

## Ordinary Meeting

**Meeting Date:** Tuesday, 28 November, 2017

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

**Time:** 5.00pm

**Membership** (Quorum - 7)

All Councillors

## Addendum Agenda

### Reports

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## CL17.326 Integrated Strategic Plan (CSP and DPOP)- Special Rate Variation

**HPERM Ref:** D17/391915

**Group:** General Manager's Group

**Section:** Executive Strategy

**Attachments:** 1. Special Rates Variation - Submissions Received 2017 (councillors information folder) [⇒](#)  
2. IPART Timing for Submission [↓](#)

### Purpose / Summary

To provide Council with the outcomes of the exhibition process that was carried out for the Special Rate Variation Proposal and the Integrated Strategic Plan exhibition (which included changes to the document resulting from the SRV proposal). To seek Council's adoption of the amended ISP documents and seek determination of whether Council intends to make an application to IPART for a SRV.

### Recommendation

That Council:

1. Receive the feedback and results of community engagement
2. Adopt the amended Integrated Strategic Plan 2017 including the CSP, DPOP, Long Term Financial Plan and Chapter 7 SRV which include changes made to this document to specifically outline the proposed SRV, impact on residents and proposed expenditure of the SRV.
3. Authorise staff to notify IPART of its intention to apply for a Special Rate Variation Application for the retention of the 13.2% special variation approved as a one-off increase in 2017/18 as a permanent increase and for additional special variations (inclusive of a rate peg of 2.5% pa) of 5% in 2018/19, 5% in 2019/20 and 5% in 2020/21 which will retain existing services, allow modest "new" asset spend and move towards meeting all FFTF benchmarks.
4. That Council proceed with the formal Special Rate Variation Application for 2018/19 and submit this in line with the timelines set by IPART (i.e. February 2018)

### Options

1. Adopt the recommendation as printed

Implications: Council will be in a better position to achieve, or progress towards, its Fit for the Future targets, retain existing services and provide the community with necessary maintenance of existing assets to meet community needs.

2. Not adopt the recommendation

Implications: Council will need to reduce operational spending and, in turn, reduce service provision to the community to enable council to meet Fit for the Future targets.

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## Background

On the 3rd October 2017 (reconvened from 26 September 2017) Council adopted that:

*“Option 1 of the report to retain the 13.2% special variation approved as a one-off increase in 2017/18 as a permanent increase and for additional special variations (inclusive of a rate peg of 2.5% pa) of 5% in 2018/19, 5% in 2019/20 and 5% in 2020/21 which will retain existing services, allow modest “new” asset spend and move towards meeting all FFTF benchmarks.”*

A full overview including detail of financial options of the SRV proposal and implications/modelling was previously reported to Council on the 3<sup>rd</sup> October 2017 (reconvened from 26<sup>th</sup> September 2017). This report contained all the models that have been considered by Council staff and included several options for Council to consider, including alternative savings measures. This information has not been included in this report, however should it need to be reference the report can be found at:

[http://shoalhaven.infocouncil.biz/Open/2017/09/CL\\_20170926\\_AGN\\_3712\\_AT\\_SUP.PDF](http://shoalhaven.infocouncil.biz/Open/2017/09/CL_20170926_AGN_3712_AT_SUP.PDF)

As part of any SRV application to IPART there is a requirement for the Integrated Planning and Reporting documentation of Council to clearly reflect the proposed SRV. For this to occur the ISP 2017 has been amended to reflect any proposed changes that would arise from a proposed SRV.

In its 2017/18 determination, IPART commented “Overall, we consider on balance the community was adequately consulted, despite the IP&R documentation not discussing the full extent of the rate rise.”

Before applying to IPART for a special variation to general income, councils must adopt their Community Strategic Plan, Delivery Program, Long Term Financial Plan and where applicable, Asset Management Plan. Councils may only apply to IPART for a special variation to general income based on those adopted IP&R documents. However, councils do not have to adopt their Operational Plan for the coming year before applying to IPART for a special rate variation

At the Extraordinary Council meeting on 17 October 2017, Council considered the report CL 17.280 Pathways to Sustainability – Special Rate Variation. At this meeting, Council resolved the following:

*That:*

1. *Council adopt the proposed changes to the Integrated Strategic Plan (inclusive of the changes made to the Community Strategic Plan, Delivery Program, and Long Term Financial Plan) for exhibition purposes, in addition to the following;*
  - a. *For the 2017/18 and next financial year 2018/19 the \$10,000 from the Aerial Beach Patrol be used for beach safety signage*
  - b. *The funding of \$4.5million for the Vincentia Library be deferred to a subsequent year pending a workshop*
2. *The Long Term financial plan be fully updated prior to exhibition to reflect the changes outlined above as well as changes to potential loan borrowings resulting from consideration of the impacts of the North Nowra Link Road and Collector Roads and the update be distributed to Councillors prior to exhibition*
3. *Council include from the rate increase \$500,000pa to the upgrade of our sporting fields (Refer to Report SA17.270)*
4. *A report be submitted to the Ordinary meeting of 24 October 2017 outlining the above.*

**CARRIED**

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This community engagement for the SRV and for the IP&R documentation was completed during October and November 2017. The community consultation period closed on Thursday the 23<sup>rd</sup> November at 11.59 pm.

### Outcomes of Community Engagement

An extensive community engagement was carried out for both the SRV proposal and the proposed amendments to Councils IP&R documentation (resulting from the SRV proposal).

This engagement included (but was not limited to):

- Public meetings
- TV advert
- Public Notices
- Document exhibition (at admin centres)
- Get Involved Page
- CCB notification and advice at Executive Meeting
- Radio interviews
- Media Release
- Newsletter in rates notice
- E-news
- Facebook posts

A total of 8 formal submissions were received from the community. There were also several emails and questions raised by a member of the public. This resulted in an email trail which includes several responses and further questions. This email has been considered as 1 additional submission bringing the total to 9 submissions. These are summarised in Table 1 below. A copy of each of the submissions is provided in the Councillor Information folder.

One submission was a specific request for a funding for a project at a location in Shoalhaven, one submission sought answers to questions regarding works undertaken by Council, three submissions were in support of a rates increase. Once submission sought answers to a number of questions relating to accounting, staff costs and other matters and three did not support an increase in rates.

There was also commentary provided via letters to the editor and on Facebook. These have not been treated as formal submissions to Council but will be recorded in any subsequent report to IPART on the engagement process if required.

No.	NAME	SUBMISSION	COMMENT (if applicable)
1.	Public member, received 20/10/2017	<p><i>I have downloaded the latest Neighbourhood News which says: - Neighbourhood Spring 2017</i></p> <p><i>In June 2017, Council adopted a special rate variation of 13.2% (including the 1.5% rate peg) for the 2017/18 financial year. This increase in rates has assisted Council to meet the growing infrastructure and maintenance needs of our community. Like the widening of Bolong Rd which took many months and costing hundreds of thousands of dollars...</i></p> <p><i>The question is - what was the need for such intensive works as the road was already wide enough?</i></p>	<p>Noted- A formal response to the questions raised were provided to the community member.</p> <p>Widening improves safety for motorists and cyclists. Funding from RMS.</p>

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		<ul style="list-style-type: none"> <li>• To make a freeway to allow idiots to speed up even more due to the extra space?</li> <li>• For Cyclists - I use this road many times a week and I only see very few cyclists on that road. Besides there was already enough space before the new works.</li> <li>• For vehicles to pull over (phone calls, etc.) - cars rarely stop and I've never seen a truck stopped anywhere at all.</li> <li>• What is the council going to do where the new extra wide road reaches the concrete bridge or Bomaderry centre where CB is situated and beyond as they are bottlenecks?</li> <li>• The money would have been better spent on building a railway crossing overpass - like in Gerringong. I could list a lot of urgent works to be done with a lot more usefulness. A lot of unanswered questions about the Council management of the ratepayer's monies.</li> </ul>	
2.	Public member, received 27/10/2017	<i>It seems to me to be most obvious that SCC must apply each year for an SRV for the years 2018 to 2021. If rates aren't increased then there can be no improvement in services and facilities provided to a Council area where there is one of the highest youth rates unemployment in NSW.</i>	Support Noted
3.	Public member, received 27/10/2017	<i>We object to the cavalier way this very significant rate variation of +13.2% is being proposed. This represents an approximate 600% increase against the approx. 2% CPI increases of the current financial and economic climate. We accept Council needs to be able to do its job properly but first of all I would like to be convinced that Council administration is improving its own inefficiencies, like extravagant sick leave provisions, excessive travel and meal allowances and excessive salaries for senior staff etc. We continually witness council extravagances in relation to payments to contractors and other inefficiencies and before we hear from Council that it cannot continue to meet rising costs without raising more revenue or cutting services, we would like to hear how productivity improvements within Council and its administration will help alleviate the current financial</i>	Noted- Council has considered alternative options to the SRV proposal and factored in efficiency cost reductions in previous years

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		<i>predicament it finds itself in. Its remiss of Council to propose the massive increase on ratepayers without factoring in an efficiency improvement program on Council itself. As a ratepayer, I don't want to pay for Council inefficiencies and extravagances as part of a +13.2 % grab for cash.</i>	
4.	Public member, received 28/10/2017	<i>The rates increase is too large a burden for residents to bear. To continue this increase AND expect us to even pay higher rates into the immediate future and beyond is unacceptable and shows Councillors are out of touch with the electorate. Coupled with the excessive increases in electricity prices and historically low wages growth, households are struggling and Councillors need to recognise this situation. The size of this increase indicates Councillors are forcing us to live beyond our means. The reasons given such as we need more swimming pools is a nonsense. Council is not truly looking critically at community needs. Sometimes it needs to say no to frivolous expenditure. We should be curtailing expenses and informing people to reduce their expectations.</i>	Noted- Council has considered alternative options to the SRV proposal.
5.	Public member, received 03/11/2017	<i>Thank you for the presentation council did at Ulladulla Civic Centre on Wednesday 7 November 2017, it was very informative</i>  <i>I have one concern and would like to have this removed: -</i> <ul style="list-style-type: none"> <li><i>money was being allocated to Milton Showground internal roads. I would like to see this removed and the money allocated to roads that residents benefit from.</i></li> </ul> <i>I am in agreeance with the Special Rate Variation, and can see the benefit to the Shoalhaven Area</i>	Support Noted- it is not recommended that council make a change at this time.
6.	Public member, received 03/11/2017	<i>We need the rate rise to improve our infrastructure and to be fit for the future. More and more development is happening in the Shoalhaven and the current facilities in their current state will not cope into the future</i>	Support Noted
7.	Public member, received 23/11/2017	<i>"I think the rate increases by 5% each year are outrageous and way above the CPI. I had a feeling when Council attempted to set this special rate increase last year that it wouldn't be the end of it.</i>	Noted- Council has considered alternative options to the SRV proposal.

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		<p><i>This is just a continuous slug and who's to say the Council won't keep on asking for increases each year thereafter? Shoalhaven Council rates are already more expensive than they are for example in the Hills Shire in Sydney where the land is worth 3 times as much but rates are cheaper and many more facilities are provided such as kerb and guttering and paved footpaths. The council can't even provide a smooth road between Huskisson and Vincentia - the current road is full of bumps and uneven surfaces. Shoalhaven Council should get its act together and look at how the Hills Shire manages. They balance their books and are in a strong financial position each year because of good financial management and certainly do not attempt to impose a severe financial strain on ratepayers. Also, many of the Shoalhaven ratepayers are on fixed incomes and least able to afford such savage increases. Council should seriously give thought to a compromise solution where you cut back on more non-essential works, such as grants to arts and fringe communities - and concentrate more on fixing the essentials. This would make you as a council more credible with ratepayers.</i></p>	
8.	Collingwood Beach Preservation Group	<p>Requesting funding for drainage and stormwater works to be carried out at Collingwood beach. Seeks a specific budget request to be added to the Operational Plan for 2018/19.</p> <p><i>"This submission is provided in response to Council request for feedback on its proposal to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation (SRV) for each of the next three financial years.</i></p> <p><i>We put forward the original DPOP's which we have been updated to reflect changes for moving forward with the CBDVMP and scheduled site visit in December by the Environmental and Assets team for the storm water. We trust that these submissions will be taken into consideration in the updated future DPOP process."</i></p>	<p>Yes-these will be considered during the normal DPOP exhibition and review process that will occur in March 2018.</p> <p>Specific budget requests were not considered as part of this process as focus was on the amendments made to the plans as a result of the SRV proposal. A further exhibition of the DPOP documents and call for budget adjustments will be made next</p>

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			year.
9.	Public member	A number of email questions and comments which are provided in Councillor information folder	Comments Noted- Specific response has been provided directly to the community member

### IP&R documentation

There are no changes proposed to the IP&R documentation as result of the exhibition period. The IP&R documents include the Special Rate Variation proposal and this will remain as exhibited unless Council adopts an alternative recommendation.

### Policy Implications

There are no implications on any policies in relation to this report.

### Financial Implications

If the revised Integrated Strategic Plan (ISP), including the proposed Special Rate Variation (SRV), is adopted, Council will be in a better position to achieve its Fit for the Future targets, retain existing services and provide the community with necessary maintenance of existing assets to meet community needs.

Should the revised Integrated Strategic Plan (ISP) and proposed Special Rate Variation (SRV) not be adopted, then Council will need to reduce operational spending and, in turn, reduce service provision to the community to enable council to meet its Fit for the Future targets and be in a financially sustainable position going forward

### Risk Implications

There are substantial risks to the financial sustainability of Council if a special rate increase is not supported. It would have a significant detrimental impact on service levels or programs if the approval to apply to the IPART for a Special Rate Increase is not supported.

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Office of  
Local Government

## Circular to Councils

<b>Circular Details</b>	Circular No 17-35 / 9 November 2017 / A566474
<b>Previous Circular</b>	<i>Circular No 16-48</i>
<b>Who should read this</b>	Councillors / General Managers / Council Finance and IP&R staff
<b>Contact</b>	Policy Team - 02 4428 4100 / <a href="mailto:olg@olg.nsw.gov.au">olg@olg.nsw.gov.au</a>
<b>Action required</b>	Information

### Special Variation and Minimum Rate Variation Guidelines and Process for 2018/19

#### What's new or changing

- The timetables for 2018/19 Special Variation and Minimum Rate Variation applications have been released.
- The Guidelines that apply to 2018/19 Special Variation and Minimum Rate Variation applications have been published.

#### What this will mean for your council

- New councils (except for Mid-Coast Council) will not be eligible to apply for a special or minimum rate variation for the 2018/19 rating year.
- The Guidelines outline the process for all other councils seeking to apply for a special or minimum rate variation for 2018/19.

#### Key points

- Councils should assume the rate peg for 2019/20 and in future years is 2.5%. IPART has advised that the rate peg for 2018/19 may be below 2.5% based on current information. When IPART releases the rate peg for 2018/19, councils should update their applications to reflect the actual 2018/19 rate peg.
- New councils (except for Mid-Coast Council) are not eligible for a special or minimum rate variation.
- Councils are to submit a request for a Crown Land Adjustment to the Office of Local Government.
- The timetable published in the Guidelines applies to Special Variation and Minimum Rate Variation applications for 2017-18. In future years this timetable will not be included in the Guidelines and will only be communicated via circular.

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**2018/19 Application Timetable**

Date	Outcome
15 December 2017	Notifications for Special Variation or Minimum Rate variation applications due to IPART
12 February 2018	Special Variation applications due to IPART
12 March 2018	Minimum Rate Variation applications due to IPART
15 May 2018	Determinations announced for Special Variations and Minimum Rate Variations

**Where to go for further information**

- The Special Variation and Minimum Rate Variation Guidelines are available on the Office's website at Rating and Special Variations.
- All eligible councils intending to apply for a Special Variation or Minimum Rate Variation in 2018/19 should contact IPART well in advance of submitting an application.
- Any inquiries regarding the application process should be directed to an IPART staff member:
  - Anthony Rush (02) 9113 7790
  - Derek Francis (02) 9290 8421
 or by email to [localgovernment@ipart.nsw.gov.au](mailto:localgovernment@ipart.nsw.gov.au)

**Tim Hurst**  
Acting Chief Executive

## CL17.327 Shoalhaven Coastal Zone Management Plan (CZMP) certification

**HPERM Ref:** D17/388164

**Group:** Planning Environment & Development Group  
**Section:** Environmental Services

**Attachments:** 1. Previous report to Council - November 2016 [↓](#)  
2. Shoalhaven Coastal Zone Management Plan - NSW OEH advice [↓](#)  
3. Coast and estuary grant funding criteria [↓](#)

### Purpose / Summary

The purpose of this report is to update Council on certification of the Coastal Zone Management Plan (CZMP) and seek further direction from Council.

### Recommendation

That Council

1. Continue to pursue certification of the Shoalhaven Coastal Zone Management Plan (CZMP); and
2. Continue to update the CZMP with the requirements of the NSW Coastal Panel; and
3. Consider allocating budget from the coastal management and infrastructure reserve through the quarterly budget review of up to \$100,000 to engage a coast and estuary project officer to update the CZMP and coordinate the public exhibition of the amended CZMP; and
4. Receive a report containing the updated CZMP for consideration before placing the document on public exhibition for a period of 28 days.

### Options

1. As recommended.

Implications: Amending the CZMP with recent studies including Council's recent coastal hazard risk assessment and mapping will result in an updated contemporary Plan that Council can use to guide its coastal programs whilst preparing its Coastal Management Program (CMP) in accordance with the new Coastal Management Act. The new Act is not currently in force, however once the Coastal Management State Environmental Planning Policy (SEPP) comes into force the commencement of the new Act will be triggered and Council's will only have six months to seek certification of their CZMPs. Therefore, additional resources are required to ensure Council meets this timeframe. There is no guarantee that the NSW Government will certify the Plan once it is updated, however it is recommended that Council continue to update the Plan to have a chance at becoming eligible to apply for coast and estuary grants. Without a certified Plan Council will not be eligible to apply for grant funding for larger coastal projects such as the south Mollymook beach foreshore protection structure.

2. Not update the CZMP.

Implications: This means that Council will not have the opportunity to seek certification of the Plan and will not be eligible to apply for grant funding for large projects under the NSW government coast and estuary program.

3. Alternative recommendation.

Implications: Unknown.

## Background

Council previously resolved to seek certification of the Shoalhaven Coastal Zone Management Plan (2012) whilst it was developing a Coastal Management Program (CMP) in accordance with the new Coastal Management Act in (see previous report to Council contained in attachment 1). A primary purpose for seeking certification of the Plan was to ensure Council would be eligible for government funding under the coast and estuary program. As part of the NSW Government coastal reforms, Councils are now only eligible for funding for major works identified in CZMPs or CMPs that have been certified by the Minister.

The Plan, along with studies completed by Council since 2012, were submitted to the Minister to seek certification. In accordance with the Council resolution, Council also submitted its updated coastal hazard assessment, which included Council's, adopted sea level rise projections as an attachment to the Plan.

Council received advice from NSW Office of Environment & Heritage (OEH) advising that Council's CZMP was referred to the Coastal Panel for consideration and that the Plan would not be certified at this stage and listed a number of amendments that would be required before it would consider certification. These details are shown in attachment 2.

OEH also advised a change to coast and estuary funding model allowing Council's without a certified CZMP or CMP to apply for some minor works. Details of the funding program are contained within attachment 3.

Council now needs to make a decision as to whether or not to continue to pursue certification of the CZMP.

Since receiving this advice Council officers have been working on updating the CZMP in accordance with the Coastal Panel requirements, whilst at the same time undertaking a scoping study for the CMP, in consultation with OEH and the Shoalhaven Natural Resources & Floodplain Committee. A scoping study is the mandatory first step required under the new Act. Council successfully received a grant of \$100,000 to develop a CMP for the open coast. Council will contribute \$100,000 from the coast and estuary operational budgets over the next three financial years to match this grant funding.

Staff resources now need to be dedicated to finalising the CMP scoping study and developing the CMP in accordance with the grant milestones. Therefore, additional resources are required to update the CZMP.

## Community Engagement

Should Council seek certification of an updated CZMP, the Plan would need to be placed on public exhibition for a minimum period of 28 days and then reported back to Council for adoption with any changes made as a result of submissions received. The Plan would then need to be sent to the Minister for consideration.

### Policy Implications

Updating the CZMP would provide Council with a contemporary Plan that includes studies that have been carried out since 2012. This Plan would then guide Council's coastal program whilst it is preparing its Coastal Management Program in accordance with the new Coastal Management Act. Once the CZMP is updated in accordance with the Coastal Panel's requirements, Council could seek certification of the Plan from the Minister. If the Plan is certified, Council would be eligible for all categories of funding under the NSW government's coast and estuary funding program.

### Financial Implications

Council has received a \$100,000 grant to develop a Coastal Management Program (CMP) in accordance with the provisions of the new Coastal Management Act over the next 3 years. Council is contributing \$100,000 to the CMP over the next three financial years out of the coast and estuary budget.

Council still has the opportunity to seek certification of its existing CZMP, which would make it eligible for funding to implement actions in the CZMP whilst it is developing its CMP.

### Risk Implications

There is no guarantee that the Minister would certify Council's CZMP, even with the updates in accordance with the Coastal Panel's requirements. However, it is recommended that Council accept this risk and allocate resources to update the Plan, as this will provide an up-to-date guiding document for Council to implement coastal management strategies whilst the CMP is being developed and also provides Council with the opportunity to seek certification of the Plan so it is eligible for grant funding.

There is also the risk that the NSW Government will enact the Coastal Management Act and Coastal Management State Environmental Planning Policy (SEPP) whilst Council is updating the Plan. This means that Council would only have 6 months to obtain certification from the Minister in accordance with the transitional provisions of the Act. This is a very short timeframe considering that the updates need to be made, the updated Plan reported back to Council for endorsement then placed on public exhibition and finally reported back to Council for adoption prior to sending to the Minister. This is a particularly short timeframe considering that OEH officers have advised that enactment of the Act and SEPP is imminent and we are further limited by the Christmas and summer holiday period.

Since receiving the advice from the Coastal Panel, Council staff have commenced work on updating the Plan and meeting with and seeking endorsement from government agencies. However, because of the expertise required and short timeframe available to update the Plan, additional resources are required.

### **SA16.30 Supplementary Report - requirement for a certified Coastal Zone Management Plan or Coastal Management Program**

**HPERM Ref:** D16/340836

**Group:** Planning & Development Services Group  
**Officer:** Kelie Lowe - Environmental Services Manager

**Attachments:**

1. Report to Ordinary Meeting of Council July 2016
2. Resolution of Council - public exhibition of CZMP and seek exemption
3. Report to Strategy & Assets Committee 2016 - requirement for certified CZMP or CMP
4. Resolution of Council to seek exemption
5. Letter to Minister seeking exemption
6. Response from OEH - letter to Minister of Planning

#### **Purpose / Summary**

To update Council on progress to seek an exemption from the Minister for the requirement to have a certified coastal zone management plan or coastal management program.

#### **Recommendation (Item to be determined under delegated authority)**

That in accordance with the Committee's delegated authority from Council, the Committee

1. Submit Council's draft 2012 Coast Zone Management Plan and adopted estuary management plans to the Minister for Planning, The Hon Rob Stokes MP, for certification, to ensure Council is eligible to apply for future grant funding for works under the NSW Government's coast and estuary program, while Council prepares a new Coastal Management Program.

#### **Options**

1. As recommended.

Implications: This will ensure that Council is eligible to apply for future grant funding under the state Government's coast and estuary program while it is preparing a coastal management program (CMP).

2. Council not apply to the Minister to certify Council's draft Coast Zone Management Plan (CZMP).

Implications: Council will not be eligible to apply for grant funding under the State Government's coast and estuary grant program in future years until it has a certified CZMP or CMP. Development and certification of a CMP will take longer than 12 months as required Council's resolution in August 2016, as the draft Coastal Management State Environmental Planning Policy (SEPP) and associated maps have not been released for public comment. The SEPP will set the planning requirements for Council in managing the coastal zone. The draft coastal management manual, which sets out the requirements for a CMP, is still in draft form and there is no advice to date as to when it will be finalised. Parts of the coastal management manual toolkit, which contains the

technical information and methodologies on how to prepare the studies and assessments required as part of a CMP have not been released or are still in draft form.

3. Council propose an alternative option

Implications: Unknown.

### Background

"Enter Text - Subheadings to be underlined or italics "

A report to the Ordinary Meeting of Council on 26 July 2016 (attachment 1) and a report to the Strategy & Assets Committee on 9 August 2016 (attachment 3), explained that Councils are now only eligible to apply for funding under the State Government's coast and estuary program, if they have a certified coastal zone management plan (CZMP) or coastal management program (CMP) or have lodged a CZMP or CMP with the Minister seeking certification, before grant applications closed on 18<sup>th</sup> August 2016.

This meant that unless Council had a certified CZMP or CMP Council was not eligible to apply for funding to implement works which include:

- management and stabilisation of dune systems
- erosion reduction management and beach nourishment
- actions to reduce future risk from coastal hazards
- works to improve natural resilience to potential impacts from coastal hazards
- actions to reduce the risk to public assets
- actions to reduce the liability in relation to coastal natural disasters
- community/public education programs
- reducing and formalising beach access points to reduce environmental damage
- dredging for environmental benefit
- monitoring of estuary and coastal environments
- works to protect Aboriginal heritage
- stormwater management
- management of salinity and acid sulphate soils
- habitat restoration and conservation

Council's draft 2012 CZMP and adopted estuary management plans have guided the implementation of Council's coast and estuary programs.

Implementation of Council's coast and estuary programs have always relied heavily upon State Government funding and technical support. This funding is critical to delivery of our work programs which include replacement and maintenance of foreshore (erosion) protection structures, beach access ways, fishing platforms, acid sulphate soil management, water quality reporting and improvements and expert studies on coastal process, hazard, management and restoration assessments. This year, coastal erosion remediation works following damages caused by the 2016 east coast low storm event, form the majority of the work program. Council has allocated \$500,000 this financial year to progress and implement works.

At the Ordinary Meeting of Council on 26 July 2016, Council resolved to:



- a) *Advertise the outstanding issues in the plan with the view to reporting back to Council as soon as possible on the potential to adopt the draft plan;*
- b) *Seek urgent representation through Offices of the Parliamentary Secretary of Illawarra and the Hon Shelley Hancock, to the Minister to seek an exemption from the requirement of a certified CZMP to qualify for funding in the first round;*
- c) *Prepare to seek certification and apply for funding with a further report to the Strategy and Assets Committee in August 2016 on progress of this matter.*

The 2012 draft CZMP was developed through extensive community consultation and then placed on public exhibition in 2012. However, it was not adopted at that time because the NSW Government announced the coastal legislation reforms at the time of the public exhibition. These reforms are still in progress. The Coastal Management Act 2016 was assented on 7 June 2016, but will not commence until after public consultation on the draft SEPP. The draft SEPP and maps have not been released for public comment. The proposed Coastal Management SEPP will form part of the broader land-use planning framework in NSW. It will be a key environmental planning instrument for land-use planning in the coastal zone, and will deliver the statutory management objectives for each of the four coastal management areas that make up the coastal zone.

The Coastal Management Act 2016 will not commence until after public consultation on the draft SEPP. When it commences, the new Act will replace the current Coastal Protection Act 1979. At the time of writing this report, it is not known when the draft SEPP will be placed on public exhibition and when the Coastal Protection Act will be repealed. More information may be released at the upcoming NSW Coastal Conference on 11<sup>th</sup> November when the Minister for Planning is scheduled to attend.

For further information about these reforms visit the NSW Office of Environment & Heritage (OEH) website at <http://www.environment.nsw.gov.au/coasts/coastreforms.htm>

The purpose of a coastal management program is to set the long-term strategy for the co-ordinated management of land within the coastal zone with a focus on achieving the objects of the Coastal Management Act.

The draft 2012 CZMP was developed in accordance with the current Coastal Protection Act 1979 and guidelines for the preparation of CZMP's with technical support and guidance from OEH. Section 55I of this Act allows for the amendment, in whole or in part, of a CZMP.

The new Act requires that a CMP be prepared in accordance the coastal management manual. This manual is still in draft form. The coastal management manual toolkit, which sets out the technical requirements and methodologies for completing the assessments and studies required as part of the CMP, are in draft form or have yet to be released for comment. Therefore, without these documents being completed Council is not in a position to be able to commence preparation of a CMP.

Under the transitional provisions of the new Act, a draft CZMP that is lodged with the Minister prior to the repeal of the Coastal Protection Act and is certified, is considered as a CMP under the new Act until December 2021. Council may at any time, amend in whole or in part, or replace its certified CMP under section 18 of the new Act. A certified CZMP can also be amended, in whole or part, under the existing Act.

#### **Implementation of Council's July 2016 resolution**



The draft 2012 CZMP and studies completed since 2012, see attachment 2, were placed on public exhibition from 28 July 2016 to 8 August 2016. Council received 19 submissions, 13 submissions were clearly opposed to Council adopting the draft CZMP or submitting it to the Minister. Only 2 submission supported the submission of the draft CZMP to the Minister and 4 submissions raised comments and concerns on the content of the plan and asked for some sections to be revised or included and additional areas considered.

A summary of the submissions are shown below.

*Community Group Submissions:*

- Currarong Progress Association - support document being forwarded to the Minister.
- Collingwood Beach Progress Association - Council cannot adopt the draft CZMP. technical flaws, SLR, Bruun rule.
- Save Collingwood Beach - congratulates Council for its intention to submit plan.
- Lake Wollumboola Protection Association - we have concerns that should be considered and addressed prior to submission of the Plan for approval and funding, particularly given the overall policy direction of the new Coastal Zone Management Act passed in May 2016.
- Birdlife Shoalhaven – representation of birdlife inadequate and not recognised in the community engagement. Suggested changes.
- Safe Navigation Action Group - need to include Sussex Inlet and St George Basin

*Individual submissions:*

- Strongly opposed to Council adopting the draft CZMP.
- Council must not adopt the draft CZMP. Only 10 days for comments extensive information.
- Opposed to adopting the CZMP. staff incompetent, consultant incompetent, timeframe to provide comments too short
- Opposed to adopting the CZMP. issue with SLR, technical flaws, need a strategic approach
- I strongly object to Shoalhaven City Council adopting the draft Coastal Zone Management Plan. Technical flaw, SLR not up to date.
- The draft Coastal Zone Management Plan (CZMP) Shoalhaven City Council (SCC) intends to submit to the NSW State Government is a deeply flawed document which disadvantages citizens of the Shoalhaven who own beachfront property. technical flaws, SLR, Bruun rule
- Do not support the Draft Shoalhaven Coastal Zone Management Plan and am concerned at Council's ability to adopt and then readopt positions at whim.
- Better plan is needed, flows with SMEc report, SLR assumptions
- Concerned, Bruun rule, SLR. The basic & fundamental flaws presented by Council where Council is still applying the invalid/superseded Bruun Rule for the calculation of Collingwood Beach erosion and future sea levels.
- Strongly object to the Shoalhaven City Council view in regards to the Draft Coastal Zone Management Plan (CZMP).
- Document too long and fails to recognise provisions of the Community Engagement Policy. Suggested changes.

- Inadequate consultation-SLR
- Need to include Hyams Beach

Representations were made through Offices of the Parliamentary Secretary of Illawarra and the Hon Shelley Hancock, to the Minister to seek an exemption from the requirement of a certified CZMP to qualify for funding. A meeting with the Minister was also sought.

Four grant funding applications were prepared in accordance with grant application guidelines.

A progress report was prepared for Council's Strategy and Assets Committee meeting in August (refer to attachment 3)

At the meeting of the Strategy and Assets Committee on 9 August 2016, the Committee (MIN16.622 – refer to attachment 4) resolved that in accordance with the Committee's delegated authority from Council, the Committee:

- a) *Continue to seek representation to the Minister to seek an exemption from the requirement of a certified CZMP to qualify for funding in the first round.*
- b) *Endorse the development of a new Coastal Management Program in line with the new Coastal Management Act, such new program to include the revision of relevant studies and strategies to address Council's adopted sea level projections. In addition, the public exhibition and subsequent resolution of coastal erosion policy matters, as well as other issues raised by the community be resolved in 12 months.*

#### **Implementation of Council's August 2016 resolution**

An exemption from the Minister was sought and grant applications were lodged, see attachment 5.

Council's General Manager also sought a meeting with the Minister to discuss Council's request for exemption. The meeting request was denied as there was a clear directive that no funding would be provided without a certified CZMP and no exemptions would be allowed.

No exemption has been granted.

At a recent meeting with the Member for South Coast, The Hon. Shelley Hancock MP, it was confirmed that the Government is very unlikely to change its position that a certified CZMP or CMP is required for eligibility to grant funding.

The General Manager also wrote to the NSW Premier regarding financial implications for Council following natural disaster events. Mr Kevin Anderson MP, Parliamentary Secretary to the Deputy Premier and for Regional Roads and Rail responded on behalf of the Premier and indicated that Council should seek funding through the coast and estuary grant program for erosion restoration works.

The General Manager also wrote to the Hon Niall Blair MLC, Minister for Primary Industries and Minister for Lands and Water, seeking assistance to fund priority foreshore restoration works as a result of the east coast low storm events. The Deputy Director General, Department of Industry – Lands, Alison Stone, replied on behalf of the Minister, advising that Council could apply for funding in 2017 through the Public Reserves Management Funding (PRMF) Program. However, Council was advised that this funding was very competitive with more than 840 applications received for the 2016/17 funding round – "a total value of over 336 per cent of the available funds".

Representations were also made to NSW Road and Maritime Services (RMS), seeking financial contribution to the erosion restoration works adjacent to the Princes Highway at Ulladulla Harbour. No financial contribution was provided.

#### **Advice from NSW Office of Environment and Heritage (OEH)**

The General Manager wrote to the Minister for Planning concerning correspondence Council received from Mr George Kruk regarding the certification of Council's draft CZMP. The letter was referred to OEH to respond. A copy of the letter to Council and Mr George Kruk are contained in attachment 6.

In its letter OEH advised Council, that *"as Shoalhaven City Council has worked closely with OEH and its community in drafting its CZMP, it is timely to reiterate prior advice by OEH and the Minister of Planning that Council is well placed to submit its draft CZMP to the Minister for certification. This would ensure that Council can apply for grant funding to implement actions from the CZMP while it prepares its Coastal Management Program (CMP). At present OEH and Council staff estimate that a CMP is likely to take more than a year to complete and certify."*

As outlined above, advice from government agencies confirms that the NSW Government's coast and estuary grant program is the main source of financial funding for the implementation of works.

#### **Community Engagement**

The Draft 2012 Shoalhaven Coastal Zone Management Plan was on public exhibition from 10 October 2012 to 7 December 2012. Further public exhibition of the draft CZMP occurred from 28 July 2016 to 8 August 2016.

Council's draft CZMP and adopted estuary management plans guide implementation of Council's coast and estuary programs. The implementation of the programs is overseen by Council's Natural Resources and Floodplain Committee and the Council. Targeted community consultation prior to the implementation of individual projects identified within the plans is carried out.

#### **Policy Implications**

Timing to lodge CZMP for certification

Council must lodge its draft CZMP to the Minister for certification prior to the repeal of the existing Coastal Protection Act. Previous advice from OEH was that Councils would only have until December 2016 to do this. However, as the draft SEPP is still to be placed on public exhibition prior to the commencement of the new Act, this deadline may be extended.

Coastal hazard assessment:

If certified, the CZMP could be amended with the revised coastal hazard assessment that is currently being undertaken to incorporate Council's sea level rise policy, as required by Council resolution (MIN14.750).

Council can amend the certified CZMP under the provisions of section 55I of the existing Coastal Protection Act or section 18 of the new Coastal Management Act, as outlined above.

Once the CZMP is amended, Council can then amend the Shoalhaven Local Environmental Plan (LEP) and Shoalhaven Development Control Plan (SDCP) 2014 if necessary to reflect the reviewed assessment.

#### **Financial Implications**

Once Council has a certified CZMP or CMP it is eligible to apply for state government coast and estuary funding. The government funds matching contributions (50:50). Without this funding Council would need to budget for all of the costs of the coast and estuary program or decide which parts of the program not to deliver.

Council can apply for funding from OEH to convert an existing CZMP to a CMP. Council can apply for this funding at any time during this financial year. \$40,000 of Council's 2016/17 coastal budget allocation could be allocated to progressing a CMP. However, as previously discussed, the relevant guiding coastal management SEPP, manual and toolkit which a CMP must comply with, are yet to be finalised.

The benefit of certifying Council's draft CZMP, is that Council will be eligible for funding, that it may otherwise miss out on for a number of years, while it transitions to a CMP.

#### **Risk Implications**

Council has until the commencement of the new Coastal Management Act to seek certification of the draft 2012 CZMP. The timeline for commencement of the Coastal Management Act, draft Coastal Management SEPP, coastal management manual and toolkit is unknown. Council has the opportunity to seek certification of its draft 2012 CZMP, which was developed with the community over a number of years and formally placed on public exhibition, and adopted estuary management plans. These documents, together with studies completed since 2012, are being and have been guiding Council's coast and estuary program. The program is implemented in consultation with the community, Council's Natural Resource & Floodplain management Committee and the elected Council. This will not change if the CZMP is certified.

The risk is that, if the CZMP is not lodged with the Minister prior to commencement of the new Act, Council may not be eligible for coast and estuary grant funding next year and future funding in years to come. As there remains uncertainty as to when the Government's coastal reforms will be completed, there is also uncertainty as to when a CMP could be prepared and how long this would take.

The added benefit of having a certified CZMP is that the government will fund the transition of a CZMP to a CMP. Without eligibility to apply for grant funding, Council will need to continue to prioritise coastal erosion restoration works and delivery of our coast and estuary program within the constraints of the available Council budget.





Office of  
Environment  
& Heritage

4c

rep

p. Costello

MD16/5251  
30596E (D16/363083)

Mr Russ Pigg  
General Manager  
Shoalhaven City Council  
PO Box 42  
NOWRA NSW 2541

Shoalhaven City Council  
received

15 AUG 2017

File No. 30596E  
Referred to: K. Clarke

Dear Mr Pigg

#### Shoalhaven Coastal Zone Management Plan

Thank you for submitting the draft 2012 Shoalhaven Coastal Zone Management Plan for certification under the *Coastal Protection Act 1979*.

The former Minister for Planning, the Hon Rob Stokes MP, referred the plan to the NSW Coastal Panel for advice under section 55G(3) of the Act. The panel has provided its advice and I enclose a copy.

You will note the panel has raised a number of concerns, particularly in relation to the plan not reflecting key initiatives that council has undertaken since its completion in 2012. The panel also notes that key elements of the plan do not yet have public authority agreement which is required under section 55C of the Act.

I ask council to work closely with the Office of Environment and Heritage (OEH) to address the issues raised by the panel, either in the form of a revised plan or a coastal management program under the new *Coastal Management Act 2016* and manual.

The decision to prepare a revised plan or a new coastal management program should be made in consultation with OEH, and consider the issues raised by the NSW Coastal Panel and the transitional arrangements available at the time of the commencement of the *Coastal Management Act 2016*.

I would also like to take this opportunity to remind you that the Minister for the Environment, the Hon Gabrielle Upton MP, recently decided to make funding available to councils through the Coastal and Estuary Grants Program for certain short term, low risk coastal management activities irrespective of whether or not a certified coastal zone management plan or coastal management program is in place. Accordingly, the following activities are eligible for funding where they are an appropriate response to coastal or estuarine threats:

- beach scraping
- ecological management and stabilisation of dune systems
- formalising or reducing the number of beach access points to reduce environmental damage/impact
- estuarine riparian ecological restoration
- littoral rainforest regeneration
- coastal wetland rehabilitation where an approved management plan for the site exists.


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CL17.327 - Attachment 2

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If council has any further questions about this issue, please contact Mike Saxon, Director South East, Regional Operations, on 6229 7107 or at [mike.saxon@environment.nsw.gov.au](mailto:mike.saxon@environment.nsw.gov.au).

Yours sincerely



Anthony Lean  
Chief Executive

Enclosure 7 AUGUST 2017

CL17.327 - Attachment 2



## NSW Coastal Panel

The Hon Gabrielle Upton  
Minister for Environment  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Your Reference: MD16/5251

Dear Minister

I refer to correspondence from the former Minister for Planning the Hon Rob Stokes to the Chair of the NSW Coastal Panel on 21 December 2016, requesting the advice of the Panel, regarding the adequacy of the draft 2012 Shoalhaven Coastal Zone Management Plan (CZMP) and its suitability for certification under the *NSW Coastal Protection Act 1979* (the Act). The Panel has considered the Draft CZMP, including a thorough review of the CZMP itself at its meeting on 7 April 2017.

The documents relied upon to inform the Panel's advice include:

- Shoalhaven City Council correspondence to Minister concerning the CZMP (21 November 2016);
- Draft Coastal Zone Management Plan for the Shoalhaven Coastline (October 2012); and
- OEH Regional assessment of the CZMP against the minimum requirements of the *Coastal Protection Act 1979* and the *Guidelines for Preparing Coastal Zone Management Plans* (2013).

The Panel is mindful that the development of a formal CZMP for Shoalhaven City's coastline has been an ongoing endeavour for many years during a period of considerable policy and legislative change. The Plan is a comparatively comprehensive undertaking, however, it is clear from the covering letter submitted with the draft Plan that Shoalhaven City Council have undertaken a range of more recent, important initiatives that do not form part of the furnished plan including:

- Reviews of hazard definition work incorporating adopted sea level rise projections;
- Recent exhibition of the "Our Coast Our Lifestyle" community engagement project; and
- Progression of rolling forward the aforementioned into a Coastal Management Program (CMP) to align with the new legislation, manual and coastal zone management framework.

Whilst it is regrettable that the furnished Plan had not been updated to reflect these recent initiatives, key elements of the CZMP do not yet have public authority agreement which is a fundamental legislative requirement. This is particularly the case for advised roles and responsibilities affecting Department of Industry – Lands. Therefore the Panel **cannot recommend certification** of the draft Shoalhaven CZMP in accordance with provisions of the *Coastal Protection Act 1979*.

The Panel would however, like to commend Shoalhaven City Council for the considerable amount of further work that has been done beyond the 2012 draft document that forms an



Page 2 of 2

integral path toward the development of a more comprehensive CMP under the new legislative framework (*Coastal Management Act 2016*). This will allow Council to update relevant information and priorities in the Plan whilst addressing necessary issues raised by Department of Industry – Lands. Council would be advised to work closely with OEH to transition the Plan into a CMP with actions directly linked to Council's IPR framework.

The Panel would like to thank you for the opportunity to provide this advice on this CZMP. Should you have any additional queries or require further information, please do not hesitate to contact me.

Yours sincerely



PROFESSOR BRUCE THOM  
Chair  
NSW Coastal Panel

19<sup>th</sup> April 2017



NSW Government's Coastal and Estuary Grants Program for the 2017-18 funding round

Tue 14/11/2017 9:44 AM

Alyssa Galliford <Alyssa.Galliford@environment.nsw.gov.au> on behalf of  
OEHR ROGHD Coastal Estuary Flood Grants Mailbox <coastalestuary.floodgrants@environment.nsw.gov.au>  
Call for applications under the Office of Environment and Heritage Coastal and Estuary Grants Program

To  
This message was sent with High Importance.

I am writing to invite you to submit applications for grants under the NSW Government's Coastal and Estuary Grants Program for the 2017-18 funding round.

**What will be funded?**

**Coastal and Estuary Planning**

- develop a Coastal Management Program (CMP)
- transition a Coastal Zone Management Plan (CZMP) to a CMP
- undertake investigations and designs or cost benefit analyses for infrastructure works recommended in a certified CZMP or CMP.

**Applications close 30 June 2018**

**Implementing works**

For areas with a certified Coastal Zone Management Plan or Coastal Management Program:

- erosion reduction management and beach nourishment
- actions to reduce future risk from coastal hazards
- habitat restoration and conservation
- management and stabilisation of dune systems.

For the 2017-18 round the following activities will be eligible for funding, irrespective of whether there is a certified Coastal Zone Management Plan or Coastal Management Program in place for the area:

- Ecological management and stabilisation of dune systems
- Formalising or reducing the number of beach access points to reduce environmental damage/impact
- Estuarine riparian ecological restoration
- Littoral rainforest regeneration
- Coastal wetland rehabilitation where an approved management plan for the site exists.

**Applications close 5pm on 30 January 2018**

**Hotspots – Open coast hazards**

- works that directly reduce/mitigate coastal hazards (for coastal hotspot locations only)

**Applications close 5pm on 30 January 2018**

Grant application guidelines and forms are available at <http://www.environment.nsw.gov.au/coasts/coastalgrants.htm>

Applications for implementing works grants close at 5pm on 30 January 2018. If you have any questions or require any further information, please contact the relevant regional officer listed in the grant application guidelines or grants unit staff on 9855 6454.

Yours sincerely  
Leah

**NSW Office of Environment & Heritage**

**Leah Andrews**  
Senior Team Leader –  
Coastal Grants – Coast,  
Estuary and Flood  
Sustainability Programs

10 Valentine Ave, Parramatta 2150  
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Note: Shoalhaven Council does not have any identified Hotspots.