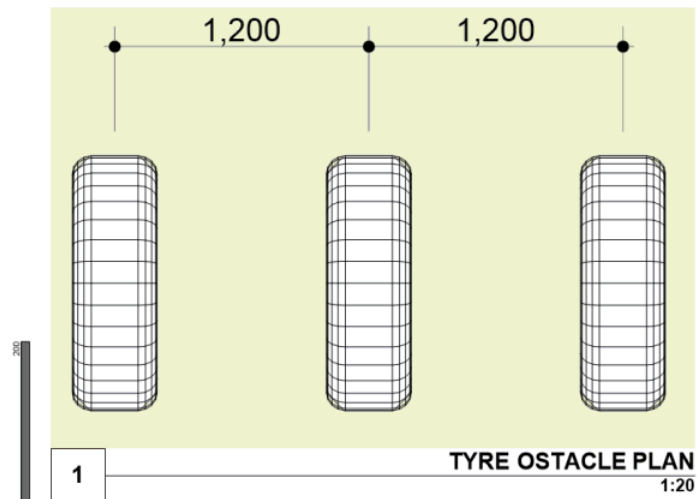
Client: BT

Designer: BT

Date: 17/09/2020

Scale: SK

Status: as noted



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NORTH

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Proposed Dog Park

Thurgate Oval, Balong Road
Bomaderry NSW
2541

Bomaderry Community Inc.

brett taylor + associates

res. design | landscape | planning

po box 356 camden nsw 2570

81 meroo street, bomaderry, nsw 2541 australia

info@btadesign.com.au | +61 412 700 610

All dimensions and floor areas are to be verified by the builder prior to commencement of any building work.
Any discrepancies are to be brought to the attention of the designer.
Clients should ensure all requirements are accompanied by relevant documents.
Signed documents must be taken to a public notice to sealing.
All building documents must be verified by the relevant authority prior to the commencement of any building work.
After commencing, changes are required to be made to the design prior to the building.
Dimensions to be determined by the builder's measurements and verified by the designer.
All dimensions to be based and verified by the builder with relevant authorities unless otherwise stated.
If copyright, the design and the associated documents are subject to copyright laws and may not be reproduced or any part thereof without written permission from the designer.

TYRE Ostacle PLAN

Drawing Number: **A11**

Project No: **2020-005**

Client: **BT**

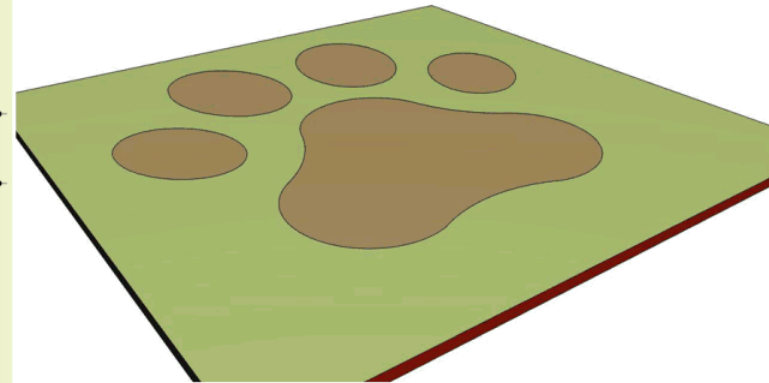
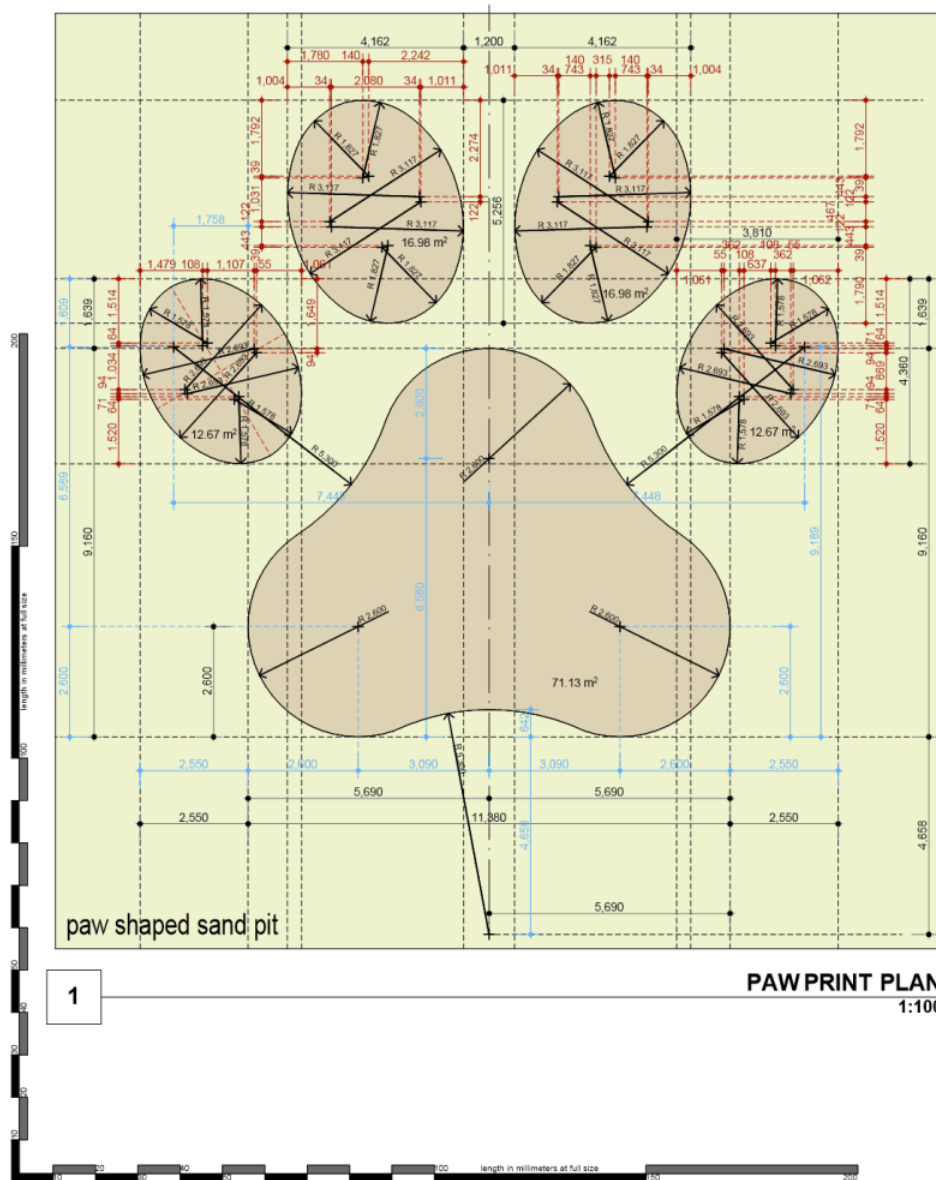
Designer: **BT**

Date: **17/09/2020**

Scale: **SK**

Drawn: **BT**

Check: **BT**



PAW PERSPECTIVE

NORTH

bta

Proposed Dog Park

Thurgate Oval, Balong Road
Bomaderry NSW
2541

Bomaderry Community Inc.

brett taylor + associates

residential | industrial | commercial

po box 356 camden nsw 2570

81 meroo street, bomaderry, nsw 2541 australia

info@bttadesign.com.au | +61 412 700 610

All dimensions and floor levels are verified by the Designer prior to construction of the building work.
Any discrepancies are to be brought to the attention of the Designer.
Clients should ensure all requirements are accompanied by relevant permits.
Signed Documents must be taken in accordance to planning.
All boundary dimensions must be verified by the Designer prior to the commencement of any building work.
All existing structures are to be removed (both total and partial) prior to building.
Structures to be demolished in accordance to the Designer's requirements and suitable for reuse.
All structures to be located and verified by the Designer with relevant authorities before any building work commences.
If copyright, the design and the associated documents are subject to copyright laws and may not be reproduced or any form without written permission from the Designer.

SAND PIT DETAILS

Design Number: A12

Project No: 2020-005

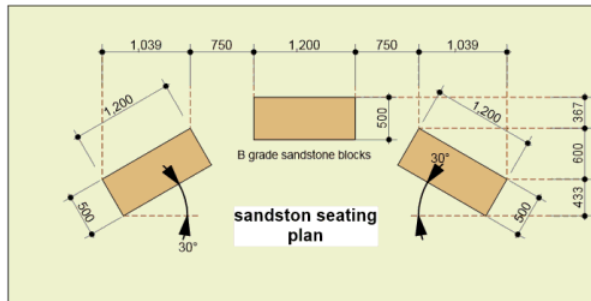
Client: BT

Designer: BT

Date: 17/09/2020

Scale: SK

Status: as noted

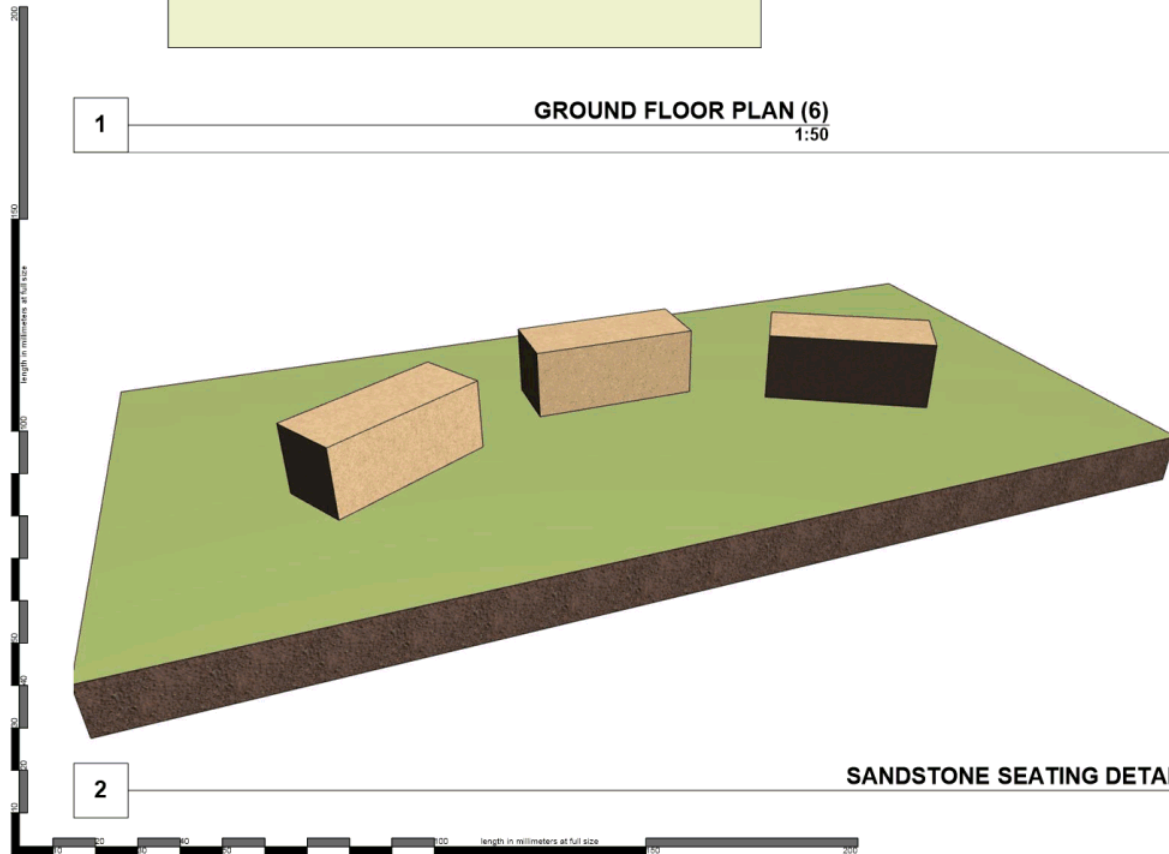


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NOTE:
PLUMBER/DRAINER TO VERIFY ALL DIMENSIONS PRIOR TO POSITIONING ALL UNDERSLAB POINTS. MEASUREMENTS MAY VARY. FLOOR WASTE FIXTURES TO BE POSITIONED AT THE TIME OF CONSTRUCTION.

TERMITE PROTECTION:
TERMITE PROTECTION SYSTEM TO BE INSTALLED IN ACCORDANCE WITH AS.3600.1-2000

1 **GROUND FLOOR PLAN (6)**
1:50



2 **SANDSTONE SEATING DETAIL**

NORTH

bta

Proposed Dog Park

Thurgate Oval, Balong Road
Bomaderry NSW
2541

Bomaderry Community Inc.

brett taylor + associates

11/11/2020 11/11/2020 11/11/2020

PO BOX 356 CAMDEN NSW 2570

81 Meroo Street, Bomaderry, NSW 2541 Australia

info@bta.com.au +61 412 700 610

All dimensions and floor levels are to be verified by the Designer prior to construction of any building work.
Any discrepancies are to be brought to the attention of the Designer.
Clients should ensure appropriate prior arrangements for construction.
Signed documents must be taken to the site for verification of details.
All building documents must be verified by the Designer prior to the commencement of any building work.
After construction, changes are required to be made to the design.
Documents to be submitted to the Designer's requirements and standards. (bta.com.au)
All documents to be issued and verified by the Designer with relevant authorities under any building work conditions.
If copyright, the design and the associated documents are subject to copyright laws and may not be reproduced or any other matter without written permission from bta.com.au.

SANDSTONE DETAIL

Detail Number: A13

Project No: 2020-005

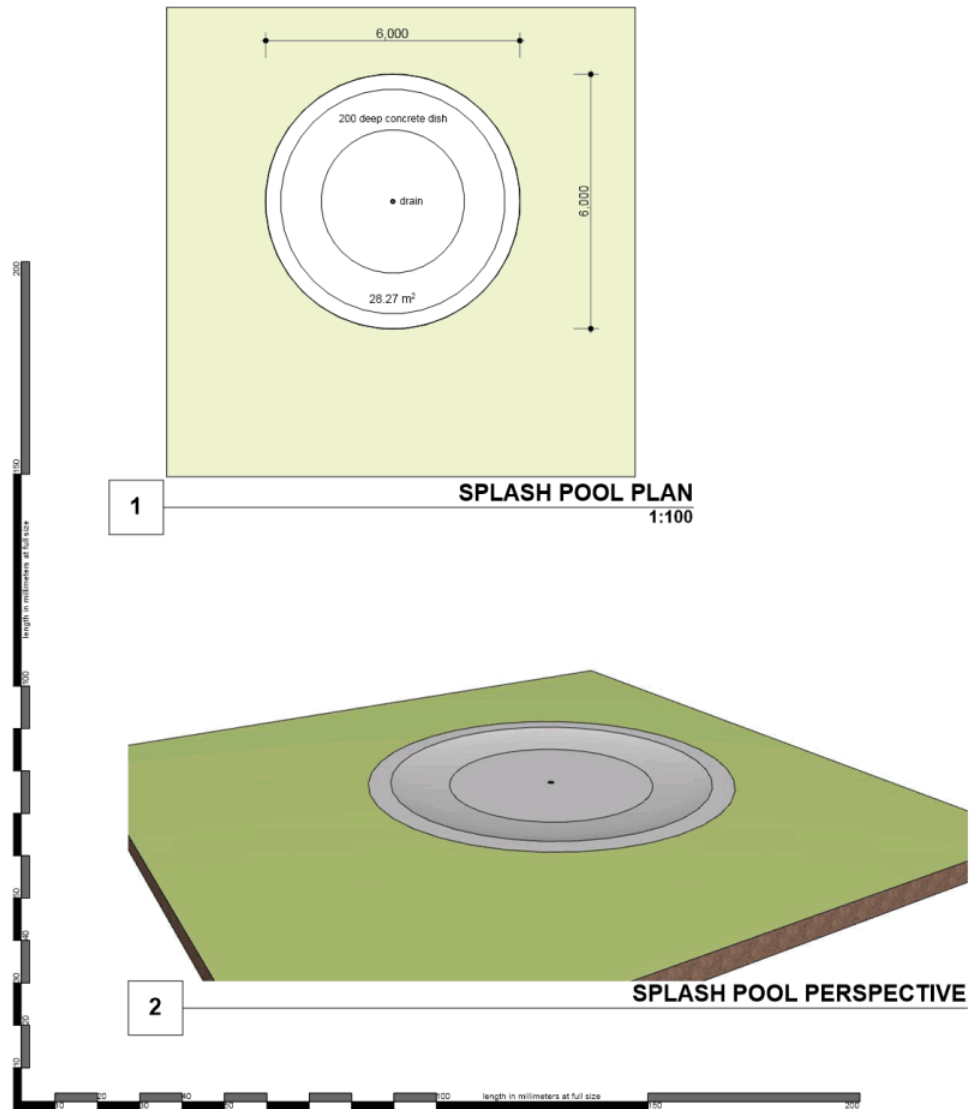
Client: BT

Designer: BT

Date: 17/09/2020

Scale: SK

Size: 25x150mm



| RevID | ID | Revision | Date |
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residential | industrial | commercial

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info@btadesign.com.au | +61 412 700 610

All documents and drawings are to be verified by the Designer prior to commencement of any building work.
Any discrepancies are to be brought to the attention of the Designer.
Clients agree to accept responsibility for any errors or omissions.
Signed Documents must be taken in person to the Designer.
All building documents must be verified by the Designer prior to the commencement of any building work.
After completion, drawings are required to be signed and dated by the Designer.
Documents to be submitted to Council's requirements and standards. BOMADERRY.
All documents to be signed and verified by the Designer with relevant authorities before any building work commences.
If copyright, the design and the associated documents are subject to copyright laws and may be reproduced or any other matter without written consent from bta + associates.

SPLASH POOL

Design Number: **A14**

Project No: **2020-005**

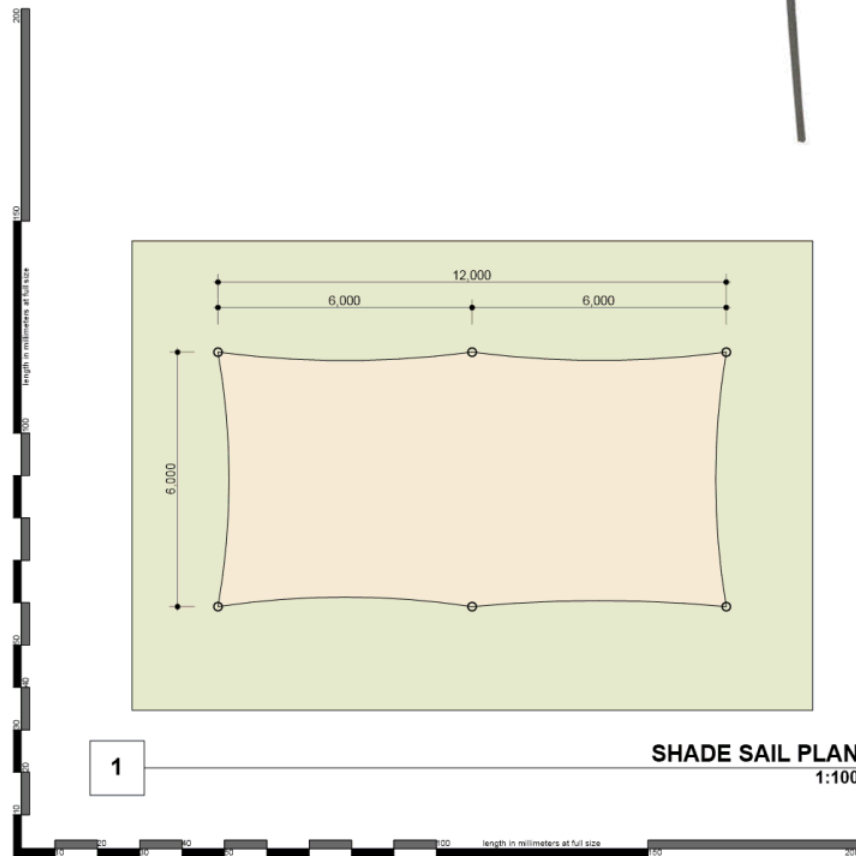
Client: **BT**

Designer: **BT**

Date: **17/09/2020**

Scale: **SK**

Status: **as noted**



| RevID | ID | Revision | Date |
|-------|----|--------------------|----------|
| C | SK | Preliminary Sketch | 04.09.20 |
| | | | |
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| | | | |
| | | | |

NORTH

bta

Proposed Dog Park

Thurgate Oval, Balong Road
Bomaderry NSW
2541

Bomaderry Community Inc.

brett taylor + associates

residential | industrial | commercial

po box 356 camden nsw 2570
81 meroo street, bomaderry, nsw 2541 australia

info@btadesign.com.au | +61 412 700 610

All dimensions and floor areas are to be verified by the builder prior to construction of any building work.
Any discrepancies are to be brought to the attention of the designer.
Clients should ensure appropriate permits are obtained prior to construction.
Signed documents must be taken in accordance to building.
All building documents must be verified by the builder prior to the commencement of any building work.
After construction, drawings are required to be signed and dated by the builder.
Drawings to be signed and dated by the builder with relevant authorities and building work contractors.
All documents to be signed and dated by the builder with relevant authorities and building work contractors.
If copyright, the design and the associated documents are subject to copyright laws and may not be reproduced or any other matter without written consent from bta + associates.

SHADE SAIL DETAILS

Shading System: **A15**

Project No: **2020-005**

Client: **BT**

Design: **BT**

Rev: **SK**

Rev: **as noted**



CL21.3 - Attachment 2

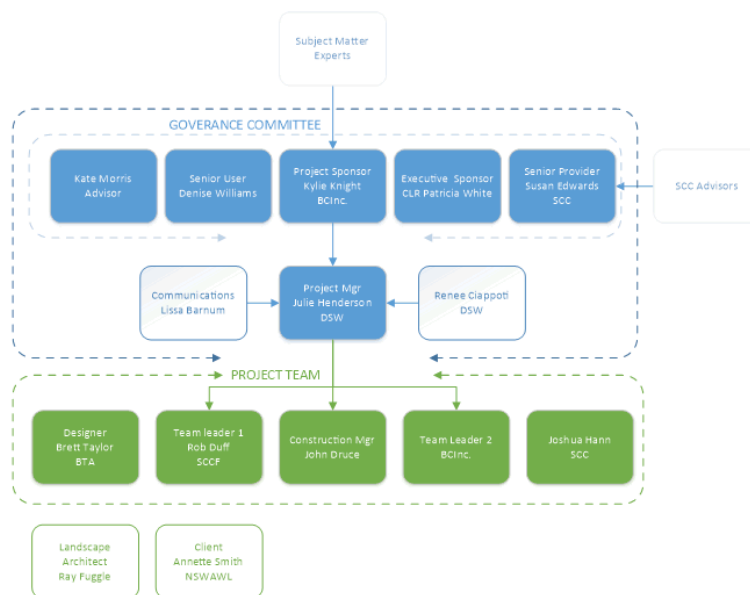
Introduction

This document outlines Project governance for the BOMADERRY COMMUNITY OFF-LEASH DOG PARK - The Bomo Dog Bowl.
It provides a summary on roles, responsibilities and accountabilities.
Furthermore, it defines decision-making procedures and metrics for validating impacts to the project.

Included in this document:

- The Project Governance & Project Team framework
- Roles and responsibilities of key stakeholders for both Governance and Project Team
- Stakeholder engagement and communication procedures for the project
- Governance and Project team Meeting schedule
- Governance and Project Team reporting process
- Risk & Change management procedures

Governance & Project Team Framework



Roles and Responsibilities

The Governance Committee

Primary Functions

The primary function of the Governance Committee (the Committee) is critical decision making to ensure that the project is being managed ethically and transparently in accordance with legal requirements and stakeholder expectations.

In consultation with the Project Manager the Committee will make decisions on matters that present a risk to the Project; monitor and review the project status; and provide suggestions on its future direction.

The Committee will ensure the Project objectives are being adequately addressed and the project remains under control. In practice, these responsibilities are carried out by:

- Monitoring and review of the project at regular meetings for the duration of the Project,
- Providing support to the project team when required,
- Reviewing project scope as emergent issues force changes to be considered, ensuring that scope aligns with that of the original aims and targets of key stakeholder groups,
- Risk management strategies, ensuring that strategies to address potential threats to the project's success have been identified, estimated and approved, and that the threats are regularly re-assessed,
- Financial management,
- Resolving project conflicts and disputes, reconciling differences of opinion and approach, and
- Formal review of project deliverables.

Ancillary Responsibilities

The Committee is responsible for recommendations and guidance with respect to major project elements such as:

- Quality of deliverables as identified in the project task order,
- Review of schedule,
- Document management and record keeping.
- Project assurance - Will examine the project from business, user, and technical perspectives to confirm that the project is being governed, managed, and executed in a manner conducive to successful delivery. Project assurance similarly limits the potential for scope creep.

- Business assurance - Will ensure that the project remains viable, that the costs and benefits as outlined in the project business case are still reasonable.
- User assurance - Will ensure that the requirements being implemented adequately match to what the user's actual needs are i.e. usability and quality of the final product.

Membership

The Committee comprises the following members:

- Kylie Knight - Project Sponsor / Manager
- Cllr Patricia White - Executive Sponsor
- Denise Williams - Client representative
- Susan Edwards - Shoalhaven City Council representative
- Kate Morris - Project and grant writing advisor
- Lissa Barnum - Project communications support

Members are appointed to the Committee until Project completion.

On occasion the Project Sponsor may need to consult with alternate Subject Matter Experts to clarify matters of concern, and report back to the Committee to accommodate their timely resolution.

Role of Governance Committee Members

It is intended that the Committee leverage the experiences, expertise, and insight of key individuals at organizations committed to building professionalism in project management. Committee members are not directly responsible for managing project activities, but provide support and guidance for those who do. Thus, individually, Committee members should:

- Understand the strategic implications and outcomes of initiatives being pursued through project outputs;
- Appreciate the significance of the project for some or all major stakeholders and represent their interests;
- Be genuinely interested in the initiative and be an advocate for broad support for the outcomes being pursued in the project;
- Have a broad understanding of project management issues and approach being adopted.

In practice, this means they:

- Review the status of the project;
- Ensure the project's outputs meet the requirements of the original proposal;
- Help balance conflicting priorities and resources;
- Provide guidance to the project team and users of the project's outputs;

- Consider ideas and issues raised;
- Check adherence of project activities to standards of best practice
- Foster positive communication outside of the Team regarding the project's progress and outcomes;

The Project Team

Primary Functions

The Project Team comprises an interdisciplinary cohort of technical experts who are tasked with project delivery and on-site operations. The Team contributes to overall project objectives by:

- Completing individual deliverables,
- Providing expertise,
- Working with stakeholders to establish and meet project needs, and
- documenting the process.

Membership

The Project Team comprises:

- Julie Henderson, DSWJV – Project Manager
- John Druce, Druce DP – Construction Manager
- Joshua Hann - Shoalhaven City Council representative
- Brett Taylor, BTA – Designer
- Rob Duff, SCCF – Team Leader 1
- Renee Ciappoti, DSWJV
- Ray Fuggle – Landscape Architect
- Rob Stafford, BCInc. – Team Leader 2
- Annette Smith, NSWAWL – Advisor

Additional members may be added to the Team as the project evolves and is required.

Role of Project Team Members

Team Members are responsible for:

- Participating in Team meetings,
- Developing a project plan,
- Establishing a project schedule and determining each phase,
- Developing a work-breakdown structure (WBS)
- Deciding on task allocation to project team members,
- Deciding the methodology used in the project,
- Completing project tasks that have been assigned to them,
- Actively working on one or more phases of the project,

- technical problem solving,
- Implementing project procedures, and
- Maintaining safe work practices.

Role of the Project Manager

Principle functions of the Project Manager include:

- Maintaining the project risk register and presenting to Governance committee as per meeting cycle
- Aligning projects with portfolio/organization goals and objectives
- Managing Project budgeting and forecasting
- Overseeing deliverables according to the decided plan,
- Leading and managing the project team,
- Providing regular updates to the Governance Committee.

Stakeholder Engagement and Communication Procedures

Stakeholders as identified during the consultation process will receive project updates in accordance with the Project Comms Plan.

The Comms Plan provides a background to the project and sets out:

- Communication objectives,
- Approach,
- Key stakeholder groups and communications matrix,
- Communications channels,
- Frequency and format, and
- Communications risk.

The Comms Plan also provides guidance as to how, where and when project supporters will be acknowledged.

A project branding suite has been developed to identify activities and promotions aligned with the project and to reflect the character of the intended finished infrastructure.

Meeting Schedules

The Governance Committee will meet fortnightly for the first six months and then monthly or as required to keep track of issues and the progress of the Project. The project sponsor will organise and schedule the meetings with secretarial support from Bomaderry Community Inc.

Meetings will be run with a rotating chairperson and decisions made by consensus. A quorum consists of a minimum of three members.

The Project Team will meet fortnightly on alternate weeks to the Governance Committee and will be chaired by the Project Manager.

Meetings will be chaired by the Project Manager with a quorum consisting of a minimum of 3 members.

Governance Committee Meeting Dates

| Day/Date | Location | Time | Chair |
|----------------------------|----------|---------|---------------------------|
| Friday 10 July 2020 | Zoom | 2.00 pm | KM |
| Friday 24 July 2020 | Zoom | 2.00 pm | PW |
| Friday 21 August 2020 | Zoom | 2.00 pm | Cancelled |
| Thursday 3 September 2020 | Zoom | 2.00 pm | |
| Thursday 17 September 2020 | Zoom | 2.00 pm | Cancelled |
| Thursday 24 September 2020 | Zoom | 2.00 pm | Extra Ordinary meeting KM |
| Thursday 1 October 2020 | Zoom | 2.00 pm | KM |
| Thursday 15 October 2020 | Zoom | 2.00 pm | PW |
| Thursday 29 October 2020 | Zoom | 2.00 pm | SE |
| Thursday 12 November 2020 | Zoom | 2.00 pm | KK |
| Thursday 26 November 2020 | Zoom | 2.00 pm | KM |
| Thursday 10 December 2020 | Zoom | 2.00 pm | PW |
| Thursday 24 December 2020 | Zoom | 2.00 pm | SE |
| Thursday 7 January 2021 | Zoom | 2.00 pm | KK |
| Thursday 21 January 2021 | Zoom | 2.00 pm | KM |
| Thursday 4 February 2021 | Zoom | 2.00 pm | PW |
| Thursday 18 February 2021 | Zoom | 2.00 pm | SE |
| Thursday 4 March 2021 | Zoom | 2.00 pm | KK |
| Thursday 18 March 2021 | Zoom | 2.00 pm | KM |
| Thursday 1 April 2021 | Zoom | 2.00 pm | PW |
| Thursday 15 April 2021 | Zoom | 2.00 pm | SE |
| Thursday 29 April 2021 | Zoom | 2.00 pm | KK |
| Thursday 13 May 2021 | Zoom | 2.00 pm | KM |
| Thursday 27 May 2021 | Zoom | 2.00 pm | PW |
| Thursday 10 June 2021 | Zoom | 2.00 pm | SE |
| Thursday 24 June 2021 | Zoom | 2.00 pm | KK |
| Thursday 8 July 2021 | Zoom | 2.00 pm | KM |
| Thursday 22 July 2021 | Zoom | 2.00 pm | PW |

| | | | |
|----------------------------|------|---------|----|
| Thursday 5 July 2021 | Zoom | 2.00 pm | SE |
| Thursday 19 August 2021 | Zoom | 2.00 pm | KK |
| Thursday 2 August 2021 | Zoom | 2.00 pm | KM |
| Thursday 16 September 2021 | Zoom | 2.00 pm | PW |
| Thursday 30 September 2021 | Zoom | 2.00 pm | SE |
| Thursday 14 October 2021 | Zoom | 2.00 pm | KK |
| Thursday 28 October 2021 | Zoom | 2.00 pm | KM |

Project Team Meeting Dates

| Day/Date | Location | Time | Chair |
|-----------------------------|----------|----------|-----------------|
| Wednesday 15 July 2020 | On Site | 11:30 pm | Rob Stafford |
| Wednesday 29 July 2020 | Zoom | 11:30 pm | Rob Stafford |
| Wednesday 12 August 2020 | On Site | 11:30 pm | Rob Stafford |
| Wednesday 26 August 2020 | SISC | 11:30 pm | Rob Stafford |
| Wednesday 9 September 2020 | SISC | 11:30 pm | Rob Stafford |
| Wednesday 23 September 2020 | SISC | 11:30 pm | Rob Stafford |
| Wednesday 7 October 2020 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 21 October 2020 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 4 November 2020 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 18 November 2020 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 2 December 2020 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 16 December 2020 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 30 December 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 13 January 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 27 January 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 10 February 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 24 February 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 10 March 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 24 March 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 7 April 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 21 April 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 5 May 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 19 May 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 2 June 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 16 June 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 30 June 2021 | SISC | 11:30 pm | Julie Henderson |

| | | | |
|-----------------------------|------|----------|-----------------|
| Wednesday 14 July 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 28 July 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 11 August 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 25 August 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 8 September 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 22 September 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 6 October 2021 | SISC | 11:30 pm | Julie Henderson |
| Wednesday 20 October 2021 | SISC | 11:30 pm | Julie Henderson |

Governance & Project Team Reporting Process

The Project Manager will provide a brief to the Governance Committee at fortnightly intervals briefly summarising:

- How the project is tracking,
- any new issues identified or adjustments required
- decisions needing resolution immediately, and
- new risks identified.

The Project Manager in collaboration with the Project Sponsor will generate Project Status Reports for critical path analysis at milestones set out in the Project Plan. These reports will provide more in-dept account of:

- Summary/Overall Health of the Project,
- facts on the project progress
- target vs. actual accomplishments
- analysis
- action(s) taken
- risks and issues
- resources
- budget, and
- schedule

As the end of a project, the Project Sponsor in consultation with the Project Manager will deliver a Project Closure Report. This submission will officially conclude the project and indicates that funds have been acquitted and responsivity for the infrastructure can be handed over to Shoalhaven City Council.

Risk & Change Management Procedures

Change Management

When an issue arises in the Project that warrants a formal change review (e.g. impacts the scope, deliverables, timescales and organization of the project) the Project manager will, in consultation with the Project Sponsor, review and assess the need for change against:

- Number of change options presented,
- feasibility and benefits of the change,
- complexity and/or difficulty of the change options requested,
- scale of the change solutions proposed.

Where it is agreed the change is required the Project Sponsor will make a recommendation to the Governance Committee based on:

- Risk to the project in implementing the change
- Risk to the project in NOT implementing the change
- Impact on the project in implementing the change (time, resources, finance, quality).

Risk Management

When risks are identified that may impact the safe and timely delivery of the Project, these risks will be recorded in the project Risk Register.

The Project Manager will control the Risk Register and will report the RISK Register to the Governance Committee where a risk is identified with a rating of 6 (or more) out of ten.

Risk Mitigation

Risks will be managed by both the project team and Governance Team to either:

- Avoid (plan to avoid the occurrences of the risk)
- Reduce (plan to reduce the impact of the risk)
- Fall Back (plan to roll back if the risk eventuates)
- Transfer (pass the responsibility over to another party)
- Share (decision to share responsibility of the impact)
- Accept (accept the risk)

Project Status Report

At intervals identified in the communications plan a project status report will be distributed to the key stakeholders by the Project Manager. This report will include detail on the outcomes of change requests and project risks with a score equal or greater than 6 out of ten.

Project Plan Synopsis

Introduction

This shovel-ready project is designed to effect positive systems change in Bomaderry by converting the decommissioned playing fields at Thurgate Oval into an iconic, 24/7 dedicated off-leash dog park where the wider community can come together and build stronger social connections by exercising their dogs in a safe, responsible environment.

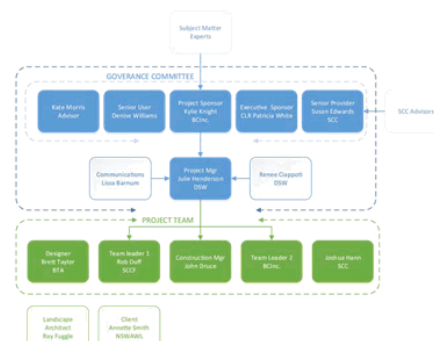
Project Governance

A Governance Framework has been established to trigger regular review and ensure successful delivery of the project.

Project Team

The Project Team comprises an interdisciplinary cohort of technical experts who are tasked with project delivery and on-site operations. The Team contributes to overall project objectives by:

- Completing individual deliverables
- Providing expertise
- Working with stakeholders to establish and meet project needs
- Documenting the process.



Governance Committee

The Governance Committee is responsible for critical decision making to ensure that the project is being managed ethically and transparently in accordance with legal requirements and stakeholder expectations. In consultation with the Project Manager the Committee will make decisions on matters that present a risk to the Project; monitor and review the project status; and provide suggestions on its future direction.

Project Timeline

| Major Milestones | Activity | Timeline / Status |
|------------------|--|-------------------|
| Concept | Research, consultation and preliminary investigations | Complete |
| Design | Completed design provided to plan construction activities and timeframe | Complete |
| Approvals | All approvals required for construction applied for | Complete |
| Grants process | Application for financial support for project | Complete |
| Construction | See table below for detail construction activities | March 2021 |
| Delivery | All construction activities complete, dog park open to the public and handed back to Council for ongoing upkeep and maintenance. | July 2021 |
| Monitoring | Observation and data collection of facility use | August 2021 |
| Close | Final reports submitted and grants acquitted | November 2021 |

Construction Timeline

| Activity Schedule | Detail | Time | Qty | Cost | NTB | Delivery |
|--|---|-----------------|---------|------------------|--|-----------------------|
| 1 Environmental control | Sediment fence – Mulch / Bund | 2 days | | \$2,500 | Donation by DSWJV | 1 Mar 2021 |
| 2. Earthworks | Markup, concrete pipes to site, mound building, trenching, pathways *solar lighting | 7 days | | \$8,820 | Donation by DSWJV and John Druce | 4 Mar 2021 |
| 3. Plumbing | Lay services, mains connection, drainage | With earthworks | 300m | \$5,300 | Donation by John Druce, SCC, Sthn Water Co, Nutrien Water with other materials cost from fundraising | 4 Mar 2021 |
| 4. Fencing | Installation of permanent fencing (with access gates) | 10 days | 550m | \$95,000 | Fundraising | 15 Mar 2021 |
| 5. Footpaths | Form work, reo, concrete and finishing | 14 days | 661.00m | \$120,000 | Fundraising | 25 Mar to 12 Apr 2021 |
| 6. Splash pools | Form work, reo, concrete and finishing | 7 days | | \$17,930 | Labour donated Materials cost from fundraising | 12 Apr 2021 |
| 7. Sand pits, tyres and sniff areas | Installation of sensory elements | 6 days | | \$4,160 | Donation by Cooks Tyres, SCC, Bomaderry Public School with other materials cost from fundraising | 15 Apr 2021 |
| 8. Seating, drinking stations and wayfinding | Installation of two pre-fabricated seats, two drinking stations and signage | 3 days | | \$18,820 | Labour donated Materials cost from fundraising | 15 Apr 2021 |
| 9. Shade sails | Design, manufacture, deliver and install two shade sails | 3 days | | \$20,600 | Materials and installation from fundraising | 22 Apr 2021 |
| 11. Landscaping | Topsoil, turf and planting as per landscaping design | 3 day | | \$33,300 | Volunteer labour Materials by SCC and others | 6 May 2021 |
| | Total days | 62 days | | \$326,430 | Allow 90 days for contingency | |

Roles and Responsibilities

Risks can be raised to the Project Manager by anyone involved in the project and stakeholders. It is the responsibility of the Project Manager to record this risk in the Risk Register and provide an initial assessment and plan. The Project Manager will communicate the new risk (or update) to the Project Team. It is the responsibility of the Project Manager and Project Sponsor, to jointly validate and approve all entries within the Risk Register including ownership, risk responsibilities, risk response and plan. The risk register below identifies initial risks associated with the project. Construction risks will be added as required for the project.

Risk Register

| No. | Risk | Risk Category | Likelihood | Consequence | Risk Rating | Risk Treatment/ Control Measures | Owner/ Accountability | Completed/ Addressed |
|---|--|------------------|------------|-------------|-------------|--|--------------------------|----------------------------------|
| Funding and Contributions | | | | | | | | |
| 1 | Not doing the project | Social/ Economic | Likely | Major | Extreme | This project will support the local and regional community. Continue to lobby for funding. | Bomaderry Community Inc. | |
| 2 | Not being successful in Grant application | Social/ Economic | Likely | Major | Extreme | Continuous lobbying for funding | Bomaderry Community Inc. | |
| 3 | Industrial action during construction | Construction | Unlikely | Minor | Low | Provide venue for discussion of issues | Contractor | |
| Construction- Inclusion and accessibility elements | | | | | | | | |
| 4 | Unexpected geotechnical conditions encountered | Construction | Unlikely | Minor | Low | Previous work in area have found no unexpected geotechnical conditions | Contractor | |
| 5 | Undue wet conditions during construction | Construction | Possible | Minor | Medium | There is scope to work around wet weather and meet project timeframes. | Contractor | |
| 6 | Adverse environmental impacts | Construction | Possible | Moderate | Medium | A Review of Environmental Factors has to be undertaken | Contractor | Risk to be mitigated through REF |

| Project Scope | | | | | | | | |
|---------------|---|-----------------|----------|----------|--------|---|-----------------|--|
| 7 | Scope of works unable to be completed in timeframe | Construction | Unlikely | Moderate | Medium | DSWJV has extensive experience in managing complex construction projects. This project has been critically reviewed and includes a time contingency allowance. Project will be completed on time. | Project Manager | Risk mitigated. Project delivery still possible in timeframe |
| Approvals | | | | | | | | |
| 8 | Finding item of heritage during construction | Social/Economic | Rare | Moderate | Low | Highly unlikely to find an artefact of significance | Project Manager | |
| 9 | Finding Aboriginal artefacts during construction | Social/Economic | Unlikely | Minor | Low | AHIMS search has identified known sites. Assets and Works have strong relationships with LALC and are aware of potential cultural sites. | Project Manager | |
| Compliance | | | | | | | | |
| 10 | Environmental compliance | Social/Economic | Rare | Moderate | Low | A Review of Environmental Factors will be required. | Project Manager | |
| Contracting | | | | | | | | |
| 11 | Selection of an incompetent contractor – Contractor cannot meet tender requirements | Contractual | Unlikely | Minor | Low | Quotation evaluation process to be set-up to overcome risks. Not a complex construction project. | Project Manager | |
| 12 | Contractor proves incompetent during Construction of project | Construction | Unlikely | Minor | Low | Works to be overseen by Council engineers. | Project Manager | |



CL21.3 - Attachment 2

Executive Summary

Who we are

Bomaderry Community Inc. is a group of local people supporting local issues in Bomaderry. Incorporated in 2019 this community-led association is working to build a collaborative, enterprising and sustainable Community where people feel connected, supported, and valued.

By advocating values of Community, Courage, Creativity, Enterprise, Environment, and Inclusiveness we leverage the strengths of our town and the people to create a place where people, culture and the environments are complimentary to a good life for individuals, families and businesses.

We work hard, think creatively and we make things happen.

What we do

Bomaderry Community Inc. is about unleashing the collective power, uniqueness, and creativity of people. We dream of a collaborative, enterprising and sustainable Community where people feel connected, supported, and valued. Our mission is to recognise the needs of our Community and respond proactively by channelling ideas into action.

Bomaderry Community Inc. is building a brighter future for Bomaderry.

What the project is about

A transformation plan for Thurgate Oval. Thurgate oval is an empty space, unsafe for active sporting recreation and subject to vandalism, flooding and ground subsidence. The oval is central to Bomaderry; in a highly visible location; with amenities and off-street parking. The project will repurpose Thurgate Oval into a mixed-use community hub commencing with the development of a dedicated 24/7 off leash dog park. An area where people and dogs of all sizes can safely exercise and socialise with others 24/7 that is not in competition with other activities. This will be the largest enclosed off leash dog area in Shoalhaven LGA of exceptional design and with ample room for dogs to play.

Communication Objectives

Raise public awareness

- Raise and maintain interest in the project
- Provide progress updates about the project
- Share behaviour awareness, animal health and responsible pet ownership messages
- Attract volunteer sponsorship and support for the project
- Provide in-park wayfinding, rules and safety information

Attract funding and sponsorship

- Promote Donate-a-Post community fundraising campaign
- Attract supplementary grants and donations

Maintain stakeholder confidence

- Provide regular progress updates
- Recognise contributions

Meet legal requirements

- Uphold conditions of grants funding

Evaluation

| | Communication objective | Qualitative measurement | Quantitative measurement |
|----|---------------------------------|--|---------------------------|
| 1. | Seek/provide public information | Surveys, Questionnaires At COVID safe free events, Meetings | Surveys Questionnaires |
| 2. | Attract funding and sponsorship | Grants, partnerships | \$300K includes in-kind |

| | | | |
|----|---------------------------------|---|--|
| 3. | Maintain stakeholder confidence | Stories/information updates highlighted on shared digital platforms, printed press, radio | Based on circulation and specific reach of each platform |
| 4. | Meet legal requirements | Shoalhaven City Council, Engineers, Statutory regulations, All partners holding insurance for Liability. | Public notifications Mandatory Reporting |

Approach

Communication principles

1. Communications will be timely – prompt, regular, current.
2. Communications will be relevant – specific to the project, dogs and their owners.
3. Communications will be understandable – provided in plain language to best suit a wide audience.
4. Communications will be accessible – variety of formats across multiple channels.
5. Communications will be actionable – include call to action and/or nominates accountabilities.
6. Communications will be credible – factual, authorised and transparent.

Key Messages

- Community driven – by community, for community.
- Widespread support of Council, businesses and organisations.
- Transforming a written-off space into something amazing.
- Designed to provide long-term benefits for Bomaderry.
- First of its kind in the Shoalhaven.
- Behavioural based - designed in consultation with leading experts.
- Innovative Design Play for both dogs and their owners.

Key Stakeholder groups

Internal Stakeholders

- Bomaderry Community Inc.
- Shoalhaven City Council
- South Coast Corrections
- Downer Seymour White
- Druce DP
- BTA Design
- Ray Fuggle & Associates
- Nowra TAFE
- Governance Committee
- Project Team
- Paradise Pet Parks
- NSW Animal Welfare League
- Bomaderry Lions Club

External Stakeholders

- Gareth Ward MP
- NSW Community Building Partnerships
- Cookes Tyres
- Property neighbours
- Donate-a-post supporters
- Local dog owners
- Local dog businesses

We have to ensure an efficient collaboration with internal stakeholders and maintain confidence with external stakeholders.

Stakeholder Matrix

| Influence | | Impact | |
|-----------|--|--|---|
| | | Low | High |
| | | Maintain Confidence | Collaborate |
| High | | Bomaderry Community Inc. Community Building Partnerships Paradise Pet Parks NSW Animal Welfare League Bomaderry Lions Club Donate-a-Post supporters | Shoalhaven City Council Downer Seymour White Druce DP South Coast Corrections Brett Taylor + Associates TAFE Barnum Group |
| | | Monitor and Respond | Keep Informed |
| Low | | Email Social media comments Community enquiries / feedback | Local dog owners Local dog businesses Local MP's Cookees Tyres Southern Water Co. |

Note - By Impact we mean the extent to which the project will impact this group/person. By Influence we mean the extent to which this group or persons buy-in is needed to move forward.

Communication Channels

Digital Platforms

- Email
- Bomaderry Community Inc. webpage
- GoFundMe Donate-a-Post campaign page

Social Platforms

- Facebook
- Instagram
- Third Party pages

Broadcast

- Radio Triple U FM
- Radio Power FM
- Radio 2ST
- ABC Illawarra
- WIN news

Print Media

- Nowra News
- South Coast Register

Signage

- Along Bolong Road
- In park

Written communications

- Correspondence
- Meeting minutes
- Progress reports
- Media release

Frequency

| Platform | Frequency | Audience | Message | Format | Timing |
|--------------------|------------------|---------------------------------|---|---|-----------|
| Signage | Ad hoc | Traffic | Seeking /recognising Sponsors | Print | ASAP |
| Facebook | Work in progress | Public | Seeking support | Post | Sunday |
| Facebook | In progress | Dog owners | Story narrative 'Dog Bowl Tails.' | Post | |
| Facebook | Weekly | Dog owners | Promote Donate-a-Post | Post | |
| Instagram | Weekly | Dog owners | Character tale | Word and image | |
| Webpage (Optional) | Monthly | Public | Project update Design development | News and Events | Optional |
| Email | Monthly | Sponsors | Project update | Text | |
| Radio | Ad hoc | Public | Story "Me and my/our Dog," relationships, companionship and play. | Interview individual dog owners and PR rep to update progress | |
| Print media | Ad hoc | Public | Dog Tails | Media release | |
| Email | Fortnightly | Governance Committee | Project update | Minutes | |
| Email | Fortnightly | Project Team | Project update | Minutes | |
| Nowra News | Weekly | Public | Featured Dog Tail. (tale) | Media Release | |
| Written | Annual | Community Building Partnerships | Progress | Report | 1 October |

Communication Format

1. **Written narrative** of a dog and their owner/s. One story featured each month, applied visually as well as on Instagram and Facebook.
2. **Instagram** image with a short-written account featured each week, candid shots of additional owners and their dogs including that of featured monthly story.
3. **Facebook** employed for all posts: updates, design, stories, visuals with a number of elements posted a number of times each week, to include monthly written narrative.
4. **GoFundMe** post update on the Donate-a-Post website to keep supporters informed about progress on the park
5. **Print Media:** whatever placement is allowed, a small featured update appearing in each edition (Nowra News, etc) – with one large feature, placed as double page spread of the entire project to include: stakeholders, story of Thurgate, architectural graphics, visuals, plans, landscape innovation, indigenous care.
6. **Radio:** Based on each monthly story, radio interview of dog owner/s accompanied by P.R. advocate updating the community on the park's development.
7. **P.R. Press Releases, Media Releases:** deployed once a month with updates and other story/assets to include graphic elements, again featured on Facebook and Instagram.

Note - a website at the moment is not necessary, as Facebook and other digital media can carry updates and also link to Bomaderry Community Inc.'s own site. Updates on other stakeholder sites can also be employed to promote the project.

Key Dependencies

1. Funding received – securing funding for the remainder of project costs is critical to project delivery.
2. Administrative support – successful delivery of communications plan requires dedicated administration support and is to be shared for adequate transparency.
3. Appropriate content – all information must be circulated to the Executive as well as main stakeholders to counteract any mis-information. This allows communication to be disseminated not only to fundamentally inform, but keep united, on aims and objectives.

Communications Risk

Dealing with change usually means a higher than normal amount of risk. Risks cannot always be avoided however they can be managed and reduced if planned for in advance. This Risk Management Strategy will outline how risks are to be managed throughout the life of this project.

The following Risk Management Strategy is to be adopted.

- **Compliance**, i.e conforming to government regulations or legal requirements.
- **Financial**, i.e making the organization too vulnerable too poorly thought-through financial decisions that could jeopardize its viability.
- **Operational**, i.e taking insufficient care with potential problems in operational processes.
- **Strategic**, i.e not planning sufficiently for changes in the business environment.
- **Reputational**, i.e not taking account of organizational activities that expose it to the wrath of customers and other stakeholders.

Risk Management Procedure

The initial identification of project risks will be made by the Project Manager. Thereafter risks can be raised by anyone involved in the project. All risks need to be directed to the Project Manager for referral to the facility custodian. Each week

the Project Manager will advise of the new risks identified and added to the Risk register.

The Risk Management Procedure will include five key steps:

1. Identify the risk (all parties)
2. Assess the risk (impact scale)
3. Plan (e.g. avoid, reduce)
4. Implement (action)
5. Communicate (throughout the process)

Tools and Documentation

Communications risks will be documented and maintained via the Communications Risk Register. The Risk Register will reside as a sheet within Communications Plan (PMP) which can be updated by the Project Manager as risks are identified.

Risk Criteria

Risk Likelihood

| Rating | Description |
|----------------|---|
| Almost Certain | Imminent – is expected to occur in most circumstances |
| Likely | Once in the next month – will probably occur in most circumstances |
| Possible | Once in the next 12 months – might occur at some time |
| Unlikely | Once in the next 1-5 years – could occur at some time |
| Rare | Once in the next 10 years – may only occur in exceptional circumstances |

Risk Consequence

| Rating | Description |
|----------------------|--|
| Catastrophic | At least 1 fatality, huge financial loss (more than \$3M) |
| Major | Extensive injuries to 1 or more persons, major financial loss (more than \$500K, but less than \$3M) |
| Moderate | Medical treatment required, high financial loss (more than \$100K, but less than \$500K) |
| Minor | First aid treatment at the workplace, medium financial loss (more than \$10K, but less than \$100K) |
| Insignificant | No injuries, low financial loss (less than \$10K) |

Risk Analysis Matrix

| Likelihood | Consequence | | | | |
|----------------|---------------|--------|----------|---------|--------------|
| | Insignificant | Minor | Moderate | Major | Catastrophic |
| Almost Certain | Medium | High | High | Extreme | Extreme |
| Likely | Low | Medium | High | Extreme | Extreme |
| Possible | Low | Medium | High | High | Extreme |
| Unlikely | Low | Low | Medium | Medium | High |
| Rare | Low | Low | Low | Medium | Medium |

Risk Events

Risks were identified and grouped under broad categories. These risks were reviewed and assessed for their appropriateness in regards to this project.

A qualitative risk analysis was completed by using the risk criteria detailed above, and the results are summarised in the Risk Register below.

The Risk Register includes the risk treatment and control measures identified for all extreme, high and medium risks.

Risk Response Categories

While not all risks indicate a negative impact, the Risk Register will only record and manage risks that may have a negative impact on the project. The following Risk Response categories will be used to identify the type of response to be applied:

- Avoid (plan to avoid the occurrences of the risk)
- Reduce (plan to reduce the impact of the risk)
- Fall Back (plan to roll back if the risk eventuates)
- Transfer (pass the responsibility over to another party)
- Share (decision to share responsibility of the impact)
- Accept (accept the risk)

Roles and Responsibilities

Risks can be raised to the Project Manager by anyone involved in the project and stakeholders. It is the responsibility of the Project Manager to record this risk in the Risk Register and provide an initial assessment and plan.

The Project Manager will communicate the new risk (or update) to the Governance Committee and Project Team.

It is the responsibility of the Project Manager and Project Sponsor, to jointly validate and approve all entries within the Risk Register including ownership, risk responsibilities, risk response and plan.

Risk Management Activities and Reporting

Risks will be reviewed by the Project Manager during scheduled meetings. During the meeting, the team will validate and ensure all entries are up-to-date and relevant.

This information will be communicated in line with the agreed Communication Strategy.

A Project Status Report will be distributed to the key stakeholders by the Project Manager. This report will include detail on project risks with a score equal or greater than 6 out of 10.

Defining the Heart of the Brand

Working within the character and environment of Thurgate oval, making known its incidence of occasional flooding, is to associate the dog bowl to a place of play and where water is collected, is mitigated through innovative design and engineering. The bowl is an asset, also responds to a place of coming together. The colour variations are sympathetic to the native bushland, providing enough energised warmth for the application and development of visually stimulating and functional wayfinding.

APPENDIX A Branding Elements



Consultation Synopsis

Introduction

Bomaderry is a regional town in the Shoalhaven LGA. Situated north of the Shoalhaven River and with a population of 6600 residents Bomaderry is the third most disadvantaged town in the Shoalhaven (SEIFA). The average level of education is year 10 or below (Census 2016) and unemployment is higher than the state average (Profile id.).

In 2019 there were in excess of 2000 dogs registered in Bomaderry (NSW Pet Registry).

Purpose

The purpose of the consultation was to establish public usage of Thurgate Oval, if there was a need for a dedicated off-leash dog area in Bomaderry, and what an off-leash facility should include. Consultation provided an opportunity for the community to provide feedback and for key stakeholders to be involved in the design of the park.

Stakeholders

Stakeholders identified for consultation purposes included:

- Current users of Thurgate Oval
- Nearby neighbouring residents
- Dog owners
- Local business servicing the pet care industry (vet, groomers, dog walkers, and pet food providers)
- Animal welfare organisations
- Shoalhaven City Council
- Ranger Services
- Dog behavioural experts
- People travelling to/from the Shoalhaven with their dogs
- Dog owners impacted by the 2019/20 bushfires
- Local Indigenous residents
- People with a disability
- Veterans with support dogs
- Seniors with companion dogs
- Youth
- Families
- Child free couples
- People from countries outside Australia

Strategy

To enable a true representative sample of the community a variety of observations, face-to-face interviews, phone interviews, surveys, petitions, and polling were undertaken to generate a range of qualitative and quantitative data.

Direct observations of Thurgate Oval were undertaken at different times on different days of the week across a bi-seasonal span of three months. Details logged included gender, approximate age, activities being undertaken, transit path and whether a dog was present or not.

Interviews were conducted with those persons observed using the Oval, with local residents, business owners, people working and studying in Bomaderry, and visitors to town. Deliberate efforts were made to consult with members of the community identifying as persons with disability, returned service personnel, seniors living alone, child-free couples including members of the LGBTQI+ community, singles, and families for their individual insights.

A **petition** was placed in several local businesses and venues including the Bomaderry Pharmacy, Bomaderry Hotel, Bomaderry Newsagent, Bomaderry IGS supermarket(s) to gauge support of non-digital users for the park. An online survey was then delivered via Survey Monkey, and polls were conducted on social media platforms to establish user preferences for park inclusions.

Stakeholders (as above) were interviewed both in person and by phone, conducted via volunteer door-knocking, visiting and calling identified stakeholders, and by canvassing dog owners at weekends. Participants were invited to complete a formal consultation form with volunteers acting as scribes when necessary.

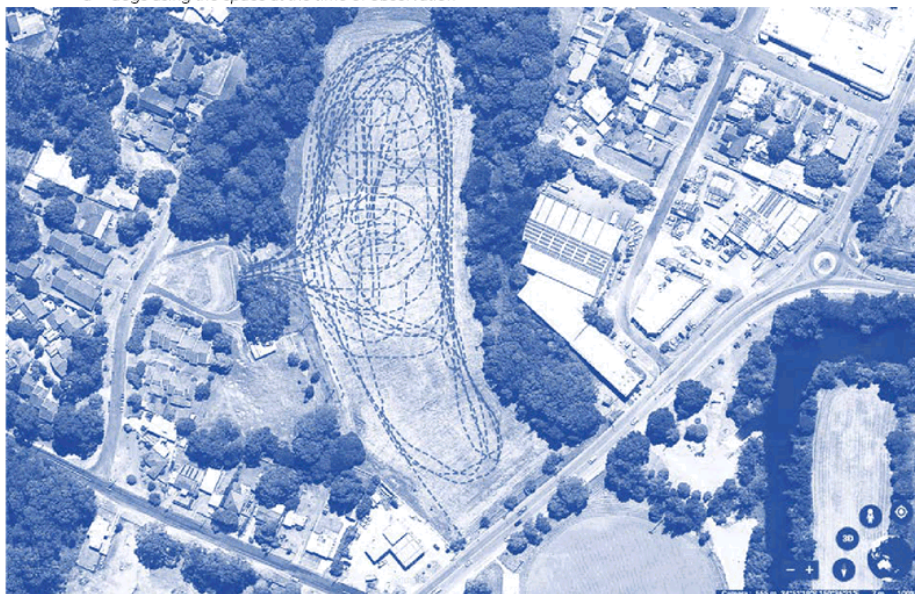
Consultation comments were recorded on Stakeholder Engagement Form and 560 signatures collected in support of the project.

Methodology

Observations were conducted throughout February, March and April 2019 to ensure an accurate snapshot of open space use over different days, different times, and over peak holidays periods. Results evidenced that the site is used infrequently with a majority of persons observed using the oval with being accompanied by dogs. Other uses observed included pedestrians walking across the park, drone flying, collecting insects, and kicking a ball. Evidence of homelessness, illegal dumping, and illicit substance use was also observed.

| Date | Start / End times | <10 yrs | 10-20yrs | 20-40 yrs | 40-60 yrs | 60+ | Dog |
|-------------|-------------------|---------|----------|-----------|-----------|-----|-----|
| 5 Feb 2019 | 16:30 - 17:00 | - | - | 1f | 3f | - | 5d |
| 6 Feb 2019 | 17:00 - 18:00 | - | - | 2f | 1m | 1m | 4d |
| 12 Feb 2019 | 16:00 - 16:30 | - | - | - | 1f | - | 2d |
| 19 Feb 2019 | 15:30 - 16:00 | - | - | - | 1m | 1m | 1d |
| 1 Mar 2019 | 15:30 - 15:40 | 1m | - | 1m | - | - | 2d |
| 5 Mar 2019 | 18:20 - 18:30 | - | - | 1m | - | - | 2d |
| 7 Mar 2019 | 15:45 - 16:00 | - | - | - | 1m | - | - |
| 8 Mar 2019 | 12:30 - 13:00 | - | - | - | - | - | - |
| 15 Mar 2019 | 14:30 - 1500 | - | - | - | 1f | - | 1d |
| 18 Mar 2019 | 11:20 - 11:30 | 1m | 1f | 1f 1m | - | - | 2d |
| 19 Mar 2019 | 17:50 - 18:15 | - | 2m | f | 2f 1m | - | 3d |
| 26 Mar 2019 | 15:35 - 15:55 | - | 1f | - | 2m | - | 2d |
| 27 Mar 19 | 16:45 - 17:00 | 1m | 1f | m | 1f | 1m | 3d |
| 2 Apr 2019 | 16:45 -1715 | - | - | fm | 1f | - | 3d |
| 4 Apr 2019 | 15:45 - 1600 | - | - | fm | - | - | 1d |

Key f = females using the space at the time of observation, m = males using the space at the time of observation,
d = dogs using the space at the time of observation



BOMO BOMADERY COMMUNITY INC.

Stakeholder Engagement
2477 dedicated, off-leash Dog Park
Thurgate Oval, bomadery

Date 24-01-2020
Name Hayley Hieatt
Representing ALL Breeds dog grooming
Connection Dog Groomers
M: E:
Do you support a fully fenced, dedicated off-leash dog park at Thurgate Oval in Bomadery?
YES No

How would an iconic dog park at Thurgate Oval benefit you / Bomadery?
YES! I don't get over town to go to the
Abbotsford dog park. I have a lot of clients
would dog the community for easier convenience
So the women gets over town at popular times
What type of rules do you think should be clearly spelt out at an off-leash park?
Dogs on a leash after your dog
respect other dog owners

If you were designing the dog park, what features would you include?
Some agility activities for small &
Large dogs BUT mostly a bigger
area where we can throw a
ball and get the dogs to actually
run.
Other notes / comments
water bowl installed permanently!

www.bomoandcommunityinc.org.au ADMIN@BOMOANDCOMMUNITYINC.ORG.AU INC19020841 ABN 818047842

Figure 1 Example completed Stakeholder Engagement Form

| <h1 style="text-align: center;">PETITION BY</h1> <h2 style="text-align: center;">BOMADERY COMMUNITY INC -</h2> <h3 style="text-align: center;">FUNDING REQUEST</h3> | | |
|---|-------------------------------------|------------------------|
| Name: | Address/Email: | Signature: |
| <i>Leanne McNamee</i> | <i>31 Riverwood Rd Nova</i> | <i>Leanne McNamee</i> |
| <i>Kate Gibson</i> | <i>Tamara Drive Bonaville</i> | <i>Kate Gibson</i> |
| <i>Troy Brennan</i> | <i>12 Geary St. North Warrick</i> | <i>Troy Brennan</i> |
| <i>Chad Jelfs</i> | <i>41 Tenth St. North</i> | <i>Chad Jelfs</i> |
| <i>Wendy Cadd</i> | <i>67 Colours Road Bonaville</i> | <i>Wendy Cadd</i> |
| <i>Leanne Fegan</i> | <i>Shanabrook Lane Mc</i> | <i>Leanne Fegan</i> |
| <i>Shirana Pearce</i> | <i>Regent Place Bomadery</i> | <i>Shirana Pearce</i> |
| <i>Peggy McLean</i> | <i>6 Winesap Lane Bonaville</i> | <i>Peggy McLean</i> |
| <i>Aminda Kesteven</i> | <i>44 Shanabrook St Bonaville</i> | <i>Aminda Kesteven</i> |
| <i>Joan McArthur</i> | <i>51 Connelbrook Lane</i> | <i>Joan McArthur</i> |
| <i>Mary Jones</i> | <i>58 Wicks St, Galloway</i> | <i>Mary Jones</i> |
| DENISE CURRY | 112 Stansbury, E. N. Warrick | Denise Curry |
| <i>Shirley L. King</i> | <i>4 Calverton St Warrick</i> | <i>Shirley L. King</i> |
| <i>Wendy Houston</i> | <i>17 Munk St Warrick</i> | <i>Wendy Houston</i> |
| <i>Joan Pryor</i> | <i>18 Riverside St Warrick</i> | <i>Joan Pryor</i> |
| <i>Donna McNeill</i> | <i>4 Wicks St Warrick</i> | <i>Donna McNeill</i> |

Please return all completed petitions to:
Gareth Webb MP for Kilmara
 102 Terraling Street
 KILMAR, NSW 2533

Figure 2 Example completed Stakeholder Engagement Form

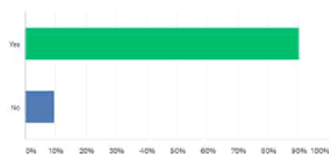
Outcomes

From interviews conducted throughout the consultation period, stakeholders indicated strong support for a purposely designed off-leash facility in Bomaderry that is:

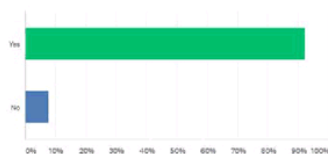
- Accessible 24/7
 - Enclosed by secure, high fencing, double entry gates, with self-closing latches
 - Signs that are easy to understand, clearly set out facility rules, that are strategically placed
 - Provides large, small dog, and education areas
 - Has water available
 - Easy to access, well-stocked waste stations
- Contains a variety of suitable ground surfaces, plants and enrichment inclusions to stimulate activity/movement
 - Has adequate pathways, shade, shelter, fixtures and furniture to accommodate a wide variety of user needs
 - Contains a noticeboard for information dissemination
 - Raised loading area in the carpark for use by elderly owners/dogs
 - Can be used in bushfire events
- Of 157 people who completed surveys, for question five *What is your postcode?* 138 respondents (87.9%) were local; from postcode 2541. The majority indicated support for an off-leash facility in Bomaderry identifying park inclusions most desirable to stakeholders as being:
- Fence
 - Water
 - Waste disposal
 - Shade
 - Seating
 - Dog friendly vegetation
 - Separate large and small areas
 - Information board
 - Splash pools
 - Sandpits

Survey results are summarised below:

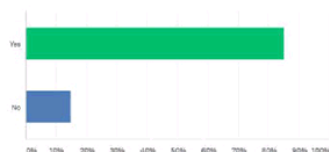
Q1 Are you a dog owner?



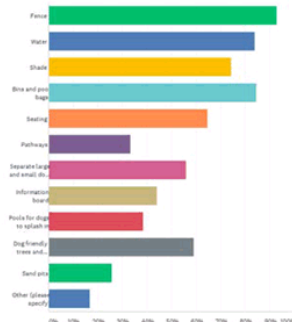
Q2 Does Bomaderry need a dedicated off-leash dog park?



Q3 If there was a dedicated off-leash dog park in Bomaderry would you use it?



Q4 What do you think an off-leash dog park needs?



Q6 Your gender?



Q7 Your age

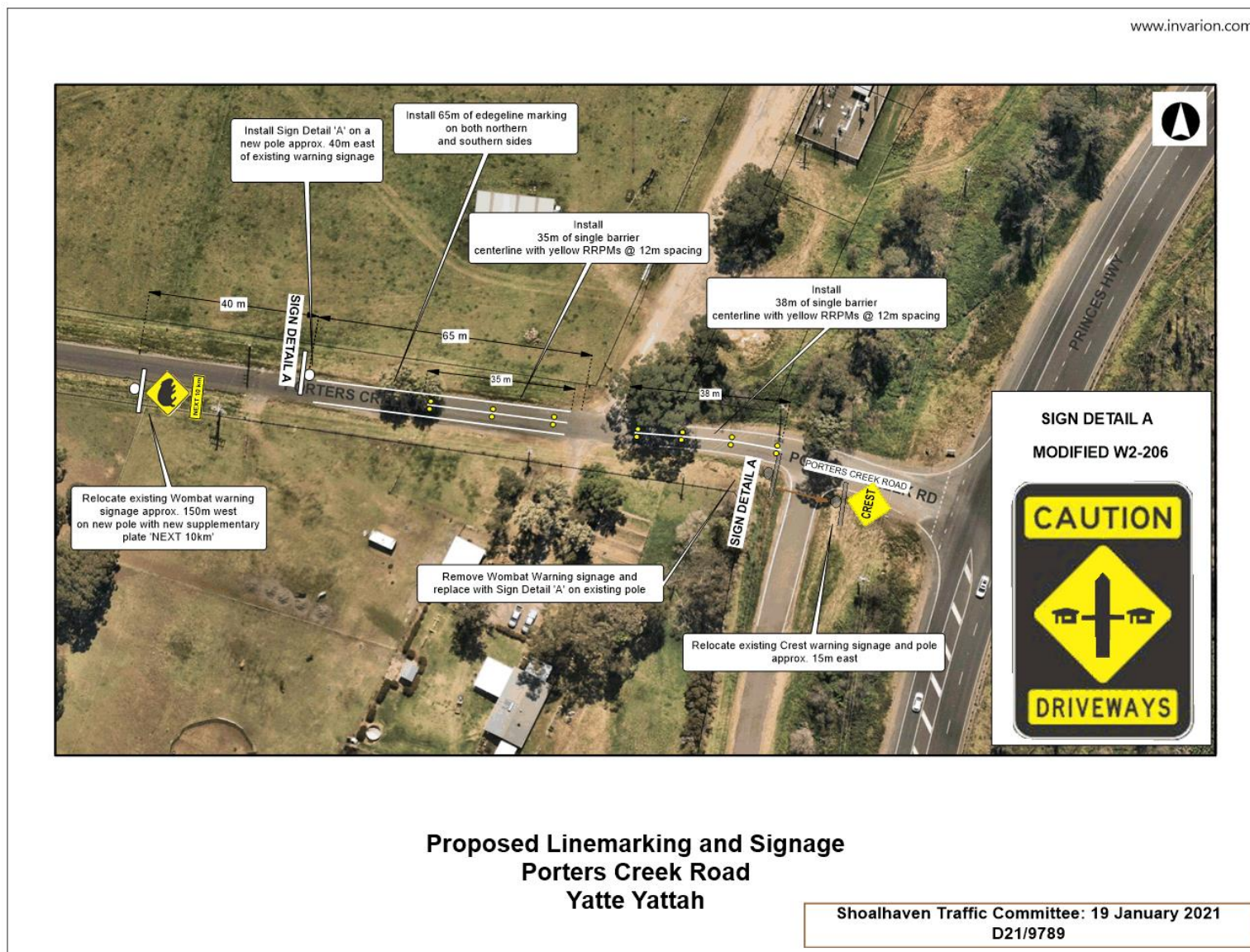


Other park inclusions identified as desirable in a dog park:

- Coffee shop
- Monkey bars, bamboo, jungle ropes and swings
- Responsible owners
- Agility equipment
- Dog parking tether points
- Signs and rules for owners
- A bar
- Grass
- Vaccinations
- Car parking
- Loading ramp for older dogs and people
- Good after-hours security
- Parental supervision of children

Conclusion

Consultation concludes that when approached the majority of stakeholders are supportive of an off-leash dog park in Bomaderry. The park needs a fence for safety, water for hydration, shade from the elements, bins for waste disposal, and seating. The park should be divided into two zones with easy-to-understand signs specifying park rules. Additional features for dog stimulation such as sensory plants, different textures and play equipment is desirable, and the park should have nearby parking, toilets and refreshments. Pathways and loading ramps will provide for improved accessibility, while an information board can be used to display information about upcoming health programs, training workshops, and other dog-specific notices.

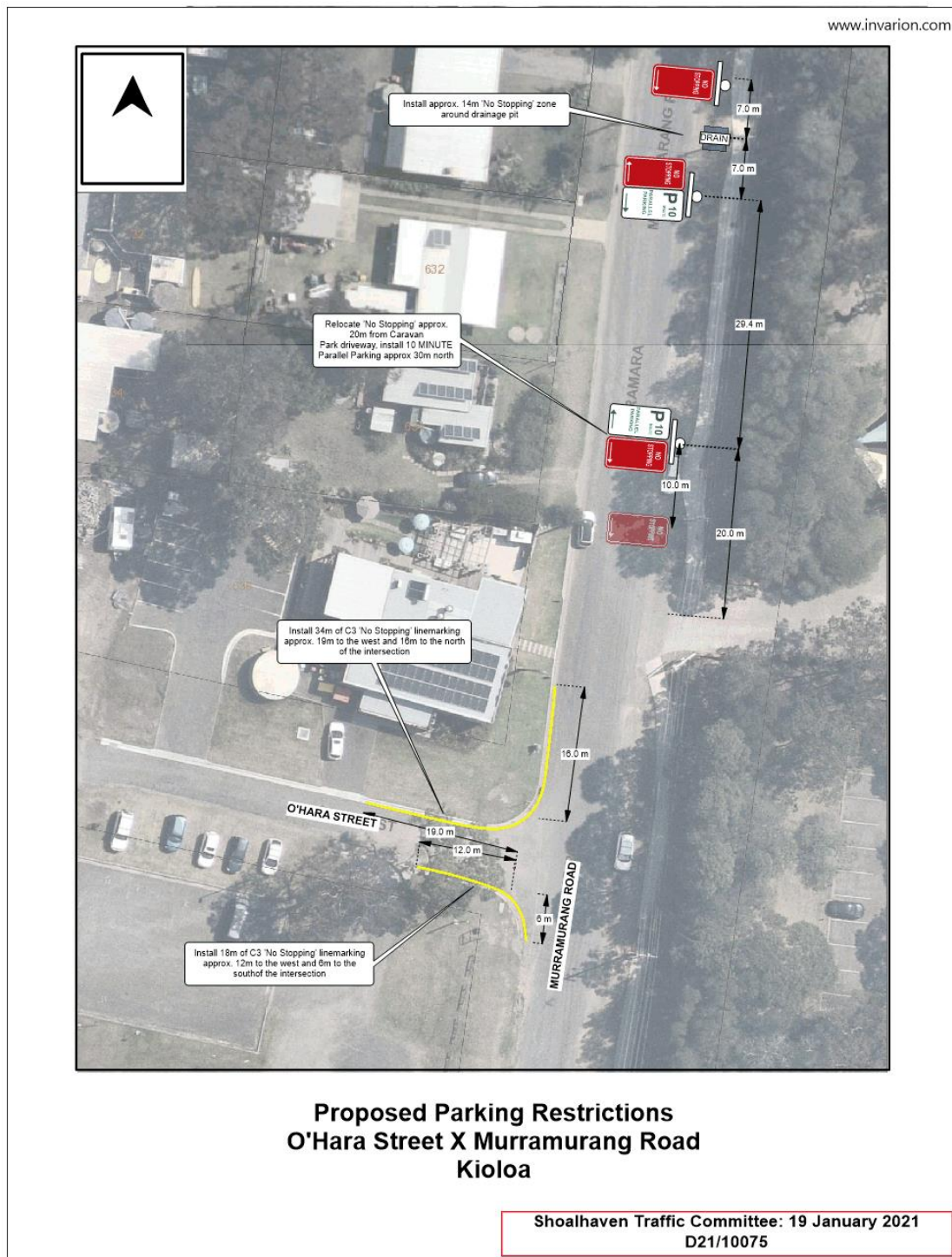


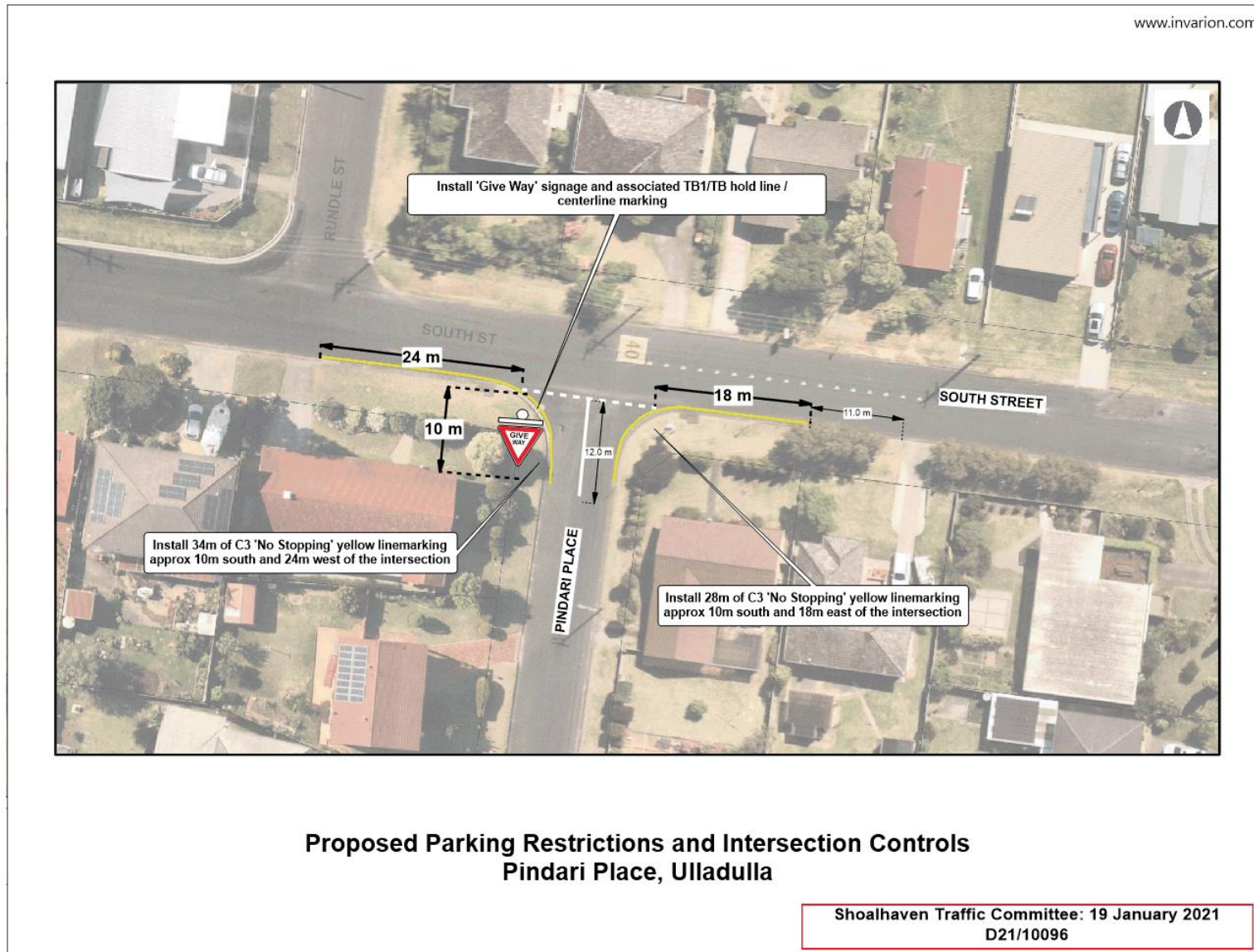
www.invarion.com

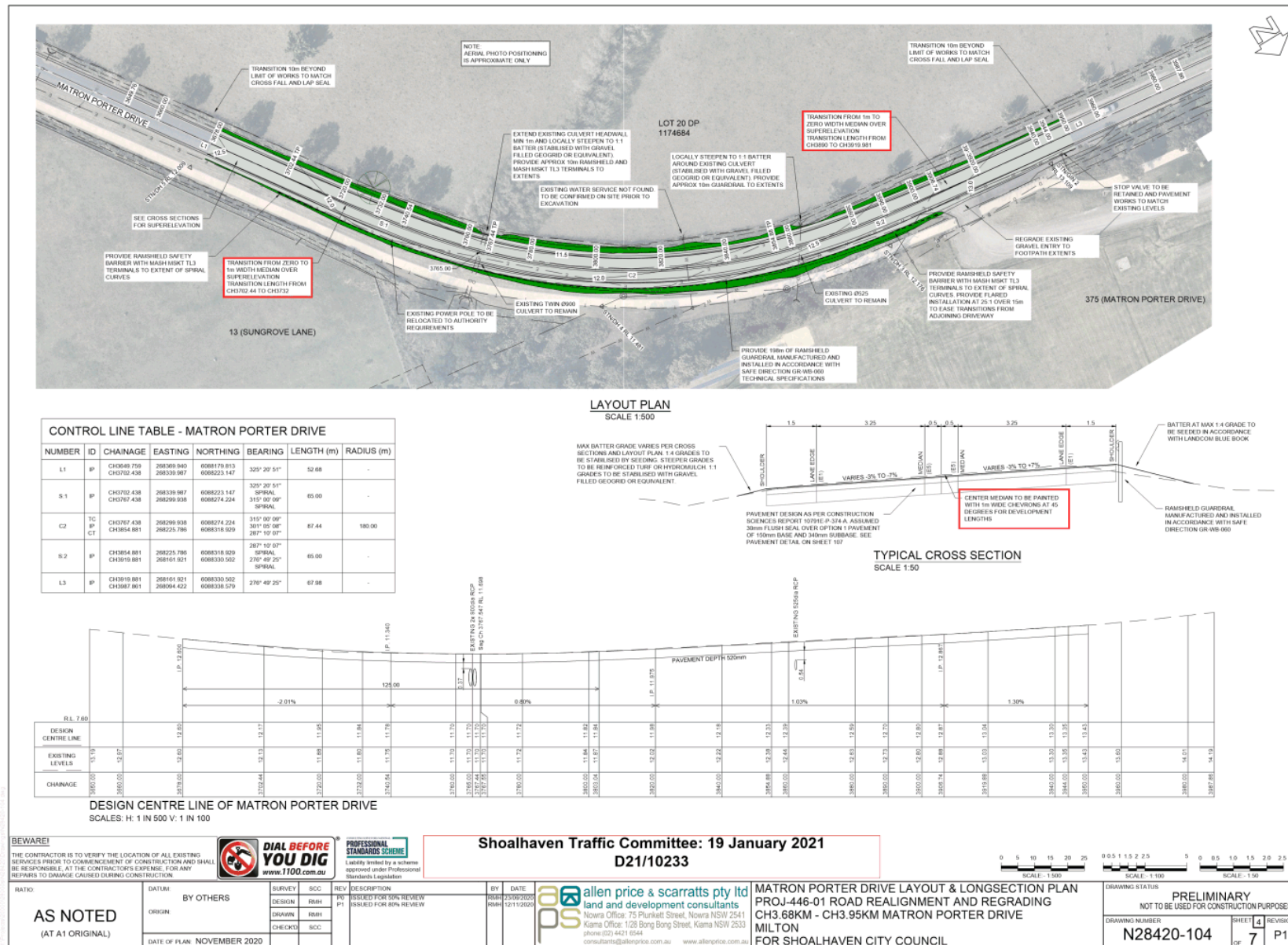


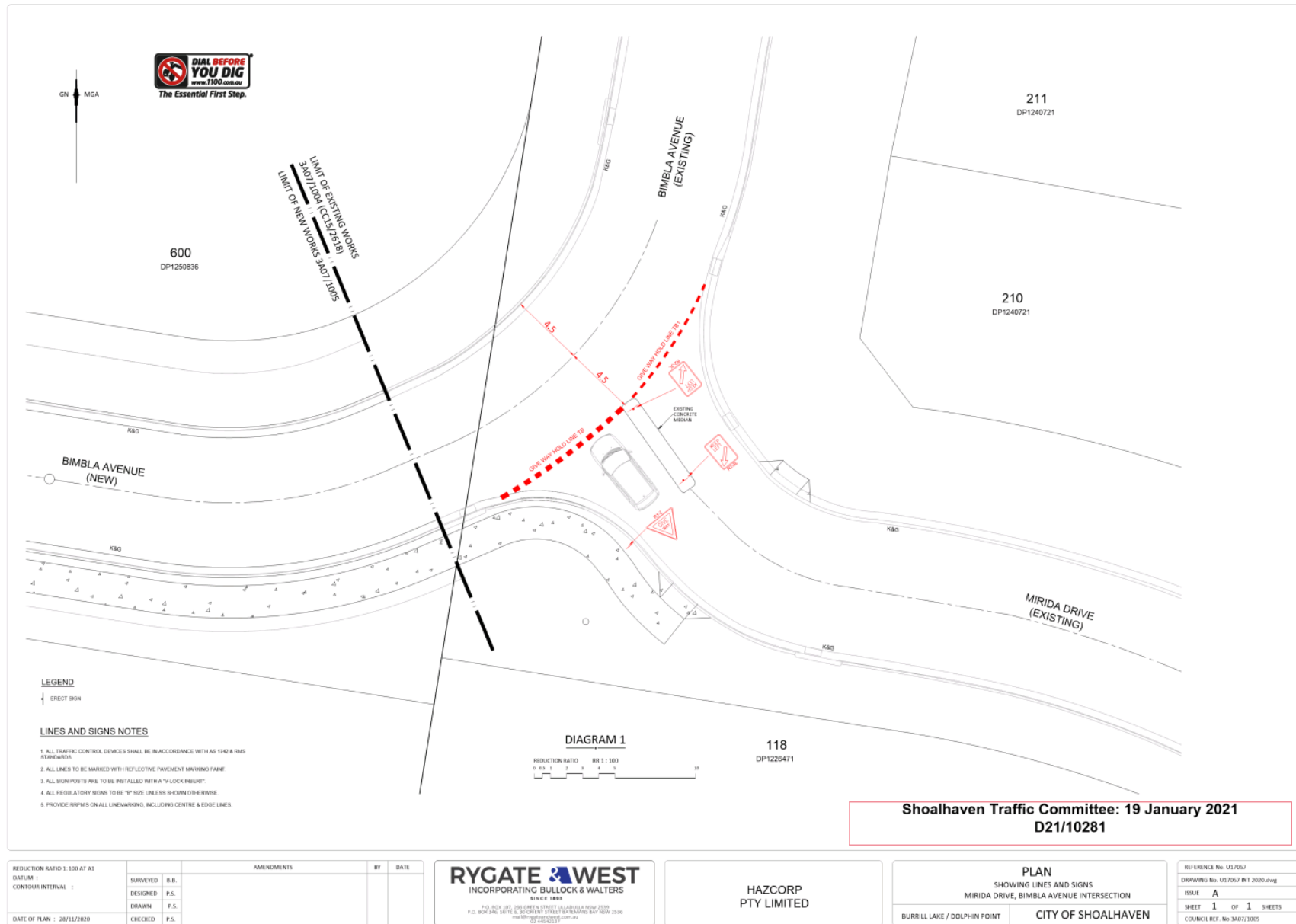
**Proposed Parking Restrictions and Intersection Controls
Buckland St x Ilett St x Nethercote St
Mollymook**

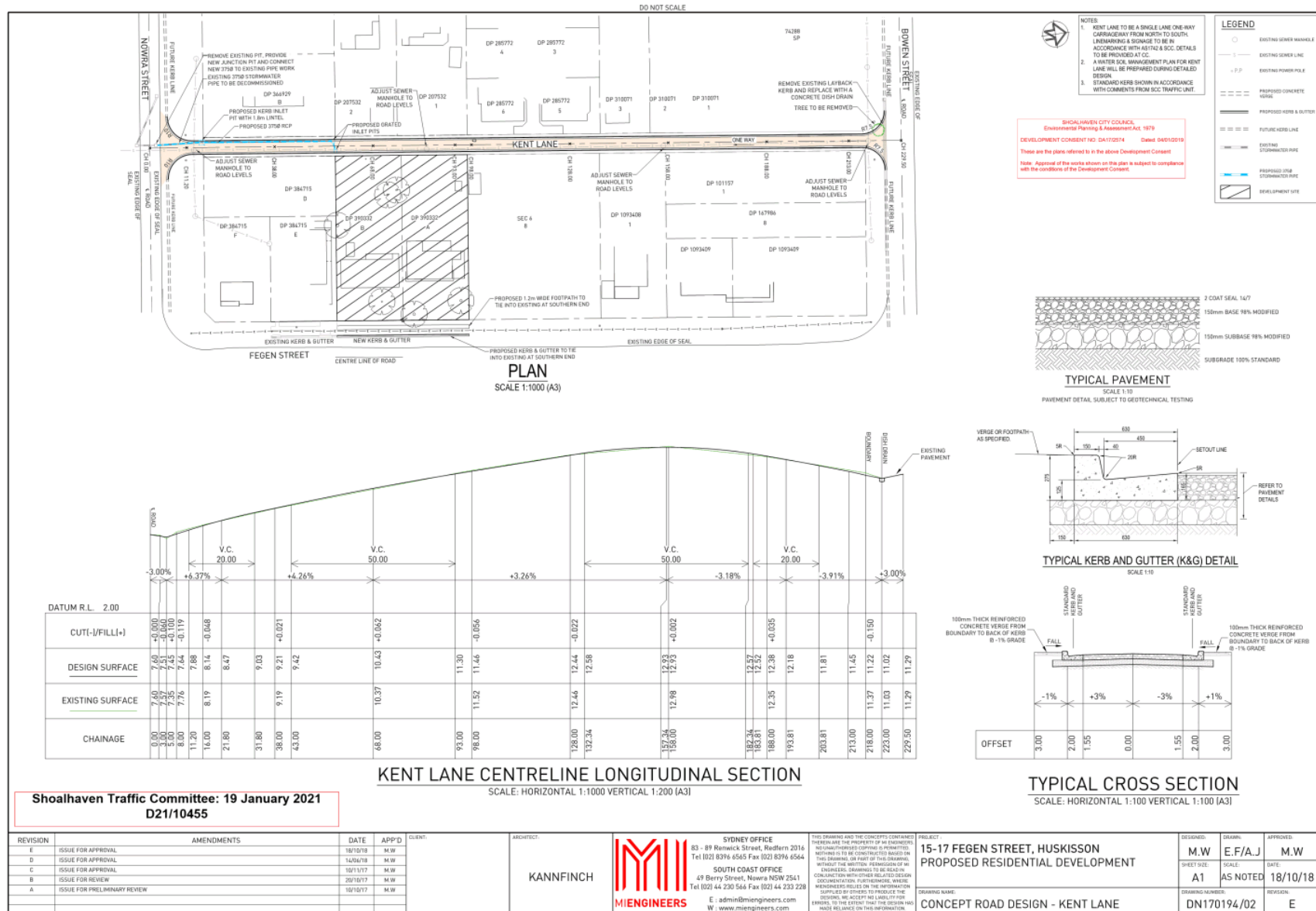
Shoalhaven Traffic Committee: 19 January 2021
D21/10045

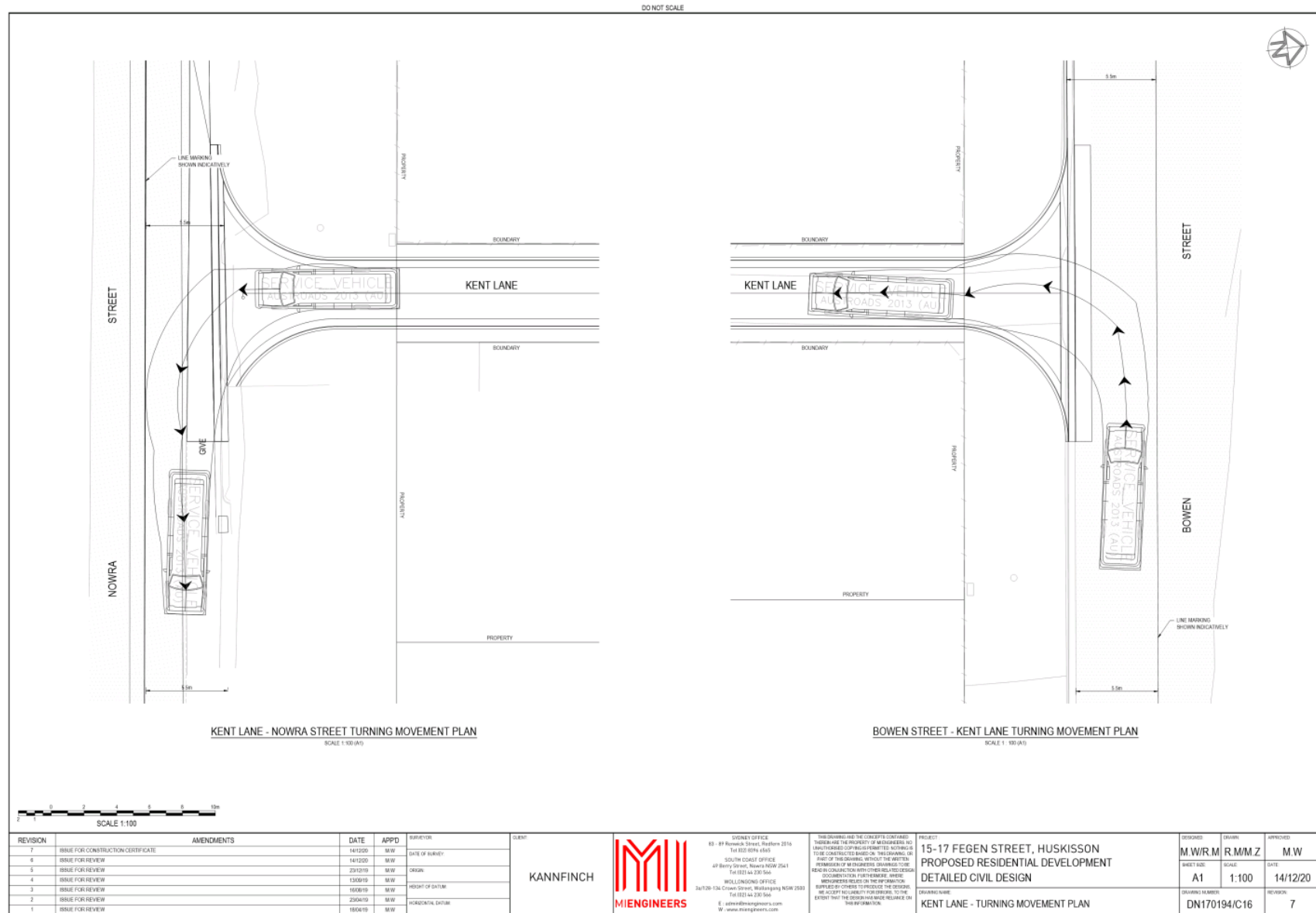


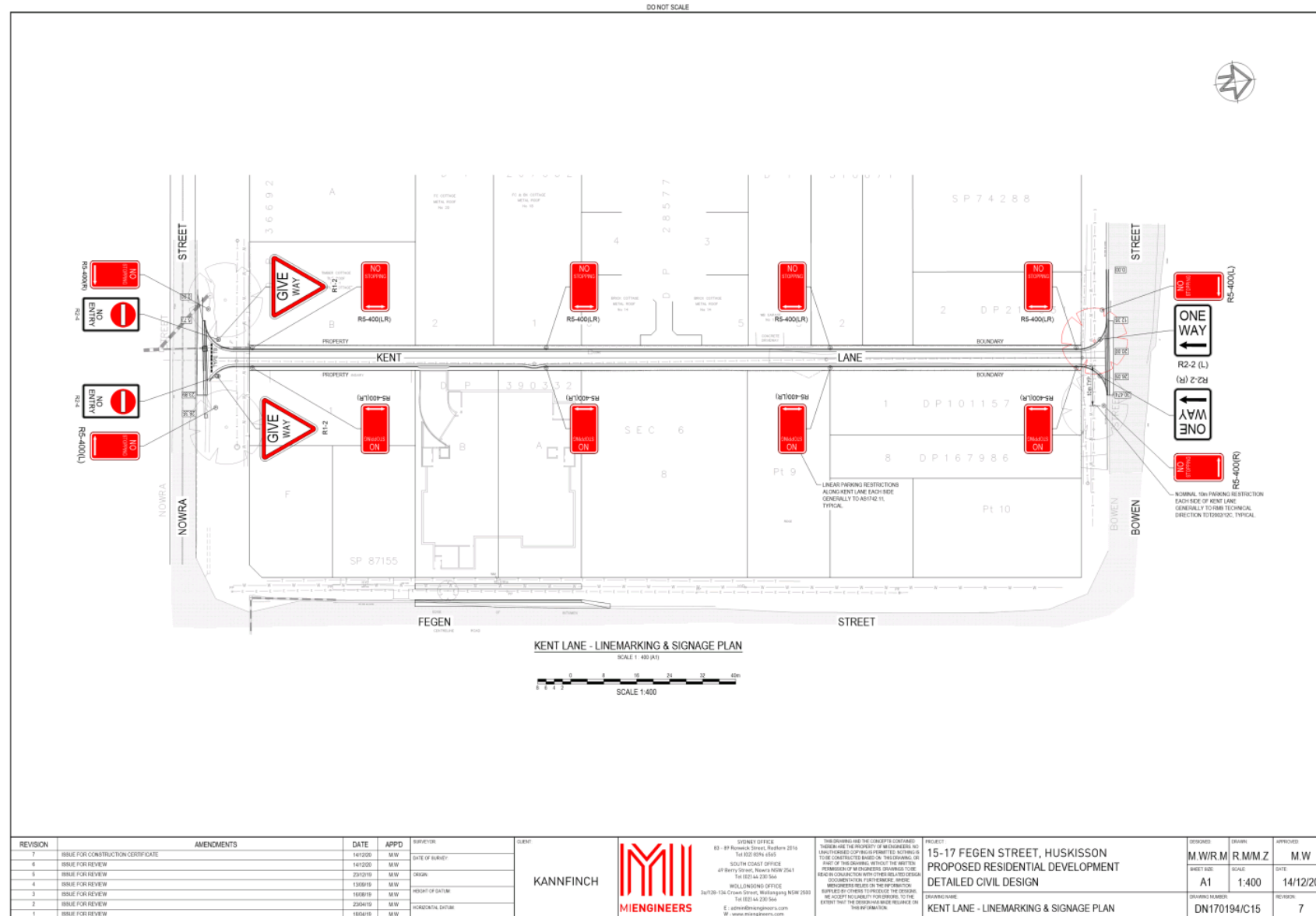


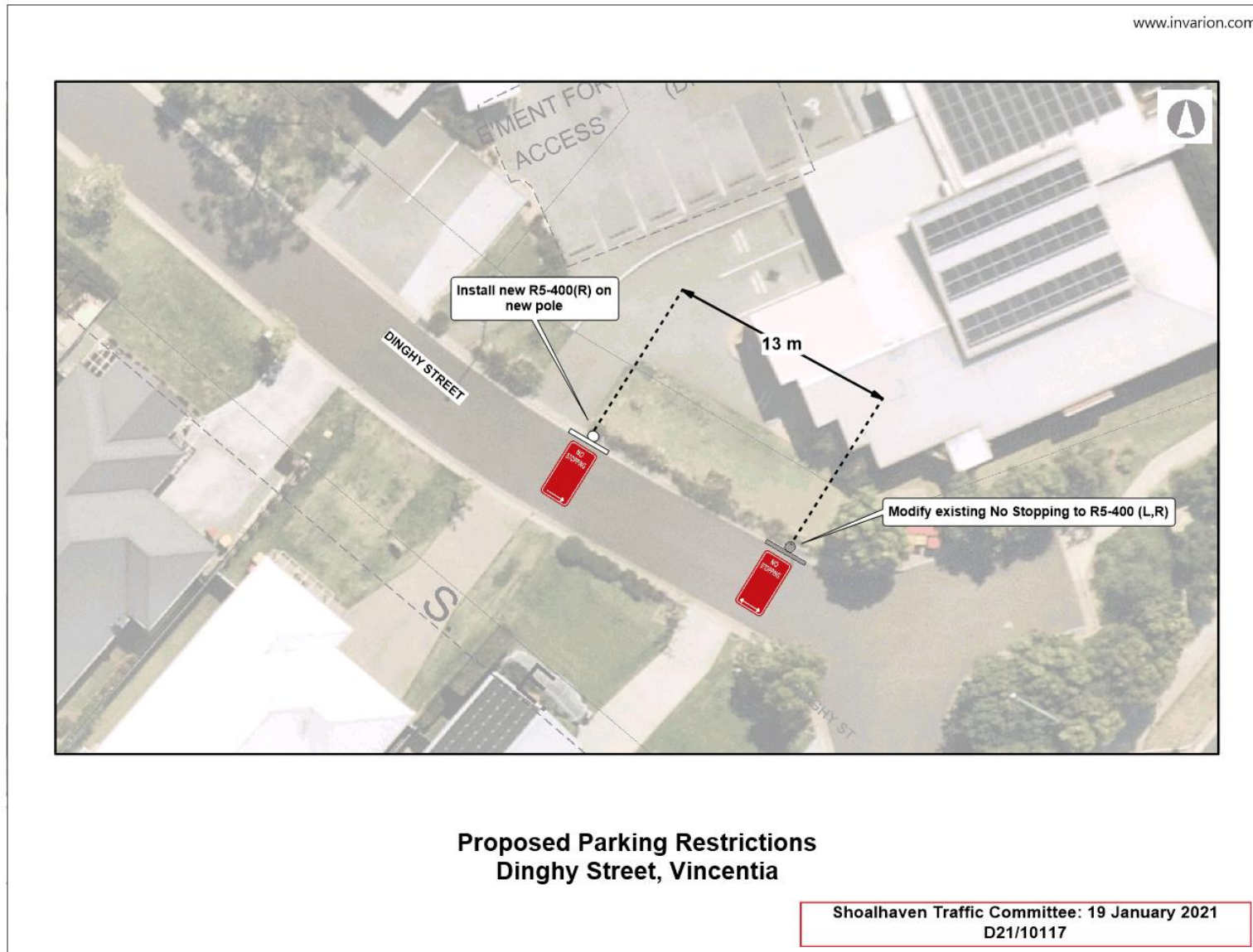


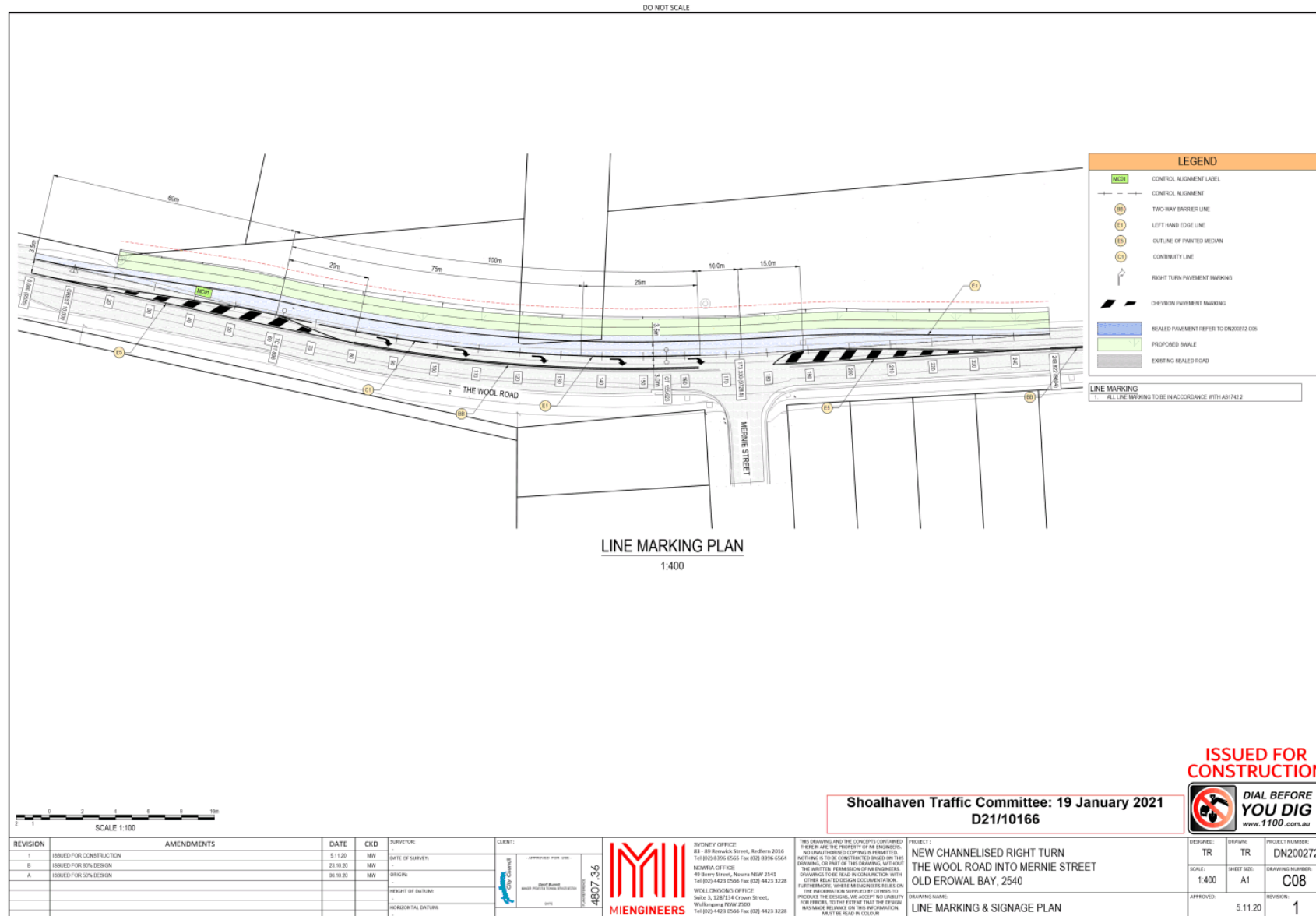


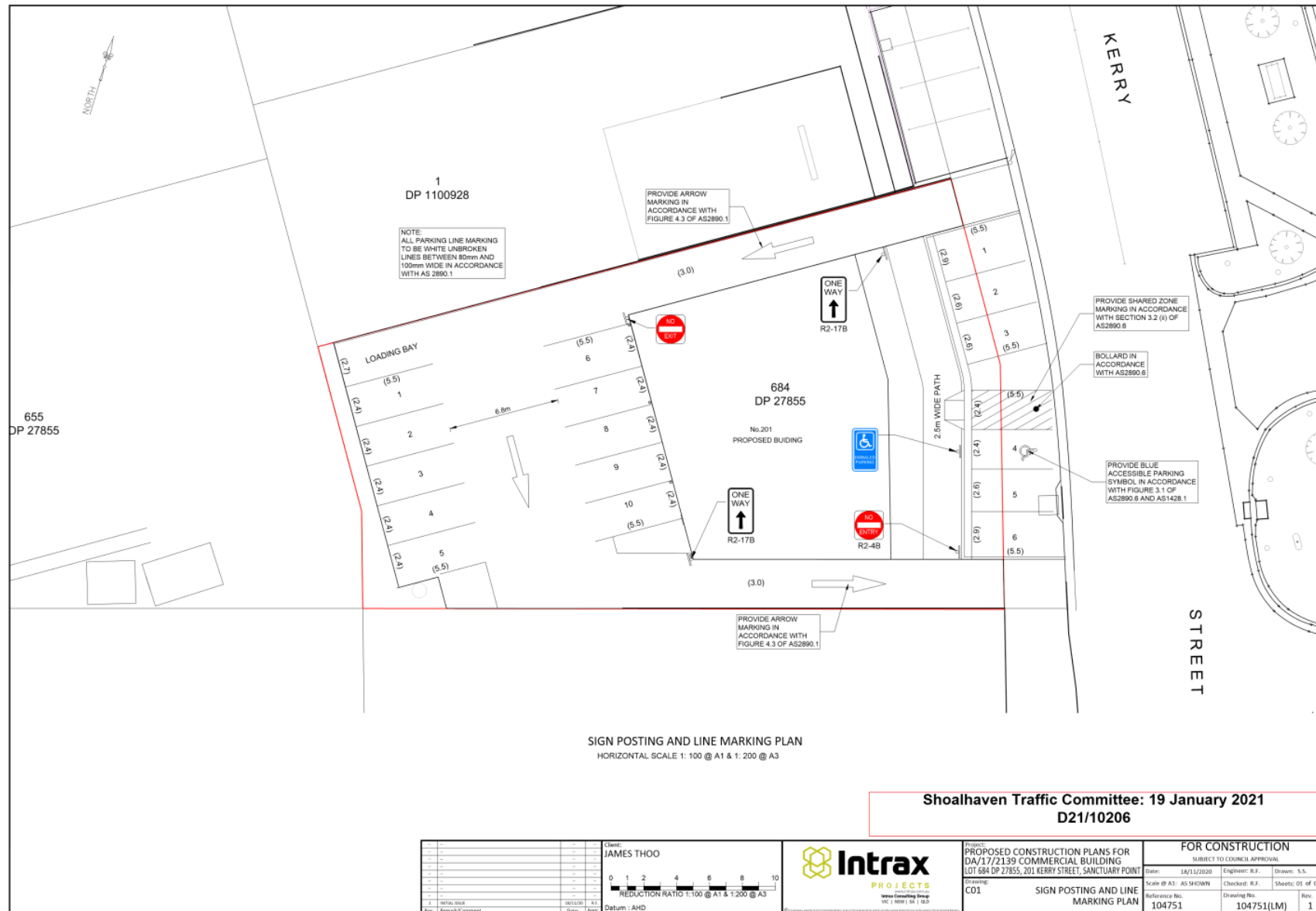


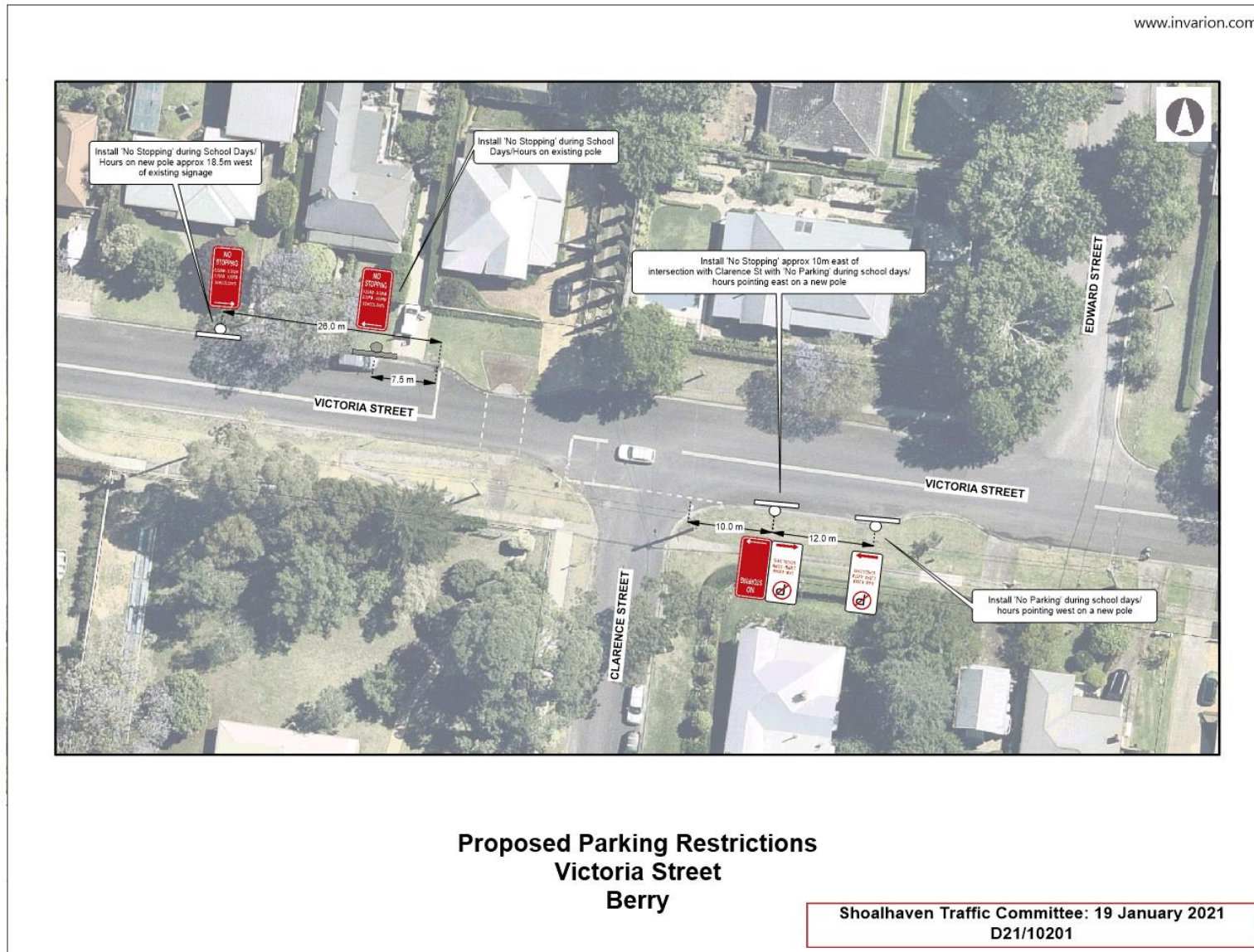


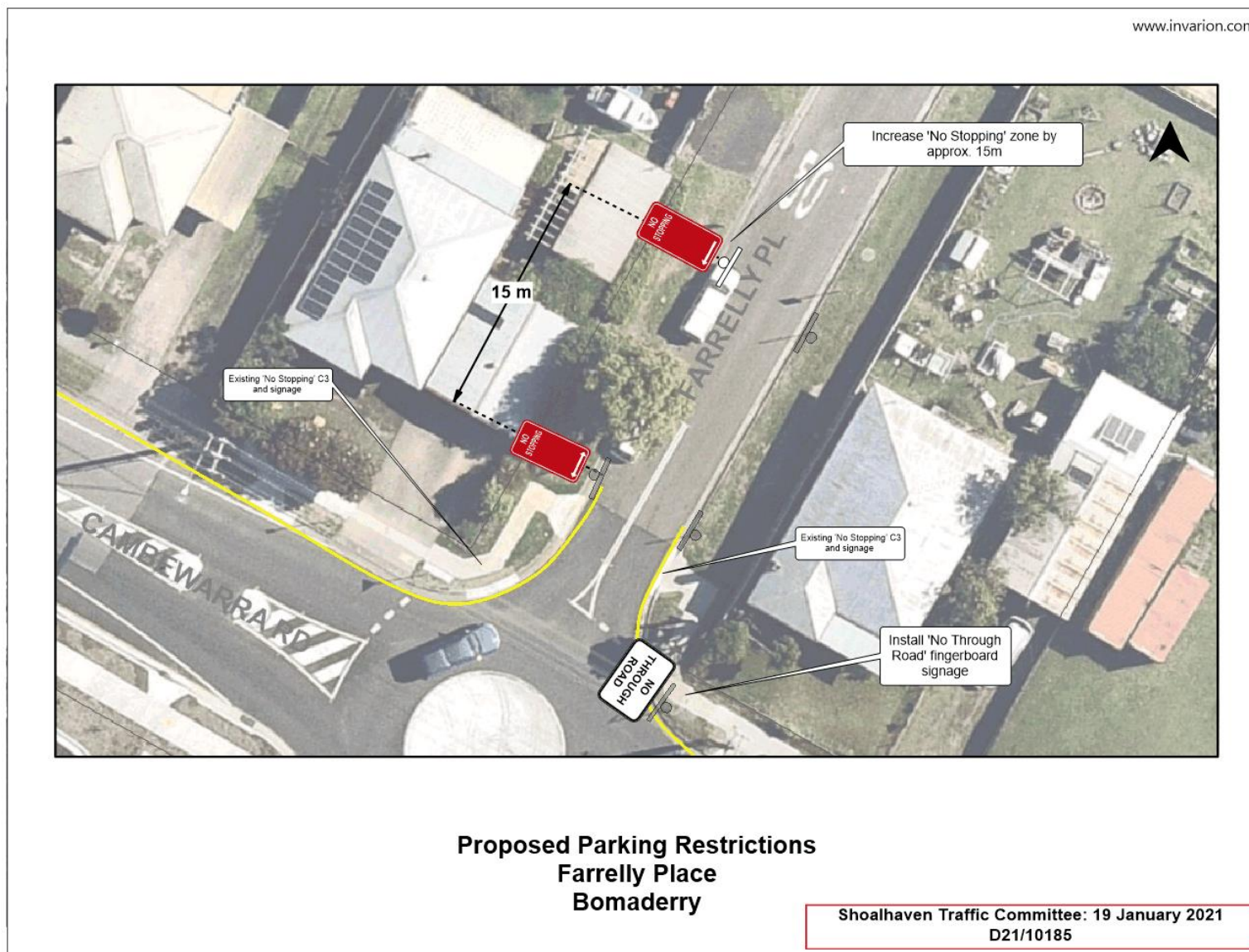


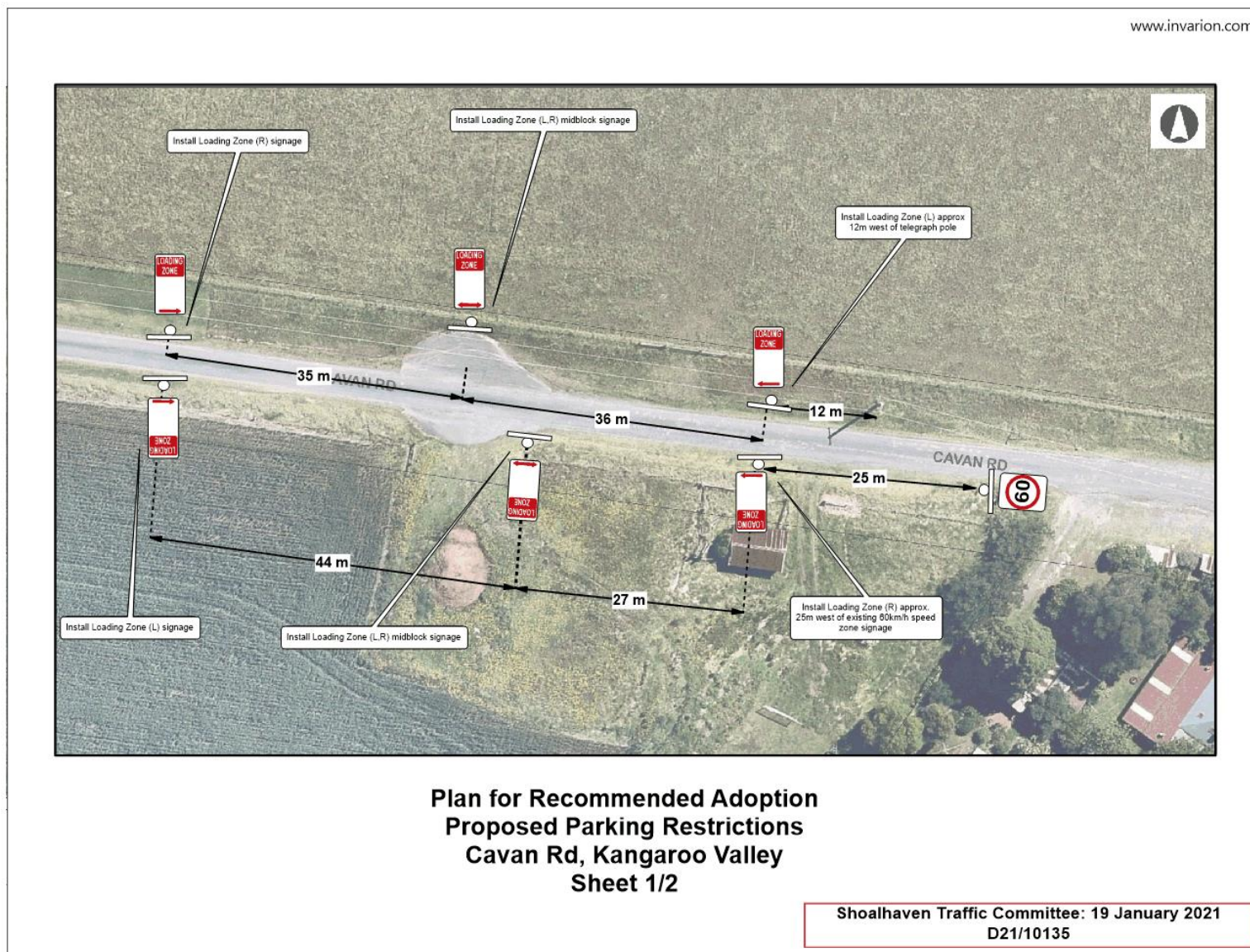


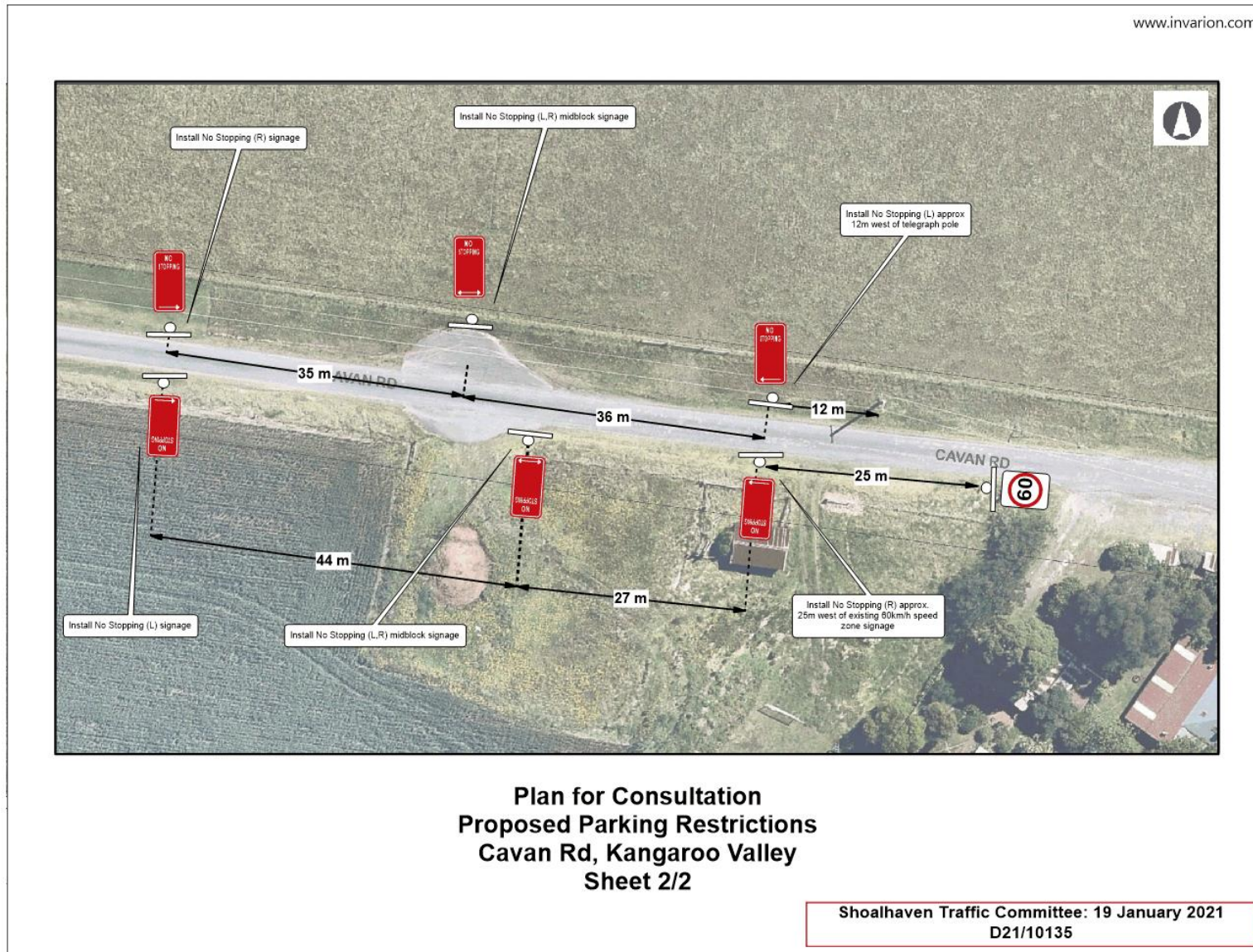












Towards a fairer rating system

December
2020

A consultation guide
to local government
rating reform



Produced by the Office of Local Government, Department of Planning, Industry and Environment
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MESSAGE FROM THE MINISTER FOR LOCAL GOVERNMENT

As foreshadowed at the Local Government NSW Annual Conference, I am delighted to release an Exposure Draft of the *Local Government Amendment (Rating) Bill 2020* to implement the NSW Government's response to IPART's review of the local government rating system.

The release of this Bill for consultation represents a milestone in the Government's reform agenda to ensure a fairer and more flexible rating system for councils and ratepayers across NSW.

This consultation guide, *Towards a Fairer Rating System*, has been released to explain the proposed changes and assist councils and others to provide feedback by the February 5 deadline.

The Government is committed to providing greater flexibility in the current rating system to improve distribution of the rating burden in local communities. This will make rates fairer and help councils cater for population growth and infrastructure costs.

Whilst some will want us to go further, these sensible adjustments to the rating system are the first step to help ensure councils have a stable and reliable revenue base to deliver services for their communities and that ratepayers pay a fairer contribution.

I am now seeking feedback on this Bill from councils, communities and other interested individuals and organisations to help us understand whether we have struck the right balance. Your responses will be carefully reviewed as the final Bill is prepared for introduction to Parliament early next year.

I encourage you to have your say by reading this Consultation Guide, together with the Exposure Draft Bill, and answering the targeted questions, as well as providing any further, general feedback.

Your responses will be carefully reviewed as a final Bill is prepared for introduction. It is important that we hear from councils, communities and as many other interested individuals and organisations as possible.

I look forward to hearing your views.

The Hon. Shelley Hancock MP
Minister for Local Government

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Introduction

At the request of the former NSW Premier, the Independent Pricing and Regulatory Tribunal (IPART) undertook a significant review of the local government rating system in NSW. The purpose of this review was to identify how to improve the equity and efficiency of the rating system, in order to enhance councils' ability to implement sustainable fiscal policies over the long term.

On 18 June 2020, the Government released its [Final Response](#) to IPART's [Final Report](#). This response acknowledged that local government and the communities they serve need to have a more flexible rating system, whilst ensuring rates are applied fairly and more equitably to local communities. It also committed to reforming the rating system to address issues identified during the review.

To deliver on the Government's commitments, a Bill has been prepared to seek to amend the *Local Government Act 1993* (the Act). Through this Bill, the Government proposes to implement the key reforms from its response in a way that is fair and reasonable for both councils and ratepayers.

To make sure we get the details right, an Exposure Draft of the Bill, together with this consultation guide, *Towards a Fairer Rating System*, have been released for public consultation. This provides a further opportunity to obtain essential feedback from councils, communities and other interested individuals and organisations until **COB 5 February 2021**.

The Government will introduce the Bill into Parliament in early 2021. In part, this will enable councils formed in 2016 to take up options provided by greater rating flexibility as they prepare for 1 July 2021.

How to read this paper

The consultation guide has been divided into three sections, beginning with a short section explaining the local government rating system. The following two sections provide an explanation of how the Government is implementing its response to the IPART report through the Exposure Draft Bill and other key rating reforms. The three sections are:

- **Section One** – Understanding local government rating
- **Section Two** – the Exposure Draft Bill, and
- **Section Three** – other key rating reforms.

Sections two and three set out each of the Government's commitments, including background information, and a summary of how it is proposed to implement that commitment.

How to have your say

First, read the [Privacy Notice](#) online or at [Appendix A](#), which explains the personal information being collected through this consultation. To provide feedback, you will need to provide some information about yourself and whether you are responding as an individual or on behalf of an organisation.

Importantly, specific consultation questions are also posed to obtain your feedback on key issues, and you are able to provide general comments if you have other feedback to provide. Feedback can be provided via an online submission form, located on Office of Local Government (OLG) website, www.olg.nsw.gov.au. You do not need to answer every question and can skip to sections of interest.

Alternatively, an identical feedback form is provided at **Appendix A** to this Consultation Guide. This form allows you to respond to the targeted consultation questions and make any further general comments. You are able to post or email the completed form **by COB 5 February 2021** to:

Office of Local Government, NSW Department
of Planning, Industry and the Environment
Towards a Fairer Rating System
Locked Bag 3015
Nowra NSW 2541

olg@olg.nsw.gov.au

Executive Summary

The NSW Government is committed to implementing a package of reforms to ensure the rating system is equitable and responsive to changing community needs. This package comprises those recommendations made by IPART in the [Final Report](#) on its local government rating system review of that were accepted by the Government in its [Final Response](#).

Most of these reforms require amendments to the *Local Government Act 1993*, which sets out how councils may levy rates from property owners. Other reforms will be implemented by change to regulations and by issuing new guidance.

Local Government Amendment (Rating) Bill 2020

A Bill to make these amendments has been prepared – the *Local Government Amendment (Rating) Bill 2020* (the Bill). If passed by the NSW Parliament, this Bill would:

- allow seventeen councils created in 2016 to gradually harmonise rates over four years, to protect ratepayers from excessive and sudden rate rises
- allow councils to levy special rates above the rate peg for infrastructure jointly funded with other levels of government without IPART approval
- create a new rating category for environmental land for properties that cannot be developed

- allow councils to create more flexible residential, business and farmland rating subcategories to enable them to set fairer rates
- allow councils to create separate rating subcategories for vacant residential, business and mining land to provide additional flexibility for councils to tailor rates for local communities
- remove the rating exemption for land subject to new conservation agreements and allow it to be rated under the new environmental land category
- allow councils to choose whether to exempt certain land from special rates for water and sewerage
- require councils to publicly report the value of any rating exemptions they choose to grant
- limit postponement of rates on rezoned land and let councils decide whether to write off any debts, and
- allow councils to sell properties for unpaid rates after three years rather than five years.

Through the Bill, the Government proposes to implement the key reforms in a way that is fair and reasonable for both councils and ratepayers. An Exposure Draft of this Bill has been released, together with this consultation guide to explain the proposed changes and to seek public feedback.

Other key rating reforms

The rates reform package also includes measures that do not rely on legislative amendments. As part of the Final Response to the IPART rating review, the Government committed to aligning rating income growth with population growth within the rate pegging system. This will help councils provide for growing communities while still protecting residents from sudden, excessive rate rises.

To kick-start this reform, the Minister for Local Government, with the approval of the Premier, has asked IPART to recommend a new rate peg methodology that allows the general income of councils to be varied annually in a way that accounts for population growth. This is consistent with the Productivity Commission's recommendations on its review of the infrastructure contributions system. The Government will not consider any further changes to the rate peg or allowable income at this time.

In addition, the Government supported IPART's recommendation that any difference between mining and business rates should primarily reflect differences in the councils' costs of providing services. This will be implemented through future guidance to the local government sector rather than legislation.

Finally, it is proposed to not progress any change to the residual rating category arrangements, and to limit the requirement for councils to report the value of exemptions to only those they choose to grant each year.

Next steps

The Office of Local Government will receive feedback from councils, local communities and other interested individuals and organisations until **COB 5 February 2021**.

After making any changes in response to this feedback, the Government will introduce the Bill into the Parliament in early 2021. In part, this will enable councils formed in 2016 to take up opportunities provided by greater rating flexibility as they prepare to harmonise rating structures from 1 July 2021.

Proposed Rating Reforms

Section One – Understanding local government rating

Ordinary and special rates help to fund council services

Local councils provide important services and facilities to communities across NSW. These are as varied as community services, local road construction and maintenance, sporting and recreational facilities, planning, environmental protection and waste recovery and disposal.

The *Local Government Act 1993* (the Act) and Local Government (General) Regulation 2005 set out how councils levy rates from property owners (ratepayers).

To pay for services, councils must levy property owners in their area for ordinary rates and may also apply additional special rates in certain circumstances. Some types of properties are wholly or partly exempt from paying rates under the Act. Councils also raise revenue by charging user fees, receiving grants, borrowing or other revenue e.g. from fines, developer contributions and interest.

The rate pegging system restricts councils from increasing their income from rates

Under the Act, the total income that a council can raise from rates each year cannot increase by more than a specific percentage – this is called the 'rate peg'. The rate peg does not apply to charges for services like waste management, water, sewerage and stormwater.

The Independent Pricing and Regulatory Tribunal (IPART) determines the rate peg that applies to councils' general income each year. For the 2020/21 financial year IPART set the rate peg at 2.0%.

Councils can apply to IPART for a 'special variation' to increase their general income above the rate peg, e.g. to provide further services, replace ageing assets or improve financial sustainability.

Councils can determine which rates apply to different property types in consultation with local communities

The Act enables councils to determine different ordinary rates for residential, business, mining and farmland properties (the four rating categories). Councils can choose how they calculate and distribute rates among the properties in these categories.

Council decides which category each property should be in based on its characteristics and dominant use. Councils can also choose to create certain subcategories within each of these four categories, and to apply different rates to properties in each subcategory.

Councils must undertake rate setting as part of their Integrated Planning and Reporting (IP&R)

Councils must set a Revenue Policy each year as part of their Operational Plan. This sets out the combination of rates, charges, fees and pricing policies that will be applied to fund the services it provides to the community. It also contains a rating structure that determines rates and charges each type of ratepayer will pay, and how they will be calculated. Councils must consult on this structure as part of setting their annual Operational Plan and budget before it is finalised.

Councils can choose to apply rates to unimproved land values in different ways

Rates are calculated on the value of the land only, and do not factor in any improvements, such as buildings. For each rating category or sub-category, rates can be calculated based on:

- the (unimproved) land value of the property times the **ad valorem** (a rate in the dollar)
- a combination of the land value and a fixed rate per property (**base amounts**), or
- on the land value, but with each property paying at least a set amount (**minimum rates**).

The Act applies some restrictions however, for example – councils must calculate residential rates for all properties with a single 'centre of population' in the same way.

Land values are determined by the Land and Property Information Division of the Department of Finance and Services on behalf of the NSW Valuer General.

Section Two – the Local Government Amendment (Rating) Bill 2020

1 ALLOWING GRADUAL RATES HARMONISATION

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 13 | s.506, s.508 | On assent |

The Government's commitment

In 2017, the *Local Government Act 1993* (the Act) was amended to 'freeze' the rates path of new councils created in 2016 for a period of four years. This was to ensure that their ratepayers would pay the same rates as they would have if the council had not merged for this initial period only.

In 2019, the Act was amended so that the Minister could allow councils formed in 2016 a further year to harmonise their rates, until 1 July 2021, to allow an additional year for this process. Ultimately, seventeen of the twenty relevant councils took up this option, so that the rates path freeze will now end for their communities on 30 June 2021.

At the end of the rates path 'freeze', each council will need to harmonise to a single rating structure – in practice, this means that all residential ratepayers will pay the same rate in the dollar on their properties unless councils choose to charge different rates for different 'centres of population'. At present, the Act only permits councils to harmonise rates across their area in a single financial year, being 2021/22

As part of its response to IPART's review, the Government agreed to IPART's recommendation to allow new councils to gradually harmonise rates across their former council areas over time. IPART suggested that rates increases be limited to 10% a year.

The proposal in the Bill

It is proposed that each council formed in 2016 have the option to gradually harmonise new rates for residential and farmland rates from 2021-2022 over four years. Those councils and communities that do not wish to gradually harmonise over the four-year period would still be able to harmonise their rates all at once in 2021-22.

Councils that take up the gradual harmonisation option will need to apply no more than 50% of the total increase in rates at the rating category level over the period, in any one of the four financial years. Importantly, councils that choose to harmonise gradually will be required to set out their intended approach over the full four years in their IP&R documents.

The proposed four-year period is designed to allow for gradual change, while setting a reasonable period to limit how long some ratepayers are subsidising others. It also takes into account both an unusual three-year council term, with elections in 2021 and 2024, as well as the fact that all land is to be revalued before rates are levied for 2023-24.

Rather than setting a maximum percentage increase each year, it is proposed to allow affected councils to set rates each year according to community needs and prevailing economic conditions. This allows councils with different legacy rating structures to harmonise in consultation with their communities according to local circumstances and conditions, under the IP&R framework.

The proposed '50% in any one year' cap will ensure that councils that choose this option take a gradual approach that protects ratepayers against sudden and excessive rate rises in any specific year. This will not,

however, preclude rates from increasing due to changes in land valuation, special rates or any special variation.

Consultation question/s

1. Are you from a local government area newly formed in 2016 that has not yet harmonised rates?

☐ Yes

☐ No

2. Do you agree with the proposal to enable relevant councils to gradually harmonise rates across their former council areas over four years?

☐ Yes

☐ No

☐ Neutral

Comment:

CL21.15 - Attachment 1

2 ALLOWING COUNCILS TO LEVY SPECIAL RATES FOR JOINTLY FUNDED INFRASTRUCTURE

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 8 | s.495 | By proclamation |

The Government's commitment

Under the Act, councils can levy special rates, in addition to ordinary rates, on any subset of rateable land in its area to meet the costs of delivering additional works, services, facilities or activities to ratepayers. This is limited, however, to funding local government functions.

Councils are increasingly entering into arrangements to jointly fund infrastructure projects with the NSW Government and the Australian Government. To generate additional revenue to contribute to these projects, which may be a condition of the project going ahead, councils are applying to IPART for a special variation. This imposes a high regulatory burden that extends timeframes and can deter councils from helping to deliver projects that benefit their local communities.

The Government is committed to establishing an equitable and effective funding framework for infrastructure associated with development, and, ensuring that growing communities have adequate and effective infrastructure needed to support that growth.

The Government therefore supported IPART's recommendation that councils be able to levy a new type of special rate for new infrastructure, where it is of clear benefit to the community, jointly funded with other levels of government.

The proposal in the Bill

It is proposed to clarify that special rates may be levied to pay for goods, services and infrastructure that are not covered by chapters 5-6 of the Act if the specific purpose of the special rate is to co-fund or contribute to infrastructure or services being jointly provided with another level of government.

Income from this special rate will not form part of a council's general income under the rate peg and councils will not need to seek IPART's approval before levying the special rate.

Importantly, councils will be prevented from levying a special rate for costs that are being met by a developer under the infrastructure contributions framework or by another funding arrangement. Special rates must only be used for the purpose for which they are levied.

Before applying this special rate, a council will need to consult its community through IP&R about anticipated benefits of the project and special rate, anticipated total project costs, council's contribution to those costs, the contributions to be made by others, the total special rate that would be levied, and how, and for what time period, the rates are to be levied.

Councils will also need to provide information in their annual reports on project outcomes, actual costs to council of this project, costs reported by other parties (where available) and the total revenue generated by the special rate. Where this differs from a council's initial estimates, an explanation is to be provided. The intention is to create a monitoring and reporting framework that maximises transparency, public accountability and community benefit from these special rates.

Consultation question/s

3. Do you agree with the proposal to allow councils to levy special rates for jointly funded infrastructure?

☐ Yes

☐ No

☐ Neutral

Comment:

CL21.15 - Attachment 1

3 INCREASING FLEXIBILITY THROUGH NEW RATING CATEGORIES AND SUBCATEGORIES

3.1 Allowing councils to set different residential rates in contiguous urban areas

| IPART recommendation | Key sections of the Act | To come into effect |
|-----------------------|-------------------------|---------------------|
| Recommendations 10-12 | ss.529-530 | On assent |

The Government's commitment

Currently, the Act prevents councils from applying different residential rates on properties within a single 'centre of population.' This is difficult to apply in practice and has effectively prevented councils in urban areas, like Greater Sydney, from setting different rates in different locations across their local government area, as occurs in regional and rural NSW.

Given this, IPART recommended councils be able to set different residential rates in contiguous urban areas, but only where there is on average, different access to, demand for, or cost of, providing services and infrastructure. It proposed that councils use geographic markers to define these areas, including postcodes, suburbs, geographic features (e.g. waterways, bushland) and/or major infrastructure (e.g. arterial roads, railway lines).

Importantly, IPART also recommended that a limit apply so the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories (i.e. so the maximum difference between the highest and average rates, including *ad valorem* rates and base amounts, is 50%) except any new vacant land subcategory (see 3.4 below). To exceed this limit, councils would need to seek IPART approval.

The Government believes that councils should be able to explore different options to distribute the rating burden more equitably, in consultation with their communities, and supports enabling greater use of differential rating in urban areas. It supported these recommendations 'in principle'.

The proposal in the Bill

It is proposed to allow councils to create different rating subcategories for residential land in contiguous urban areas, while also continuing existing provisions that allow different residential rates to be set by 'centre of population', as used by regional and rural councils.

Under the proposal, a council may only set different residential rates in a contiguous urban area if there is on average, different access to, demand for, or cost of, providing services and infrastructure.

For this purpose, 'contiguous urban area' will capture a portion of an area that is urban in nature and comprises residential land where the properties within that area, taken together, are not entirely separated by land that falls within other rating categories.

Further, in these cases, councils will be required to use geographic names published by the Geographical Names Board to objectively define different residential areas to which to apply different residential rates, rather than being enabled to simply draw 'lines on a map'.

A limit will also apply so the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories, with the capacity to change this ratio in future by regulation. "Average rate structure" includes *ad valorem* amounts, minimum rates and/or base amounts, as relevant. To exceed this limit, councils would need to seek the Minister's approval.

Councils will be required to undertake community consultation under IP&R, in determining residential rating subcategories, setting rates for each subcategory and making any future amendments to these arrangements. Councils will also be required to publish the different rates and their rationale for charging different rates in their Revenue Policy.

The Minister will be able to issue guidelines that must be followed by councils in setting these rates, including how the provisions may be used appropriately by councils.

Consultation question/s

4. Do you agree with the proposal to allow for different residential rates in contiguous urban areas?

- ☐ Yes
☐ No
☐ Neutral

Comment:

5. Do you agree with the proposal to limit the highest rate structure across all residential subcategories to no more than 1.5 times the average rate structure?

- ☐ Yes
☐ No
☐ Neutral

Comment:

3.2 Creating a new rating category for environmental land

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|----------------------------|---------------------|
| Recommendation 29 | s.493, s.514, s.518, s.529 | By proclamation |

The Government's commitment

Under the Act, before making an ordinary rate, a council must have declared each parcel of rateable land in its area to be within one of four rating categories – farmland, residential, mining or business. If a parcel of land does not fall within the residential, farmland or mining rating categories, it is treated as business land (the residual category).

There are concerns that these four rating categories are not sufficient to ensure that specific types of land are being rated at an appropriate level. In particular, IPART heard that this has resulted in land that cannot be developed, and therefore not falling with the residential, farmland or mining land categories, being rated as business land. As a result, a higher rate is often levied.

IPART recommended that a new, fifth rating category be created for environmental land to provide for appropriate rating of land that cannot be developed due to geographic or regulatory restrictions. The Government accepted this recommendation 'in principle', noting that it closely relates to IPART's further recommendation (No. 18) in relation to conservation agreements (see further below at 4.1).

The proposal in the Bill

It is proposed to create a new rating category for environmental land, and to define *environmental land* as that:

- for which current and future use of the land is constrained as it:
 - has limited economic value relative to its size and location, or
 - cannot be developed, or
 - has low development potential for a business, residential or farming activity, and
- is subject to *geographic restrictions* or *regulatory restrictions*.

It is proposed that, in determining whether land cannot be developed or has low development potential, councils must have regard to factors including the zoning of the land under the EP&A Act and regulations and relevant instruments, and any other matter prescribed by regulation.

It is also proposed that *geographic restrictions* include, but not be limited to, the presence of significant water areas, mud flats, swamps, marshlands, steep slopes and other terrain on which residential or commercial development is virtually impossible due to physical limitations.

Further, it is proposed that *regulatory restrictions* be defined as laws or other permanent constraints imposed or agreed to in relation to the land that prevent development. This would include, but not be limited to, restrictions due to the land being subject to an *environmental agreement or instrument* prescribed by regulation, and being not otherwise exempt from rates.

Where a parcel of land is determined to be mixed use land, like rating of business land, councils will be able to apportion rates based on the portion of the land that falls within each rating category, as currently set out under the *Valuation of Land Act 1916*. This is currently not provided for under that law. Comment is sought on the manner of determining the apportionment of rates where a parcel of land could properly be categorised as environmental and the remainder could be categorised under one or more other rating category.

It is also proposed that, as for land in other rating categories, councils may create subcategories for environmental land to allow different environmental land rates to be set.

For this purpose, it is proposed that councils be enabled to create different rating subcategories based on whether or not there is a conservation agreement or similar instrument in place, and/or, based on geographic location.

Where a council chooses to rely on geographic location to create subcategories, it will need to define the different residential areas by reference to geographic names published by the Geographical Names Board, rather than by drawing 'lines on a map'.

Consultation question/s

6. Do you agree with the proposal about how to create a new rating category for environmental land, including how environmental land is proposed to be defined?

- ☐ Yes
☐ No
☐ Neutral

Comment:

7. Do you agree that a portion of land that is subject to a conservation agreement or other similar instrument should be categorised by councils according to the proposed definition of environmental land?

- ☐ Yes
☐ No
☐ Neutral

Comment:

3.3 Enabling different business rates to be set for industrial land and commercial land

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 30 | s.529 | By proclamation |

The Government's commitment

Currently, the Act only allows councils to create different categories of business rates according to whether business land falls within a 'centre of activity'. This is essentially, therefore, limited to location, rather than the activities taking place on each property. It also means that, where businesses are not clustered together, they are most often only charged a general business rate.

IPART recommended, and the Government supported, changing this so that different rating subcategories can also be created for land where industrial and commercial activities are occurring.

This recognises that land where these activities take place typically have different access to, demand for or cost associated with providing council services and infrastructure. It also recognises that these parcels of land may, or may not, be clustered together within a local government area.

The proposal in the Bill

It is proposed that councils be given the option of setting different rates for business land based on whether it is industrial or commercial land. This would apply in addition to maintaining the current option of setting different rates based on whether there is a 'centre of activity'.

It is proposed that councils that choose to take up this option determine whether business land is industrial or commercial, as necessary, based on whether industrial activities are predominantly taking place. This approach means that property zoning is relevant but not determinative for rating purposes, as intended by IPART, and creates a clear approach for councils and ratepayers that can be updated as necessary over time.

It is further proposed that, if the 'dominant' activity conducted on a parcel of land does not fall within a list of *industrial activities* prescribed in regulations, they may be categorised as commercial. Activities which may be prescribed as industrial include, for example, manufacturing, warehousing, abattoirs and works depots.

Consultation question/s

8. Do you agree with the proposal about how to enable different business rates for industrial and commercial land?

- ☐ Yes
- ☐ No
- ☐ Neutral

Comment:

3.4 Enabling different rates for residential, business or mining land that is vacant

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 31 | s.519, s.529 | By proclamation |

The Government's commitment

Under the Act, before making an ordinary rate, a council must have declared each parcel of rateable land in its area to be within one of four rating categories – farmland, residential, mining or business. As above, it is now proposed to create a fifth rating category for environmental land (see 3.2).

At present, councils must rate a parcel of land as residential, farming or mining land if it determines the land falls within one of those categories whether or not it is vacant. If the land does not clearly fall into one of these categories, council must rate it according to its designated use under an environmental planning instrument or, in the absence of such an instrument, based on the predominant surrounding land.

In either case, councils are not permitted to rate land differently because it is vacant. For example, an empty block of land in a residential estate is charged the same rate as the houses in the estate.

IPART recommended that, after completing the current rating categorisation process for vacant land, councils be able to set a different rate for vacant land to that set for other land in the same rating category for residential, business and mining land.

The Government has accepted this recommendation, which would provide additional flexibility for councils to tailor their rates to the needs of local communities.

The proposal in the Bill

It is proposed to give effect to this reform by allowing councils to create rating subcategories for vacant land within the residential, business or mining land categories. This type of rating subcategory will not be able to be created for environmental or farming land.

In determining whether a parcel of land is vacant, a council will need to have regard to factors including whether the land has a *substantial and permanent* structure. For this purpose, a building or other structure may be considered substantial and permanent if it is:

- significant in size or value
- not incidental to the purpose of another structure or proposed structure
- not related to, reliant on, or existing to support use or function of a structure, and
- fixed and enduring, rather than built for a temporary purpose.

These proposed factors build on relevant aspects of the approach taken by the Australian Tax Office definition of vacant land for income tax purposes.

It is also proposed to provide guidance to councils about:

- how councils may determine whether a specific parcel of land is to be treated as vacant land and, where relevant, to which rating category it belongs
- factors councils should take into account in setting the rate to be paid for vacant land, and
- how high or low the rate for vacant land should be relative to the principal rating category.

Consultation question/s

9. Do you agree with the proposal to allow subcategories for vacant land to be created for residential, business and/or mining land, including the proposed factors set out above?

- ☐ Yes
☐ No
☐ Neutral

Comment:

CL21.15 - Attachment 1

3.5 Allowing different farmland rates to also be set based on geographic location

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 32 | s.529 | By proclamation |

The Government's commitment

Currently, councils can only sub-categorise farmland according to intensity of land use, 'irrigability' of the land or economic factors affecting the land.

Concern has been raised that, while some regional and rural councils are able to rely on these factors, it is inflexible, subjective and difficult to apply in many local government areas in an equitable way. IPART found that the majority of councils with farmland properties do not create subcategories and are applying a single rate even if there are substantial differences in the intensity of farming.

IPART therefore recommended that councils should be able to set different farmland rates based on geographic location. This reflects the view that location-based rating for farmland, like residential and business land, can better reflect access to council infrastructure and services as well as the productivity of land. It suggested that areas may be defined by locality or geographical markers (such as a riverbank or escarpment) or major infrastructure (such as a highway).

The Government supported this recommendation. This will allow councils flexibility to more fairly distribute the rating burden by creating rating subcategories that better reflect productivity, are easier to assess and may be more likely to reflect access to council services by landholders.

The proposal in the Bill

It is proposed that councils be given the option of setting different rates for farmland based on geographic location. If this option is chosen, councils will need to:

- create subcategories by reference to the geographic names published by the Geographical Names Board rather than drawing 'lines on a map', and
- have regard to certain matters prescribed by regulation in creating subcategories for farmland and determining rates to be levied for each geographic location.

This new option would apply in addition to maintaining the current option of setting different rates based on intensity of land use, 'irrigability' or economic factors affecting the land. This approach is intended to minimise disruption for councils in regional and rural NSW with rating structures that rely on the current provisions.

Relevantly, the new approach to creating rating subcategories for farmland may also be utilised by relevant councils to assist with harmonisation, or, to maintain current farmland rating structures across their former council areas, should they choose to do so, in consultation with their communities.

Consultation question/s

10. Do you agree with the proposal to enable councils to also set farmland rates based on geographic location?

- ☐ Yes
- ☐ No
- ☐ Neutral

Comment:

CL21.15 - Attachment 1

4 CHANGING SPECIFIC EXEMPTIONS FROM ORDINARY AND SPECIAL RATES

4.1 Removing mandatory rates exemptions for land with new conservation agreements

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 18 | s.529, s.555, s.558 | By proclamation |

The Government's commitment

Under the Act, land subject to certain conservation agreements is exempt from all rates. This exemption was introduced to provide a financial incentive for land holders to enter into agreements for future conservation which impose costs and reduce the development potential of their land.

Over a period of time, different types of conservation agreements and similar instruments have been created and used to manage potential impacts of proposed developments on native species, cultural heritage or to address other environmental, community or development-based concerns. Some of these arrangements are exempt from rates while others are not.

IPART recommended removing rating exemptions for private land with conservation agreements and that councils rate the land under the new environmental land rating category (see above at 3.2). This reflected the finding that these parcels of land should not always be exempt from rates as owners have exclusive possession, derive private benefits, use services and impose other costs on the council and broader community.

The Government accepted IPART's recommendation in part, subject to further consultation on issues with respect to the range of agreements in force and the preservation of environmental, historical and Aboriginal cultural heritage outcomes.

The proposal in the Bill

It is proposed that there no longer be a mandatory rating exemption for private land for which a new conservation agreement is entered into after this reform comes into effect.

Instead, these properties will be categorised for rating purposes by the relevant council and may be rated under the new environmental land rating category. Further, as set out above at 3.2, councils will be permitted to create rating subcategories, and therefore to set different rates for environmental land based on whether or not there is conservation agreement or other instrument prescribed by regulation.

Importantly, to ensure fairness for parties to existing conservation agreements, it is proposed that those lands that currently benefit from this exemption continue to do so. This maintains a significant financial incentive that was taken into account by land holders when deciding whether to enter into an agreement which, in the vast majority of cases, is now binding on themselves and future owners.

Consultation question/s

11. Do you agree with the proposal to remove the requirement for councils to apply a rating exemption for land subject to new conservation agreements?

☐ Yes

☐ No

☐ Neutral

Comment:

CL21.15 - Attachment 1

4.2 Removing certain mandatory exemptions from special rates for water and sewerage

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 24 | ss.555-558 | By proclamation |

The Government's commitment

Some councils are responsible for providing water and sewerage services, particularly in regional and rural NSW. To fund these services, in addition to regular service charges, councils may levy special rates as a fee for service, in addition to ordinary rates. These special rates appear on rates notices.

Under the Act, councils are prevented from levying special rates for water and sewerage on the whole, or part, of a range of specific types of property, including:

- Crown land not leased for a private purpose
- land within a National Park, historic site, nature reserve, state game reserve or karst conservation reserve, whether or not the land is affected by a lease, licence, occupancy or use,
- land that is subject to a conservation agreement
- land that is vested in, owned by, held on trust by or leased by the (now) Biodiversity Conservation Trust
- land that is within a special area or controlled area for Sydney Water that is either Crown land or land vested in Sydney Water
- land that is within a special area for Hunter Water that is Crown land or vested in Hunter Water
- land that is vested in or owned by Water NSW that is in, on or over which water supply works are installed
- land that is within a special area for a water supply authority that is Crown land or vested in that authority

- land that belongs to a religious body and is occupied and used in connection with:
 - a church or other building used or occupied for public worship, or
 - a building used or occupied solely as the residence of a minister of religion in connection with any such church or building, or
 - a building used or occupied for the purpose of religious teaching or training, or
 - a building used or occupied solely as the residence of the official head and/or the assistant official head of any religious body in NSW or any diocese in NSW,
- land that belongs to and is occupied and used in connection with a government school, non-government school or certain schools with exemptions under s.78 of the *Education Act 1990*
- a playground that belongs to and is used in connection with the school, and
- a building occupied as a residence by a teacher, employee or caretaker of the school that belongs to and is used in connection with the school,
- land that is vested in the NSW Aboriginal Land Council (ALC) or a local ALC if it is declared under the *Aboriginal Land Rights Act 1983* to be exempt from rates,
- land vested in or owned by Residual Transport Corporation NSW or a public transport agency and in, on or over which rail infrastructure facilities are installed,

- land vested in or owned by Transport Asset Holding Entity of New South Wales and in, on or over which rail infrastructure facilities are installed,
- land that is vested in or owned by Sydney Metro and in, on or over which rail infrastructure facilities are installed, and
- land below the high-water mark used for aquaculture relating to the cultivation of oysters.

Under the Act, councils are also able, but not required, to choose to exempt other types of land from these types of special rates – this includes, for example, public reserves, hospitals and charities.

IPART found that it may not be appropriate for some parcels of land that fall within the above list to be exempt from paying special rates for water and sewerage as they would receive these services for free with significant private benefit. Instead, IPART recommended that the Government allow councils discretion to choose whether to exempt these properties from special rates. The Government accepted this recommendation.

It is understood, however, that in practice very few councils in regional and rural NSW levy special rates for water and sewerage, as compared to annual or service charges.

The proposal in the Bill

It is proposed that councils be able to choose whether to exempt those properties listed above from special rates, noting that these special rates are unlikely to be applied.

Importantly, it is intended that the Government provide guidance to any councils levying special rates about how best to exercise their discretion in relation to whether to continue to exempt specific types of land that were previously required to be exempt from these special rates. This guidance may specify relevant factors to consider, for example, the type of land, the land's permitted use, the land's actual use/s and access to relevant council infrastructure and services.

Consultation question/s

12. Do you agree with the proposal to remove certain mandatory exemptions from special rates for water and sewerage?

- ☐ Yes
- ☐ No
- ☐ Neutral

Comment:

5 IMPROVING PUBLIC CONFIDENCE IN THE RATING SYSTEM

5.1 Narrow scope to postpone rates and let councils choose whether to write them off

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 40 | s.585, s.595 | By proclamation |

The Government's commitment

Under the Act, a ratepayer is able to postpone paying higher rates if their land is rezoned, the rates payable increase after rezoning and the ratepayer does not intend to redevelop the land according to the new land uses that are permitted under the new zoning. Further, councils are required to write-off any rates and accrued interest postponed under this process after five years.

This postponement option allows people to retain properties with higher permitted uses without paying higher council rates. It is available to land consisting of a single dwelling house or rural land zoned to allow subdivision and applies to both ordinary and special rates.

IPART found that the cost to councils of administering postponement arrangements is high and is inconsistent with the taxation principles of simplicity, efficiency and equity. In particular, the postponement option:

- does not acknowledge the wealth gained in land value from rezoning
- does not recognise that the increased rates are a small proportion of the increased value of the land asset, and
- acts as a disincentive to develop land and does not promote growth and urban renewal.

IPART therefore recommended that the option to postpone rates in these circumstances should be removed, and that councils no longer be required to write-off postponed rates after five years. This would not affect the continuing ability for ratepayers to apply for rates relief on hardship grounds. The Government accepted this recommendation.

The proposal in the Bill

It is proposed to provide appropriate limits on the postponement of rates. These include:

- limiting who can postpone rates to those ratepayers that would face substantial hardship as a result of paying the higher rates attributable to rezoning
- restricting the amount of rates that can be postponed under the postponement of rates provisions to the difference between the rate applied under the former zoning, and the amount that will apply under the new zoning, and
- removing the requirement for councils to write off postponed rates after five years, while still giving them flexibility to do so in appropriate circumstances.

The Government understands that, if the provisions in relation to the postponement of rates were simply removed, ratepayers may face significant rate increases and, if unable to pay, may need to sell their properties.

These proposals are designed to limit the potential significant financial impact for some owners of properties when they face a zoning change in relation to their land. The proposals also acknowledge potential hardship for some of these ratepayers, particularly owner occupiers of residential or rural residential land already facing financial stress.

Importantly, to ensure fairness, it is proposed that those ratepayers that currently benefit from such an arrangement, or have applied to do so, continue to do so under the current provision after the reform comes into effect.

The Government believes that these proposals will create a fairer rates postponement framework that enables ratepayers needing to postpone rates for legitimate reasons to do so,

while enabling councils to collect much needed rates to meet the cost of services provided to that land, and to lessen the burden on other ratepayers.

Consultation question/s

13. Do you agree with the proposal to restrict who can seek postponement of rates?

- ☐ Yes
☐ No
☐ Neutral

Comment:

14. Do you agree with the proposal to remove the requirement to write off rates debts?

- ☐ Yes
☐ No
☐ Neutral

Comment:

CL21.15 - Attachment 1

5.2 Allow councils to sell properties for unpaid rates after three years

| IPART recommendation | Key sections of the Act | To come into effect |
|----------------------|-------------------------|---------------------|
| Recommendation 36 | s.713 | On assent |

The Government's commitment

Under the Act, a council may seek to sell a property that is not vacant to recover the cost of rates and charges, including interest, that remain unpaid after five years in certain circumstances. Specific provisions set out when properties may be sold and the process that must be followed by councils.

IPART recommended that the period of time after which these properties may be sold should be reduced from five years to three years. The Government accepted this recommendation, which is designed to improve the simplicity of the rating system, bring NSW in line with other States, and is likely to reduce costs and delays currently experienced by councils in recovering outstanding rates.

The proposal in the Bill

It is proposed that councils be permitted to seek to sell properties that are not vacant for unpaid rates and charges after 3 years rather than 5 years.

This would apply from the date of commencement of the provision and would not apply in respect of properties for which a ratepayer already owes unpaid rates and/or charges to council at that time.

Importantly, the *COVID-19 Legislative Amendment (Emergency Measures-Miscellaneous) Act No.2 2020* currently operates to prevent councils from commencing legal action to recover rates and charges for six months unless certain specific matters have been considered.

This temporary measure was put in place to help households that are under significant pressure to remain sustainable during the COVID19 pandemic and as steps towards economic recovery begin. It is therefore not intended to commence these new provisions while this temporary measure remains in place.

Consultation question/s

15. Do you agree with the proposal to enable councils to sell properties for unpaid rates after 3 years?

- ☐ Yes
- ☐ No
- ☐ Neutral

Comment:

Section Three – Other rating reforms

1 ALLOWING COUNCILS' GENERAL INCOME TO RISE IN LINE WITH POPULATION GROWTH

The Government's commitment

The Minister, under the Act, may specify the percentage by which councils' general income may be varied for a specific year – the 'rate peg'. IPART performs this function under delegation.

IPART has traditionally calculated the Rate Peg by reference to the Local Government Cost Index (LGCI) and improvements in productivity (a productivity factor). The LGCI measures price changes for operational inputs—including labour—used by an average council over the previous year. This overall approach to calculating the rate peg has been in place since 2010.

IPART does not take into account, directly or indirectly, the differing impacts of population growth between councils in setting the rate peg. Instead, the current methodology implicitly assumes that the cost of serving each ratepayer will be, on average, the same, or that a special rate may be levied in areas where serving groups of ratepayers involve higher and special costs. Alternatively, councils may apply to IPART for a Special Rate Variation to levy rates above the rate peg.

While this rate peg model means that council areas with higher populations can levy a greater number of ratepayers and, therefore, will have higher revenue, it is not able to take into account that certain types of residents associated with population growth (such as young families) increase demand for services more than the same number of residents in an established area, and that councils often face these costs before the future ratepayers can begin to pay for them.

The Government has committed to allowing councils to align their income with population growth. This will be achieved by adjusting how the rate peg is calculated. This will help to

ensure that adequate local infrastructure and services are provided in local government areas with growing populations.

How this reform will be delivered

The Minister for Local Government, with the approval of the Premier, has asked IPART to deliver a report recommending a rate peg methodology that allows the general income of councils to be varied annually in a way that accounts for population growth. Terms of Reference have already been provided to IPART for this review, which is expected to be completed within nine months.

The Terms of Reference for IPART's review clarify that the methodology proposed by IPART should not negatively impact the income growth that councils with stable or declining populations would have achieved under a rate peg calculated using the LGCI and productivity factor. They also state that the Government will not consider further change to the rate peg or maximum allowable income at this time.

In undertaking the review, IPART has been asked to have regard to matters including:

- the Government's commitment to protecting ratepayers from sudden or excessive rate rises, while improving the financial sustainability of local government
- ensuring the rate peg model can be understood by councils and the communities they serve
- the differing needs and circumstances of councils and communities in metropolitan, regional, and rural areas of the State, and
- any other matter it considers relevant.

To ensure that this reform may be given effect as simply and clearly as possible, the Bill puts beyond doubt that more than one rate peg can be applied to the local government sector, if required.

2 ENCOURAGING COUNCILS TO LEVY RATES ON MINING LAND TO REFLECT ADDITIONAL COSTS

The Government's commitment

Under the Act, before levying an ordinary rate, a council must have declared each parcel of rateable land in its area to be within one of four rating categories – farmland, residential, mining or business. The council then determines what rate to levy for land that falls in each of these categories.

IPART analysed the rates applied by councils to mining land and found that they varied widely. Further, IPART found that the different rates that applied to land within this category was unlikely to reflect differences in costs of providing council services to these types of properties. Rather, it appeared that some councils may be setting rates based primarily on 'capacity to pay' principles.

In principle, IPART recommended that mining rates should be set, relative to rates for business land, primarily to reflect differences in the cost of providing council infrastructure and services to these properties. The Government accepted this recommendation.

How this reform will be delivered

This reform will be implemented through guidance rather than seeking to amend the Act through the Bill. This will provide maximum flexibility to make adjustments in future and to cater to the different circumstances of local councils and communities across NSW.

Guidance will be issued to specify that councils should set mining rates, relative to rates for business land, primarily to reflect differences in the cost of providing council infrastructure and services. Further, if a council does apply a higher rate to mining land than business land in a specific financial year, that council should explain, as part of its Revenue Policy:

- how the rate has been set and why, and
- any additional costs in providing services to mining properties.

Consultation question/s

16. Do you agree with the proposal to implement this reform through guidance?

- ☐ Yes
- ☐ No
- ☐ Neutral

Comment:

3 RETAINING THE RATING CATEGORY FOR BUSINESS AS THE 'RESIDUAL' RATING CATEGORY

The Government's commitment

Under the Act, before making an ordinary rate, a council must have declared each parcel of rateable land in its area to be within one of four rating categories – farmland, residential, mining or business. If a parcel of land does not fall within the residential, farmland or mining rating categories, it is treated as business land (the residual category).

IPART noted that using the rating category for business as the residual category may, in some areas, lead to certain properties being more highly rated than is equitable. It therefore recommended that councils should have flexibility to choose a different 'residual' category based on the profile of local properties. The Government supported this recommendation.

How this reform will be delivered

Following further consultation and consideration of how each reform of rating categories and subcategories may be implemented by councils, this reform will not be progressed at this time. There is a real risk that allowing alternative residual categories could result in perverse outcomes, inconsistency and uncertainty for councils and ratepayers, particularly given the complexities of categorising and subcategorising land for rating purposes.

Consultation question/s

17. Do you agree with the proposal to retain the business land rating category as the residual category?

- ☐ Yes
☐ No
☐ Neutral

Comment:

4 REQUIRING COUNCILS TO REPORT THE VALUE OF EXEMPTIONS THEY GRANT EACH YEAR

The Government's commitment

IPART has identified that councils, generally, do not have a strong indication of the 'cost' of exemptions because they do not affect council's total general income, which is limited by the rate peg. As such, the cost of the exemption is effectively made up for by other ratepayers.

As rates are a tax, this should be as transparent a process as possible so that all parties involved can understand the costs and benefits of providing for exemptions.

With that in mind, IPART recommended that councils publish the estimated value of rating exemptions within their local government area in their annual reports or other information made available to the public. The Government accepted this recommendation, which is designed to improve consistency between councils as well as improving transparency of the rating system for ratepayers.

How this reform will be delivered

It is understood that most councils do not have ready access to information on the value of all exemptions and that obtaining this information would impose a significant additional burden, particularly where that would require additional land valuations at council expense.

Given this, it is proposed that councils include in their annual report an estimate of the value of those exemptions granted as a result of a decision of that council. This estimate need only be made by applying a simple, prescribed methodology based on information on each parcel of land that is available to council at the time of its decision to grant the rating exemption.

As those matters that must be included in a council's annual report may be prescribed by regulation, this reform does not feature in a provision of the Bill.

Consultation question/s

Do you agree with the proposal that councils report on the value of exemptions they choose to grant through their annual reports?

- ☐ Yes
☐ No
☐ Neutral

Comment:

Glossary & Abbreviations

| | |
|-------------------|--|
| The Act | <i>Local Government Act 1993</i> |
| OLG | Office of Local Government |
| Regulation | Local Government (General) Regulation 2005 |
| DPIE | NSW Department of Planning, Industry and Environment |
| IPART | Independent Pricing and Regulatory Tribunal |

Appendix A

Template feedback form – *Towards a Fairer Rating System* consultation

Privacy Notice

When you give us your feedback, the Office of Local Government (OLG) in the NSW Department of Planning, Industry and Environment (DPIE) will collect some personal information about you, including:

- your name
- your email address
- the name of your organisation (if provided), and
- any personal information you decide to put in additional 'general comments' fields.

All feedback received through this consultation process may be made **publicly available**. Please do not include any personal information in your feedback that you do not want published.

This information is being collected by OLG as part of the [Towards a Fairer Rating System consultation](#) to help the Government develop a final Bill to amend the *Local Government Act 1993* and supporting regulations, as necessary. As part of that process, we may need to share your information with people

outside OLG, including other public authorities and government agencies. We may also use your email address to notify you about further feedback opportunities or the outcome of consultation.

You should also be aware there may be circumstances when OLG is required by law to release information (for example, in accordance with the requirements of the *Government Information (Public Access) Act 2009*). There is also a Privacy Policy located on OLG's website that explains how some data is automatically collected (such as your internet protocol (IP) address) whenever you visit OLG's website. The link to that policy is <https://www.olg.nsw.gov.au/about-us/privacy-policy/>

Submitting this completed feedback form

Please print your completed form and mail or email by **COB 5 February 2021** to:

Office of Local Government, NSW Department of Planning, Industry and the Environment
Towards a Fairer Rating System
Locked Bag 3015
Nowra NSW 2541

olg@olg.nsw.gov.au

About you

| TYPE | PLEASE SELECT ALL APPLICABLE |
|-------------------------------|------------------------------|
| Council – Metropolitan | |
| Council – Metropolitan Fringe | |
| Council – Regional | |
| Council – Rural | |
| Council – Large Rural | |
| Private sector organisation | |
| Ratepayer | |
| NSW State agency | |
| Other | |

FEEDBACK FORM – Towards a Fairer Rating System

| Section Two – Local Government Amendment (Rating) Bill 2020 | |
|---|---|
| 1. Allowing gradual rates harmonisation | |
| Q.1. | Are you from a local government area newly formed in 2016 that has not yet harmonised rates? |
| A.1. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Q.2. | Do you agree with the proposal to enable new councils to gradually harmonise rates across former council areas over four years? |
| A.2. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |

2. Allowing councils to levy special rates for jointly funded infrastructure

| | |
|-------------|--|
| Q.3. | Do you agree with the proposal in relation to levying special rates for jointly funded infrastructure? |
| A.3. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |

3. Increasing flexibility through new rating categories and subcategories

3.1 Allowing councils to set different residential rates in contiguous urban areas

| | |
|-------------|---|
| Q.4. | Do you agree with the proposal to allow for different residential rates in contiguous urban areas? |
| A.4. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| Q.5. | Do you agree with the proposal to limit the highest rate structure across all residential subcategories to no more than 1.5 times the average rate structure? |
| A.5. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |

3.2 Creating a new rating category for environmental land

| | |
|-------------|--|
| Q.6. | Do you agree with the proposal about how to create a new rating category for environmental land, including how environmental land is proposed to be defined? |
| A.6. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |

| | |
|--|---|
| Q.7. | Do you agree that a portion of land that is subject to a conservation agreement or other similar instrument should be categorised by councils according to the proposed definition of <i>environmental land</i> ? |
| A.7. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| 3.3 Enabling different business rates to be set for industrial land and commercial land | |
| Q.8. | Do you agree with the proposal about how to enable different rates for industrial and commercial land? |
| A.8. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| 3.4 Enabling different rates for residential, business or mining land that is vacant | |
| Q.9. | Do you agree with the proposal to allow subcategories for vacant land to be created for residential, business and/or mining land, including the proposed factors set out above? |
| A.9. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |

| | |
|---|--|
| 3.5 Enabling different rates for residential, business or mining land that is vacant | |
| Q.10. | Do you agree with the proposal to enable councils to also set farmland rates based on geographical location? |
| A.10. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| 4 Changing specific exemptions from ordinary and special rates | |
| 4.1 Removing mandatory rates exemptions for land with new conservation agreements | |
| Q.11. | Do you agree with the proposal to remove the requirement for councils to apply a rating exemption for land subject to new conservation agreements? |
| A.11. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| 4.2 Removing certain mandatory exemptions from special rates for water and sewerage | |
| Q.12. | Do you agree with the proposal to remove certain mandatory exemptions from special rates for water and sewerage? |
| A.12. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |

| 5 Improving public confidence in the rating system | |
|--|--|
| 5.1 Narrow scope to postpone rates and let councils choose whether to write them off | |
| Q.13. | Do you agree with the proposal to restrict who can seek postponement of rates? |
| A.13. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| Q.14. | Do you agree with the proposal to remove the requirement to write off rates debts? |
| A.14. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| 5.2 Allow councils to sell properties for unpaid rates after three years | |
| Q.15. | Do you agree with the proposal to enable councils to sell properties for unpaid rates after 3 years? |
| A.15. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |

CL21.15 - Attachment 1

| Section Three – Other rating reforms | |
|---|---|
| 2 Encouraging councils to levy rates on mining land to reflect additional costs | |
| Q.16. | Do you agree with the proposal to implement this reform through guidance? |
| A.16. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| 3 Retaining the rating category for business as the 'residual' rating category | |
| Q.17. | Do you agree with the proposal to retain the business land rating category as the residual category? |
| A.17. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| 4 Requiring councils to report the value of exemptions they grant each year | |
| Q.18. | Do you agree with the proposal that councils report on the value of exemptions they choose to grant through their annual reports? |
| A.18. | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment: |
| General Comments | |

CL21.15 - Attachment 1



IPART REVIEW OF THE LOCAL GOVERNMENT RATING SYSTEM

GOVERNMENT RESPONSE

JUNE 2020

CL21.15 - Attachment 2

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Executive Summary

The NSW Government understands the need to provide local councils with a flexible rating system, whilst ensuring rates are applied fairly and more equitable to local communities.

Any review of the rating system, like any taxation system, inevitably results in strong, often opposing views from various stakeholder groups.

IPART provided the Government with a substantial [final report](#) that recommends significant reforms addressing a number of complex issues, including the current structure of the rating system. IPART's recommendations, if implemented in full, would substantially change our system of local government and impact directly upon communities. Having consulted extensively with the sector and the community, and carefully considered IPART's findings and recommendations at length, the Government has decided on the following way forward:

| Position on recommendations | Total Number |
|--|--------------|
| Support | 13 |
| Support in principle | 6 |
| Support in part | 1 |
| Noted | 21 |
| For further consideration and analysis | 1 |

A complete list of IPART's recommendations and the Government's response can be found at Table 1 at the end of this document.

The Government has already ruled out, in its interim response of 21 June 2019, implementing major recommendations made by IPART related to pensioner concessions and rating exemptions where these would adversely impact vulnerable members of the community or have a substantial financial impact upon taxpayers or the broader community.

The Government also remains unconvinced of the merits of moving to a system of valuation based on Capital Improved Value (CIV) at this time, given the significant potential impact to local residents, substantial implementation costs and the inconclusiveness of extensive public consultation. Feedback received indicates both support and opposition to such a change. Additionally, it is unclear how the introduction of CIV may unfairly impact particular groups of ratepayers or result in unintended, real-life consequences for families and businesses.

The Government will focus on providing greater flexibility in the current rating system through the creation of additional rating categories and sub-categories, and ensuring councils can align income growth with population growth.

Through the Office of Local Government, the Government will make the current rating system easier for councils to navigate, highlighting the variety of mechanisms already available to councils in designing a fairer and more equitable rating structure for their local government area (LGA).

We look forward to working with the Local Government sector and the community to deliver fairer, and more equitable rates to residents and business.

Background

In NSW, council rates generate over \$4.3 billion each year. This equates to around 38 per cent of the annual operating revenue for all NSW councils although, in general, councils in metropolitan areas have larger rating bases and receive more of their income from rates. Even though rates are commonly considered a fee for service, they are in fact a form of taxation.

Under the *Local Government Act 1993*, a rate may consist of:

- » an ad valorem amount (i.e. a percentage – which may be subject to a minimum amount)
- » a base amount to which an ad valorem amount is added.

In NSW, an ad valorem amount is a variable charge set as a proportion of the unimproved land value of the property – that is, the value of the property without any buildings, houses or other capital investments.

A minimum amount, where applied, is a flat charge which applies instead of the ad valorem amount, when it is greater than the ad valorem amount. A base amount, where applied, is a fixed

charge that is levied equally against all rateable properties within a given rate category, or subcategory of land use.

Councils may vary the way they calculate rates for different categories of property. For example, they can use a different percentage of the unimproved land value to calculate the ad valorem amounts, apply different minimum amounts, or add different base amounts.

The *Local Government Act 1993* sets out a process regulating the amount by which councils increase their general income, the main component of which is rates revenue from ordinary and special rates.

Each year, the Independent Pricing and Regulatory Tribunal (IPART), determines the maximum percentage by which a council may increase its general income in the coming year, known as the 'rate peg'. The rate peg does not apply to stormwater, waste collection, water and sewerage charges.

The rate peg is based on the Local Government Cost Index measured by IPART, which measures price changes over the previous year for the goods and labour an average council will use, adjusted for any improvements in productivity.

Once the rate peg is known, councils set their rates for each rating category so that their annual general income does not increase in percentage terms by more than the rate peg for that year. This gives councils some flexibility to vary the increase in rates across categories (e.g. to increase residential rates by a higher percentage than farmland rates), as long as the total increase in revenue does not exceed the rate peg.

Councils can apply to IPART for a 'special rate variation' to allow them to increase general income above the rate peg for a range of reasons. OLG sets guidelines for this process, but the process is administered independently by IPART.

The Review Process

In 2013, the Independent Local Government Review Panel recommended the Government commission IPART to undertake a further review of the rating system focused on:

- » options to reduce or remove excessive exemptions and concessions that are contrary to sound fiscal policy and jeopardise councils' long-term sustainability (recommendation 6.2); and
- » more equitable rating of apartments and other multi-unit dwellings, including giving councils the option of rating residential properties on Capital Improved Values, with a view to raising additional revenues where affordable (recommendation 6.3).

On 18 December 2015, the (then) Premier, the Hon. Mike Baird MP provided IPART with terms of reference for the Review, framing it as a key component of the Government's Fit for the Future reforms. The two broad aims of the Review were to:

- » explore options to redistribute the rating burden within council boundaries to develop recommendations to improve the equity and efficiency of the rating system, in order to enhance councils' ability to implement sustainable fiscal policies over the long term; and
- » explore options for a legislative or regulatory approach to support the Government's rates path freeze policy.

The Terms of Reference specifically excluded consideration of the rates peg.

IPART carried out significant public and stakeholder consultation during conducting the Review, including public hearings in Sydney and Dubbo between April and October 2016. A draft report was released for comment in August 2016. IPART received over 300 submissions in relation to this Review.

IPART delivered its final report to the (then) Minister for Local Government in December 2016, which was publicly released on 21 June 2019 together with an interim Government response. IPART made 42 recommendations in total. The Office of Local Government (OLG) undertook further public consultation on 28 of these recommendations. Consultation feedback was open for 12 weeks and closed on 13 September 2019. A total of 110 submissions were received.

OLG released a summary of submissions on 28 February 2020.

The final report of the Review restates the major proposals outlined in the draft report, with some minor adjustments. IPART's key proposals are that:

- » councils be allowed to shift to a Capital Improved Value (CIV) system of calculating rates, which considers the value of capital improvements (in contrast to the current system which uses the unimproved value of the land);
- » exemptions from the rating system be based on the use of land rather than the ownership (for example, that aged care facilities owned by charitable organisations would pay the same rates as their commercial competitors);
- » changes to pensioner rate concessions enable rate payments to be deferred and recouped from the pensioner's estate at a later date; and
- » restrictions on council differential rating powers be lifted to enable improved rates harmonisation across council areas.

Interim Response

The Government released an interim response concurrently with the release of the three IPART reports on 21 June 2019. In it, the Government has ruled out accepting recommendations that have adverse impacts on vulnerable members of the community, affect regional jobs and economies, and/or substantially increase costs for taxpayers and the broader community.

In NSW, rate exemptions are based on a mix of land ownership and land use. Changes to the rating exemptions framework would redistribute the rating burden within a community and removal or change will be sensitive with many interest groups, such as charities, not for profit social housing providers, churches, schools and universities.

During IPART's public consultation process the issue of rating exemptions prompted significant public and stakeholder comment. Most exemptions still have a strong and abiding public interest and concern remains about the significant impact removal of exemptions may have on the operations of these entities.

The *Local Government Amendment Act 2019* was assented to on 24 June 2019 and several provisions came into effect on 25 June 2019. This included amending the *Local Government Act 1993* to enable the Minister to extend the rates path freeze for an additional 12 months for those councils formed in 2016 that need more time to consult with communities about rating harmonisation. This may also allow some of those councils to factor in the Government's response to the Review when developing their rates harmonisation strategy – some recommendations deal specifically with rates harmonisation.

Theme 1: Use of the CIV valuation method to levy council rates

Current situation

Currently, NSW councils are required to use the unimproved land value (UV – the value of the land without improvements) of a property to calculate rates. This is the value of the property without any buildings, houses or other capital investments.

What IPART recommends

IPART recommends that the Government mandates the use of Capital Improved Value (CIV) for metropolitan councils while retaining it as an option for non-metropolitan councils.

IPART recommends a gradual transition to CIV entailing an annual limit of 10 per cent above the rate peg to any rates increase resulting from a move to CIV. Individual rating amounts may still increase beyond 10 per cent depending on the impact of other factors such as changes in land valuations.

Government response

The NSW Government continues to strongly support rate pegging for local councils across NSW. It believes this is the best model to ensure that councils keep a focus on efficiency and ensuring that residents are not paying more rates than necessary. The Special Rate Variation framework enables councils to make the case for a larger rise than the current rate peg to their community and then to IPART.

The NSW Government notes that many local government stakeholders support the introduction of CIV. However, it also notes that many residents and property owners do not support any change.

Introducing CIV within the current rate pegging framework will bring about a redistribution of the rating burden rather than an increase in rates and therefore council income. It will also come with significant disruption and because there is no overall database of CIV data within NSW, it is not possible to model the impacts on different types of property owners. Implementation would take several years before a potential improvement to the equitable distribution of rating revenue would be evident.

Given the unclear distributional impacts along with the high cost of implementation and prolonged transition timeframes, the NSW Government does not believe there is a clear case in support of implementation and further development of CIV at this time.

The Government will focus on providing greater flexibility in the current rating system through the creation of additional rating categories and sub-categories, and ensuring councils can align income growth with population growth, in order to improve the distribution of the rating burden at significantly less cost, and low impact to the community.

Use of minimum rate

Many councils use minimum rate amounts in relation to apartments and other strata complexes to more accurately reflect the use of council services because the UV of individual apartments is often very low. However, this can mean that most apartments in a council area are paying a very similar rate amount irrespective of the property value. An example of the use of minimum rates is Sutherland Council below.

Example – Sutherland Council

Sutherland Council applied to IPART to increase its general income by 8.76 per cent in 2019-20, including the rate peg, which is to be applied to minimum ratepayers only, through an increase in the minimum rate from \$602.30 in 2018-19 to \$900.00 in 2019-20. This increase will be retained permanently in the rate base, affecting around 25 per cent of the ratepayers in Sutherland and bringing their rates closer to the average residential rate charged across the LGA.

Based on the Council's application, ratepayers on the minimum rate will have a rate increase of \$298 in 2019-20, while rates for ratepayers who are not on the minimum will increase by the 2.7 per cent rate peg, reducing the gap between rates paid by minimum ratepayers and other ratepayers to better reflect equity in the services received.

The previous minimum rate (\$602.30) was 59.2 per cent lower than the average residential rate of ratepayers who were paying above the minimum (\$1,476). According to IPART, the new minimum rate is the 9th highest residential minimum rate compared to the current minimum rate charged by other councils in the Sydney metropolitan area and 14.5 per cent higher than the estimated average (\$786) of councils in the Sydney metropolitan area.

It is recognised that not all metropolitan councils could apply a similar process due to differences in housing mix and socio-economic factors. However, the Government believes that councils should be willing to explore different options to improve the equity of their rating distribution, in consultation with their communities.

Differential residential rating subcategories

The NSW Government supports the potential to enable greater use of differential rating within urban residential rating.

This issue is further discussed below.

Theme 2: Allow councils' general income to grow as the communities they serve grow

Current Situation

In NSW, councils are subject to a rate peg that determines the maximum percentage amount by which a council may increase its total general income for the year. The main component of general income is rates revenue. IPART is responsible for determining the rate peg each year. As long as the total general income remains within the set maximum increase, councils have discretion to determine how to allocate the rate peg increase between different rating categories. Councils can seek additional increases in general income beyond the annual rate peg by applying to IPART for a special rate variation (SRV).

The increase in income generated by a supplementary valuation process using UV ("growth outside the rate peg") often does not allow councils to maintain current service levels due to increasing demand for council services and the upfront costs of new residential developments. IPART contends that current ratepayers are shouldering an unfair proportion of the rating burden compared to new residents.

What IPART recommends

IPART examined options to assist councils experiencing high levels of population growth to more equitably fund services to these new ratepayers, and made the following recommendations:

- » using a CIV-based formula to calculate increases to council general income outside the rate peg that is proportional to the increase in costs of providing services;

- » introducing a new type of special rate for joint delivery of infrastructure projects. Income raised from this special rate would be on top of general income within the rate peg and would not require approval from IPART. Such a special rate category would make it clear that councils could co-fund infrastructure or services that are the responsibility of state or federal government, as long as the projects benefit the local community; and
- » removing minimum rates

Government response

With the Government decision not to support a move to CIV at this time, the NSW Government will implement recommendations to facilitate council income growth outside the rate peg, while preserving the policy objectives of the rate capping system. This will include better aligning council income growth with population growth and reforms to the infrastructure contributions framework to enhance councils' ability to implement sustainable fiscal policies over the long term.

This reflects that for many councils one of the key challenges they face is population growth, which often is not easily captured within the existing rate pegging framework.

The NSW Government, in conjunction with the broader work around developer contributions, will examine options to establish an equitable and effective funding framework for infrastructure associated with development. It is important that as communities grow, they have adequate and effective infrastructure to support that growth.

Theme 3: Give councils greater flexibility when setting residential rates

Current Situation

Councils levy rates using four different categories depending on the primary use of the land: residential, farmland, mining and business. These categories can be further split into subcategories.

A long-standing issue with the current rates framework is the difficulty of metropolitan councils to set different residential rates. This is due to the requirement for councils to set equal rates across the one "centre of population". Non-metropolitan councils can do this based on the different townships in their area but for metropolitan councils with a single contiguous population centre, the current legal framework is difficult to apply with certainty. This can result in potential cross subsidies where demand for services may vary across an LGA but only a single ad valorem amount applies to all residential properties.

What IPART recommends

IPART recommends adding a fifth rating category, 'environmental land', which they define as land that cannot be developed due to geographic or regulatory restrictions. They also recommend introducing the following changes to increase flexibility when determining council rating structures:

- » 'commercial' or 'industrial' subcategories for business land;
- » a vacant land subcategory option for residential, business and mining land;
- » the ability to subcategorise farmland based on geographic location; and
- » allowing councils to determine which rating category should act as the 'residual' category.

IPART argues that providing more flexibility will allow councils to be more responsive to local needs and enable a more equitable and efficient distribution of the rating burden, while also encouraging urban renewal.

To facilitate rates harmonisation, particularly for metropolitan councils, IPART proposes to remove the "centre of population" requirement for residential rates and instead have councils equalise rates based on separate towns or villages or "residential areas". An LGA could have multiple residential areas using geographic markers to define their boundaries.

Government response

The NSW Government recognises the challenges that come from the current legal framework and the limited capacity to apply a differential rating structure. However, it is also cognisant of the view of some stakeholders that they are paying higher rates than they should, with councils effectively using them as a 'golden goose'.

This emphasises the importance of councils undertaking strong and effective community consultation when they implement and modify their rating framework. It is also important that the NSW Government, when expanding the ability to establish differential rating structures, builds in effective safeguards to ensure that the community retains confidence in the local government rating system.

Rates Harmonisation

The NSW Government is currently supporting new councils created in 2016 during the forthcoming rates harmonisation process, to be implemented at the end of the rates path protection in either mid-2020 or mid-2021 (depending on the choice of the individual council).

As part of this process, in addition to practical implementation support, the NSW Government is assisting new councils identify options specific to their LGA to undertake rates harmonisation following the end of the rates path protection. IPART's recommendations regarding residential rates equalisation and gradual harmonisation of rates is integral to this process.

Theme 4: Better target rate exemption eligibility

Current Situation

In NSW, rate exemptions are based on a mix of land ownership and land use. There are numerous exemptions from paying local council rates such as for land owned by charities, not for profit social housing providers, churches, schools and universities.

Consideration needs to be given to the public benefits that some exempt landowners provide. Most exemptions still have a strong and abiding public interest and concern remains about the significant impact removal of exemptions may have on the operations of these entities.

What IPART recommends

The central recommendation is to amend the *Local Government Act 1993* so that exemptions are based on land use only rather than ownership. In addition, all land used for commercial activities or residential purposes should be rateable, unless it is explicitly exempted. In this regard, IPART recommends private hospitals be exempted in the same way public hospitals are. Conversely, IPART recommends the removal of exemptions for land owned by a number of entities, including certain residential care facilities, certain sporting and cultural organisations and certain water utilities, and land subject to a conservation agreement.

Government response

In its interim response, the Government has already ruled out implementing recommendations related to exemptions, where these would adversely impact vulnerable members of the community or have a substantial financial impact upon taxpayers or the broader community.

The NSW Government does not support wholesale reform of the exemptions framework as it considers the abiding public interest is to keep the existing exemptions framework largely in place, with anomalies being addressed on a case by case basis.

The NSW Government, after considering feedback from stakeholders and the community, will undertake further work on the existing conservation rating exemption.

Land subject to a conservation agreement

Traditionally, most conservation agreements have been entered into in relation to environmental issues under section 69C(1)(a) and (e) of the *National Parks and Wildlife Act 1974 (NPW Act)*. The use of conservation agreements for these environmental purposes has now largely been replaced by the provisions for Conservation Agreements, Wildlife Refuge Agreements and Biodiversity Stewardship Agreements under the *Biodiversity Conservation Act 2016 (BC Act)*. Some programs established under the BC Act provide funding to assist with conservation efforts while others do not. For example, landholders who are successful under the Conservation Management Program are eligible for annual conservation management payments to undertake agreed conservation management activities such as pest and weed control, and fencing. However, there remain a number of agreements which exist in perpetuity and for which funding is not provided.

Conservation agreement provisions in the NPW Act remain a significant mechanism for conserving Aboriginal cultural heritage and historic heritage of national significance that is located on privately owned land. Unlike for environmental conservation, there are very limited other financial incentives available to private landholders to act to conserve and protect Aboriginal Cultural Heritage or nationally significant historic heritage on private land.

Given the issues above, further consultation and assessment will occur to ensure that the issues associated with protection of Aboriginal cultural heritage and historic conservation agreements are adequately considered and addressed, while recognising there may be potential to address anomalies with the existing exemption brought about by the introduction of the BC Act.

Theme 5: Assistance to pensioners

Current Situation

Under the *Local Government Act 1993*, eligible pensioners are provided concessions on their ordinary rates and domestic waste management services charge. The cost of providing these concessions is shared between the State Government (55 per cent) and local councils (45 per cent). Councils can provide concessions above the regulated amount, but this must be funded by the council alone.

What IPART recommends

IPART recommended the implementation of a rate deferral scheme to be operated by the NSW Government. This would allow new and existing eligible pensioners to defer payment of ordinary council rates up to \$1,000 per annum and indexed to CPI, or any other amount as determined by the NSW Government (becoming due when ownership changes). This would be mandatory for new pensioners and would be optional for existing pensioners (who could choose to defer or opt for the existing concession).

Government response

The NSW Government has made it clear that it will not take any action that would disadvantage pensioners in its response to the IPART Rating Review.

Given this, and the experience of other jurisdictions that have established a rate deferral scheme where take up is reportedly low, the Government does not believe the case for wholesale change to the existing rates concession framework has been made. Therefore, the NSW Government will not support the introduction of a state-wide rate deferral framework.

Theme 6: Recovery of council rates

Current Situation

NSW councils collect rates and charges each year in line with relevant provisions of the *Local Government Act 1993*. Councils receiving funds on time are in a better position to be financially sustainable and continue to deliver the services and facilities local communities need and expect. The volume of overdue rates and charges across NSW councils varies markedly primarily based on circumstances within individual councils and communities.

Likewise, unpaid debt also places an unreasonable burden on both the community and potentially the local court system. There are a range of existing powers available to councils under the *Local Government Act 1993*.

What IPART recommends

IPART suggested several changes to the practice of councils and the regulatory framework to improve the management and processing of overdue and unpaid rates and charges. The goal of such changes is to improve the efficiency and effectiveness of local government debt management and therefore removing undue burden on local councils and ultimately local courts.

Government response

The NSW Government released the [Debt Management and Hardship Guidelines](#) in November 2018 for local councils to provide best practice advice on how to manage debt recovery and hardship within their community.

The Guidelines assist councils to develop proactive measures to ensure prompt payment, minimise default, follow up ratepayers, recover debts fairly, assess hardship claims and monitor debt. Each council should adopt robust, fair and transparent policies and procedures outlining how they will communicate with ratepayers, collect monies owing, assess hardship claims and, where necessary, recover overdue payments to manage debt.

The Guidelines, which are part of the NSW Government's Civil Justice Strategy, have been issued by the Office of Local Government under Section 23A of the *Local Government Act 1993*. This means all NSW councils must take them into account when developing and implementing debt management and hardship policies and procedures.

The NSW Government is committed to local councils having best practice debt management and hardship policies and frameworks for the recovery of all debts, including rates. Also, NSW councils can now use the Revenue NSW to recover their debts should they elect to do so.

The Government will continue to monitor the effectiveness of the Guidelines and associated regulatory and legislative framework.

Table 1: List of Recommendations and Government Response

| | Recommendation | Government Response |
|---|---|---|
| 1 | The <i>Local Government Act 1993</i> should be amended to mandate Capital Improved Value (CIV) as the basis for setting ad valorem rates in the metropolitan council areas defined in Box 3.1. | Noted. Given the lack of a clear case in support of introducing CIV, the significant implementation costs involved and the strong stakeholder views, the Government will not implement CIV as a basis for setting ad valorem rates at this time. |
| 2 | The <i>Local Government Act 1993</i> should be amended to allow non-metropolitan councils to choose between the Capital Improved Value and Unimproved Value (UV) methods as the basis for setting ad valorem rates at the rating category level. | Noted. |
| 3 | The <i>Local Government Act 1993</i> should be amended to facilitate a gradual transition of rates to a Capital Improved Value method. | Noted. |
| 4 | Section 497 of the <i>Local Government Act 1993</i> should be amended to remove minimum amounts from the structure of a rate, and section 548 of the <i>Local Government Act 1993</i> (NSW) should be removed. | Noted. |
| 5 | The <i>Local Government Act 1993</i> should be amended so that the growth in rates revenue outside the rate peg is calculated using the formula based on changes in CIV, defined in Box 4.1. | Noted. |
| 6 | The NSW Government fund the NSW Valuer General for the upfront cost of establishing the database to determine Capital Improved Values. | Noted. |
| 7 | The NSW Government fund the cost for a non-metropolitan council to set up a Capital Improved Value database for the purposes of implementing our recommended formula for calculating growth in rates revenue outside the rate peg, where the Unimproved Value method for setting rates is maintained. | Noted. |

| | Recommendation | Government Response |
|----|--|---|
| 8 | <p>The <i>Local Government Act 1993</i> should be amended to allow councils to levy a new type of special rate for new infrastructure jointly funded with other levels of Government. This special rate should be permitted for services or infrastructure that benefit the community, and funds raised under this special rate should not:</p> <ul style="list-style-type: none"> » form part of a council's general income permitted under the rate peg, nor » require councils to receive regulatory approval from IPART. | <p>Support.</p> <p>The Government will examine how this recommendation can complement current reforms being made to the infrastructure contributions framework.</p> |
| 9 | <p>Section 511 of the <i>Local Government Act 1993</i> should be amended to reflect that, where a council does not apply the full percentage increase of the rate peg (or any applicable Special Variation) in a year, within the following 10-year period, the council can set rates in a subsequent year to return it to the original rating trajectory for that subsequent year.</p> | <p>Support (already adopted).</p> |
| 10 | <p>The <i>Local Government Act 1993</i> should be amended to remove the requirement to equalise residential rates by 'centre of population'. Instead, the <i>Local Government Act 1993</i> should allow councils to determine a residential subcategory, and set a residential rate, by:</p> <ul style="list-style-type: none"> » separate town or village, or residential area. | <p>Support in principle</p> |

| | Recommendation | Government Response |
|----|---|----------------------|
| 11 | <p>The <i>Local Government Act 1993</i> should outline that:</p> <p>» A 'residential area' is an area within a contiguous urban locality that has, on average, different access to, demand for, or costs of providing council services or infrastructure (relative to other areas in that locality).</p> <p>Councils could use geographic markers to define the boundaries for a residential area, including postcode boundaries, suburb boundaries, geographic features (eg, waterways, bushland) and/or the location of major infrastructure (eg, arterial roads, railway lines).</p> | Support in principle |
| 12 | <p>The <i>Local Government Act 1993</i> should be amended so, where a council uses different residential rates within a contiguous urban locality, it should be required to:</p> <p>» ensure the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories (ie, so the maximum difference between the highest and average ad valorem rates and base amounts is 50%), or obtain approval from IPART to exceed this maximum difference, and</p> <p>» publish the different rates (along with the reasons for the different rates) on its website and in the rates notice received by ratepayers.</p> | Support in principle |

| | Recommendation | Government Response |
|----|--|---|
| 13 | <p>At the end of the 4-year rate path freeze, new councils determine whether any pre-merger areas are separate towns or villages, or different residential areas.</p> <ul style="list-style-type: none"> » In the event that a new council determines they are separate towns or villages, or different residential areas, it should be able to continue the existing rates or set different rates for these pre-merger areas, subject to metropolitan councils seeking IPART approval if they exceed the 50% maximum differential. It could also choose to equalise rates across the pre-merger areas, using the gradual equalisation process outlined below. » In the event that a new council determines they are not separate towns or villages, or it chooses to equalise rates, it should undertake a gradual equalisation of residential rates. The amount of rates a resident is liable to pay to the council should increase by no more than 10 percentage points above the rate peg (as adjusted for Special Variations) each year as a result of this equalisation. The <i>Local Government Act 1993</i> should be amended to facilitate this gradual equalisation. | <p>For further analysis and consideration, as part of the development of a rates harmonisation framework.</p> |

| | Recommendation | Government Response |
|----|---|---|
| 14 | <p>Sections 555 and 556 of the <i>Local Government Act 1993</i> should be amended to:</p> <ul style="list-style-type: none"> » exempt land on the basis of use rather than ownership, and to directly link the exemption to the use of the land, and » ensure land used for residential and commercial purposes is rateable unless explicitly exempted. | <p>Noted.</p> <p>As per the interim Government response, the Government has ruled out implementing recommendations that would adversely impact vulnerable members of the community, such as pensioners or charities, or have a substantial financial impact upon taxpayers or the broader community.</p> <p>The Government will continue to examine exemptions over time to address clear anomalies and inequities.</p> |
| 15 | <p>Land that is used for residential care as defined in Section 41-3(1) of the <i>Aged Care Act 1997 (Cth)</i> be proportionally rateable according to the share of places whose maximum Refundable Accommodation Deposit is above the level set by the Minister for Health and Aged Care (currently \$550,000).</p> | <p>Noted.</p> |
| 16 | <p>Section 556(1)(i) of the <i>Local Government Act 1993</i> should be amended to include land owned by a private hospital and used for that purpose.</p> | <p>Noted.</p> |

| | Recommendation | Government Response |
|----|--|---|
| 17 | <p>The following exemptions be removed:</p> <ul style="list-style-type: none"> » land that is vested in, owned by, or within a special or controlled area for, the Hunter Water Corporation, Water NSW or the Sydney Water Corporation (<i>Local Government Act 1993</i> section 555(1)(c) and section 555(1)(d)) » land that is below the high water mark and is used for the cultivation of oysters (<i>Local Government Act 1993</i> section 555(1)(h)) » land that is held under a lease from the Crown for private purposes and is the subject of a mineral claim (<i>Local Government Act 1993</i> section 556(1)(g)), and <p>land that is managed by the Teacher Housing Authority and on which a house is erected (<i>Local Government Act 1993</i> section 556(1)(p)).</p> | <p>Noted.</p> <p>As per the interim Government response, the Government has ruled out implementing recommendations that would adversely impact vulnerable members of the community, such as pensioners or charities, or have a substantial financial impact upon taxpayers or the broader community.</p> <p>The Government will continue to examine exemptions over time to address clear anomalies and inequities.</p> |
| 18 | <p>Section 555(1)(b1) of the <i>Local Government Act 1993</i> should be amended to remove the current rating exemption for land that is the subject of a conservation agreement and instead require it to be rated using the Environmental Land category.</p> | <p>Support in part.</p> <p>Subject to further consultation on implementation issues with respect to the range of agreements in force and the preservation of environmental, historical and Aboriginal cultural heritage outcomes.</p> |

| | Recommendation | Government Response |
|----|---|---|
| 19 | <p>The following exemptions not be funded by local councils and hence should be removed from the Local Government Act and Regulation:</p> <ul style="list-style-type: none"> » land that is vested in the Sydney Cricket and Sports Ground Trust (<i>Local Government Act 1993</i> section 556(1)(m)) » land that is leased by the Royal Agricultural Society in the Homebush Bay area (<i>Local Government (General) Regulation 2005</i> reg 123(a)) » land that is occupied by the Museum of Contemporary Art Limited (<i>Local Government (General) Regulation 2005</i> reg 123(b)), and » land comprising the site known as Museum of Sydney (<i>Local Government (General) Regulation 2005</i> reg 123(c)). <p>The NSW Government should consider whether to fund these local rates through State taxes.</p> | <p>Noted.</p> <p>As per the interim Government response, the Government has ruled out implementing recommendations that would adversely impact vulnerable members of the community, such as pensioners or charities, or have a substantial financial impact upon taxpayers or the broader community.</p> <p>The Government will continue to examine exemptions over time to address clear anomalies and inequities.</p> |
| 20 | <p>Where a portion of land is used for an exempt purpose and the remainder for a non-exempt activity, only the former portion should be exempt, and the remainder should be rateable.</p> | <p>Noted.</p> <p>As per the interim Government response, the Government has ruled out implementing recommendations that would adversely impact vulnerable members of the community, such as pensioners or charities, or have a substantial financial impact upon taxpayers or the broader community.</p> <p>The Government will continue to examine exemptions over time to address clear anomalies and inequities.</p> |

| | Recommendation | Government Response |
|----|---|---|
| 21 | Where land is used for an exempt purpose only part of the time, a self-assessment process should be used to determine the proportion of rates payable for the non-exempt use. | <p>Noted.</p> <p>As per the interim Government response, the Government has ruled out implementing recommendations that would adversely impact vulnerable members of the community, such as pensioners or charities, or have a substantial financial impact upon taxpayers or the broader community.</p> <p>The Government will continue to examine exemptions over time to address clear anomalies and inequities.</p> |
| 22 | A council's maximum general income not be modified as a result of any changes to exemptions from implementing our recommendations. | Noted. |
| 23 | <p>A council may apply to IPART for a Special Variation to take account of the changes in exemptions using a streamlined process in the year that our recommended exemption changes come into force. The council would need to demonstrate:</p> <ul style="list-style-type: none"> » it satisfies the first criteria for Special Variation applications in the OLG guidelines relating to the need for and purpose of a different revenue path for the council's General Fund, and » that any subcategory rating structure applied to previously exempt properties is no greater than the average rate structure across the relevant rating category. | Noted. |

| | Recommendation | Government Response |
|----|---|---------------------|
| 24 | The <i>Local Government Act 1993</i> should be amended to remove the current exemptions from water and sewerage special charges in section 555 and instead allow councils discretion to exempt these properties from water and sewerage special rates in a similar manner as occurs under section 558(1). | Support. |
| 25 | At the start of each rating period, councils calculate the estimated value of rating exemptions within the council area. This information should be published in the council's annual report or otherwise made available to the public. | Support. |
| 26 | For new and existing eligible pensioners, introduce a rate deferral scheme operated by the NSW Government, where: » eligible pensioners would be allowed to defer payment of ordinary council rates up to \$1,000 per annum and indexed to CPI, or any other amount as determined by the NSW Government. | Noted. |
| 27 | Give existing eligible pensioners the option to access, either: » the current pensioner concession, or » the rate deferral scheme, as defined in Recommendation 26. | Noted. |
| 28 | Funding pensioner assistance: » the current pensioner concession funding arrangements would continue. » the rate deferral scheme (defined in Recommendation 26) would be funded by the NSW Government. The loan should be charged interest at the NSW Government's 10-year borrowing rate, and could become due when property ownership changes | Noted. |

| | Recommendation | Government Response |
|----|---|--|
| 29 | <p>Section 493 of the <i>Local Government Act 1993</i> should be amended to add a new environmental land category and a definition of 'environmental land' should be included in the <i>Local Government Act 1993</i>.</p> <p>Land subject to a state conservation agreement is categorised as 'environmental land' for the purposes of setting rates.</p> | <p>Support in principle.</p> <p>Refer to recommendation 18.</p> |
| 30 | <p>Section 529(2)(d) of the <i>Local Government Act 1993</i> should be amended to allow business land to be subcategorised as 'industrial' and or 'commercial' in addition to centre of activity.</p> | <p>Support.</p> |
| 31 | <p>Sections 493, 519 and 529 of the <i>Local Government Act 1993</i> should be amended to add an optional vacant land subcategory for residential, business and mining land.</p> | <p>Support.</p> |
| 32 | <p>Section 529 (2)(a) of the <i>Local Government Act 1993</i> should be replaced to allow farmland subcategories to be determined based on geographic location.</p> | <p>Support in principle.</p> <p>Subject to further consultation and analysis with respect to implementation and potential unintended consequences.</p> |
| 33 | <p>Section 518 of the <i>Local Government Act 1993</i> should be amended to reflect that a council may determine by resolution which rating category will act as the residual category.</p> <ul style="list-style-type: none"> » the residual category that is determined should not be subject to change for a 4-year period. » if a council does not determine a residual category, the business category should act as the default residual rating category. | <p>Support.</p> |

| | Recommendation | Government Response |
|----|---|------------------------------|
| 34 | Any difference in the rate charged by a council to a mining category compared to its average business rate should primarily reflect differences in the council's costs of providing services to the mining properties. | Support. |
| 35 | Councils have the option to engage the State Debt Recovery Office to recover outstanding council rates and charges. | Support. Already adopted. |
| 36 | The existing legal and administrative process to recover outstanding rates be streamlined by reducing the period of time before a property can be sold to recover rates from five years to three years. | Support. |
| 37 | All councils adopt an internal review policy, to assist those who are late in paying rates, before commencing legal proceedings to recover unpaid rates. | Support. Already adopted. |
| 38 | The <i>Local Government Act 1993</i> should be amended or the Office of Local Government should issue guidelines to clarify that councils can offer flexible payment options to ratepayers. | Support. Already adopted. |
| 39 | The <i>Local Government Act 1993</i> should be amended to allow councils to offer a discount to ratepayers who elect to receive rates notices in electronic formats, eg, via email. | Support. Already adopted. |
| 40 | The <i>Local Government Act 1993</i> should be amended to remove section 585 and section 595, so that ratepayers are not permitted to postpone rates as a result of land rezoning, and councils are not required to write-off postponed rates after five years. | Support in principle. |

| | Recommendation | Government Response |
|-----------|---|---------------------|
| 41 | <p>The valuation base date for the Emergency Services Property Levy and council rates be aligned.</p> <p>» The NSW Government should levy the Emergency Services Property Levy on a Capital Improved Value basis when Capital Improved Value data becomes available state-wide.</p> | Noted. |
| 42 | <p>After the NSW Valuer General has established the database to determine Capital Improved Values for rating purposes, councils be given the choice to directly buy valuation services from private valuers that have been certified by the NSW Valuer General.</p> | Noted. |

draft

NEW SOUTH WALES
DRAFT GOVERNMENT BILL
CABINET-IN-CONFIDENCE

**Local Government Amendment (Rates) Bill
2021**

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draft

NEW SOUTH WALES
DRAFT GOVERNMENT BILL
CABINET-IN-CONFIDENCE

**Local Government Amendment (Rates) Bill
2021**

No. , 2021

A Bill for

An Act to amend the *Local Government Act 1993* to give effect to certain recommendations made by the Independent Pricing and Regulatory Tribunal concerning the local government rating system; and for other purposes.

draft

Local Government Amendment (Rates) Bill 2021 [NSW]

The Legislature of New South Wales enacts—

1 Name of Act

This Act is the *Local Government Amendment (Rates) Act 2021*.

2 Commencement

- (1) This Act commences on a day or days to be appointed by proclamation, except as provided by this section.
- (2) The following provisions of this Act commence on the date of assent to this Act—
 - (a) Schedule 1[5],
 - (b) Schedule 1[12]–[14],
 - (c) Schedule 1[30],
 - (d) Schedule 1[31].

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Local Government Amendment (Rates) Bill 2021 [NSW]
Schedule 1 Amendment of Local Government Act 1993 No 30

Schedule 1 Amendment of Local Government Act 1993 No 30

[1] Section 493 Categories of ordinary rates and categories of land

Omit “4 categories” wherever occurring in section 493(1). Insert instead “5 categories”.

[2] Section 493(1)

Insert after the first dot point—

- environmental

[3] Section 495 Making and levying of special rates

Insert at the end of section 495—

- (3) Without limiting subsection (1) or (2), a special rate may be levied for or towards meeting the costs of works, services, facilities or activities (the *intergovernmental project*) provided or undertaken, or proposed to be provided or undertaken, by the council together with one or more other government entities (a *project partner*).
- (4) The following provisions apply for a special rate levied for an intergovernmental project—
 - (a) before the rate is levied, the council must include the following information in the draft operational plan for the year in which it is proposed to be levied—
 - (i) the anticipated benefits to the council’s area or local community of the intergovernmental project,
 - (ii) the basis of the council’s opinion, under subsection (2), for the different application of the rate, if any, in relation to different land,
 - (iii) the estimated cost of the intergovernmental project (both for the year and in total),
 - (iv) the estimated contributions to the intergovernmental project, including financial and in-kind contributions, to be made by the council and each project partner (both for the year and in total),
 - (v) the amount of money estimated to be levied by the rate (both for the year and in total),
 - (b) the intergovernmental project does not need to be works, services, facilities or activities within the functions of the council,
 - (c) if the cost of the intergovernmental project is partly funded by another person or under another arrangement, charge or contribution—the rate levied may be limited to what is needed to fund the proportion of the cost for which the council is responsible,
 - (d) money raised from the rate may be used only for the purpose of funding the intergovernmental project,
 - (e) money raised from the rate is not to be treated as part of the general income of the council,
 - (f) the annual report of the council is to include the following information—
 - (i) the actual cost of the intergovernmental project, and the actual contributions to the intergovernmental project made by the council and each project partner, during the year of the report,

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- (ii) a statement explaining the difference, if any, between the actual cost and contributions and the estimated cost and contributions in the council's draft operational plan,
 - (iii) the total revenue generated by the rate during the year of the report,
 - (iv) the outcomes of the project, and the benefits to the council's area and the local community of the project, during the year of the report,
 - (i) despite sections 498(3)(b) and 499(4)(b), the Minister does not need to approve the different application of the rate, if any, in relation to different land.
 - (5) Subsection (4) applies despite any other provision of this Act to the contrary.
 - (6) In this section—
another Australian jurisdiction means the Commonwealth or another State or a Territory.
government entity means each of the following—
 - (a) the State or another Australian jurisdiction (including the Crown in right of the State or another Australian jurisdiction),
 - (b) a Minister of the government of the State or another Australian jurisdiction,
 - (c) a government sector agency (within the meaning of the *Government Sector Employment Act 2013*) or a Department or other agency of another Australian jurisdiction,
 - (d) a public authority of the State or another Australian jurisdiction,
 - (e) a person acting on behalf of the State or another Australian jurisdiction (or the Crown in right of the State or another Australian jurisdiction),
 - (f) a person or body (whether of this State or another Australian jurisdiction) declared by the regulations to be a government agency for this section,
 but does not include a council or county council or a local authority of another Australian jurisdiction.
- [4] Section 503 What is the relationship between rates and charges?**
 Insert after section 503(2)—
- (3) This section does not prevent a charge being made for a water supply service or sewerage service on land that is the subject of a conservation agreement within the meaning of the *National Parks and Wildlife Act 1974*.
Note. Section 557 limits the levying of water supply special rates and sewerage special rates being levied on land that is the subject of a conservation agreement.
- [5] Section 506 Variation of general income**
 Insert at the end of the section—
- (2) Without limiting subsection (1), the order may—
 - (a) specify different percentages for different areas of councils, and
 - (b) specify a methodology for calculating a percentage rather than specifying a particular percentage, including by specifying a base percentage to which an additional figure may be added in specified circumstances.

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[6] Section 514 Categorisation of land for purposes of ordinary rates

Insert after the first dot point in section 514—

- environmental

[7] Section 514, note

Insert “environmental,” after “farmland.”.

[8] Section 515A

Insert after section 515—

515A Categorisation as environmental

- (1) Land is to be categorised as *environmental* if it is a parcel of rateable land valued as 1 assessment and—
 - (a) its use is constrained because of one or more of the following—
 - (i) the land has limited value relative to its size and location,
 - (ii) development cannot be carried out on the land,
 - (iii) the land has low development potential for business, residential or farming activity, and
 - (b) it is subject to geographical restrictions or regulatory restrictions.
- (2) In determining whether the matters mentioned in subsection (1)(a)(ii) or (iii) apply, the council must consider—
 - (a) the zoning, if any, of the land under an environmental planning instrument,
 - (b) matters that may be prescribed by the regulations.
- (3) In this section—

geographical restrictions, in relation to land, include the water areas, mud flats, swamps, marshlands, steep slopes or other terrain resulting in physical limitations preventing the carrying out of all, or almost all, residential or commercial development on the land.

Consultation note. Comments are sought on the way for determining the apportionment of rates if part of a parcel could properly be categorised as environmental, and the remainder could be categorised under one or more of the other categories.

[9] Section 518 Categorisation as business

Insert “environmental,” after “farmland.”.

[10] Section 519 How is vacant land to be categorised?

Omit “section 515, 516 or 517”. Insert instead “sections 515–517”.

[11] Section 519(2)

Insert at the end of the section—

- (2) Despite subsection (1), land that is vacant land may also be categorised according to a sub-category of vacant land determined under section 529.

[12] Section 529 Rate may be the same or different within a category

Omit section 529(2). Insert instead—

- (2) A sub-category may be determined as follows—
 - (a) for the category “farmland”—according to—

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- (i) the location of the land, or
 - (ii) the intensity of land use, or
 - (iii) the irrigability of the land, or
 - (iv) economic factors affecting the land,
- (b) for the category “environmental”—according to one or both of the following—
 - (i) the location of the land,
 - (ii) whether the land is subject to a conservation agreement,
- (c) for the category “residential”—according to—
 - (i) the location of the land, or
 - (ii) whether the land is rural residential land, or
 - (iii) whether the land is in a centre of population, or
 - (iv) whether the land is in a residential area or in part of a residential area,
- (d) for the category “mining”—according to the kind of mining involved, or
- (e) for the category “business”—according to 1 or more of the following—
 - (i) the location of the land,
 - (ii) whether the land is in a centre of commercial or industrial activity,
 - (iii) whether the land is industrial land,
 - (iv) whether the land is non-industrial land.
- (2A) A sub-category may be determined for subsection (2)(c)(iv) only if the council is satisfied that it is necessary to identify residential areas because of significant differences between the areas in relation to access to or demand for, or the cost of providing, services or infrastructure.
- (2B) For subsection (2)(e)(iii) and (iv)—
 - (a) land is industrial land if the activities carried out on the land are predominately industrial activities,
 - (a) land is non-industrial land if the activities carried out on the land are predominately not industrial activities.
- (2C) A sub-category of vacant land may be determined for each of the categories mentioned in subsection (2)(c)–(e).
- (2D) Without limiting the factors that are relevant, regard must be had to whether there is a substantial and permanent structure located on land in determining whether the land is to be sub-categorised as vacant land.
- (2E) A sub-category must be identified by reference to geographical names if—
 - (a) the sub-category is identified by reference to the location of the land, or
 - (b) the sub-category is identified by reference to the factor mentioned in subsection (2)(c)(iv).

[13] Section 529(5) and (6)

Insert after section 529(4)—

- (5) The regulations may make provision for or with respect to the following—

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- (a) the factors that may or may not be taken into account in determining a sub-category for a category of land for which a sub-category may be determined,
 - (b) the kinds of activities that are, or are not, industrial activities or non-industrial activities for the purposes of this section,
 - (c) the factors that may or may not be taken into account in determining a sub-category of vacant land for a category of land for which a sub-category of vacant land may be determined,
 - (d) public consultation requirements to be followed by councils in determining a sub-category, including by applying, with or without modification, provisions of the Act, the regulations or guidelines concerning the preparation, exhibition and publication of strategic council planning documents.
- (6) In this section—
conservation agreement means—
- (a) a conservation agreement within the meaning of the *National Parks and Wildlife Act 1974*, or
 - (b) another agreement relating to the conservation of the land of a kind prescribed by the regulations.
- geographical name** has the same meaning as in the *Geographical Names Act 1966*.
- strategic council planning document** means a community strategic plan, resourcing strategy, delivery program or operational plan mentioned in Chapter 13, Part 2.

[14] **Section 530**

Insert after section 529—

530 Special provisions for residential sub-categories

- (1) This section applies in relation to determining a sub-category (a **residential sub-category**) under section 529 for the category “residential” (the **residential category**) for rateable land in a council’s area.
- (2) The highest ordinary rate for rateable land in a contiguous urban locality must not be more than a factor of 1.5 times, or any other factor prescribed by the regulations, the average ordinary rate payable for other rateable land in the contiguous urban locality.
- (3) Despite subsection (2), the Minister may by written instrument given to a council on its application—
 - (a) determine a factor for the council that is greater than the factor mentioned in subsection (2), and
 - (b) impose conditions in relation to the use of the determined factor.
- (4) The Minister may, by a further written instrument given to a council on its application, vary or revoke a determination, or a condition of a determination, made or imposed for the council under subsection (3).
- (5) If a council decides to make different ordinary rates for residential sub-categories, the council must—
 - (a) publish the reasons for doing so on its website as soon as practicable after making the rates, and

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- (b) set out the reasons in the council's statement of revenue policy in its operational plan for year concerned.
 - (6) The Minister may, from time to time, issue written directions to councils concerning—
 - (a) the factors or circumstances that may, or may not, be used by councils in determining a residential sub-category or the ordinary rate for a residential sub-category, and
 - (b) matters to be included in reasons published for subsection (5)(a).
 - (7) A council must comply with directions given by the Minister under subsection (6).
 - (8) The regulations may make provision for or with respect to—
 - (a) the methodology for calculating the average ordinary rate payable for other rateable land for subsection (2), and
 - (b) the circumstances in urban land is, or is not, to be treated as being completely separated from land that is not in the residential category for paragraph (b) of the definition of *contiguous urban locality* in subsection (9).
 - (9) In this section—
 - contiguous urban locality* means urban land—
 - (a) that is in the residential category, and
 - (b) no part of which is completely separated from the rest of the land by land that is not in the residential category.
- [15] **Section 555, heading**
Insert “, other than water supply special rates and sewerage special rates” after “rates”.
- [16] **Section 555(1)**
Insert “, other than water supply special rates and sewerage special rates” after “all rates”.
- [17] **Section 555(1)(b)**
Omit section 555(1)(b) and (b1). Insert instead—
 - (b) land reserved or acquired under the *National Parks and Wildlife Act 1974*,
- [18] **Section 555(1A)**
Insert after section 555(1)—
 - (1A) Without limiting subsection (1), the following land is also exempt from all rates, other than water supply special rates and sewerage special rates—
 - (a) land that is a public place,
 - (b) land used for a public reserve and vested in the Crown, a public body or trustees,
 - (c) land used for a common and vested in the Crown, a public body or trustees,
 - (d) land used for a public cemetery and vested in the Crown, a public body or trustees,
 - (e) land used solely for a free public library and vested in the Crown, a public body or trustees,

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- (f) land acquired under an environmental planning instrument for the public purpose specified in the instrument and not leased for private purposes,
- (g) land that is held under a lease from the Crown for private purposes and is the subject of a mineral claim granted under Division 4 of Part 9 of the *Mining Act 1992* and that the council has declared is not rateable,
- (h) land that belongs to a public benevolent institution or public charity and is used or occupied by the institution or charity for the purposes of the institution or charity,
- (i) land that belongs to a public hospital,
- (j) land that is vested in the Minister for Health, the Health Administration Corporation or the New South Wales Health Foundation,
- (k) land that is vested in a local health district constituted under the *Health Services Act 1997*,
- (l) land that is vested in a university, or a university college, and is used or occupied by the university or college solely for its purposes,
- (m) land that is vested in the Crown or Venues NSW and is described in Schedule 4A, Parts 1, 2 or 3 of the *Sporting Venues Authorities Act 2008* and is used or occupied for the purposes of or in accordance with that Act,
- (n) land that is vested in the Crown or the Zoological Parks Board and is used or occupied by the Board for its purposes,
- (o) land that—
 - (i) is vested in the mines rescue company, within the meaning of the *Coal Industry Act 2001*, and
 - (ii) is used for the purposes of a mine rescue station controlled by that company,
- (p) land that is managed by the Teacher Housing Authority and on which a house is erected,
- (q) land that is leased to the Crown for the purpose of cattle dipping,
- (r) land that is specified or described in the regulations as being exempt from all rates, other than water supply special rates and sewerage special rates,
- (s) land that is vested in an Aboriginal Land Council and that is reserved under Part 4A of the *National Parks and Wildlife Act 1974*.

[19] Section 555(3)

Omit the subsection.

[20] Section 555(4)

Insert “or (1A)(h)–(o)” after “subsection (1)(e), (f), (g) and (g1)”.

[21] Section 555(5)

Omit the subsection. Insert instead—

- (5) A parcel of rateable land is to be valued in accordance with section 28A of the *Valuation of Land Act 1916* to enable rates to be levied on a part of the parcel that is not exempt from rates under this section if it is—

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- (a) a parcel belonging to a religious body partly occupied and used in a way described in subsection (1)(e) and partly in a way that would result in part of the parcel not being exempt from rates under this section, or
- (b) a parcel belonging to a public benevolent institution or public charity partly used or occupied by the institution or charity for its own purposes and partly for a purpose that would result in part of the parcel not being exempt from rates under this section.

[22] Section 556

Omit sections 556 and 557. Insert instead—

556 What land is exempt from water supply special rates and sewerage special rates?

- (1) Water supply special rates may not be levied on land to which the council has resolved not to supply water.
- (2) Sewerage special rates may not be levied on land which the council has resolved not to connect to the council's sewers.
- (3) Subject to subsection (4), water supply special rates and sewerage special rates may not be levied on land that is the subject of a conservation agreement within the meaning of the *National Parks and Wildlife Act 1974*.
- (4) If part of a single parcel of land is the subject of a conservation agreement, any rate levied on that whole parcel is to be reduced by the following percentage—

$$P = \frac{CA}{WA}$$

P is the percentage.

CA is the area of that part of the parcel that is the subject of the conservation agreement, and

WA is the area of the whole parcel.

Note. For example, if a parcel of land would normally be subject to a rate of \$1,000, but 40% of the area of the land is subject to a conservation agreement, that rate is to be reduced by 40% to \$600.

[23] Section 558, heading

Omit “water supply special rates and sewerage special”.

[24] Section 558(1)

Omit “water supply special rates and sewerage special”.

[25] Section 558(6)

Insert after section 558(5)—

- (6) The regulations may make provision for or with respect to—
 - (a) the considerations councils may, or may not, take into account in granting an exemption, or a kind of exemption, under this section, and
 - (b) the publication of reasons by councils for exemptions they grant.

[26] Section 558A

Insert after section 558—

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558A Information about estimated cost of rate exemptions

- (1) A council must, at the start of each rating year, ensure that the estimated costs of rate exemptions in its area are calculated to the extent it is reasonably practicable to do so, based on information available to the council.
- (2) The council must ensure that the estimated costs are published—
 - (a) in the draft operational plan for the year in which the costs are proposed to be incurred, or
 - (b) on the website of the council.
- (3) The regulations may make provision for or with respect to—
 - (a) exempting councils from some or all of the requirements of this section, and
 - (b) the methodologies to be used in calculating estimated costs of rate exemptions, and
 - (c) the kinds of rate exemptions for which estimated costs must be calculated, and
 - (d) when and how the estimated costs of rate exemptions are to be published in draft operational plans or on websites of councils.
- (4) In this section—

rate exemption means a kind of exemption from a requirement to pay an ordinary rate or special rate—

 - (a) given by a provision of this Act or the regulations, or
 - (b) granted by the council under a provision of this Act or the regulations.

[27] Chapter 15, Part 8, Division 2

Omit the note at the beginning of the Division. Insert instead—

Note—

This Division enables a ratepayer to apply for a postponement in certain cases of hardship.

This Division also entitles particular public bodies to a 25% rebate for ordinary rates payable for certain land.

Other rating concessions may be provided under other Acts. For example, section 127 of the *Heritage Act 1977* provides for rates to be levied on heritage valuations determined in accordance with that Act instead of on other valuations.

[28] Section 591

Omit the section. Insert instead—

591 Postponement of rates

- (1) A council must, in accordance with this section, postpone the payment of rates for land in any rating year for which a determination or redetermination of the attributable part of the land value is in force if satisfied that the rateable person for the land would suffer substantial hardship if required to pay the rates.
- (2) For land for which no base amount of a rate is specified, the amount of the rate postponed is to be the same proportion of the rate as the attributable part of the land value bears to the land value.
- (3) For land for which a base amount of a rate is specified, the amount of the rate postponed is to be the same proportion of the ad valorem amount of the rate as the attributable part of the land value bears to the land value.

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[29] Section 595

Omit the section. Insert instead—

595 Postponed rates may be written off after 5 years

- (1) This section applies if 5 years have elapsed since the commencement of a rating year for which part of the rates levied on land have been postponed under this Division.
- (2) The council may write off the part postponed and any interest accrued on that part.
- (3) This section does not affect the right of the council to recover rates and interest, even though they have been written off under this section, if it subsequently appears to the council that they should not have been written off.

[30] Section 713 Sale of land for unpaid rates and charges

Omit “5 years” wherever occurring in section 713(1) and (2). Insert instead “3 years”.

[31] Schedule 8 Savings, transitional and other provisions consequent on the enactment of other Acts

Insert at the end of the Schedule, with appropriate Part and clause numbering—

Part Provisions consequent on enactment of Local Government Amendment (Rates) Act 2021

Definitions

In this Part—

amending Act means the *Local Government Amendment (Rates) Act 2021*.

Consultation note. Finalised savings and transitional provisions will be included following consultation.

In particular, for Councils affected by amalgamation and having a preserved rate structure that is due to expire in 2021, a transitional provision will be included to provide for the harmonisation of rates to ensure a uniform rating structure for each category of land (such as residential).

Harmonisation within each category of land can be achieved in one of 3 ways—

- (a) by the levying of a new rate for the category of land, with effect from 1 July 2021,
- (b) by the use of sub-categorisation of the category of land (as provided for elsewhere in this draft Bill),
- (c) by gradual harmonisation of rates for the category over no more than 4 years.

If rates for a category are harmonised over 4 years, in each year the increase in rates for the category must not exceed 50% of the difference between—

- (a) the preserved rate structure for the category, and
- (b) the rate structure that is to be achieved at the end of harmonisation for the category.

It is noted that harmonisation is not expected to affect the requirements of the Act that limit variation in a Council's income from rates.



Monthly Report

Shoalhaven City Council

December 2020

CL21.16 - Attachment 1



Market and Economic Review

Leading Economies

The US S&P500, Dow Jones and NASDAQ gained +3.8%, +3.4% and +5.7% respectively, all setting records. MSCI World ex-AUS gained +3.6% in local terms. Emerging Markets rose +7.4% in \$US and Frontier Markets +5.7%. US 10-year bonds sold off, almost touching 1% before closing 0.93% (+9bp). High yield broke through +400bp to close at 386 spread (-47bp).

COVID-19 vaccines received emergency authorisation and commenced rollout. Deaths average 11,000/day to total 1.8m. Markets ignored everything except the successes of vaccine trials; neither record deaths and new lockdowns, nor likely double dip recessions halted gains.

GDPNow expected another double-digit annualised GDP rebound for USA in Q4 although Q1 will be problematic. The US Congress agreed a small compromise stimulus, while fighting over a greater allocation. A new Congress takes effect, awaiting Georgia senators' runoff election.

US unemployment fell to 6.7% (-0.2%) after a modest +245k jobs in November. CPI was steady at +1.2% YoY. Retail sales fell -1.1%. Eurozone unemployment eased to 8.4% (-0.1%). YoY inflation remained negative (-0.3%) after another negative month. UK left the EU at year end, completing its transition with issues still unresolved.

China's yuan closed at 6.5 per \$US, the strongest since mid-2018. Prices fell -0.6% in November, taking the year into deflation as pork prices fell. A crackdown on Alibaba and Tencent echoes Russia's problems with oligarchs seen as threats to the ruling class. Japan also reported deflation, with core and headline CPI reaching -0.9%.

Domestic News

The RBA made no policy changes at December's meeting, again surprised to the upside by data. Cash rate guidance is explicitly "more than 3 years." The size of quantitative easing is the key variable.

The ASX200 returned +1.2%, achieving a slightly cash-plus year. Smallcaps added +2.8% for a solid +9.2% in 2020. The 10-year bond weakened to 0.97% (+7bp), having traded over 1% in the month. Houses and units appreciated in every capital in December. Melbourne houses and Brisbane units had a negative year. Australia saw the return of COVID-19, localised lockdown and hard state borders. China blocked key Australian exports but began the year on hopes of reconciliation. The trade surplus on goods fell to under \$2bn for the first time since 2018 as exports to China plunged. Q3's current account was +\$10bn (-\$6.3bn). Retail sales soared +7% in November to be +13% YoY. Household wealth reached a record \$11.35tr. Unemployment fell to 6.8% (-0.2%) on +90k jobs in Oct despite participation rising to 66.1% (+0.3%). Hours worked rose +2.5. Underemployment fell -1pt to 9.4%. Union membership reached a record low 14.3% of employees.

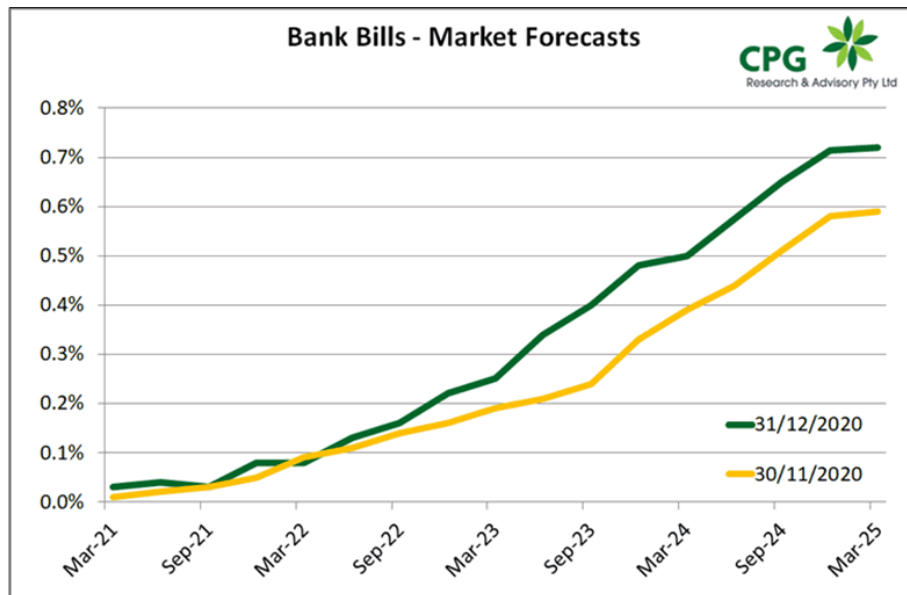
The population grew +1.3% to 25.7m, but births were down -3% in the latest year reported (2019) with a record low total fertility rate of 1.66 per woman. New home loan commitments reached a record \$22.7bn in Oct (+0.7%), due to a 30% YoY increase for owner-occupiers.

Other Markets

WTI oil jumped to \$US48.52/bbl (+8.0%). Gold recovered to \$1898/oz (+6.4%). Iron ore closed +22.3% at a 9-year high \$158. Base metals were mixed: Nickel (+1.21%), Tin (+8.22%), Copper (+0.87%) rose while Zinc (-3.06%) and Aluminium (-1.81%) fell. The \$A closed at US77c (+4.2%), a multi-year high.



Bill futures factor gradual rate normalisation, sooner than the RBA is guiding:

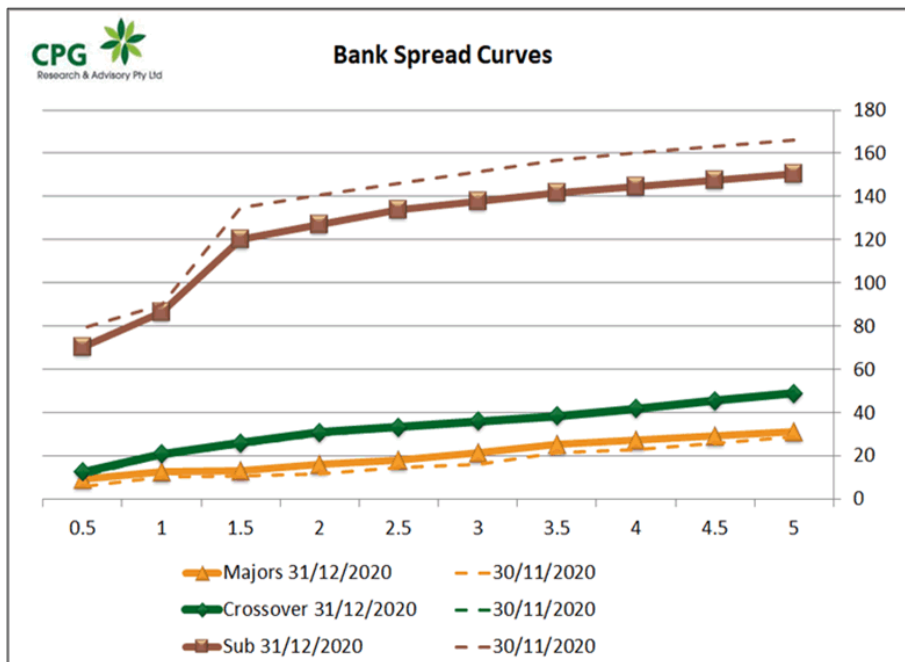


Credit Market

Global credit ground slightly tighter in December, trading near pre-COVID levels (especially overseas credit):

| Credit Indices | 31 Dec 20 | 30 Nov 20 | 31 Dec 19 |
|--------------------------------|-----------|-----------|-----------|
| iTraxx Australia 5 Yr CDS | 57bp | 59bp | 47bp |
| iTraxx European 5 Yr CDS | 48bp | 49bp | 44bp |
| CDX IG North American 5 Yr CDS | 49bp | 50bp | 45bp |
| CDX HY North American 5 Yr CDS | 293bp | 303bp | 280bp |

Major bank credit weakened from extremely expensive levels. Second tier banks were little changed. But sub debt rallied strongly, and now trades around its tightest in this cycle:



Physical high yield was **much stronger again**, closing at +386bp vs +433bp in November (*BoAMLHY Index, option-adjusted*). **We move to a Reduce view** inside 400bp, although moves in leveraged loans have been less extreme.

US bonds closed at 93bp (+9bp). Australian 10-year bonds were also weaker, +7bp higher at 97bp. 3-year bonds were little changed to 0.10% (-1bp), near the rate target. **3m BBSW was just 1bp**, indicating that no further cuts are possible without moving into negative rates for a key benchmark.

The RBA bought \$19bn of long bonds to the December meeting, and this has been particularly helpful for semi-government rates. However, with US bonds selling off, their policy actions have served to **slow bondholder losses rather than rerate the yield curve lower**. Lower-rated deposits have been inching higher.

Credit is now very expensive, at least among domestic banks with access to the TFF.

There remains some further downside risk to the middle of the bond yield curve, but credit is now very expensive.

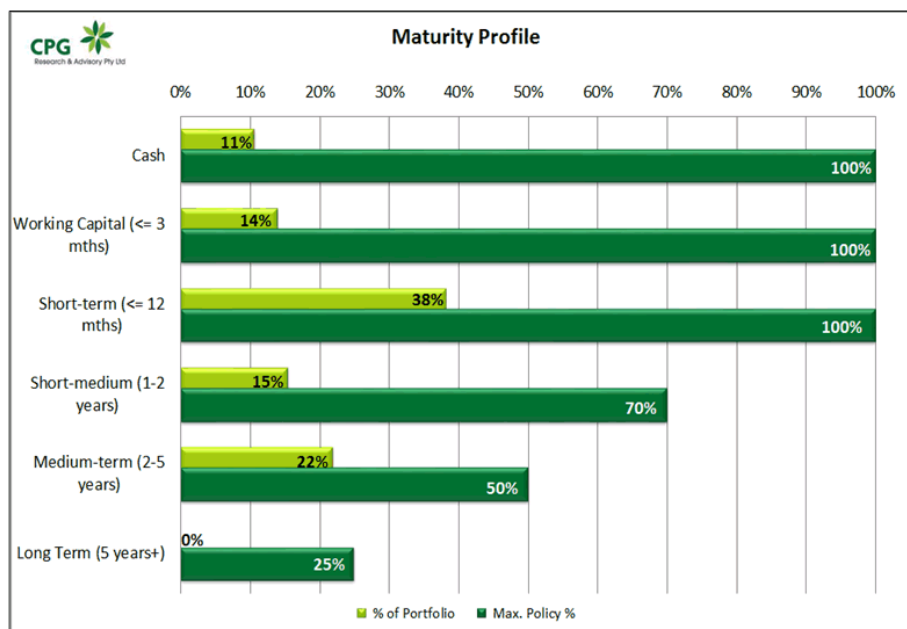


Council's Portfolio

11% of investments are available at-call and a further 14% of assets mature within 3 months. Another 38% of assets mature within 3-12 months. Longer-term allocation has increased to 22% at 2-5 years with new long term FRN purchase. Major bank paper is extremely expensive. Given the “flight to (domestic) safety” as well as the distortion of the RBA’s Term Funding Facility, there is an unprecedented divergence, and foreign issuers significantly overpay for credit quality.

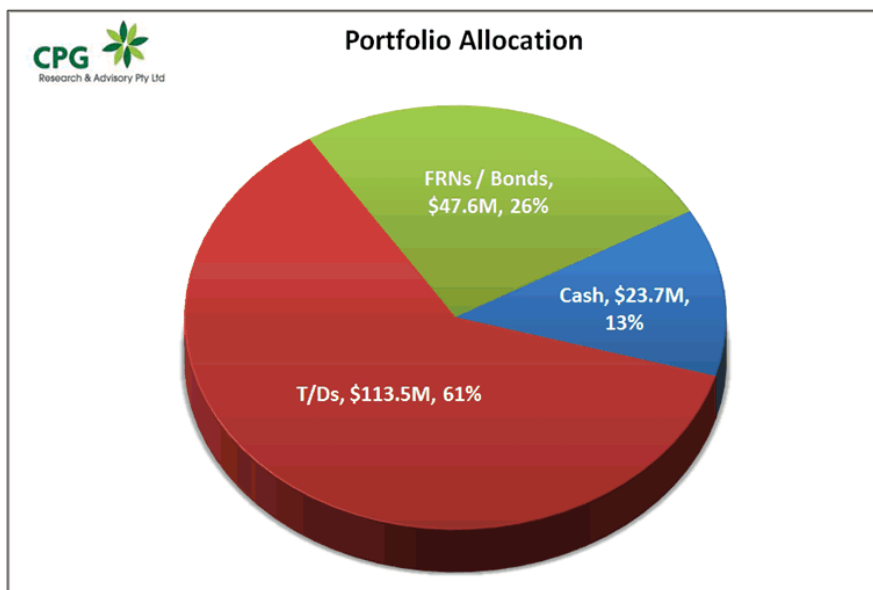
All investments are within the current Minister’s Order, having closed out legacy fund positions at their peak. Bank FRNs recovered dramatically in Q2 and have continue to set new **post-GFC records** – the **extraordinary performance of major bank paper also dragged smaller ADIs to new cyclical tights**.

The RBA made no policy changes at December’s meeting, continuing to be surprised to the upside by data. **Deposit rates were generally at the same level**; recent investments have diversified away from banks. Only the unrated Judo Bank pay around 1% for the longest terms; The unusually large Q2 gap between highly rated ADIs and others has **converged to tight pre-COVID historical norms**.

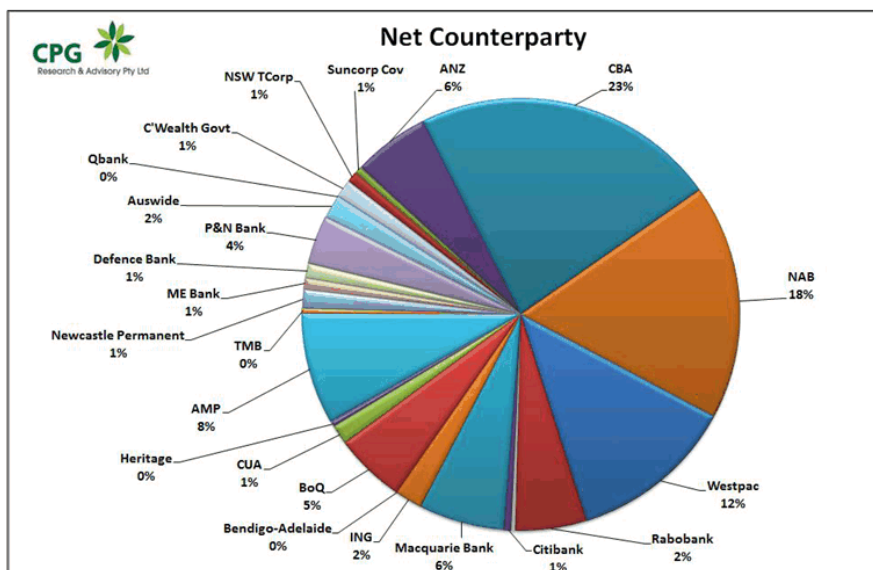


Council’s investments are well spread across maturities, well diversified across the eligible fixed interest universe. Capacity exists in all terms.

Council’s portfolio is primarily in deposits (at 61%) along with a substantial liquid portfolio. Of the FRNs, market liquidity is now very strong, and credit funds continue to normalise their credit spreads. A more diverse range of banks have come to market as FY21 progressed. **Cash moved down to 13%** (including AMP 31-day Notice Account).



The investment portfolio is well diversified in complying assets across the entire credit spectrum; with major banks the largest exposures – **a comfortable position in a more stressed environment.**



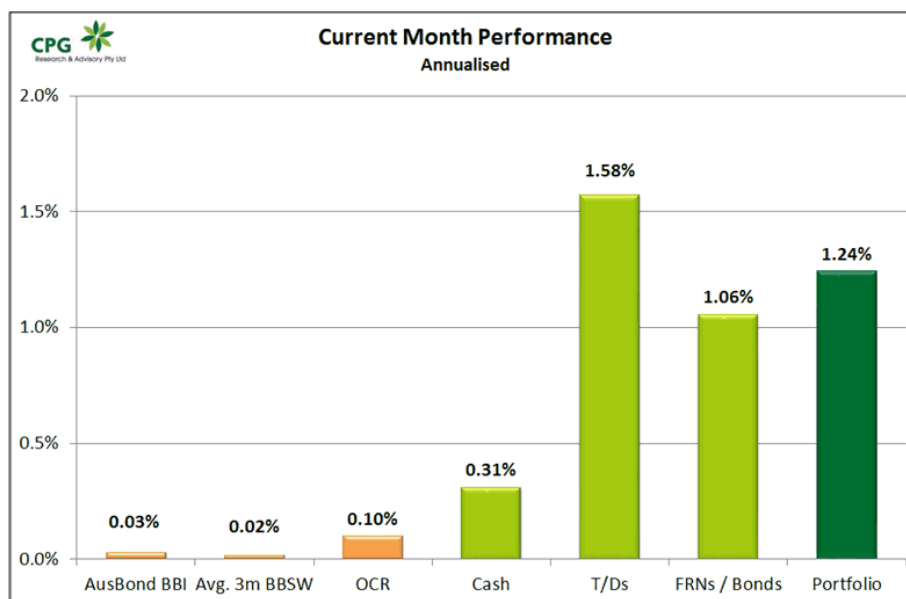


Returns - Accrual

| Actual | 1 month | 3 months | 6 months | FYTD | 1 year | 2 years | 3 years | 4 years | 5 years |
|-------------------------|---------|----------|----------|-------|--------|---------|---------|---------|---------|
| Official Cash Rate | 0.01% | 0.04% | 0.10% | 0.10% | 0.31% | 0.73% | 0.99% | 1.12% | 1.24% |
| Avg. 3m BBSW | 0.00% | 0.01% | 0.03% | 0.03% | 0.30% | 0.82% | 1.19% | 1.33% | 1.46% |
| AusBond Bank Bill Index | 0.00% | 0.02% | 0.05% | 0.05% | 0.37% | 0.93% | 1.26% | 1.38% | 1.52% |
| Council Cash | 0.03% | 0.12% | 0.25% | 0.25% | 0.72% | 1.23% | 1.49% | 1.66% | 1.79% |
| Council T/Ds | 0.13% | 0.42% | 0.93% | 0.93% | 2.04% | 2.49% | 2.72% | 2.89% | 3.04% |
| Council FRNs / Bonds | 0.09% | 0.28% | 0.58% | 0.58% | 1.44% | 2.05% | 2.45% | 2.63% | - |
| Council Total Portfolio | 0.11% | 0.33% | 0.72% | 0.72% | 1.68% | 2.13% | 2.38% | 2.52% | 2.70% |
| Annualised | 1 month | 3 months | 6 months | FYTD | 1 year | 2 years | 3 years | 4 years | 5 years |
| Official Cash Rate | 0.10% | 0.15% | 0.20% | 0.20% | 0.31% | 0.73% | 0.99% | 1.12% | 1.24% |
| Avg. 3m BBSW | 0.02% | 0.04% | 0.07% | 0.07% | 0.30% | 0.82% | 1.19% | 1.33% | 1.46% |
| AusBond Bank Bill Index | 0.03% | 0.08% | 0.09% | 0.09% | 0.37% | 0.93% | 1.26% | 1.38% | 1.52% |
| Council Cash | 0.31% | 0.46% | 0.50% | 0.50% | 0.72% | 1.23% | 1.49% | 1.66% | 1.79% |
| Council T/Ds | 1.58% | 1.67% | 1.85% | 1.85% | 2.04% | 2.49% | 2.72% | 2.89% | 3.04% |
| Council FRNs / Bonds | 1.06% | 1.12% | 1.15% | 1.15% | 1.44% | 2.05% | 2.45% | 2.63% | - |
| Council Total Portfolio | 1.24% | 1.33% | 1.43% | 1.43% | 1.68% | 2.13% | 2.38% | 2.52% | 2.70% |

The Investment portfolio returned a strong **1.24% p.a.** for the month of December 2020, exceeding the benchmark AusBond Bank Bill Index (0.03% p.a.) by **+121bp**. It does not include any market value impact – while FRN prices were flat in the month, they carry significant gains.

Longer dated deposits continue to hold the total portfolio performance, with yields around ~1.6% – an excellent level, **far above any available deposit**. Council's **relative outperformance expanded through the falling rate cycle**, with cash almost literally paying zero. Term deposits have anchored very strong outperformance, although the typical 1-year duration mean that protection is also running off rapidly now.





Credit Quality

The aggregate limit for BBB is 30% and in NR is 2% (over-riding single-name limits); there are no current unrated investments. Allocations were very conservative in any case. These are consistent with TCorp's criteria; Policy could readily be aligned to their more complex basis which integrates both tenor and ratio (with more bands). **Without unrated holdings, the migration would be trivial.**

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

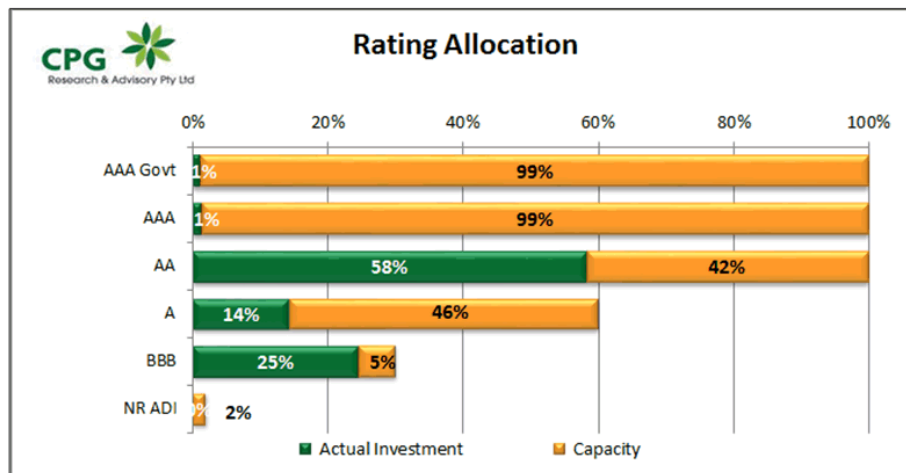
Aggregate credit limits are in compliance:

| Rating Category | Actual | Per C/Party | Aggregate | Rating Category | Actual Investment | Capacity |
|-----------------|--------|-------------|-----------|-----------------|-------------------|----------|
| AAA Govt | 1% | 100% | 100% | AAA Govt | 1% | 99% |
| AAA | 1% | 40% | 100% | AAA | 1% | 99% |
| AA | 58% | 30% | 100% | AA | 58% | 42% |
| A | 14% | 15% | 60% | A | 14% | 46% |
| BBB | 25% | 10% | 30% | BBB | 25% | 5% |
| NR ADI | 0% | 5% | 2% | NR ADI | 0% | 2% |

Credit quality is mostly directed towards the higher rated ADIs, using the limited capacity in lower investment grade (BBB rated). This has been opportunistically utilised by locking in long term fixed rates ahead of dramatic falls in returns. Recent FRN purchases also trade well ahead of par.

AMP Bank downgrade to BBB is reflected in data; the Outlook is now *Stable*.

Given TCorp's more granular classifications subdividing even the BBB category, this could easily be managed towards the BBB+ banks specifically.





Other Compliance

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

All counterparties comply, and all are rated.

| Counterparties | Exposure \$M | FCS | Net | Rating | Policy Limit | Actual | Capacity |
|---------------------|--------------|---------|-----------|--------|--------------|--------|----------|
| TCorpIM Cash Fund | \$0.00M | \$0.00M | \$0.00M | AAA | 40% | 0% | \$73.93M |
| NSW TCorp | \$1.52M | \$0.00M | \$1.52M | AAA | 40% | 1% | \$72.41M |
| Suncorp Cov | \$1.00M | \$0.00M | \$1.00M | AAA | 40% | 1% | \$72.43M |
| ANZ | \$10.50M | \$0.00M | \$10.50M | AA- | 30% | 6% | \$44.95M |
| CBA | \$42.07M | \$0.25M | \$41.82M | AA- | 30% | 23% | \$13.62M |
| NAB | \$32.80M | \$0.25M | \$32.55M | AA- | 30% | 18% | \$22.90M |
| Westpac | \$23.00M | \$0.25M | \$22.75M | AA- | 30% | 12% | \$32.70M |
| Rabobank | \$10.00M | \$0.25M | \$9.75M | A | 15% | 5% | \$17.97M |
| Suncorp | \$0.50M | \$0.00M | \$0.50M | A+ | 15% | 0% | \$27.22M |
| Citibank | \$1.00M | \$0.00M | \$1.00M | A+ | 15% | 1% | \$26.72M |
| Macquarie Bank | \$12.00M | \$0.25M | \$11.75M | A | 15% | 6% | \$15.97M |
| ING | \$4.00M | \$0.25M | \$3.75M | A | 15% | 2% | \$23.97M |
| Bendigo-Adelaide | \$0.00M | \$0.00M | \$0.00M | BBB+ | 10% | 0% | \$18.48M |
| BoQ | \$10.00M | \$0.25M | \$9.75M | BBB+ | 10% | 5% | \$8.73M |
| CUA | \$2.70M | \$0.00M | \$2.70M | BBB | 10% | 1% | \$15.78M |
| Heritage | \$0.70M | \$0.00M | \$0.70M | BBB+ | 10% | 0% | \$17.78M |
| AMP | \$15.64M | \$0.25M | \$15.39M | BBB | 10% | 8% | \$3.10M |
| TMB | \$0.70M | \$0.00M | \$0.70M | BBB | 10% | 0% | \$17.78M |
| Newcastle Permanent | \$2.60M | \$0.00M | \$2.60M | BBB | 10% | 1% | \$15.88M |
| ME Bank | \$1.60M | \$0.00M | \$1.60M | BBB | 10% | 1% | \$16.88M |
| Defence Bank | \$2.00M | \$0.00M | \$2.00M | BBB | 10% | 1% | \$16.48M |
| P&N Bank | \$7.00M | \$0.25M | \$6.75M | BBB | 10% | 4% | \$11.73M |
| Auswide | \$3.50M | \$0.25M | \$3.25M | BBB- | 10% | 2% | \$15.23M |
| Qbank | \$0.00M | \$0.00M | \$0.00M | BBB- | 10% | 0% | \$18.48M |
| | \$184.83M | | \$182.33M | | | 99% | |
| C\Wealth Govt | | \$2.5M | \$2.50M | AAA | 100% | 1% | |
| Total | \$184.83M | | \$184.83M | | | 100% | |

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

Only P&N Bank is larger than the net assets % threshold for individual counterparty; it will be run down over time. Its deposit has a longer term than the other ADIs originally affected by this limit, which have now been run off.



| Counterparties | Exposure \$M | Rating | Max port % | Actual | Net Assets \$M | Max allowed % of net assets | Net Exposure | |
|---------------------|--------------|--------|------------|--------|----------------|-----------------------------|--------------|--------|
| AMP | \$15.64M | BBB | 10% | 8% | \$6,791 | 2% | 0.230% | 1.77% |
| Bendigo-Adelaide | \$0.00M | BBB+ | 10% | 0% | \$5,632 | 2% | 0.000% | 2.00% |
| BoQ | \$10.00M | BBB+ | 10% | 5% | \$3,885 | 2% | 0.257% | 1.74% |
| CUA | \$2.70M | BBB | 10% | 1% | \$1,037 | 2% | 0.260% | 1.74% |
| Heritage | \$0.70M | BBB+ | 10% | 0% | \$487 | 2% | 0.144% | 1.86% |
| TMB | \$0.70M | BBB | 10% | 0% | \$493 | 2% | 0.142% | 1.86% |
| Newcastle Permanent | \$2.60M | BBB | 10% | 1% | \$925 | 2% | 0.281% | 1.72% |
| ME Bank | \$1.60M | BBB | 10% | 1% | \$1,485 | 2% | 0.108% | 1.89% |
| P&N Bank | \$7.00M | BBB | 10% | 4% | \$291 | 2% | 2.408% | -0.41% |
| Qbank | \$0.00M | BBB- | 10% | 0% | \$78 | 2% | 0.000% | 2.00% |
| Auswide | \$3.50M | BBB- | 10% | 2% | \$237 | 2% | 1.478% | 0.52% |

We note that these are before application of the government insurance scheme (FCS), although the difference is trivial.

Term Deposits

At month-end, deposits accounted for approximately 61% of the total investment portfolio. The weighted average duration of the deposit portfolio is ~0.9 year, unchanged from last month. It remains comparable to the peer group, at a very high interest rate relative to current rates.

Council has held its duration through term deposits rather than bonds – avoiding extremely large mark-to-market volatility in months such as March. This placed Council in an extremely strong position in FY20, and FY21 opened very well with a current yield still around 1.60%. However, the term of these pre-COVID holdings is decaying over time, and they will almost all be gone by the end of FY21.

Deposit rates approaching equilibrium. *The gap between A-rated and lower deposits is now small. The RBA expanding TFF funding to banks continues to pressure rates from other sources*, and all domestic ADIs have pulled back wholesale funding rates.

Forced migration to shorter and higher rated deposits imposed substantial costs during the year, preventing greater access to rate protection and unusually wide rate differentials Short term margins showed discontinuities, overpaying at 3 and 6 months. Long rates steepened, with AMP prominent.

We note (typically short-dated) broker specials for deposits around short-term investment requirements are advised in the T/D daily rate sheet regularly.

Relevant portfolio data follows:

Term Deposit Statistics

| | |
|-------------------------------|---------|
| Percentage of total portfolio | 61% |
| Weighted Average Yield | 1.53% |
| Weighted Average Duration | 0.9 yrs |

Credit Quality of Deposits

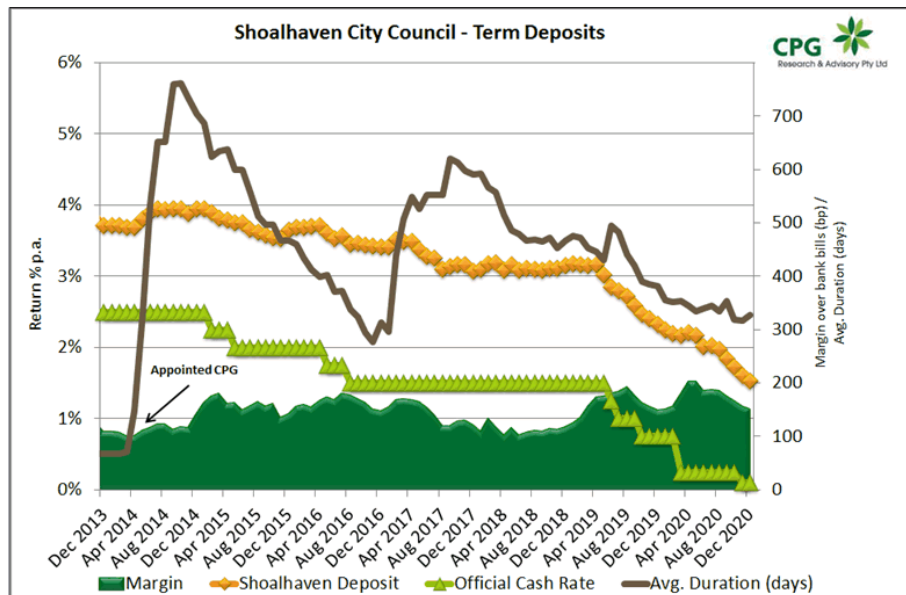


| | |
|--------------|-------------|
| AAA^ | 1% |
| AA | 56% |
| A | 16% |
| BBB | 26% |
| Unrated ADI | 0% |
| Total | 100% |

^ Calculation excludes the Financial Claims Scheme (FCS)

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

We also revisit some prior analysis. The long duration strategy was very successful, substantially lifting the average margin. Margins again expanded, with the average duration kept at 1 year until after the impact of the COVID-19 crisis was fully reflected in zero rates. Deposit margins have consistently exceeded 100bp since early 2019, which set up excellent FY20 – the best in 5 years. As deposits mature, average yield is again gradually reflecting policy interest rates with a lag.



FY21 is seeing strong excess performance from deposits (which have ranged from +150 to +200bp), as well as additional profits available from realising the embedded gains of the FRN book.



Credit: FRNs & Fixed Bonds

Senior major FRN spreads were slightly wider, after rallying to very overbought levels.

Australian 10-year bonds weakened to 0.97% (+7bp). 3-year bonds closed at 0.10%, near the RBA's 10bp target. **BBSW was +1bp**, so any further move in interest rates will likely see a negative rate environment. **US bonds were also wider, trading to 93bp (+9bp)**. Bonds have been a negative for diversified portfolios since the bottom of the COVID-19 crisis.

Domestic bonds had generally outperformed; bonds have traded sideways during a quite severe sell-off in the US. The fact that the RBA has continued to ease policy made Australia one of the stronger bond markets. **But since month end, Australia has followed a weaker US lead.**

The RBA reiterated 3+ years of zero interest rate policy. BBSW is typically 1-2bp. They have commenced bond purchases, and are open to expanding that.

We refer to the detailed analysis in our December *Fixed Interest Analytics* as well as other commentaries following the US election.

Council invested \$4m in Macquarie FRN last month at 48bp + 3month BBSW.

With AMP Bank in run-off, we recommend bidding FRNs in large parcels where possible, but now exclude the major banks. **Foreign institutions unable to access the TFF are by far the better value.** **We look to sell all existing FRNs from major banks.** All major bank paper would show **substantial gains**.

The spread between AA and the larger BBB names is back to pre-GFC levels – well inside +30bp at the long end, and through +10bp for shorter dated securities. This provides the opportunity to also sell benchmark second tier issuers, with **ME Bank, BoQ and Suncorp likely to trade very strongly.**

Given relative pricing, preferred exposures are likely to include major money-centre banks that also have branches (and are therefore eligible under the Minister's Order). **The pricing differential in the Australian market can be substantial**, with even larger and more systemically important banks paying a large premium.

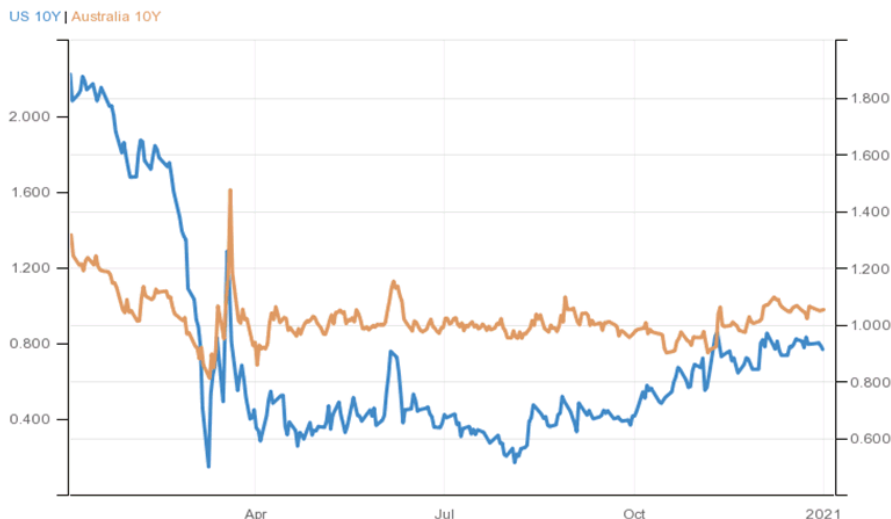
This could reflect technical aspects of the RBA's funding and stimulus programme, with banks raising \$200bn from the RBA – **funding which is no longer required from wholesale investors**. Already, banks have been running down overseas funding. During the month, **the TFF rate was further reduced – this has already had a further impact on deposit rates.** **We expect credit spreads to be wider after TFF funding is exhausted, probably weakening in 2022 as issuance recommences.**

We recommend directing liquid allocations (via new 5-year issues) to a more diverse set of securities – often very highly rated. Global major banks – GSIBs (Global Systemically Important Banks) are relatively better value (potentially as much as +50bp).



Fixed Interest Outlook

US GDP looks like closing just under flat, based on annualised Q4 estimates now in double digits (2%+). US bond markets continue to weaken, with 10-year Treasuries almost touching 1% after severe losses since August:



SOURCE: TRADINGECONOMICS.COM

Australian yields have been very flat through the COVID era, not responding materially in either direction to economic data or stockmarket movements.

While the RBA has enacted bond-friendly policy through CY20, this has largely just offset weaker global leads. Financial markets are pricing for a global economy now in the strong recovery phase of the economic cycle. The risks of a Biden Administration legalising debt monetisation would increase significantly if they win both Georgia senators' runoff elections.

Meanwhile, the RBA is now guiding "at least 3 years" of zero interest rate policy. There is no sign that negative rate policy is considered; instead the most adjustable policy instrument is the size of quantitative easing. By the December meeting, the RBA had purchased \$19bn of government debt.

Lost in the rage over the US election, challenges and recriminations is the *Federal Reserve Act*. The Democrats have the opportunity to control the presidency plus both Houses of Congress, and given their widespread support for Modern Monetary Theory there could be changes to open the door to full debt monetisation ("money printing").

Two victories in the Senate runoff election would bring Democrat control of the Senate. More broadly, **the end of gridlock would likely result in more inflationary and creditor-unfriendly policies.**



Portfolio Listing

| Shoalhaven City Council as at 31/12/2020 | | | | | | |
|---|-----------|---------------|-----------------------------|------|---------------|---------------|
| Authorised Deposit-Taking Institution (ADI) | ST Rating | Security Type | Principal/ Current MF Value | Term | Interest Rate | Maturity Date |
| National Australia Bank | A-1+ | TD | \$2,000,000.00 | 133 | 1.60% | 6-Jan-21 |
| National Australia Bank | A-1+ | TD | \$2,000,000.00 | 140 | 1.55% | 13-Jan-21 |
| State Insurance Regulatory Authority | A-1+ | TD | \$1,517,000.00 | 92 | 0.58% | 15-Jan-21 |
| National Australia Bank | A-1+ | TD | \$3,000,000.00 | 146 | 1.55% | 19-Jan-21 |
| AMP Bank | A-2 | TD | \$2,000,000.00 | 366 | 1.90% | 21-Jan-21 |
| ING Bank (Australia) Ltd | A-1 | TD | \$1,000,000.00 | 367 | 1.65% | 15-Feb-21 |
| ING Bank (Australia) Ltd | A-1 | TD | \$1,000,000.00 | 365 | 1.60% | 19-Feb-21 |
| Defence Bank | A-2 | TD | \$2,000,000.00 | 364 | 1.65% | 24-Feb-21 |
| ING Bank (Australia) Ltd | A-1 | TD | \$2,000,000.00 | 365 | 1.50% | 2-Mar-21 |
| Auswide Bank | A-2 | TD | \$2,000,000.00 | 182 | 0.75% | 24-Mar-21 |
| Commonwealth Bank Australia | A-1+ | TD | \$25,000.00 | 120 | 0.37% | 1-Apr-21 |
| Commonwealth Bank Australia | A-1+ | TD | \$5,000,000.00 | 180 | 0.58% | 28-Apr-21 |
| AMP Bank | A-2 | TD | \$3,000,000.00 | 182 | 0.90% | 31-May-21 |
| Westpac Bank | A-1+ | TD | \$2,000,000.00 | 734 | 0.90% | 9-Jun-21 |
| Rabobank | A-1 | TD | \$2,000,000.00 | 1464 | 3.00% | 16-Jun-21 |
| National Australia Bank | A-1+ | TD | \$3,000,000.00 | 365 | 1.00% | 22-Jun-21 |
| National Australia Bank | A-1+ | TD | \$5,000,000.00 | 365 | 1.02% | 24-Jun-21 |
| Commonwealth Bank Australia | A-1+ | TD | \$5,000,000.00 | 210 | 0.41% | 21-Jul-21 |
| Westpac Green Bank | A-1+ | TD | \$4,000,000.00 | 367 | 0.78% | 6-Sep-21 |
| Macquarie Bank | A-1+ | TD | \$6,000,000.00 | 271 | 0.60% | 13-Sep-21 |
| National Australia Bank | A-1+ | TD | \$4,000,000.00 | 364 | 0.75% | 17-Sep-21 |
| Commonwealth Bank Australia | A-1+ | TD | \$3,000,000.00 | 365 | 0.70% | 23-Sep-21 |
| National Australia Bank | A-1+ | TD | \$5,000,000.00 | 364 | 0.57% | 29-Oct-21 |
| AMP Bank | A-2 | TD | \$2,500,000.00 | 365 | 0.95% | 16-Nov-21 |
| National Australia Bank | A-1+ | TD | \$2,000,000.00 | 247 | 0.55% | 25-Nov-21 |
| Commonwealth Bank Australia | A-1+ | TD | \$5,000,000.00 | 365 | 0.56% | 30-Nov-21 |
| Bank of Qld | A-2 | TD | \$2,000,000.00 | 1821 | 3.85% | 15-Dec-21 |
| AMP Bank | A-2 | TD | \$2,500,000.00 | 395 | 0.95% | 16-Dec-21 |
| Bank of Qld | A-2 | TD | \$5,000,000.00 | 1827 | 3.80% | 21-Feb-22 |
| Police and Nurses Bank | A-2 | TD | \$5,000,000.00 | 1825 | 3.74% | 22-Feb-22 |
| Westpac Bank | A-1+ | TD | \$6,000,000.00 | 1826 | 3.00% | 2-Mar-22 |
| Bank of Qld | A-2 | TD | \$2,000,000.00 | 1826 | 3.80% | 22-Mar-22 |
| Westpac Bank | A-1+ | TD | \$2,000,000.00 | 1826 | 2.83% | 24-Aug-22 |
| Westpac Bank | A-1+ | TD | \$2,000,000.00 | 1826 | 3.00% | 24-Aug-22 |
| Rabobank | A-1 | TD | \$2,000,000.00 | 1826 | 3.39% | 13-Sep-22 |
| Police and Nurses Bank | A-2 | TD | \$2,000,000.00 | 1836 | 3.51% | 28-Sep-22 |
| Rabobank | A-1 | TD | \$2,000,000.00 | 1828 | 3.40% | 23-Aug-23 |
| Rabobank | A-1 | TD | \$2,000,000.00 | 1826 | 3.13% | 21-Feb-24 |
| Westpac Bank | A-1+ | TD | \$4,000,000.00 | 1827 | 2.21% | 19-Jun-24 |
| Total Term Deposits | | | \$113,542,000.00 | | | |



CL21.16 - Attachment 1



Disclaimer

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

Draft Shoalhaven City Council Submission on the *Draft Illawarra Shoalhaven Regional Plan 2041*

Summary

Shoalhaven City Council supports the development and delivery of a new Regional Plan as it is an important element in strategic land use planning for the overall Illawarra-Shoalhaven Region. Council strongly supports the initiatives for encouraging economic growth, strengthening Shoalhaven's commercial centres and employment lands, and delivering essential infrastructure. These initiatives, along with the programs to manage the natural and built environment, generally align with those identified in Council's current Local Strategic Planning Statement - *Shoalhaven 2040*.

This submission:

- Notes the limitations of the engagement process for the draft Plan.
- Recommends improvements to the structure of the draft Plan, its sections, and maps.
- Supports the:
 - Identification of regionally significant precincts and planning processes.
 - Establishment of a proposed Coordinating & Monitoring Committee.
- Requests the inclusion of Jervis Bay-St Georges Basin as a third strategic centre in Shoalhaven consistent with existing planning.
- Advocates for:
 - Balancing the planning and delivery commitments between the NSW Government, councils, and other delivery agencies.
 - NSW Government support for Councils to undertake and support community-led resilience planning.
 - Greater NSW Government commitment to the implementation of the plan.
- Requests clarification regarding:
 - Timeframes for the actions, strategies, and collaborative activities.
 - Indicators for monitoring the implementation of the plan.
- Addresses the plan's interaction with Council's Local Strategic Planning Statement.

Engagement Process

We acknowledge the efforts of the Working Party established to inform the development of the draft Plan to engage with Council staff throughout the preparation of the draft Plan. However, this engagement effort was minimal towards the publication of the draft Plan and did not provide early access to eventual draft content. This Working Party provided the ideal platform to understand, at an early stage, the level of resourcing required to implement the published Plan and the potential commitment from councils and other delivery agencies. This level of liaison may have helped better inform the scope and scale of achievable work.

The webinars on the draft Plan were welcomed but, being general in nature, did not provide Councillors or Council staff the opportunity to examine areas of interest in more detail.

Whilst the opportunity to provide an initial 'place holder' submission was appreciated, the six-week exhibition period of the draft Plan (complex document with approximately 80 pages) was too short to allow Council staff to fully brief the elected Council. This was compounded by it closing just prior to Christmas, the limitations of the briefings offered by the Department and the mis-aligned exhibition periods of the various draft regional land use and transport planning documents making a coordinated review problematic.

Draft Shoalhaven City Council Submission on the Draft Illawarra Shoalhaven Regional Plan 2041

Recommendations:

1. *Future regional planning documents should continue to be developed using a partnership approach to confirm the detail of agreed focus areas, anticipated resourcing requirements, and achievable commitments.*
2. *Draft regional planning documents of this nature should be exhibited for 12-weeks and supported with detailed workshops or presentations for Councillors to explain the background and intent or proposed programs and actions.*
3. *Wherever possible the exhibition of draft regional land use, infrastructure and transport planning documents should be aligned.*

Plan Structure

The draft plan includes a large number and complex variety of interconnected parts, including:

- 4 Themes,
- 30 Objectives,
- 3 types of Regionally Significant Precincts (Employment Lands, Growth Areas, and Centres),
- 9 Actions
- 62 Strategies
- 5 Collaborative Activities

All these items also set implementation activities and as a result of the overall complexity, the structure reduces the legibility of the document reducing opportunities for communities and delivery agencies to understand proposed outcomes, work, and responsibilities.

The mapping should set the current context for the region as well as proposed growth and other opportunities over its 20-year timeframe, identifying matters such as key locations for providing new homes and employment opportunities and how the role of strategic centres will change. For example, confirming the future role of Nowra City Centre helps secure commitments and investment for the work Council and other delivery agencies will be required to make to manage change. However, this may be too much information to successfully present on a single map.

The current mapping also requires several amendments to improve its accuracy and identify significant areas or matters, including:

- refinement of the Blue Highway and existing ports, wharfs etc.
- improved road connectivity mapping given the release of various options reports related to the Princes Highway in late 2020.
- health and educational establishments in Milton and Ulladulla.
- the location of the Jervis Bay-St Georges Basin strategic centre.
- The broad sweeping nature of the 'biodiversity corridor' shown on the draft vision map.

The inclusion of *Objective 8: Strengthen the economic self-determination of Aboriginal Communities* is strongly supported. However, it is currently included in the theme: *A productive and innovative region*. Given it addresses a broad range of issues and actions,

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the proposed work may be better located in the plan with commitments stated upfront or placed in the theme: *A region that values its people and places*.

Objective 16: Support the development of a circular economy is currently included in the theme: *A sustainable and resilient region*. However, it may also fit better in the theme: *A productive and innovative region* to help recognise the innovative and evolving nature of this industry and the potential contribution it will make to the region's economy.

Recommendations:

4. *Examine opportunities to simplify the structure and relationship between themes and objectives, the subsequent actions, strategies and collaborative activities, and the range of regionally significant precincts.*
5. *Provide a summary of all implementation activities as an appendix providing "at a glance" and possibly on one-page information about planned work, timeframes and responsibilities.*
6. *Update the mapping to provide a baseline map setting the current context for the region, a vision map setting out the likely/proposed growth and opportunities and consider the other matters identified.*
7. *Improve the accuracy of the mapping to identify the Blue Highway and associated infrastructure, existing establishments and services, and the location of strategic centres (the inclusion of Greenwell Point should also be considered).*
8. *Review the current arrangement, wording, and interaction between objectives to ensure relevant placement and prominence in the document and remove duplication.*

Implementation

The draft plan sets 9 Actions for delivery by the Department during the first five years of the plan. It is however silent on planned or possible work beyond year 5. This equates to less than two pieces of work per year. In contrast, the draft plan includes 62 strategies guiding the work of councils and other delivery agencies. No timeframes are provided for the strategies.

At present there is a concern that Council will carry much of the implementation burden and associated community expectation associated with the Plan. 7 of the 9 Actions apply to Shoalhaven and require Council's direct input, a contribution, or at the least collaboration activity. 34 of the 62 strategies nominate Council as the delivery lead. This is in addition to the 5 collaborative activities and the proposed formal and informal collaborative frameworks for the delivery of selected Objectives. This however potentially provides direction on Council's future work without consideration of other commitments, current resources or offers of implementation assistance. It requires significant resourcing and could prompt the reallocation of current and planned work, projects, and priorities, impacting on Council's existing strategic planning work program.

There is a clear need to improve the balance of future work between the Department, councils, and other agencies. This should align strategies and associated work, reducing them where needed to match council resources. Council requests the Department to continue to make a greater contribution towards strategic land-use planning in the region, including for the period after the initial five years. This requires greater commitment to implement the plan with a range of support such as direct funding, provision of resources, specialist training, and commissioning technical studies to inform the work required to implement Actions and Strategies.

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No timeframes are identified for the Actions or Strategies, making it hard for councils and delivery agencies to plan to commit resources or deliver outcomes. This will also possibly set up unrealistic expectations in the community and other areas.

The draft plan includes some baseline statistics for selected Objectives and Council supports the proposed online dashboard of indicators. To complete the monitoring exercise, the plan needs to confirm the indicators and reporting processes selected to help monitor its implementation. Ideally a single reporting tool or portal should be developed that integrates other state government reporting requirement for the region, for example arising from the draft Regional Transport Plan, and minimises requirements for Councils.

Council supports the establishment of the Coordinating & Monitoring Committee to assist with the implementation of the final plan and provision for Council representation on this committee. The Department however needs to clarify the role, delegations, and decision-making ability the proposed Committee will have, for example, the ability to change the priority of Actions, accelerate the review of the plan in response to emerging planning matters, direction of Council's work, etc. This committee also needs to focus on the implementation of the plan as a whole and ensuring the relevant outcomes across the four local government areas.

Recommendations:

9. *Identify likely land use planning issues and the Department's proposed strategic land use planning work for years 6-20.*
10. *Improve the balance of future work between the Department, councils, and other agencies or reduce the expectation on councils.*
11. *Increase and confirm commitment to help implement the plan including direct funding to increase council resources, and support measures such as training and specialist studies.*
12. *Indicate potential model(s) for proposed formal and informal collaborative frameworks to confirm resourcing requirements for councils and delivery agencies, e.g., number and frequency of meetings, expectation of funding for technical work etc.*
13. *Identify potential timeframes for the strategies to allow Councils and delivery agencies to prepare for and align land use, infrastructure, and transport planning activities.*
14. *Confirm appropriate and measurable indicators and reporting processes to monitor the success of implementing the plan and to inform future reviews of the plan.*
15. *Clarify the role, delegations, and decision-making abilities of the proposed Coordinating & Monitoring Committee.*

Regionally Significant Precincts and Urban Growth Boundaries

Regionally Significant Precincts

Council supports the identification of Regionally Significant Precincts and the development of a framework and coordinated approach to identify the future role of the land, future planning and infrastructure outcomes and simplified planning processes. This includes:

- Selecting *Albatross Aviation and Tech Park* and *South Nowra Employment Precinct* as regionally significant employment land.
- Confirming *Nowra-Bomaderry* as a regionally significant growth area.
- Supporting *Nowra City Centre* and *Milton-Ulladulla* as regionally significant centres.

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Council welcomes the focus on the Nowra Riverfront Precinct, including the recent establishment by the NSW Government of an Advisory Taskforce involving relevant Ministers, NSW Government Departments, Council, and others. This taskforce and its role need to be recognised in a recast Strategy 2.1. The identification of a clear and potentially streamlined planning/infrastructure/development assessment process will also be critical in encouraging critical private investment in this precinct and this should be highlighted in the Regional Plan as an urgent priority.

Council requests greater recognition of Jervis Bay-St Georges Basin area as the third regionally significant centre in Shoalhaven given its current and potential future role in providing homes and employment opportunities within its significant environmental values. The area is currently home to approximately 26,000 people – about a quarter of Shoalhaven's population – and requires some innovative planning to manage a level of continued growth, an aging population, a significant visitor economy, and a service centre role for surrounding areas such as Falls Creek, Wandandian and Sussex Inlet.

The clear identification of this area as a strategic centre enables Council to consider and settle options to manage its growth and investigate any potential contribution it can make to manage growth more broadly within its recognised environmental values. The identification of this area also helps secure the land use, infrastructure, and transport planning and delivery work to support existing and potential future communities.

Recommendations:

16. *Recognise the establishment of the Advisory Taskforce for the Nowra Riverfront Precinct and the need to establish a streamlined planning/infrastructure/development assessment process for this precinct.*
17. *Clearly Identify the Jervis Bay-St Georges Basin area as a regionally significant centre.*

Urban Growth Boundaries

Council generally supports the concept of Urban Growth Boundaries and the aim of concentrating planning for existing centres and urban areas to make efficient use of existing and planned infrastructure and services. Council also acknowledges the opportunities this approach provides for managing non-urban land and its range of scenic, rural, environmental, and coastal values.

Council welcomes the opportunity to identify and set urban growth boundaries through its strategic land use planning work based on technical analyses and tested with community consultation. The flexibility that this provides, subject to appropriate work, is appreciated.

Proposed Objectives, Actions, Strategies and Collaborative Activities

Objective 1 – Strengthen Metro Wollongong as a connected, innovative, and progressive city

Wollongong's continued role as the primary centre within the region is acknowledged.

Objective 2 – Grow the region's regional cities

The proposed Department-led Action to develop a Strategic Roadmap for the Nowra City Centre is supported. Council welcomes this work as a strong start to the significant planning task(s) required to support the continued development of Nowra into a Regional City. However, the draft plan does not provide any detail on what the work might look like, timeframes, or the resources Council will need to commit. This makes it hard to determine

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how the Action aligns with Council's current and planned work for the Centre identified in its current Local Strategic Planning Statement.

One planning initiative proven to assist in the accelerated delivery of projects and development is a streamlined planning and approval framework that also considers and facilitates supporting infrastructure, land acquisition etc. It is critical that this is considered as part of this action and the State Government needs to clarify how it will support this work or its implementation with funding or other assistance.

Recommendations:

18. *The development of the proposed Strategic Roadmap for Nowra City Centre must be prepared in collaboration with Council and include Council's existing and planned work for the centre. The Roadmap must also include innovative initiatives such as, but not limited to, streamlined approval and development processes to help facilitate and encourage the actual delivery of projects in this key precinct.*

Objective 3 – Grow the Port of Port Kembla as an international trade hub

Port Kembla's existing and future role in this regard is acknowledged.

Objective 4 – Activate regionally significant employment precincts to support new and innovative economic enterprises

The Department-led Action for employment precincts is strongly supported and the collaborative approach to develop employment lands and get them to market is welcomed. The Action should include the development of a simplified planning and approval framework building on the mechanism(s) adopted elsewhere in NSW for defined Special Activation Precincts.

Council supports the strategy to retain and manage regionally significant employment lands for the future, safeguarding them from competing pressures, and provide flexible planning controls. However, the identification of the infrastructure delivery and coordination task for Councils ignores the range of delivery agencies with infrastructure delivery responsibilities. Infrastructure planning for existing key employment lands is an area requiring a focussed approach involving Council, the NSW Government, and others.

Recommendations:

19. *The proposed precinct profiles and precinct collaboration teams should be supplemented with simplified planning, approval, and infrastructure delivery frameworks where relevant and critical to the future delivery of areas.*
20. *The collaboration teams should include infrastructure delivery agencies to align infrastructure delivery to support the cost effective realisation or rollout of employment land (removing this task from/supplementing Strategy 4.1).*

Objective 5 – Create a diverse visitor economy

This objective needs to acknowledge the forecast increase in visitor numbers to the region, including the increase associated with greater levels of domestic tourism due to the continuing COVID-19 pandemic. This increase brings the challenge of providing a sufficient amount and type of tourist and visitor accommodation throughout the region. The plan should acknowledge the rising popularity of holiday accommodation through online accommodation networks and the associated increase in visitor numbers in beachside suburbs, impacting on the amenity of these suburbs and the availability and affordability of long-term accommodation.

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The longer-term aim of creating a diverse visitor economy requires work to respond to the seasonal nature of tourism and deliver a year-round visitor economy. The plan should action work to identify regional strengths and opportunities – both area and industry based - and the infrastructure and assets required to attract events and more business to the region.

Recommendations:

20. *The final plan needs to recognise the impacts of the continuing COVID-19 pandemic on the visitor economy and identify shorter term considerations or actions that can assist in this regard.*
21. *This objective should record current and planned work between the NSW Government, councils, tourism operators, and the holiday rental industry on the review of planning controls and other measures to manage short-term holiday accommodation.*
22. *This objective should action work to research opportunities to create a year-round, diverse visitor economy across the region.*

Objective 6 – Activate the region's harbours to promote a blue highway

This objective and the associated strategies are supported. However, the commentary under this objective needs to recognise the role that the Shoalhaven River and Jervis Bay can play in this regard.

23. *That the commentary in the plan recognises the role that the Shoalhaven River and Jervis Bay can play in the 'blue highway'.*

Objective 7 – Respond to the changing nature of retail

This objective is supported, especially the strategies to:

- provide flexible planning controls to facilitate a broad range of uses within centres, and
- focus future commercial and retail activity in existing commercial centres before selecting alternative, out-of-centre sites.

Both measures are considered necessary to support and strengthen existing centres and the range of shops, services and employment opportunities provided for surrounding communities. However, the actions under this objective must include work to better understand the changing nature of retail across the region noting the many matters currently affecting this industry. These include, but are not limited to, the impacts from online retailing, customer's desire for experiences over straight retail, and the impacts from the restrictions required to manage the ongoing COVID-19 pandemic.

Recommendations:

24. *The work under this objective must include actions to understand the changing nature of retail and associated challenges and opportunities across the region and identify potential planning options to assist.*

Objective 8 – Strengthen the economic self-determination of Aboriginal communities

This objective and the associated strategies are supported. Council is keen to continue to proactively work with the Land Councils in Shoalhaven about their landholdings. It is critical, given existing relationships, that Council is actively involved in the proposed work on Strategies 8.1 to 8.4.

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25. *Ensure that Councils are actively involved in the proposed work with Aboriginal Local Land Councils and others on Strategies 8.1 to 8.4.*

Objective 9 – Promote agriculture innovation, sustainability, and value-add opportunities

This objective is supported, especially the strategies to:

- protect identified important agricultural land and industries from other land uses, land-use conflict, and fragmentation, and
- manage rural-residential development through well-researched and community tested local strategic planning work and documents.

Both measures are considered necessary to support and where appropriate grow this industry. However, this objective should also:

- confirm the timing and likely outputs of the NSW Government's *Important Agricultural Land Mapping Project*, and
- acknowledge the significant amount of work underway to implement the *Right to Farm Policy* and develop an *Agricultural Land Use Planning Strategy*.

The preparation of a body of work is needed for the region to understand agricultural opportunities, including those provided by the need to increase food security both locally and more broadly, noting significant demand/opportunity from Greater Sydney due to its diminishing stock of rural land.

Recommendations:

26. *This objective should confirm the timing and likely outputs of the NSW Government's Important Agricultural Land Mapping Project.*
27. *This objective should acknowledge and if needed reflect the work underway to implement the Right to Farm Policy and develop an Agricultural Land Use Planning Strategy.*
28. *This objective should action work to understand the region's agricultural opportunities.*

Objective 10 – Sustainably maximise the productivity of resource lands

This objective and its associated strategies are generally supported. It is critical the NSW Government Department responsible for mineral resources plays a lead or key role in Strategy 10.1 given its nature.

Recommendations:

29. *That the NSW Government Department responsible for the mineral resources take a lead role on Strategy 10.1 consistent with the NSW Minerals Strategy 2019.*

Objective 11 – Protect important environmental assets

This objective and its associated strategies are generally supported, but require further detailed dialogue with Councils, noting the responsibility for implementing the six (6) strategies that sit under it all rest with Councils. In this regard more detail (mapping) is needed for 'high environmental value lands' that appear on the Environmental Values Map so that potential implications can be identified and discussed. The intent and potential scope of Strategy 11.3 (climate refugia) also requires further discussion.

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Recommendations:

30. *That further detailed discussions take place with the Councils regarding the final detail of the six strategies that sit under Objective 11.*

Objective 12 – Build resilient places and communities

This objective and its associated strategies are generally supported and are relevant given recent experiences (bushfire, flood, COVID-19). The proposed action to develop a resilience maturity matrix to identify where further land use planning work is required can be significantly strengthened by moving beyond just land use planning and considering related matters. In this regard, infrastructure delivery and management (electricity, communication, and transport) are also critical to increasing resilience and managing the effects of natural hazards and other events. The proposed matrix should be broadened to include all aspects of resilience planning to facilitate a comprehensive and coordinated response, otherwise its risks being relatively ineffective if it solely focusses on land use.

Council acknowledges resilience planning is extremely important work required to reduce the impacts from natural hazards and other events on the region's communities. The many experiences throughout the 2019-2020 period associated with bushfires, floods and a global pandemic has accelerated the need for and focus on such work. Resilience planning is still an emerging concept and an understanding of overall impacts and responses and the resources allocated towards it are in their infancy, noting Resilience NSW was established in May 2020 and Council's commencement of its *Recovery into Resilience Plan* in November 2020.

Councils and communities need significant support to manage this issue in a proactive, coordinated, and timely way. Council requests the NSW Government to examine options to provide support through funding/provision of resources, increased training to upskill councils and communities, and direct planning and implementation activities.

This objective needs to more strongly acknowledge the significant risks and impacts presented by bushfire and confirm any work required regionally in response to the recommendations of the *NSW Independent Inquiry into the 2020 Bushfires*.

Closer consideration needs to also be given to Strategy 12.3 (risk-based approach to determining sea level rise) and any potential implications on or conflict with Councils resolved position regarding sea level rise.

Recommendations:

31. *Expand the proposed action to develop a resilience maturity matrix to inform land-use planning work to include infrastructure agencies and broader resilience planning through infrastructure delivery and maintenance.*
32. *Make an increased commitment to resilience planning through increased work, direct funding to increase council resources, and support measures such as training and specialist studies.*
33. *Update the objective to reflect relevant recommendations of the NSW Independent Inquiry into the 2020 Bushfires.*
34. *Discuss Strategy 12.3 further with Council to identify potential implications or conflicts regarding Councils existing resolved position in regard to sea level rise.*

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Objective 13 – Increase urban tree canopy cover

This objective and its associated strategy is generally supported, however opportunities that are fostered in response need to consider the range of relevant impacts, including public/community safety.

Recommendations:

35. *Ensure that Strategy 13.1 identifies the need to also consider the range of relevant implications and impacts, including public/community safety.*

Objective 14 – Enhance and connect parks, open spaces and bushland with walking and cycling paths

Objective 14 deals with increasing access to public space through the provision of new spaces and enhancement of existing spaces, i.e., more than connecting spaces with walking and cycling paths. The work to create connected and accessible walking and cycling networks is set out in *Objective 28*.

The Department-led action to identify a Green Grid and priority projects is welcomed and the strategies proposed to enhance and increase local open space are supported. The council-led work in Strategy 14.1 can be reinforced with NSW Government action, including increasing or facilitating access to government-owned land, direct delivery of projects, co-funding council delivery of projects and continuing current funding programs and other partnerships with councils (e.g., *Streets as Shared Spaces* and *Public Spaces Legacy*).

Recommendations:

36. *Review the current name of this objective to ensure its relevance to its associated strategies and remove any duplication with later objectives.*
37. *The objective should also confirm the NSW Government's commitment to improving access to open space, including the identification of current and ongoing funding programs.*

Objective 15 – Plan for a Net Zero region by 2050

This objective and its associated strategies have merit and are generally supported.

Objective 16 – Support the development of a circular economy

This objective recognises the high levels of industrial activity in the overall region and the opportunity to develop a circular economy. The circular economy is also an ongoing focus for Council, as such this objective and its associated strategy are supporting.

It also notes further work is required to better understand the feasibility of opportunities, maximise efficiencies, share resources, reduce operating costs, and improve environmental outcomes. Such work should be confirmed with an Action, noting the opportunity for a range of land-use planning activity to help support and grow this emerging industry.

Recommendations:

38. *This objective should also action the stated region-wide work to gain a better understanding of the opportunities provided by a circular economy and any land-use planning activity required to support it.*

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Objective 17 – Secure water resources

This objective and associated strategy are generally supported given they reflect existing and ongoing work that Council has been undertaking.

Objective 18 – Provide housing supply in the right locations

Whilst the focus on enabling ongoing opportunities for new housing in strategic centres is recognised and welcomed, the need to provide an ongoing level of supply in a range of centres is important given the role that housing building and associated play in the economy of many areas. The ability through Strategy 18.1 for Council's to continue to identify appropriate urban growth areas through its ongoing strategy work is supported as a result.

Regarding the Nowra Bomaderry Growth Area map (page 65):

- The status of the northern part of the Crams Road urban release area (URA) should be clarified – this area currently has a 'deferred' zoning and is the subject of a Planning Proposal. As such its final footprint is unresolved.
- The placement of the indicative 'biodiversity corridor' requires reconsideration as it currently sits over existing residential subdivisions, Cambewarra Village and cleared pastureland.

Given Council's recent experience with the Housing Acceleration Funded project for a critical new roundabout on Moss Vale Road associated with the two key regionally significant release areas in this location, Strategy 18.3 is strongly supported, and Council looks forward to the Department's assistance in this regard.

Recommendations:

39. *Adjust the Nowra Bomaderry Growth Area Map (page 65) to reflect the status of the Crams Road URA and reconsider/clarify elements of the indicative 'biodiversity corridor'.*

Objective 19 – Deliver housing that is more diverse and affordable

Inclusion of a focus on affordable housing was surprisingly missing from the current/previous Regional Plan. The Councils in the region have however been proactive in this regard and as such the proposed objective and associated strategies are strongly supported. The proposed Affordable Housing Roundtable has merit and will hopefully assist with meaningful change and progress on this issue.

Any proposed affordable housing targets will need to be economically practical and need to consider local circumstances, development economics etc. The Department is requested to undertake or commission urban feasibility modelling to help inform the testing and development of affordable housing development contribution schemes and targets across the region.

Recommendations:

40. *The Department should adapt (and update) the use of its urban feasibility modelling or prepare and commission a contemporary replacement to assist in the testing and development of affordable housing development contribution schemes and possible targets in the region.*

Objective 20 – Establish a shared vision for the future of Bombo Quarry lands

Noted – no comments offered.

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Objective 21 – Respond to the changing needs of local neighbourhoods

This objective and its associated strategy are generally supported and can be practically considered in Councils relevant future work.

Objective 22 – Embrace and respect the regions local character

Council supports this objective and associated strategies. This objective should acknowledge the significant body of work also underway to develop new planning controls, including a local character overlay and draft local character clause. It should also confirm the timing for this work and the conditions for councils' use of the proposed overlay and clause.

Recommendations:

41. *This objective should outline the new planning controls being developed to manage how new development contributes to local character, including the likely timeframes and conditions of use by councils.*

Objective 23 – Celebrate, conserve, and reuse cultural heritage

This objective and associated strategy are generally supported and can continue to be practically considered in Councils relevant future work.

Objective 24 – Support major events, public art, and cultural activities

This objective and associated strategy are generally supported and can continue to be practically considered in Councils relevant future work.

A smart, connected, and accessible region

The following objectives all sit under the theme: 'A smart, connected and accessible region'. Given their nature and consent they need to be considered alongside and be consistent with the content of Draft Illawarra-Shoalhaven Regional Transport Plan that has also been released by Transport for NSW.

Objective 25 – Collaborate to leverage opportunities from Western Sydney's growth

This objective and associated strategy is generally supported.

Objective 26 – Create fast rail connections between Greater Sydney, Wollongong, and Nowra

This objective and the identified collaborative activity are strikingly supported. Improving connections and the quality and timing of rail services will make a significant contribution to improving the region's economy and lifestyle.

This objective should be expanded beyond creating faster connections and improved services. It should action work on the future planning for key stations and the centres within which they sit, including Berry and Bomaderry. This will help identify any opportunities in these centres to possibly contribute to housing supply and employment opportunities or provide public domain improvements to encourage the use of public transport. Noting the likely catalytic effect caused by infrastructure delivery, options for value capture to help fund planned upgrades should also be investigated. Such work also enables the identification, reservation and acquisition of any land required for upgraded lines and stations, including for transport interchanges and car parks.

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Recommendations:

42. *Include an Action to undertake master planning, value capture, and land reservation investigations for key relevant centres along the upgraded rail line to inform future land use planning decisions.*

Objective 27 – Protect major freight networks

This objective and the associated strategy are supported. However the role that the NSW Government can and should play in this protecting and improving major freight networks should also be recognised.

Objective 28 – Create connected and accessible walking and cycling networks

This objective and the associated strategy are supported.

Objective 29 – Utilise smart infrastructure to drive resilience, prosperity, and vibrant places

This objective and the associated strategy are supported.

Objective 30 – Prepare for mobility changes that improve connectivity and sustainability

This objective and the associated strategy are supported. However, in regard to Strategy 30.2 the NSW Government needs to continue to take a growing role in this regard and also consider providing funding incentives and similar to actively encourage the take up of growing and emerging forms of transport.

Interaction with Local Strategic Planning Statements

The current NSW strategic planning system provides opportunities for councils to identify key land use planning challenges and the work proposed to address them in Local Strategic Planning Statements. These matters need to be considered during the development and implementation of the regional plan and regional planning activities. To help improve the interpretation of the plan and explain its interaction with local planning activity, the published plan should include a summary section demonstrating how the final set of objectives, actions and strategies in the draft Plan have been influenced by the four local strategic planning statements recently delivered for the region.

The likely publication of the regional plan towards the middle of 2021 will trigger an update or review of adopted Local Strategic Planning Statements. As a minimum, the Department should confirm its expectation for this to occur to ensure strategic planning documents are aligned in a timely manner.

Given that Council finalised its first Local strategic Planning Statement in November 2020, as a result this could mean a period of about 8 months between finalisation and a potential first review arising from the new Regional Plan. Council made repeat representations to the Department stating its:

- preference to develop its first Local Strategic Planning Statement at the same time as the revised regional plan, and
- concerns of applying resources to align its Local Strategic Planning Statement with the current regional plan despite its pending review.

In response, Council requests the NSW Government to support the update of its Local Strategic Planning Statement following the publication of the regional plan (like the funding

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provided to some Greater Sydney councils following publication of District Plans). This would assist greatly in delivering contemporary Local Strategic Planning Statements, the technical analyses required by the proposed strategies in the draft Plan and amended planning and development controls – all key elements in the implementation of the new regional plan.

Recommendations:

- 43. Provide a summary of how the draft Regional Plan has considered and responded to the land use planning matters and work set out in the four local strategic planning statements prepared for the region.*
- 44. Confirm the expected timeframe for the review and update of local strategic planning statements to align with the published regional plan.*
- 45. Strengthen the Department's commitment to implement the plan by providing support for councils to update recently adopted local strategic planning statements and planning and development controls where needed/required.*

Concluding Comments

Council is committed to working with the Department to finalise the Regional Plan and ensure that it is workable for all those that have a role in its implementation. In this regard, the overriding concern is the number and the form/content of the strategies that rest with Councils to lead or implement. It is imperative that this is discussed further in accordance with the detail provides in this submission before the Plan is finalised. Council looks forward to further detailed dialogue in this regard. Council is also keen to ensure that the final Plan will facilitate and accommodate the ongoing strategic planning work it has planned for Shoalhaven.

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Draft Illawarra-Shoalhaven Special Infrastructure Contribution

Introduction

The development and introduction of a special infrastructure contribution for the Nowra-Bomaderry Regional Growth Area is generally supported. The commitment of appropriate funding towards the delivery of essential infrastructure to service future communities is welcomed. However, concerns are raised regarding the:

- inclusion of certain infrastructure already funded or identified for delivery under other mechanisms and how duplication may affect the collection of monetary contributions or delivery.
- accuracy and currency of the listed project costings.
- amount of contributions proposed to be collected (10% of total cost), uncertainty of commitment to "residual" funding, and transitional arrangements will make a meaningful contribution to the early delivery of infrastructure.

Recommendations are provided to improve the transparency, understanding and operation of the proposed contribution. These principally concern the accurate costing and description of infrastructure projects, an explanation of how the exhibited contribution rate was calculated, and how funds will be distributed to assist with infrastructure delivery. Suggestions are also included about annual reporting and review processes.

Noting our concerns, the potential improvements to the proposed contribution identified in this submission, and potential impacts on the delivery of infrastructure, further consultation is requested before the final Determination is published. This is particularly important for the highlighted proposed transport infrastructure and further collaboration is required, particularly with representatives of Transport for NSW. In this regard, of most significance is the need for ongoing dialogue around the possible inclusion of the following:

- *Bells Lane Collector Road* because of emerging and/or other opportunities to fund a greater percentage of this infrastructure item and secure its delivery earlier than provided for in the draft contribution.
- *East Nowra Sub-Arterial* road project because of its status and emerging uncertainty around the feasibility/timing of its delivery. This project requires more detailed consideration between Council and Transport for NSW.

Application

The exhibited draft map indicates the application of the proposed contribution to entire lots (or properties) located within current urban release areas and future investigation areas. In some instances, only part of a lot (or property) is currently included in a release or investigation area. Development on those areas outside of identified release and investigation areas should not attract the contribution, for example, rural-residential development

Recommendation 1: Ensure the published Determination only requires the payment of a contribution for development for the purposes of delivering the release areas.

A comparison of the exhibited draft map with future investigation areas identified in the endorsed *Nowra-Bomaderry Structure Plan 2008* identifies some omissions in the Meroo Meadow and Mundamia areas - see attached maps. The contribution should apply to all properties identified as part of a future investigation area (all blue-hatched areas on attached map).

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Recommendation 2: The published Special Contributions Area Map include the additional properties in Meroo Meadow and Mundamia currently identified as a “future investigation area” in the endorsed Nowra-Bomaderry Structure Plan 2008.

Administration

The exhibition brochure identifies an annual reporting framework to identify the contributions collected and the level of funding allocated to each Special Contribution Area. An annual reporting framework is supported and is essential to ensure transparency in the implementation of the contribution. However, there are no provisions in the draft Determination about the annual reporting framework.

Recommendation 3: The published Determination include provisions securing the annual reporting framework.

The exhibition brochure also confirms the NSW Department of Planning, Industry and Environment will be responsible for periodic reviews and adjustments of the contribution rates, application boundaries, infrastructure projects and any other significant changes.

The proposed review process is strongly supported – the flexibility to update any component of the Determination is essential to allow quick responses to changing development outcomes or the need or feasibility of selected infrastructure. For example, a review process allows the contributions to be updated to reflect ultimate development yield (not yet known for investigation areas), timing of development, local variance in development cost, and site-specific considerations. There are, however, no provisions in the draft Determination detailing the review process or the potential triggers for a review.

Recommendation 4: The published Determination include provisions to enable the periodic review and adjustment of contribution rates, application boundaries, and infrastructure projects.

The exhibited Determination includes the allocation of \$1.8 million towards “Planning and Delivery”. The intended purpose of this funding needs to be clarified as well as the priority allocated to the distribution of funds. This funding should not be limited to the administration of the contribution (collection and distribution of funds) but should also help fund essential technical analysis, such as project costings or apportionment exercises, to refine the contribution over time. Likewise, the payment of money towards this “item” should not be prioritised over the funding of essential infrastructure.

Recommendation 5: Include detailed information in the published Determination about how the proposed Planning and Delivery funds will be used or alternatively, publish detailed information on this matter in support of the published Determination.

Project Selection, Description, Costing, and Apportionment

The exhibition material identifies a list of infrastructure projects to respond to anticipated growth (*Schedule 2 – List of Infrastructure*). As noted in the earlier Recommendation 3, the ability to review and refine the list of infrastructure is essential to respond to changing infrastructure priorities or the delivery of infrastructure by other means.

Some of the identified infrastructure may already be funded or scheduled for delivery through other funding mechanisms. The infrastructure list needs revising to include other infrastructure projects or to identify discrete parts of the infrastructure delivery process to avoid duplication, e.g. scoping studies, concept design, business case preparation, construction etc.

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***Recommendation 6:** Review the draft exhibited list of infrastructure to remove projects already funded or proposed to be funded through local development contributions or other funding mechanisms. Alternatively, the exhibited list should be expanded to identify specific task(s) in the infrastructure delivery process.*

The description of several infrastructure projects are general in nature or contain little to no detail about locations, scale or timing for delivery. For example, the proposed additional school places or new fire station. This information should be provided in support of the published Determination to inform consistent infrastructure planning and funding commitments for delivery agencies. It also confirms infrastructure expectations for Council and communities.

***Recommendation 7:** Include detailed information for each of the infrastructure projects in the published Determination or alternatively, publish detailed information on listed infrastructure projects in support of the published Determination.*

Two of the projects included in the exhibited infrastructure list require updated descriptions to accurately identify/describe the projects. This includes the New Moss Vale Road North and South Shared User Path (SUP), Cycleway Network (Nowra to Bomaderry), Nowra Riverfront, and Shoalhaven Community and Recreation Precinct.

***Recommendation 8:** Change the description of the relevant projects consistent with the following table:*

| 1. Current Description | 2. Recommended Description |
|---|---|
| New Moss Vale Road North and South Shared User Path (SUP) Cycleway Network (Nowra to Bomaderry) | New Moss Vale Road North and South Shared User Path (SUP) & Cycleway Network (Nowra to Bomaderry) |
| Nowra Riverfront (Shoalhaven Community and Recreation Precinct) | Nowra Riverfront & Shoalhaven Community and Recreation Precinct |

The exhibited infrastructure list includes cost estimates. Contemporary strategic cost estimates for the listed transport infrastructure indicate significantly greater delivery costs than those listed in the table. This may be due to updated engineering design and construction standards set by Transport for NSW. It's also not clear if increased project costs will be matched with an increase in the contribution rate or alternatively may result in a reduction in the number of infrastructure projects currently included in the draft Determination.

***Recommendation 9:** Review the estimated costs of the selected infrastructure projects to ensure accuracy and currency, including an appropriate contingency to reflect the high-level nature of initial or strategic cost estimates.*

The draft Determination includes provisions for adjusted contribution amounts aligned with annual consumer price index changes. The requirement to adjust contribution amounts to ensure they are current is supported as it will reflect changes to project and delivery costs and reduce the risk of funding shortfalls. This requirement could be improved, and funding shortfalls further reduced, if a quarterly adjustment is selected to align with consumer price index updates.

***Recommendation 10:** The published Determination include provisions requiring the quarterly adjustment of contribution amounts.*

The exhibition material indicates the draft contribution aims to fund 10% of the total cost of the identified infrastructure. However, there is no explanation on how this percentage was settled.

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The mechanism for calculating apportionment should be more sophisticated to reflect the demand for infrastructure generated by growth in the special contributions area. Apportionment calculations also need to be regularly reviewed to reflect changes in planned development outcomes, for example, changes in residential density or yield in response to market demand.

Recommendation 11: The mechanism for calculating apportionment of infrastructure adopt the approach proposed in the draft Special Infrastructure Guidelines (e.g. the preparation of strategic and technical studies identifying the infrastructure need generated by new development within the special contributions area).

Contribution Rates

The exhibition material indicates the selected rate of \$72,044 per hectare of net developable area is informed by, amongst other things, a *Capacity to Pay Study*. Whilst it is appreciated a summary of this study is available, there is little to no information how the conclusions from this study have informed the selected rate. For example, what assumptions were made about potential development yield across the regional Nowra-Bomaderry Growth Area or the identification of an equivalent contribution for individual lots. More information is required in this regard and is essential to provide transparency in the calculations and confidence the selected rate will not adversely impact development feasibility.

Recommendation 12: A clear explanation of how the selected final rate has been calculated should be released to support the published Determination.

The *Capacity to Pay* study makes assumptions about local development contribution amounts, settling on an average amount for new greenfield development of \$13,765 a lot. In most cases the local development contribution arrangements for release and future investigation areas has not yet been settled. The types and amount of infrastructure have not been determined or costed and are likely to vary significantly between areas due to site considerations. When settled, local infrastructure costs may be higher than currently assumed and potentially reduce or impact on development feasibility. The application of the special infrastructure contribution as currently calculated may also limit the ability to charge the necessary local contribution rates to properly service future communities.

As already requested in Recommendation 3 the ability to review and refine the contribution amount in a timely manner is essential to respond to alternative development outcomes and changing infrastructure needs.

Infrastructure Delivery

The explanation provided in the exhibition material about how the contribution may work is limited to the collection of the contribution (or securing works-in-kind agreement). There is currently no confirmation of the process(es) for the selection of priority projects or the distribution of funds to infrastructure delivery agencies.

Recommendation 13: The Department publish a final set of Special Infrastructure Guidelines (a draft was exhibited mid-2020) to support the final Determination and provide transparency around the function of the special infrastructure contribution, especially the selection of priority projects and to clarify the distribution of funds to delivery agencies/how delivery agencies will be able to access funds.

Some forms of infrastructure are “enabling” and act to encourage or accelerate the delivery of new homes. The proposed timing of collecting the contribution (as late as possible) and

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commencement of the funding cycle (only when funds have been collected) means growth will most likely occur ahead of infrastructure delivery resulting in an “infrastructure lag” and poorly serviced communities. There are a range of mechanisms already used by councils to forward fund the early delivery of enabling infrastructure and subsequently recoup costs.

Recommendation 14: Investigate the forward funding opportunities to support the early delivery of enabling infrastructure.

Other forms of infrastructure funding or infrastructure delivery support may result in quicker delivery or secure a greater proportion of the infrastructure cost. These include existing mechanisms like the Housing Acceleration Fund, voluntary planning agreements between developers and councils, and local contribution plans. The inclusion of an infrastructure project in the special infrastructure contribution should not limit or exclude the pursuit of funding under other mechanisms. As previously recommended (Recommendation 3), the ability to review the list of infrastructure projects is important to account for delivery or partial delivery by other means.

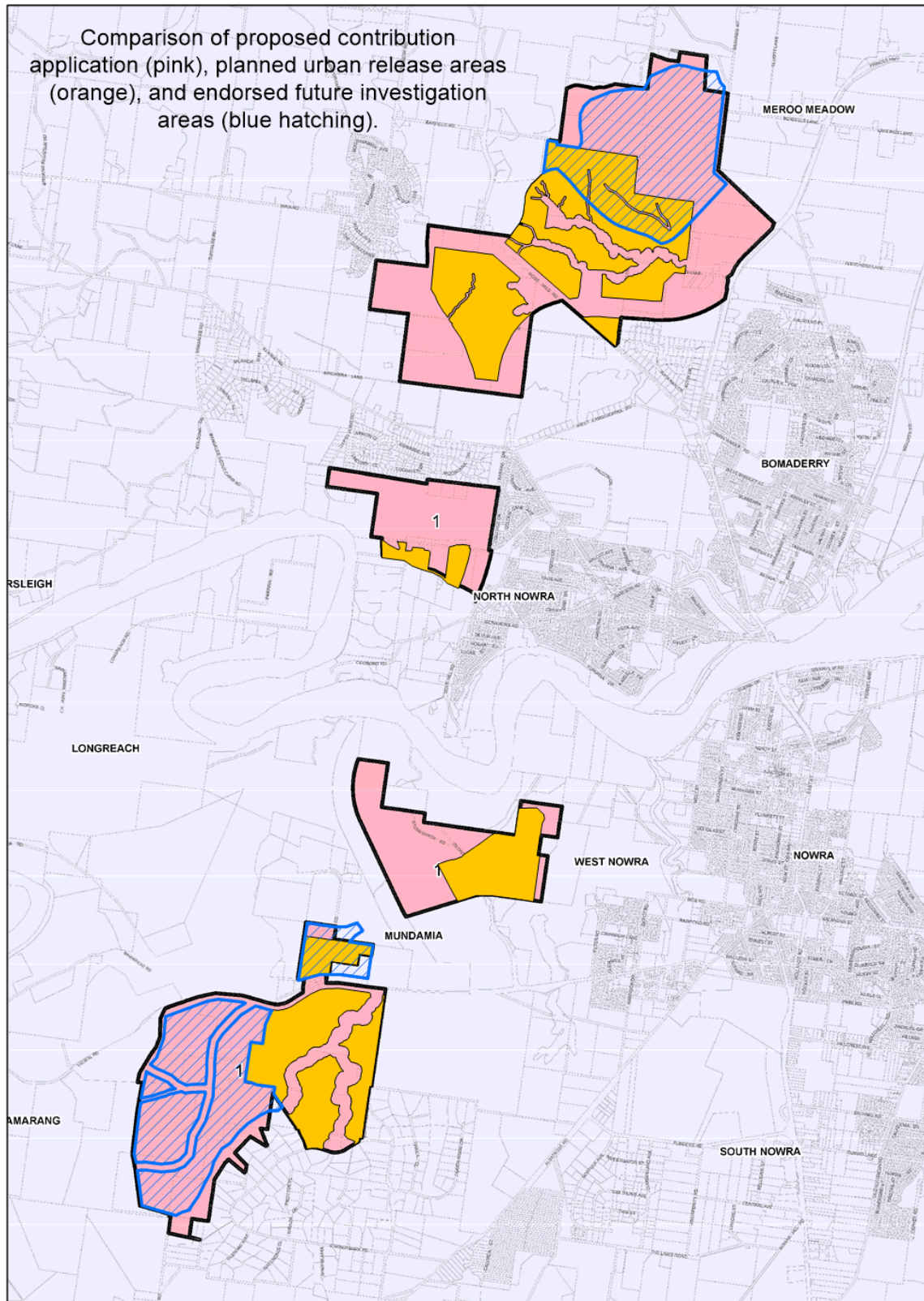
A particular example requiring further consideration and dialogue is the proposed *Bells Lane Collector Road*. Whilst future upgrades of this road will make a significant contribution to and assist the State Road network in the longer term, there are emerging and other opportunities to secure the significant funding for this infrastructure item to assist its earlier delivery.

The exhibition material does not clarify or identify a source for the remaining funds (90%) to secure the delivery of the identified infrastructure. Initial engagement and continued liaison with delivery authorities is key to confirming their ability to fund or inform their forward planning for the full delivery of the identified infrastructure projects. This can be achieved by including consistent infrastructure planning commitments in the suite of regional planning documents.

Recommendation 15: Examine options to secure complementary funding or require commitment to the overall delivery of identified infrastructure from delivery agencies.

The ability for a developer to deliver infrastructure as works-in-kind in lieu of making monetary contributions is supported – economies of scale when construction activity is already occurring can lead to significant cost and time savings. However, the total value of any single item of infrastructure is significantly more than any equivalent monetary contribution. This potentially makes any offset arrangements associated with the works-in-kind redundant. The likelihood of a developer selecting to deliver works-in-kind needs to be tested to understand if this mechanism will ever be used/viable or requires additional incentives to occur.

Recommendation 16: Test scenarios to understand if the delivery of infrastructure through a works-in-kind agreement is a feasible alternative to making a monetary contribution.



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