

Ordinary Meeting

Meeting Date: Tuesday, 25 February, 2025
Location: Council Chambers, City Administrative Building, Bridge Road, Nowra
Time: 5.30pm

Membership (Quorum – 7)

Clr Patricia White – Mayor

Ward 1

Clr Jason Cox
Clr Matthew Norris - Assist. Deput Mayor
Clr Peter Wilkins - Deputy Mayor
Clr Selena Clancy

Ward 2

Clr Ben Krikstolaitis
Clr Bob Proudfoot
Clr Jemma Tribe
Clr Luciano Casmiri

Ward 3

Clr Denise Kemp
Clr Gillian Boyd
Clr Karlee Dunn
Clr Natalee Johnston

Please note: The proceedings of this meeting (including presentations, deputations and debate) will be webcast, recorded and made available on Council's website, under the provisions of the Code of Meeting Practice. Your attendance at this meeting is taken as consent to the possibility that your image and/or voice may be recorded and broadcast to the public.

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<https://www.shoalhaven.nsw.gov.au/Council/Meetings/Stream-a-Council-Meeting>.

Statement of Ethical Obligations

The Mayor and Councillors are reminded that they remain bound by the Oath/Affirmation of Office made at the start of the council term to undertake their civic duties in the best interests of the people of Shoalhaven City and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act or any other Act, to the best of their skill and judgement.

The Mayor and Councillors are also reminded of the requirement for disclosure of conflicts of interest in relation to items listed for consideration on the Agenda or which are considered at this meeting in accordance with the Code of Conduct and Code of Meeting Practice.

Agenda

1. Acknowledgement of Country

Walawaani (welcome),

Shoalhaven City Council recognises the First Peoples of the Shoalhaven and their ongoing connection to culture and country. We acknowledge Aboriginal people as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, present and emerging.

Walawaani njindiwan (safe journey to you all)

Disclaimer: Shoalhaven City Council acknowledges and understands there are many diverse languages spoken within the Shoalhaven and many different opinions.

2. Moment of Silence and Reflection

3. Australian National Anthem

4. Apologies / Leave of Absence

5. Confirmation of Minutes

- Ordinary Meeting - 18 February 2025

6. Declaration of Interests

7. Presentation of Petitions

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Mayoral Minute

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Notices of Motion / Questions on Notice

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15. Confidential Reports

Nil

MM25.1 Mayoral Minute - 2025 Australia Day Honours

HPERM Ref: D25/59010

Recommendation

That Council recognise and congratulate Mrs Nellie Mooney OAM of Burrill Lake, who was the only Shoalhaven recipient in the Governor General's 2025 Australia Day Honours.

Details

On 26 January 2025, 732 recipients were recognised in the 2025 Australia Day Honours List, as bestowed by the Governor-General and Chancellor of the Order of Australia, Her Excellency the Honourable Ms Sam Mostyn AC.

The Shoalhaven this year had one recipient, Mrs Nellie Mooney of Burrill Lake who received an OAM in recognition of her service to the Indigenous communities of the Shoalhaven region as per the citation below:

THE ORDER OF AUSTRALIA IN THE GENERAL DIVISION

Nellie Beatrice Mooney OAM of Burrill Lake for service to the Indigenous community of the Shoalhaven region.

- In 1988 Nellie was one of the founding members of the Wandarma Aboriginal Education Consultative Group in Ulladulla. She held the position of President from 1988 to 2018 and became a Life Member in 1996.
- In 1987 Nellie was one of the founding members of the Aboriginal Homework Centre – Milton-Ulladulla District and was a Coordinator from 1987 to 2008.
- As an inaugural member of the Ulladulla Aboriginal Land Council since 1988, Nellie has held the position of Chairperson, President and Board Member for a period of nine years each.
- In 1982 Nellie was one of the founding members of the South Coast Medical Service Aboriginal Corporation (formerly Nowra Aboriginal Medical Services) and also an Inaugural Board Member.
- Nellie was awarded the Shoalhaven City Council's Australia Day Citizen of the Year Award in 2018 and the Nanga Mai Award, NSW Department of Education in 2015.

MM25.2 Mayoral Minute - 2025 Shoalhaven City Council Australia Day Awards

HPERM Ref: D25/59880

Recommendation

That Council acknowledge all nominees and write to congratulate the winners of the Shoalhaven City Council Australia Day Awards which were presented on 26 January 2025 in a combined Citizenship and Australia Day Award Ceremony held at Swordfish Brewery, Sussex Inlet.

Details

A very successful Shoalhaven Australia Day Awards and Citizenship Ceremony was held at the Swordfish Brewery, Sussex Inlet on Sunday 26 January 2025.

Australia Day Ambassador, Mr Andy Paschalidis an accomplished sports journalist, broadcaster and humanitarian attended the event as our special guest, presenting the awards to the recipients and later facilitated free heart health testing kiosks at the event as part of his charity, Heartbeat of Football.

Twenty-six people were nominated for the three awards, with winners selected by the Shoalhaven City Australia Day judging panel.

I would like to congratulate the following winners:

- **Shoalhaven Citizen of the Year Winner:**

David Vadre Jones won the Shoalhaven Citizen Award for his tireless volunteer work and fundraising. He was the driving force behind the establishment of the Coastal Patrol and Neighbourhood Centre in Sussex Inlet, combined with his involvement in the local Men's Shed, Neighbourhood Watch and volunteering at Inasmuch Community Residential Aged Care.

- **Young Citizen of the Year:**

William Dewsbury-Love was awarded the Shoalhaven Young Citizen Award for being an integral member of the Shoalhaven High School community for six years, demonstrating a genuine passion for creating positive change both at school and beyond.

- **Proudly Australian Award:**

The Proudly Shoalhaven Award, open to individuals and community groups, was given to **North Shoalhaven Meals on Wheels** which has been operating for 58 years with an army of 250 volunteers who cook, pack and deliver meals each day throughout the Shoalhaven, while **Peter Williams**, who has played his bugle at Anzac Day and Remembrance Day services at local schools to thousands of students for the past 20 years, received highly commended for the Proudly Shoalhaven Award.

The Citizenship Ceremony was also a highlight of the day with 32 conferees making their pledge to to become an Australian.

Congratulations to the staff involved in bring the event together and thank you to Clr Peter Wilkins, Deputy Mayor who was the MC for the day and to Councillors Clancy, Kemp and Norris for assisting staff on the day.

MM25.3 Mayoral Minute - Senior Staff Contractual Matters Committee - Appointment of a CEO

HPERM Ref: D25/69302

Recommendation

1. That the Purpose, Delegated Authority and membership of the Senior Staff and Contractual Matters Committee be as follows:

<u>Meetings per year</u> – As required	<u>Quorum</u> – Three (3)
No set commencement time	(5001E)
<p>Purpose and Delegated Authority</p> <p>The Committee be delegated authority under Section 377 of the Local Government Act to consider information and advice from the Chief Executive Officer (CEO) with respect to organisational structure and related topics.</p> <p><u>CEO Appointment and Performance Review Sub- Committee</u></p> <p>In accordance with the ‘Guidelines for the Appointment and Oversight of General Managers 2022’:</p> <ol style="list-style-type: none"> 1. Undertake recruitment for the position of the CEO in the circumstance that the position becomes vacant as follows: <ol style="list-style-type: none"> a. Final short- listing of candidates b. Interview of Short-listed candidates c. Ensuring reference checks and other relevant background checks are completed d. Completion of a Selection Panel Report which is to be provided for consideration to a closed Meeting of the Council that: <ol style="list-style-type: none"> i. outlines the selection process ii. recommends the most meritorious applicant with reasons iii. recommends an eligibility list if appropriate iv. recommends that no appointment is made if the outcome of interviews is that there are no suitable applicants 2. Undertake performance reviews of the CEO including: <ol style="list-style-type: none"> a. inviting non- member Councillors to contribute to the performance review process by providing feedback to the mayor on the CEO’s performance relevant to the agreed performance criteria. b. conducting performance reviews c. reporting the findings and recommendations of reviews to the council in closed session for determination, and d. development of the performance agreement. <p>Note: Section 377(1)(a) of the Local Government Act provides that the appointment of a Chief Executive Officer (General Manager) can only be determined by resolution of the Elected Council.</p>	
<p>Chairperson – Mayor</p>	

MM25.3

<p>2024-2025 Councillor / Staff Membership Mayor White - Chairperson All Councillors CEO</p>	<p><u>Sub-Committee to undertake Delegations 1&2:</u></p> <ul style="list-style-type: none"> • Mayor (Clr White) • Deputy Mayor (Clr Wilkins) • Assistant Deputy Mayor (Clr Norris) • Clr Clancy (as per resolution MIN254.530) <p><u>Additional Member – Delegation 1</u></p> <ul style="list-style-type: none"> • Independent Member <p><u>Additional Members – Delegation 2</u></p> <ul style="list-style-type: none"> • Appointed External Professional Facilitator (Observer) • Clr Nominated by CEO
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2. That the Council formally delegate to the Mayor the following tasks with respect the Appointment of a CEO :
- a. Selection of provider of Recruitment Services in accordance with Council Procurement Procedures
 - b. Securing the services of an Independent Person to participate in the appointment process.
 - c. The CEO's position description is current and evaluated in terms of salary to reflect the responsibilities of the position.
 - d. The proposed salary range reflects the responsibilities and duties of the position.
 - e. The position is advertised according to the requirements of the Act.
 - f. Information packages are prepared, and
 - g. Applicants selected for interview are notified.

MM25.3

Details

Council at the Meeting held on 28 October 2024 resolved to appoint members to the Senior Staff Contractual Matters Committee as outlined in MIN24.530.

In preparation for the recruitment of the CEO, I have identified that in accordance with the [Guidelines for the Appointment and Oversight of General Managers](#) issued by the Office of Local Government it would be in the interest of the Council to make slight amendments to the arrangements that Council has in place for the operation of that Committee.

The resolution of the Council of 28 October 2024 was as follows: (MIN24.530)

SENIOR STAFF AND CONTRACTUAL MATTERS COMMITTEE :

<p><u>Meetings per year – As required</u> <u>No set commencement time</u></p>	<p><u>Quorum – Three (3)</u> <u>(5001E)</u></p>
<p><u>Purpose and Delegated Authority</u></p> <p><i>The Committee be delegated authority under Section 377 of the Local Government Act to consider information and advice from the Chief Executive Officer (CEO) with respect to organisational structure and related topics.</i></p> <p><u>CEO Appointment and Performance Review Sub- Committee</u></p> <p><i>In accordance with the ‘Guidelines for the Appointment and Oversight of General Managers 2022’:</i></p>	

1. Undertake recruitment for the position of the CEO in the circumstance that the position becomes vacant.
2. Undertake performance reviews of the CEO including:
 - a. inviting non- member Councillors to contribute to the performance review process by providing feedback to the mayor on the CEO's performance relevant to the agreed performance criteria.
 - b. conducting performance reviews
 - c. reporting the findings and recommendations of reviews to the council in closed session for determination, and
 - d. development of the performance agreement.

Note: Section 377(1)(a) of the Local Government Act provides that the appointment of a Chief Executive Officer (General Manager) can only be determined by resolution of the Elected Council.

Chairperson – Mayor

2024-2025 Councillor / Staff Membership

Mayor White - Chairperson

All Councillors

CEO

Sub- Committee to undertake Delegations 1&2:

Mayor White

Deputy Mayor Clr Wilkins

Clr Clancy

Appointed External Professional Facilitator (Observer)

Clr Nominated by CEO

MM25.3

In preparation for the recruitment of the CEO, I have identified that in accordance with the [Guidelines for the Appointment and Oversight of General Managers](#) issued by the Office of Local Government it would be in the interest of the Council to make slight amendments to the arrangements that Council has in place for the operation of that Committee.

Proposed amendments to the changes recommended in this Minute are :

1. Including an additional Councillor on the Sub- Committees

The addition of another Councillor on the Sub- Committee which is established with respect to both appointment and performance review would be beneficial for the processes. It is proposed in this report that the Councillor holding the position of Assistant Deputy Mayor of the Council at the time would be a suitable appointment. This would result in the Mayor, together with the peers that Councillors appoint as their Deputy Mayor and Assistant Deputy Mayor to fulfill these roles with another Councillor appointed annually.

2. Clarifying the delegations of the Sub- Committee of the Senior Staff Contractual Committee for the separate tasks of Recruitment and Performance Review

The processes for the Appointment and Performance Review as outlined in the Guidelines are distinct and separate.

For clarity it is proposed that amendments be made to the structure and delegations to clarify the role of the CEO Appointment Sub- Committee as follows:

(a) CEO Appointment Sub – Committee

It is proposed that the following role of the Sub-Committee for CEO Appointment as outlined in the Guidelines be included for clarity in the guidelines as follows:

- Final short- listing of candidates
- Interview of Short-listed candidates
- Ensuring reference checks and other relevant background checks are completed
- Completion of a Selection Panel Report which is to be provided for consideration to a closed Meeting of the Council that:
 - outlines the selection process
 - recommends the most meritorious applicant with reasons
 - recommends an eligibility list if appropriate
 - recommends that no appointment is made if the outcome of interviews is that there are no suitable applicants

In accordance with the provisions in the Guidelines, it is therefore proposed that the Mayor will be delegated the following tasks with respect to the early phases of the appointment process:

- Selection of provider of Recruitment Services in accordance with Council Procurement Procedures.
- Securing the services of an Independent Person to participate in the appointment process.
- the CEO's position description is current and evaluated in terms of salary to reflect the responsibilities of the position
- the proposed salary range reflects the responsibilities and duties of the position
- the position is advertised according to the requirements of the Act
- information packages are prepared, and
- applicants selected for interview are notified.

3. Independent and Other Committee Members.

It is proposed that the Sub- Committee arrangements be re- worded to reflect the following:

- When actioning the appointment delegations of the Sub-Committee (Part 1) the services of an independent person to the Council will be engaged to participate. The individual selected by the Mayor will have appropriate experience and background to understand the role of the CEO and the requisite experience and attributes of an ideal candidate for the position.
- When actioning with the performance review aspects of the delegation (Part 2) the Sub- Committee membership will continue to be supplemented by an Appointed External Professional Facilitator (Observer) and an additional Councillor who is nominated by the CEO.

It is proposed that the arrangements outlined above be confirmed to facilitate the appointment of the CEO position in a timely manner.

MM25.4 Mayoral Minute - Freedom of Entry 2026

HPERM Ref: D25/72148

Recommendation

That Council:

1. Support hosting a Freedom of Entry Ceremony and Civic Celebration in October 2026, noting the significance of the Defence connection to the Shoalhaven.
2. Investigate initial budget investigations and event planning commencement with key stakeholders.

Details

Shoalhaven has a very, very strong connection to the Australian Defence Force (ADF) with two Navy bases, HMAS Albatross and HMAS Creswell and the Fleet Air Arm at Albatross being located within our City.

Being a Defence City, Shoalhaven has a long, proud tradition of valuing our relationship with the ADF, and in doing so celebrating the tradition of the Mayor handing the keys to the City over, in a reflection of the traditions in medieval times when cities were fortified.

Traditionally, the Shoalhaven have extended an invitation to ADF to have a Freedom of Entry Parade and Civic Celebration every four years, with the last one being held in 2022 and incorporated the Fleet Air Arm for the first time and their 75th anniversary celebrations which coincided with the Freedom of Entry event.

Freedom of Entry is a formal ceremony where the ADF receive a ceremonial scroll, marking open passage or “the keys to the City” and signifies the bestowing of freedom of the City. A Freedom of Entry is the highest accolade that can be bestowed on an individual or group of citizens and signifies a high level of trust with the recipients.

The ceremony itself is unique to Navy and will create memories for many personnel who have never experienced this event. The event is also a great opportunity for our community to show their appreciation for our defence forces and their families posted locally.

Following recent discussions with representatives of HMAS Albatross, HMAS Creswell and the Fleet Air Arm a keen interest was expressed to have another Freedom of Entry event as per the four year schedule in October 2026, noting a key element of the ceremony is a sunset salute which is best undertaken in the early weeks of daylight saving which is the event is preferred to take place in October.

Should you wish to read more about this tradition.

[Freedom of Entry | Royal Australian Navy](#)

MM25.5 Mayoral Minute - Waminda Birthing on Country - Major Milestone - Minga Gudjaga Gunyahlamia Birth Centre and Community Hub

HPERM Ref: D25/72170

Attachments: 1. Waminda Newsletter [↓](#)

Recommendation

That Council write to Waminda acknowledging the recent sod turning for the Birthing on Country project, on 18 February 2025 and recognises this as a major milestone and achievement in progressing the Gudjaga Gunyahlamia Birth Centre and Community Hub.

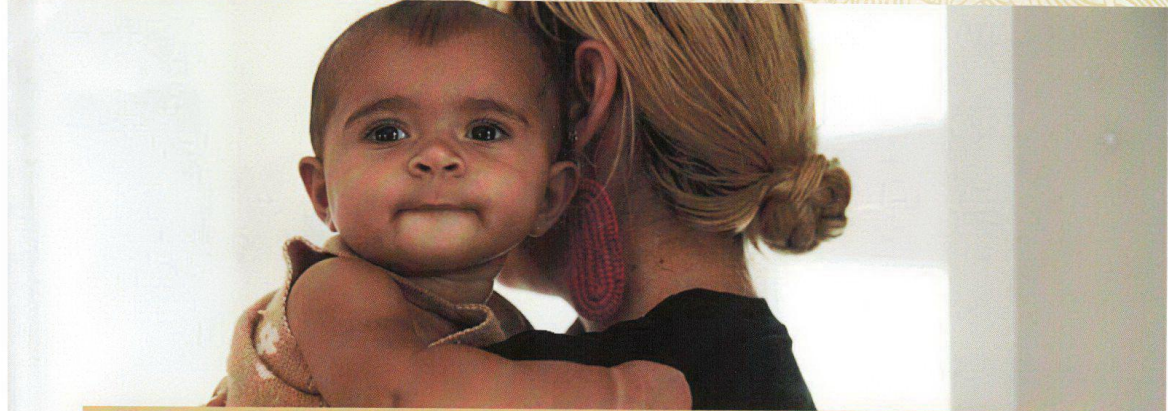
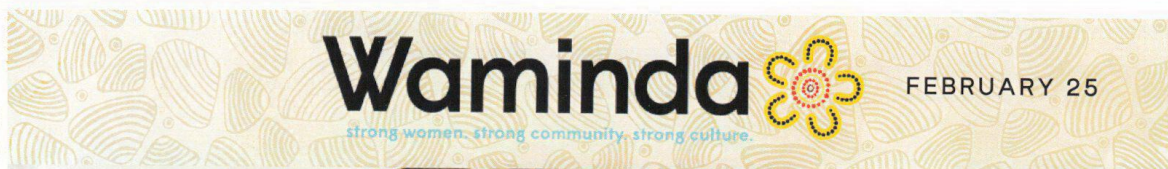
Details

On 18 February 2025 I had the privilege to attend Waminda's the sod turning ceremony, marking the beginning of the Birthing on Country project, which aims to provide a holistic, and comprehensive approach to pre and postnatal care for Aboriginal women, children and their families.

The sod turning, which took place on site at 102-106 Hillcrest Ave South Nowra, signifies the culmination of an immense body of work that Waminda and other key stakeholders have done over the past 3 years to bring this project to fruition.

On behalf of Shoalhaven City Council, I congratulate Waminda and all those involved in this project, a world first in Aboriginal community- led Birthing on Country service and look forward to attending the opening event, following the completion of the projects in approximately mid-2026.

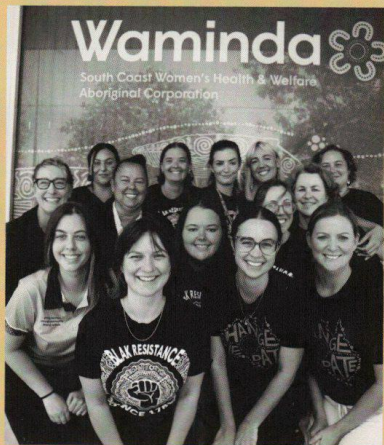
MM25.5



WELCOME TO OUR

Birthing on Country Newsletter


◆
Acknowledgements




This newsletter is designed to keep you abreast of the major achievements throughout our journey towards providing the most comprehensive Aboriginal community-led Birthing on Country service globally. 2024 saw monumental change and growth for Waminda's Birthing on Country program, which is a testament to the determination and perseverance of all those who have contributed to its success over the past nine years. We acknowledge our deadly team and the wider Waminda organisation who work day and night tirelessly to provide exceptional wrap-around care for women and their Aboriginal babies and families, and the Chief Executive Leadership Team and Waminda Board of Management for their guidance, love and nurturing to support the work we do. But mostly, we wouldn't be in this position if it wasn't for our Elders, the women who have come before us and we honour what our old peoples wanted us to do today.

To stay connected and see the video of what the Gudjaga Gunyahlamia Birthing and Community Centre will look like, scan the QR code →



 Waminda - Birthing on Country

 @birthingoncountry_waminda



Minga Gudjaga Midwifery Practice Launch

On the 1st of May 2024, we launched our caseload model of care, Minga Gudjaga Midwifery Practice (MGMP), becoming the first Aboriginal Community Controlled Health Organisation (ACCHO) to employ midwives with visiting rights at a public maternity hospital. This means women now have their own Waminda midwife caring for them during labour and birth as a 'Visiting Endorsed Midwife' at the Shoalhaven District Memorial Hospital. We have had 43 babies within MGMP since May and have seen excellent clinical outcomes so far which tells us we're already making a difference for women and their babies. We have experienced amazing collegiality with the midwives at Shoalhaven District Memorial Hospital who have been genuinely supportive of our model of care, which is going from strength to strength. We have also received lots of positive feedback from women and families who are feeling well supported by Waminda's wrap around services including Reproductive & Sexual Health and Child & Family Health services.

43 healthy bubs born in
MGMP since May 1st 2024

79% breastfeeding

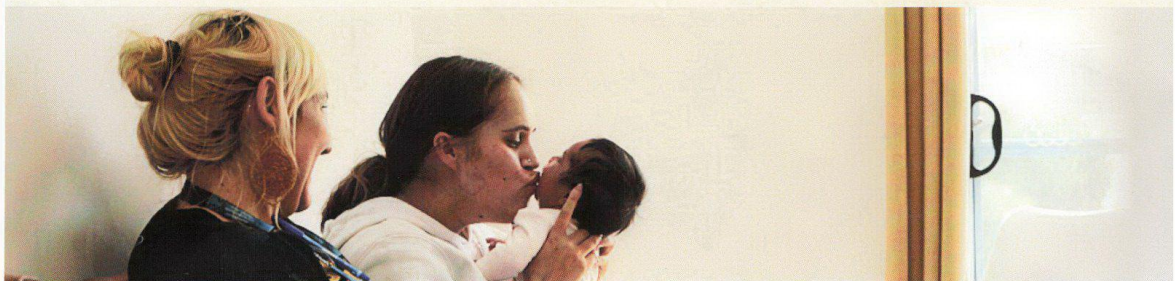
95% full term births and
95% healthy birth weight

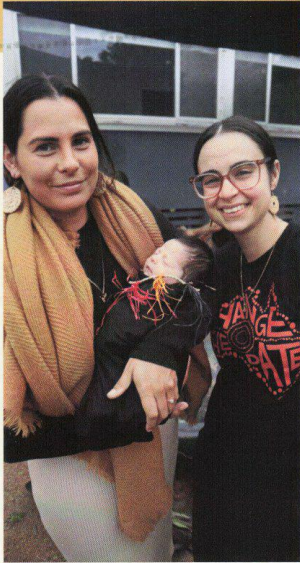
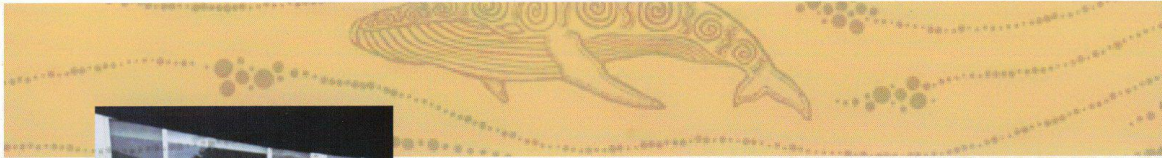
29 vaginal births (3 were instrumental delivery),
14 caesareans (4 were emergency caesareans)



Gudjaga Gunyahlamia Birth Centre

We have also made major progress towards our Aboriginal-led birth centre over the past 12 months. In October 2023, Waminda purchased several blocks of land that will house our Birth Centre and Community Hub alongside other Waminda programs to provide holistic wrap-around care to support women and their Aboriginal families. We have been working intensively with Papesch Architecture for the past 3 years to co-design the Gudjaga Gunyahlamia Birth Centre and Community Hub. This process has involved consultation with Elders and senior Aboriginal women to ensure we bring their vision to life, collaborating on the design of a building that is not just fit for purpose but will be a global landmark in recognition of the significance of Birthing on Country. Our Development Application for the Birth Centre was submitted in May, and in November this year, the application was approved by Shoalhaven City Council and the NSW Joint Regional Planning Panel, allowing construction of the Birth Centre to commence in January 2025. We anticipate the build will be complete by mid-2026, ready for the first baby to be born.





BoC Workforce Development

Waminda’s Birthing on Country research team were awarded a competitive Major Research Grant from the Lowitja Institute for our project “*Mob Caring for Mob: Establishing Educational Pathways to Midwifery for Aboriginal Women to Support the upscaling of Birthing on Country Services*”. This project seeks to address barriers faced by local women in pursuing a career in Midwifery and other Allied Health positions. We will establish a Birthing on Country Workforce Committee in order to foster collaboration and innovation amongst key stakeholders such as schools, TAFE, universities and health services. Knowledge translation activities for this project will be guided by the needs identified by local Aboriginal women during initial qualitative exploration, with a marketing and communications campaign designed to increase the profile of midwives and Aboriginal Health Practitioners and increase awareness and access to educational pathways.

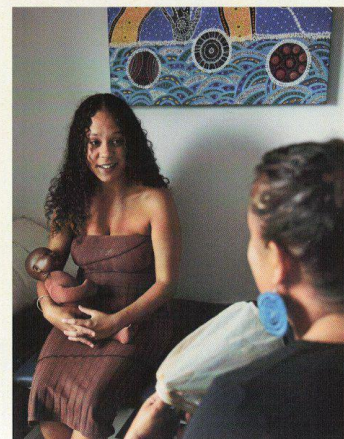


ACM Maternity Service of the Year

In September, Waminda’s Birthing on Country program was awarded ACM Maternity Service of the Year at the 2024 Australian College of Midwives National Conference in Melbourne. We were honoured to receive this award in recognition of the holistic wrap-around care Waminda services provide for women and their Aboriginal families. We couldn’t do it without the women, walking through the doors, trusting us and believing in us to provide the care that they deserve. The work we are doing is truly ground-breaking and is influencing a change in maternity services nationwide as we are not just providing the ‘gold standard’ but we are raising the benchmark for all maternity care. When we get it right for our women, we get it right for all women.

Partnership with Molly Wardaguga Institute

Waminda has a longstanding relationship with researchers from the Molly Wardaguga Institute as they have supported us in growing our evidence base to redesign maternity service delivery. As part of this partnership we are collaborating on a 5-year study to evaluate the outcome associated with Birthing on Country at Waminda. In recognition of our growing capacity to lead our own research, in 2024, we commenced a handover from the team at the Molly Wardaguga Institute to conduct the qualitative component of the RISE Safely research project which aims to generate a rich understanding about the meaning and personal impacts of service redesign, in particular, the development, implementation and outcomes of the first ever ACCHO-led continuity of maternity care, our Minga Gudjuga Maternity Practice.





MM25.5 - Attachment 1

CL25.25 Notice of Motion - Fleet & Plant Accountability and Transparency

HPERM Ref: D25/39207

Submitted by: Cllr Jason Cox

Note: This item was deferred from the Ordinary meeting of 18 February 2025.

Purpose / Summary

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

Recommendation

That Council instruct the Acting CEO to provide a list of ALL the new vehicles including the types and models purchased throughout 2024 to 31 December and the allocation and purpose thereof.

Background

Fleet and Plant accountability and transparency in the public and rate payer's interest.

CL25.25

CL25.26 Notice of Motion - AEC Fleet & Plant Service Review Report

HPERM Ref: D25/42035

Submitted by: Cllr Jason Cox

Note: This item was deferred from the Ordinary meeting of 18 February 2025.

Purpose / Summary

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

Recommendation

That Council instruct the Acting CEO that the AEC Fleet & Plant Service review report of June 2024 be moved from a confidential report to a public one.

Background

In the public and rate payer's interest for transparency and accountability.

Note by the CEO

It would be in the interest of the Council to resolve to Direct the Acting CEO to release the information contained in the report which is not subject to confidentiality provisions under legislation, OR that the Council be provided a report to a future meeting which in effect releases the components of the report which are not considered confidential under legislation.

CL25.26

CL25.27 Notice of Motion - AEC Financial Sustainability Review - Actions Taken to Reduce FBT Liability

HPERM Ref: D25/42049

Submitted by: Cllr Jason Cox

Note: This item was deferred from the Ordinary meeting of 18 February 2025.

Purpose / Summary

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

Recommendation

In relation to the AEC Financial Sustainability review report of November 2024. The report mentions the FBT levels of 2021 to 2024 being of concern. Request what actions have been taken to date to greatly reduce the FBT liability to Council.

Background

FBT increased exponentially (up to 10 times) from 2021 to 2024. A report showing how processes are being put in place to address this is required to give transparency to the community over councils management of fleet vehicles.

CL25.27

CL25.28 Notice of Motion - Shoalhaven City Council Apply the Statutory Minimum for the Cambewarra Pony Club

HPERM Ref: D25/58681

Submitted by: Clr Jason Cox

Note: This item was deferred from the Ordinary meeting of 18 February 2025.

Purpose / Summary

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

Recommendation

That Council:

1. Resolves to apply the minimum statutory annual rental amount for the duration of the terms of its lease with the Cambewarra Pony Club.
2. Direct the Acting CEO (or delegate) to enter into negotiations with the Pony Club executive around various provisions of the lease including, but not limited to, rates; waste services; and, effluent pump-out arrangements, and that staff report the outcomes/options arising from negotiations to Council.
3. The Pony Club retain the ability to sub-lease and/or rent the property for use by others to assist the Clubs ongoing viability.

Background

The Cambewarra Pony Club has been in existence for over 50 years and given the land was 100% donated specifically for the exclusive use of the CPC it is a bit rough to hit a community group with SCC Rates on SCC land they do a great job in maintaining.

The attempt by SCC to claim commercial rent on a club membership of approx. 45 members is going to probably close them if there isn't some assistance as they would at \$195 per member which is made up of \$60 to club for 2 free ride days per month and the balance to NSW Pony Clubs of \$135. They would have to double their membership to break-even / remain potentially viable.

Note by the CEO

Councillors are advised the current lease (1/1/23 to 31/12/23) is rent \$800 p.a. + GST + lessee responsible for 100% outgoings (operational land – all outgoings levied). A draft lease was proposed for further 12 months (1/1/24 to 31/12/24) but has not been executed. That lease had rent at \$833 p.a. + GST + lessee responsible for 100% outgoings (operational land – all outgoings levied)

Council has been discussing with the lessee, what agreement to enter into, e.g.: exclusive lease to Club, lease with option to sub-licence, seasonal licence, or hiring facility. There are differing views on appropriate leasing/licensing arrangement. Annual rental around \$1,000 p.a + 100% outgoings is indicated by Councils valuer, for a future new exclusive lease.

CL25.28

The current minimum statutory rent is \$604 p.a. For Council, forgoing outgoing expenses is expected to be in the vicinity of \$3,000.

CL25.28

CL25.45 Notice of Motion - Council's Green Electric Vehicle Policies

HPERM Ref: D25/61911

Submitted by: Cllr Jason Cox

Purpose / Summary

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

Recommendation

It is requested that the Acting CEO furnish a detailed report on the cost of acquiring and running these vehicles, in particular a full detailed costing analysis of the previous Mayor's Electric Vehicle, itemised running including FBT, breakdown and any other relevant expenses.

Background

The previous Council had pursued a policy of reducing emissions by purchasing electric vehicles. The previous Mayor instigated a policy of purchasing electric powered vehicles, particularly for her private and Council business use.

CL25.45

CL25.46 Notice of Motion - Southern Water Services Entity

HPERM Ref: D25/62332

Submitted by: Cllr Jason Cox

Purpose / Summary

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

Recommendation

That the Acting CEO prepare a report to Council advising why, when and if the policy was updated/changed to replace a nominated SCC Councillor with the CEO or nominated delegate. Furthermore, what dividends has Southern Water Services paid Council over the past 3 years? This report should be tabled for the next ordinary meeting of council on the 11 March 2025.

Background

Historically, Southern Water Services was initially set up to counter any moves by the State Govt to incorporate Shoalhaven City Water into the catchment area of Sydney. Previously, a nominated councillor was appointed to the Shoalhaven/Southern Water Services Board. Currently the Acting CEO represents the Council on the Southern Water Services board. In the interests of transparency and accountability to ensure that the appointed delegate ensures the best financial interest and return of Council and community ratepayers.

CL25.46

CL25.47 Notice of Motion - Pensioner Rebates

HPERM Ref: D25/62819

Submitted by: Clr Denise Kemp
Clr Patricia White

Purpose / Summary

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

Recommendation

That Council:

1. Advocate and write to the NSW premier and state government for an increase in pensioner rebates (funded by the NSW Government) for council rates, water and sewerage.
2. Endorse a petition (intended to be lodged to the NSW government) on increase Pensioner rebates to be placed in Councils Administration Buildings, Gallery and Libraries to collect signatures for support.
3. Write to the local state members Liza Butler MP, Gareth Ward MP, and related ministers providing a copy of this recommendation and seeking their support.

CL25.47

Background

NSW gives pensioners a 50% rebate on their council rate. The catch ? It's to a maximum of \$250 and has been this amount for more than thirty years.

NSW pensioners who have been pensioners for a long period of time, know that the NSW council rate rebate of \$250 a year is getting smaller and smaller in proportion to their council rates, which could easily top \$1000 or \$1500 a year these days.

The same goes for the annual \$87.50 water and \$87.50 sewerage rebates.

Both the council rate rebate and the water and sewerage rebates are legislated in NSW local government act 1993, which commenced on the first of July 1993, over 30 years ago.

Back then the council rebate was set at 50 percent up to a maximum of \$250 per annum to all pensioners who own their home. Clearly, the intention was to give rate relief to pensioners in council areas where rates were comparatively low. If, at that time, your rates were higher than \$500, your rebate would not be 50%, but less. Obviously, rates under \$500 were linked to comparatively low land values, which meant owner occupiers tended to be nowhere near well off. Those owner occupiers would receive a 50 per cent discount.

However, with rates under or at \$500 a year now non-existent, you could say that the NSW pensioner council rate rebate is the most flagrant, most significant example of bracket creep in Australia. Research indicates currently that pensioners are paying an increase of 37 percent on rates since 2009 out of their low basic pensions.

It shows that pensioner purchase power is declining as a result of CPI plus increases in council rates. These declines are not being compensated to the full extent by the march and September pensions indexations anymore.

With the cost of living increases, i.e. electricity charges, food, rent, medication etc, rent pensioners are doing it tough.

Currently eligible pensioners in NSW **are entitled** to a rebate on their council rates and water charges. The rebate is mandatory and is available for all NSW councils.

REBATE AMOUNTS

Up to \$250 off ordinary council rates

Up to \$87.50 off annual water rates

Up to \$87.50 off annual sewage rates

ELIGIBILITY

Pensioner concession card holders

Gold card holders with Total permanent incapacity

Gold card holders with extreme disablement adjustment

War widow or widower

Wholly dependent partner entitled to the pensioner concession card.

The cost of living has risen, yet the rebate has not been adjusted for over 30 years.

CL25.47

CL25.48 Notice of Motion - Community Lease Policy Consideration

HPERM Ref: D25/67476

Submitted by: Cllr Jemma Tribe
Cllr Natalee Johnston

Purpose / Summary

The following Notice of Motion, of which due notice has been given, is submitted for Council's consideration.

Recommendation

That the Acting CEO urge Council staff to consider 'Profit Sharing' arrangements in the lease of Council owned buildings (rented by community groups delivering essential services to the community), in lieu of steep increases to the base rental rate.

Background

We understand that staff are currently examining Council's leasing policy for community groups who rent council owned spaces. There have been several instances brought to our attention in recent months where contracts currently being renegotiated include a base rate that is significantly higher than what is currently in place. We recognise that it is difficult balancing increased property valuations with affordability for not-for-profit organisations, while also considering the essential nature of the service they provide to the community. We ask that Council staff drafting this policy consider a 'profit sharing' component in lieu of steep base rate increases for Council to gain increased returns in a financially sustainable way. This would enable those organisations who can contribute more to do so and those who are smaller, yet still provide an essential service for the community, to survive. For example, Mollymook Surf Club provides an essential service to the community through Life Saving programs, training and more. The building is also a desirable venue weddings and other functions. While the volunteer Surf Lifesaving Committee cannot afford major increases to the rent, a share of venue hire charges could be considered.

CL25.48

CL25.49 Financial Sustainability Productivity and Efficiency Report

HPERM Ref: D25/15796

Department: Financial Sustainability
Approver: James Ruprai, Acting CEO

Purpose:

The purpose of this report is to inform Councillors and the community of the productivity and efficiency actions that have been taken from October to December 2024 to improve Council's financial sustainability.

Summary and Key Points for Consideration:

- The financial sustainability project commenced in February 2024, in response to the independent financial sustainability review ([CL23.420](#)). The project coordinates the organisation's efforts to address its financial sustainability challenges, through the delivery of agreed actions and initiatives.
- In adopting the recommendations of the AEC Financial Sustainability Review ([MIN23.667](#)), Council resolved to report the organisation's progress in achieving efficiencies against the productivity and efficiency target on a quarterly basis.
- This report summarises the actions taken to improve Council's financial sustainability from October to December 2024.
- A [Sustainable Financial Futures Plan](#) has been presented to Council, that describes the commitment to deliver a minimum of \$10 million in savings over the next 4 financial years (\$7 million in FY26, and \$1 million per annum in FY27, FY28 and FY29). Planning work is now underway to allocate the \$7 million savings into the draft FY26 budget.
- During October to December 2024, Council has captured recurrent general fund savings/income of \$51,398 and one-off savings/income of \$1.648 million. This brings the total recurrent general fund savings to \$2.548 million and one-off general fund savings/income to \$94.074 million. This reflects the full financial sustainability actions taken since the project commenced in early 2024.
- In QBR1, an internally restricted reserve was created, called the Financial Sustainability Reserve (FSR). Savings realised from FY25 QBR1 onwards are transferred to the FSR reserve. As of QBR2, the FSR balance has grown to \$2.76 million.

CL25.49

Recommendation

That Council:

1. Receive the productivity and efficiency report for the period from October to December 2024.
2. Note the actions taken during the period that have supported progress towards the vision identified in Council's Sustainable Financial Futures Plan.

Options

1. The productivity and efficiency report for the period from October to December 2024 be received for information.

Implications: Nil

2. Further information regarding action taken during the period to improve Council's financial sustainability be requested.

Implications: Any changes or additional matters can be added to future reports.

Background and Supplementary information

In November 2023, AEC provided a report ([CL23.420](#)) to Council on its financial sustainability. In this report, Council was informed that the general fund net operating position has been in a deficit position over the past eight years and there is a structural deficit to fund recurrent expenditure of \$25-35 million per annum. AEC made 27 recommendations, including an SRV, and that all had to be implemented to ensure Council's financial sustainability.

The Financial Sustainability project has been established to coordinate Financial Sustainability actions and initiatives in response to [MIN23.667](#), [MIN24.44](#) and from report [CL23.420](#) – AEC Financial Sustainability review from November 2023. The project commenced in February 2024 and has 3 major workstreams:

1. Asset and Project Management
2. Financial Management
3. Service Planning

In December 2024, Council was presented a Sustainable Financial Futures Plan (see attached) that details the actions and operational savings plan to improve Council's financial sustainability. The Sustainable Financial Futures Plan (SFFP) includes a commitment to deliver operational savings to meet the agreed \$10m savings target over the next 4 years.

The SFFP is available on Council's website to ensure the financial sustainability actions and progress to date is clearly communicated and transparent. The Councillors and community will be updated monthly via Council's website on the status of the actions taken and progress made on the agreed savings plan. This will complement the existing quarterly Productivity and Efficiency Report to Council, with the objective to make the financial sustainability actions and progress more accessible and understood by the community.

Summary of financial sustainability initiatives

Reducing costs – executive restructure

An executive level restructure was completed in December 2024, resulting in the rationalisation of the executive structure from six directorates to four directorates and the disestablishment of 20 long-term vacancies. The restructure savings will be \$1.6 million annually. Due to termination payments resulting from the restructure, the savings will be realised from the FY26 original budget onwards.

Reducing costs – staffing

As a result of the recruitment process that was established in 2024 in response to [MIN24.44](#), over 100 vacancies are now held across Council. Salary savings up until December 2024 are captured as part of QBR2, totalling \$1.606 million.

There are operational challenges associated with holding this number of vacancies across the organisation, which is being felt in some areas of Council more than others. The vacancies mean there are potential impacts to meeting the agreed delivery program, maintaining service levels and the potential for facilities to close due to lack of staffing.

Reducing costs – plant and fleet

Over the last quarter, the plant and fleet project has continued to action the service review recommendations. The focus for this quarter has been on updating Council's Motor Vehicle Policy, reviewing leaseback vehicle list, vehicle pricing and employee contribution to reduce Council's FBT liability, and completing the external plant hire tender. The financial benefits of a reduced FBT liability will begin to be realised from QBR3. There is ongoing review of the total plant and fleet across Council, with further sales of under-utilised plant expected in QBR3.

Reducing costs – changes to operating hours

In QBR2, an additional \$12,900 in savings will be reported through the realisation of the benefit for the following changes:

- Shoalhaven Entertainment Centre – close Sundays and reduced café hours
- Sanctuary Point Library – close on Saturdays

In QBR2, additional budget adjustments will be made to address the Council resolutions to reverse the operating hours decisions for Berry Village Pool ([MIN24.627](#), [CL24.363](#)) and Greenwell Point Village Pool ([MIN25.3](#), [CL25.3](#)). The increase in annual operating costs of these resolutions is \$47,500.

The net change in operating costs being reported in QBR2 is an increase in operating costs of \$34,600.

Reducing costs – other efficiency ideas

Departments across Council are continuing to work through efficiency ideas, with the following changes being reported in QBR2:

- A reduction in operational costs of \$42,000 for this financial year due to the cancellation of the 2024 staff Christmas party
- Annual rental savings of \$45,000 from the consolidation of staff office space
- Swim, Sport and Fitness and Library Services departments have continued efforts to find and report operational savings from various team initiatives, totalling \$11,469
- Annual reduction in Director materials and services budgets of \$19,529 recognised in QBR2 due to consolidation of Directorates through the executive restructure (this will be a recurrent saving of \$20,000 from FY26 onwards)

Revenue generation

In QBR2, \$10K of additional income will be recognised annually in Swim Sport Fitness, through the implementation of 3% challenge initiatives.

Improving organisational efficiencies - service reviews

Forward service review program for the next 3 years has been approved by ELT, with the 2025 calendar year program scheduled. Table 1 below shows the current work in progress program and status update on each.

Table 1: Service Review Program Schedule

Service review	Directorate	Type	Start	Due	Resources	Status
Library Services	Development	Business process improvement	Feb-25	TBC	In-house	Work recommencing in Feb 25
Holiday Haven	Services	Business process improvement	Dec-23	Apr-24	In-house	Review Complete - implementation underway under BAU
Legal	Performance	Business model - internal resources	Feb-24	Dec-24	In-house	On hold pending resource availability
Family Day Care	Development	Business model - commercial	Mar-24	Jul-25	In-house	Review complete – Council decision pending
Fleet & Mechanical	Services	Internal process/ structure/services	Mar-24	Jun-24	Consultant	Review complete - implementation underway under BAU
Communications and Media	CEO	Internal process /structure/services	Jun-24	Jul-25	In-house	Work in progress – ELT feedback received and finalisation of review underway
Customer Experience	Performance	Internal process /structure/services	TBC	TBC	In-house	On hold – pending other service reviews completion
Bereavement Services	Services	Business model - commercial	Jul-24	Mar-25	Consultant	Review complete – Councillors to be briefed in March 2025
Shoalhaven Entertainment Centre	Services	Business model - commercial	Jan-25	May-25	In house	Work in progress – scope approved
Holiday Haven	Services	Business model - commercial	May-25	Oct-25	Consultant	Not started – to be scoped in mid-2025

Asset custodian model (incl. PM function)	Services	Internal process /structure	Ongoing	Ongoing	In house	Part structural elements implemented. Further review of outdoor maintenance underway.
Waste tipping vouchers	Services	Internal process/business model	Jan-25	Apr-25	In house	New – work in progress
Safety review	Performance	Internal process	Jan-25	TBC	In house	New – scoping underway

Internal Consultations

The financial sustainability project consults internal stakeholders formally through weekly Executive Leadership Team meetings and monthly in Shoalhaven Leadership Team meetings.

A financial sustainability workshop was held in November to brief the new Councillors on the outcomes and recommendation for the Shoalhaven Family Day Care (SFDC) service review.

In 2025, financial sustainability workshops will be scheduled as required, rather than on a pre-arranged monthly schedule. The next workshop will be in March, where Councillors will be briefed on the outcome and recommendations from the Bereavement Services review.

External Consultations

Abraxa Management Consulting have been engaged to complete the Bereavement Services review, with this engagement due to finish in March 2025. For future service reviews, the project team is working with the Executive Leadership Team to strike the right balance of use of consultants versus internal resources to complete service review work.

Community Consultations

During this quarter, the Financial Sustainability project team participated in community consultation on the proposed special rate variation. This included attending a pop-up consultation at a local market and supporting the facilitation of the SRV workshops. This gave the project a voice with community to explain why we are in a financial challenge and what actions we have taken so far to address the structural deficit.

The project manager also presented on the Financial Sustainability project progress to the CCB Executive meeting in November 2024.

In 2025, the Financial Sustainability project will be sharing monthly videos on the organisation’s progress against the agreed actions and savings target. The objective of this regular communication is to make financial sustainability updates more accessible to the community (rather than large volumes of text on the website) and consistent (rather than updating only when there is something big to share).

Policy and Statutory Implications

Council’s Motor Vehicle Policy has been endorsed by the Executive Leadership Team and will be presented to the February Consultative Committee in February, as the final review before being adopted.

Financial Implications

October 2024 – December 2024 general fund report

Recurrent saving realised (grey-shaded rows were included in a previous productivity and efficiency report but are included to show the total achievement realised):

Category	Initiative	Saving/Income	Realised	Amount
Other efficiency ideas	Reduction in events support programme and marketing budget	Saving	24/25 original budget	-\$500,000

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Revenue generation	Increase in revenue – fees and charges review – general fund	Income	24/25 original budget	+\$1,303,000
Revenue generation	Increase in revenue – DA fee recovery	Income	FY25 QBR1	+\$50,000
Changes to operating hours	Reduced operating hours	Saving	FY25 QBR1	-\$320,758
Other efficiency ideas	Reduction in general fund operating budgets	Saving	FY25 QBR1	-\$322,934
Changes to operating hours	Reinstatement of operating hours – Berry and Greenwell Point	Saving reversal	FY25 QBR2	+\$47,500
Changes to operating hours	Realisation of reduced operating hours – Shoalhaven Entertainment Centre and Sanctuary Point Library	Saving	FY25 QBR2	-\$12,900
Other efficiency ideas	Reduction in general fund operating budgets	Saving	FY25 QBR2	-\$75,998
Revenue generation	Increase in revenue – Swim, Sport Fitness	Income	FY25 QBR2	+\$10,000
Recurrent productivity and efficiency general fund TOTAL				\$2,548,090

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One-off savings to date include:

Category	Initiative	Saving/Income	Realised	Amount
Pausing capital projects	Pause capital projects	Saving (deferred spend)	FY24 QBR3	-\$90,000,000 (total project cost excluding grant funding)
Increased cost controls	23/24 reduced department spending (no discretionary spending, holding vacancies)	Saving	FY24 QBR3	-\$1,700,000
Increased cost controls	24/25 reduced department spending year to date across general fund	Saving	FY25 QBR1	-\$368,975
Plant and fleet	24/25 plant and fleet general fund asset	Revenue	FY25 QBR1	+\$330,000

	sales			
Increased cost controls	24/25 reduced department spending year to date across general fund	Saving	FY25 QBR2	-\$42,000
Salary savings	24/25 net salary savings from vacancies year to date across general fund	Saving	FY25 QBR2	\$1,606,602
One-off productivity and efficiency general fund TOTAL				\$94,047,577

Summary of financial outcomes achieved to date:

During October to December 2024, Council has captured recurrent general fund savings/income of \$51,398 and one-off savings/income of \$1.648 million. This brings the total recurrent general fund savings to \$2.548 million and one-off general fund savings/income to \$94.074 million. This reflects the full financial sustainability actions taken since the project commenced in early 2024.

In QBR1, an internally restricted reserve was created, called the Financial Sustainability Reserve (FSR). Savings realised from FY25 QBR1 onwards are transferred to the FSR reserve. As at QBR1, the FSR balance was \$1.06 million. As of QBR2, the FSR balance has grown to \$2.76 million.

Risk Implications

There are financial, resource and reputational risks associated with not addressing the financial sustainability of the organisation. These risks are being addressed through risk assessment of activities undertaken and implementation of risk mitigation measures, including but not limited to communications, engagement, financial and workload planning.

As part of managing the risks, regular community updates will be provided as the financial sustainability initiatives progress.

CL25.50 DPOP 2024-25 - Quarterly Performance and Budget Report (October - December)

HPERM Ref: D25/34121

Department: Government Relations, Strategy & Advocacy
Approver: James Ruprai, Acting CEO

Attachments:

1. DPOP 2024-25 - Quarterly Performance Report (Oct - Dec) (under separate cover)
2. Quarterly Budget Review Report - December 2024 (under separate cover)
3. FY 24-25 - Q2 - Proposed Carry Forwards (under separate cover)
4. FY 24-25 - Q2 - Proposed Revotes (under separate cover)

Purpose:

The purpose of this report is to include the Quarter 2 performance report on the 2024-25 Delivery Program and Operational Plan and present the proposed budget adjustments in the December 2024 Quarterly Budget Review for adoption.

Summary and Key Points for Consideration:

- This report outlines highlights for Quarter 2 performance (October to December 2024) against actions and targets set in Council's 2024-25 Delivery Program and Operational Plan (DPOP).
- This report includes the proposed budget adjustments outlined in the December 2024 Quarterly Budget Review Report.
- Council has limited unrestricted funds. This continues to be a matter for concern for Council and is regularly addressed in Council business papers, briefings and is evident in Council's Long Term Financial Plan.
- The balance of grants spent in advance at 31 December 2024 increased to \$19.3M (September 2024 grants in advance were \$14.7M). The increase from 30 September 2024 is due to growth in the prepaid natural disaster works which have been funded from Council's cash reserves, and is awaiting payment from the funding body.
- The budget adjustments proposed (carry forwards and quarterly budget adjustments) have a positive general fund unrestricted cash net impact of \$1.3M. The 30 June 2025 forecast closing unrestricted cash balance has increased from \$2.26M as reported at the September quarter to \$3.55M in the attached report. The anticipated increase in interest earned was responsible for the positive budgeted cash movement.
- Savings of \$1.7M realised this quarter and quarantined within the internally restricted Financial Sustainability Reserve (FSR) bringing the reserve balance up to \$2.76M at 31 December 2024. Had this \$2.76M not been quarantined within the FSR general fund unrestricted cash would have been forecast to be \$6.31M.
- General Fund budget adjustments are positive and result in a reduction to the forecast general fund operating deficit. The major adjustments outlined in this report are an increase to forecast interest income and the reduction in forecast employee expenses.
- Net favourable budget adjustments are proposed for both Water and Sewer Fund, increasing the projected operating surplus forecast for each fund.

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- Council will not achieve the mandated Office of Local Government (OLG) performance measures for 30 June 2025 – including Operating Performance Ratio, Debt Service Cover Ratio and Infrastructure Renewal Ratio. Council is forecast to meet the required NSW Treasury Corporation debt covenant ratios.
- Due to timing of proposed land sales, Council will not repay early an additional \$10M in loan borrowings before 30 June 2025. The proceeds will instead remain restricted in the Industrial Land Development Reserve, and will not be available for expenditure.
- Repurpose the previous loan drawn down for the construction of Sanctuary Point Library construction, to other capital projects, in accordance with the original budget adopted by Council ([MIN24.244](#) and [MIN24.338](#)). Staff will repay the original loan and enter into negotiations to draw own a new loan for an equal amount.

Recommendation

That Council:

1. Receive the December Quarterly Performance Report on the 2022-2026 Delivery Program and 2024-25 Operational Plan and publish on Council's website.
2. Receive the December 2024 Quarterly Budget Review Report.
3. Adopt the budget adjustments as outlined in the December 2024 Quarterly Budget Report Document.
4. Repay in full the loan 1238 taken out on 28/10/2022 from NSW Treasury Corp originally borrowed for the Sanctuary Point Library.
5. Enter negotiations with commercial lenders for a 10-year loan agreement of \$5.5M to fund the repayment of the loan taken out on 28/10/2022 for the Sanctuary Point Library, the proceeds of which are being used to fund projects that form part of Council's 2025 Capital Works Program.
6. Delegate authority to the Acting Chief Executive Officer to execute the loan agreement.

Options

1. Adopt the recommendation

Implications: The budget will be adjusted as outlined in the December 2024 Quarterly Budget Report Document.

Council will be able to pay out loan 1238 with NSW Treasury Corp and take out a new loan with a commercial lender to fund capital projects in accordance with the adopted 2024/25 Delivery Program and Budget.

2. Adopt an alternative recommendation

Implications: Staff will be required to rework the quarterly performance and budget report in accordance with the alternative resolution.

Council will need to find alternate funding for capital works projects already underway, while holding cash proceeds from a loan taken out from NSW Treasury Corp that are not currently able to be spent.

Background and Supplementary information

Section 404 of the Local Government Act, 1993 requires the General Manager (Chief Executive Officer) to provide progress reports to the Council with respect to the principal

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activities detailed in the Delivery Program (Operational Plan) at least every 6 months. Furthermore, all councils must continue to consider a Quarterly Budget Review report.

Clause 203 of the Local Government (General) Regulation 2021 requires the Responsible Accounting Officer (Chief Financial Officer) to prepare and submit to the Council, a Quarterly Budget Review Statement that shows, by reference, the estimates of income and expenditure set out in the Operational Plan and a revised estimate of the income and expenditure for the full financial year.

The Responsible Accounting Officer is also required to report as to whether they believe the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure.

The December 2024 Quarterly Budget Review Statement (QBRS) includes an analysis of the year-to-date result and the reasons for the adjustments from the previously adopted budget by fund. Any proposed changes to the budget are included in the attached December Quarterly Budget Review Statement.

Summary of Delivery Program Operational Plan 2024-25 Performance

Table 1 below provides breakdown of performance as at 31 December 2024 across each of the key themes outlined in the Community Strategic Plan - Shoalhaven 2032.

Table 1: Action performance as at 31 December 2024 by Community Strategic Plan 2032 Theme area

CSP Theme	Progress snapshot
Resilient, safe, accessible and inclusive communities	88% actions on track or completed
Sustainable, liveable environments	92% actions on track or completed
Thriving local economies that meet community needs	89% actions on track or completed
Effective, responsible and authentic leadership	92% actions on track or completed

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Of the 135 DPOP actions, the following 4 actions have been rated as ‘Completed’ in the second quarter of the year:

- 2.1.04.01 – Stage works greater than \$250,000 with a Design/Approval stage and Construction/Commissioning Stage in separate financial years
- 4.2.03.01 – Annual review and update of Council’s Workforce Plan to ensure strategies are updated and implemented
- 4.2.10.01 – Establish an Enterprise Project Management Office to oversee and support project governance through management of the corporate Project Management Framework and asset project readiness for inclusion in capital budgets
- 4.3.01.04 – Support the conduct of the 2024 Local Government elections

The remaining 131 actions are rated as ‘on track’, ‘on hold’, ‘deferred’ or ‘requires attention’.

Key Highlights

Council has consistently delivered a range of services, projects and activities which work towards achieving the 11 key priorities outlined in Council’s Delivery Program 2022-26. Performance comments are provided in the report against each of the 135 actions and related targets in Council’s 2024-25 Operational Plan.

The complete DPOP Quarterly Performance Report (October - December) is included as **Attachment 1**.

Significant achievements between October and December 2024 include:

- Initiated project planning for the review of the Disability Inclusion Action Plan (DIAP) 2022-26 and finalised the Draft Reconciliation Action Plan (RAP) for public exhibition.
- Provided feedback on strategic transport planning projects by Transport for NSW, including the Nowra Bypass, Illawarra Shoalhaven Strategic Regional Integrated Transport Plan, Princes Highway upgrade, and Milton-Ulladulla Bypass.
- Certified and gazetted the Open Coast & Jervis Bay Coastal Management Plan (CMP). The Lake Conjola CMP and Lower Shoalhaven River CMP are in Stage 4, with Sussex Inlet, St Georges Basin, Swan Lake, and Berrara Creek CMPs entering Stage 4 for public exhibition in early 2025.
- Continued preparation and review of Bushcare Action Plans, completing plans for Red Head Villages (Cunjurong Point – Manyana), Orient Point, River Road, Shoalhaven Heads, and Boongaree.
- Supported Aboriginal Tourism Operators in developing tourism businesses, with 12 Aboriginal businesses listed on the shoalhaven.com website.
- Participated in Illawarra Shoalhaven Joint Organisation (ISJO) projects, including the Early Childhood Education and Care Regional Strategy and the Joint Organisation Net Zero Acceleration program.
- Conducted community engagement programs, including the Proposed Special Rate Variation, Mayor’s Giving Tree, opening of the Huskisson Mangrove Boardwalk, and completion of Kangaroo Valley Natural Disasters Landslip Road repairs, with VIP and media attendance.
- Implemented financial sustainability initiatives, such as the Enterprise Project Management Officer (ePMO), Grants program review, and regular budget management engagement with the Senior Leadership Team.

CL25.50

Requires Attention

Table 2 below outlines the five Action items that have been reported as ‘requires attention’ at 31 December 2024. Full performance comments are in the attached report and remedial actions have been reported to senior management.

Table 2: DPOP Actions rated as ‘requires attention’ as at 31 December 2024.

Ref.	Action	Quarter 2 Comment (summary) Full comments in attached report
1.1.06.01	Implement an inspection regime required to ensure the satisfactory operation of on-site sewage management systems for the maintenance of public and environmental health	Environmental Health Officers undertook 433 inspections of on-site sewage management systems in quarter 2 and issued 343 approvals to operate. While the team have met and exceeded their required inspection targets, the additional time required to follow up non-compliant systems and undertake administrative tasks has meant that the program continues to run behind schedule with approximately 1,566 properties due for inspection before the end of FY 24/25.
2.2.01.01	Finalise the local planning documents to guide the development of the Moss Vale Road North Urban Release Area	Public Exhibition of detailed Draft Development Control Plan Chapter and Infrastructure Funding Options Paper for the Urban Release Area concluded in September 2024. Range of resulting dialogue occurred with relevant NSW Government agencies, Infrastructure providers and landowner

Ref.	Action	Quarter 2 Comment (summary) Full comments in attached report
		/developers. Council briefing to discuss next steps and landowner liaison to be rearranged and matter to be reported to Council for formal consideration.
2.2.01.03	Preparation of a new local infrastructure contributions scheme and governance framework	Work continued on the preparation of the new Local Infrastructure Contributions Scheme (Contributions Plan) for Shoalhaven. Progress reports provided to Council's Executive Leadership Team to enable consideration of resourcing and other requirements to enable this key project to progress to finalisation in a timely manner. The infrastructures projects review and basic needs analysis is now complete. Work to determine new infrastructure list is close to completion. However, overall timeframes have slipped due to other competing priorities.
2.3.03.03	Implement water quality monitoring program of Shoalhaven's estuaries, lakes, rivers and beaches to ensure the cleanliness of waterways for public and environmental health	8 catchments were sampled during quarter 2. Sampling was also undertaken for Environmental Protection Licenses. Beachwatch Commenced at 11 beaches in December. Budget cuts have reduced funding for the maintenance/replacement of water quality monitoring equipment. Without this funding this equipment will be unable to be replaced resulting in the end of the water quality monitoring program.
3.1.03.01	Promote the Shoalhaven as a diverse region with a focus on off-season visitation	Shoalhaven Visitor economy had an increase in spend to \$1.42 billion and increase in total nights by 9%. However, total visitors dropped by 12% and a lack of budget for campaigns and leads to industry saw a drop of 3% year on year of unique visitors to shoalhaven.com and reduced engagement across all channels. Off-season campaign development is underway with reduced budget for Autumn Wellness and Winter Foodie. The team is seeking funds from State and Federal bodies to assist with the shortfall in off-season marketing resources.

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On Hold

Table 3 below, outlines the six Action items that have been reported as 'on hold' as at 31 December 2024. Full performance comments are in the attached report and remedial actions have been reported to senior management.

Table 3: DPOP Actions rated as 'on hold' as at 31 December 2024.

Ref.	Action	Quarter 2 Comment (summary) Full comments in attached report
1.1.03.03	Work with community to foster an inclusive Shoalhaven where everyone has equitable access to opportunities and continue to deliver priorities from the	Due to staff vacancies the team have not had capacity to deliver on all actions.

Ref.	Action	Quarter 2 Comment (summary) Full comments in attached report
	Disability Inclusion Action Plan	
1.2.02.02	Staged implementation of Shoalhaven Entertainment Centre's Strategic Business and Marketing Plan	Shoalhaven Entertainment Centre's Strategic Business and Marketing Plan is on hold due to reduced resources.
1.2.03.01	Work with community to improve the recognition, protection and celebration of the diverse community, history and cultural heritage of the Shoalhaven	Due to staff vacancies the team have not had capacity to deliver on all actions.
4.1.01.02	Run 'Voice of the Customer' programme by responding to feedback and identifying process improvements to close the feedback loop	The voice of the customer program was set up last year and was on hold during Q2 this year for phone and in person customer satisfaction surveys due to the cost. Customer requests satisfaction surveys were still active in Q2 and a process is in place to review the feedback and identify improvements.
4.2.04.01	Implement an effective business partnership structure in supporting corporate information systems	Executive level restructure implemented on 2 December, consolidating Directorates which aligns with the resourcing (i.e four business partners) in the Corporate Information Systems team. Planning for the agendas and communications to be distributed to stakeholders in January.
4.3.01.01	Facilitate staff education and awareness of the International Association for Public Participation (IAP2) Framework	Internal working group for the Community Engagement Framework identified the need for IAP2 training across the organisation. Part of the Community Engagement Framework will be to ensure staff have access to IAP2 training. On hold until training budget freeze is released.

CL25.50

Deferred

Table 4 below, outlines the two Action items that have been reported as 'deferred' as at 31 December 2024. Full performance comments are in the attached report and remedial actions have been reported to senior management.

Table 4: DPOP Actions rated as 'deferred' as at 31 December 2024.

Ref.	Action	Quarter 2 Comment (summary) Full comments in attached report
3.1.02.03	Maintain Council's Key Projects Advocacy Document as a living prospectus to drive government investment	The final Advocacy Document has been completed in draft, however executive have paused the development to print and distribution.
4.2.01.05	Complete review and	Work is currently focused on the completion of our

Ref.	Action	Quarter 2 Comment (summary) Full comments in attached report
	update of the key strategic business documents and plans of Shoalhaven Water as required under the Regulatory and Assurance framework for local water utilities	Development Servicing Plans and Long Term Financial Plan before the Strategic Business Plan can be drafted for review and endorsement.

December 2024 Quarterly Budget Results Overview

The areas of focus for the quarter ended 31 December 2024 were:

- The receipt and endorsement of the Shoalhaven City Council Annual Report 2023-2024 at the Ordinary meeting held on Tuesday 26 November 2024 ([MIN24.634](#)). The Annual Report was presented to council on behalf of the Audit Office by Min Lee the Director of Financial Audit, who advised that the audit office had issued a clean unmodified audit opinion on the Council’s financial statements. The audit report was issued prior to the due date of 31 October 2024.
- The endorsement of the recommendation to Lodge an application with the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation increase of 12% including the rate peg at the meeting held 17 December 2024 ([MIN24.691](#))
- The adoption of the 2022-2026 Revised Resourcing Strategy ([MIN24.690](#)) on 17 December 2024 which included the Workforce Management Planning Strategy, the Asset Management Strategy, the Information Technology Strategy, and the Long Term Financial Plan (LTFP).
- The formation of a Finance Committee consisting of one councillor from each ward and 5 community members appointed by the Mayor at the Ordinary Meeting held 28 October 2024. ([MIN24.528](#))

Council’s Financial Sustainability Review (FSR) project continued during the quarter with \$1.7M in additional savings being realised for the 6 month to 31 December 2024. The savings have been quarantined in Council’s FSR Reserve and predominately consisted of \$1.6M in salary savings. Salary savings were calculated as the net result of general fund vacancies realised to 31 December 2024 less redundancies paid and adjustments required for additional workers compensation, and on-costs. Other smaller savings were realised totalling \$137K, however these were partially offset by Council’s decision to reinstate the opening hours at both Berry and Greenwell Point village pools (increase to expenditure of \$47k).

Favourable adjustments also included an increase of \$2.5M in interest income anticipated for the year ended 30 June 2025, \$1.5M of which improved the budgeted unrestricted cash position of Council’s General Fund. This anticipated improvement in cash position is important because of Council’s limited unrestricted funds balance which is regularly addressed in Council business papers, briefings and is evident in Council Long Term Financial Plan (LTFP). Management of Council’s cash position continues to require considerable effort from the Finance and Disaster Recovery Teams to ensure that Council’s restricted cash reserves are not breached – given the significant on-going expenditure on disaster recovery works and the resulting processing and receipt of recovery and other grant funding acquittals.

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At 31 December 2024, Council has spent \$19.2M of General Fund cash in advance for grant funded projects whereby the grant monies have not yet been receipted, with \$8.9M of this relating to Natural Disaster projects. This resulted in a preliminary negative unrestricted cash position of \$23.8M. To restore Council’s unrestricted cash back to NIL, the Council’s internal restrictions were utilised in accordance with Council’s Liquidity Contingency Policy. This policy ensures that external restriction amounts remain protected.

The majority of the \$8.9m grants spent in advance (\$4.459m increase on last quarter) relates to final payment of Emergency Works (“EW”) and Immediate Reconstruction Works (“IRW”) for completed projects that have been submitted and are due to be paid before 31 March 2025.

It is imperative that Council remains cash flow positive when delivering these significant works. Failure to do so will place pressure on Council’s unrestricted cash position and could result in projects being temporarily suspended until cash is made available.

Preliminary General Fund Year End Results and Quarterly Review Movements

General Fund

Council’s General Fund revised September budget for 2024-25 was projecting a deficit before capital of \$31.7M or an Operating Performance Ratio of negative 12.3%. This quarterly review has identified a decrease in Council’s projected General Fund’s deficit as a result of improved projected interest income, salary savings, and a reclassification of operational expenditure to capital expenditure for the Bishop Drive VPA project. The updated projected General Fund deficit is \$20.3M or Operating Performance Ratio of negative 8.5%.

The savings for the quarter include \$1.7M in Financial Sustainability Review savings that were identified, removed from budgets and transferred to a Financial Sustainability Reserve.

The following table presents a high-level summary of the budget and movements for the General Fund for Quarter 2 2024-25:

Table 5: General Fund budget movements for Quarter 2 2024/25

(\$'000) Favourable / (Unfavourable)	Current Adopted Budget	December QR Adjustments	December QR Revised Budget	YTD Actuals
Net Operating Result	53,572	-17,970	35,602	71,721
Net Operating Result before Capital Grants & Contributions	-31,755	11,419	-20,336	56,899

Finance is closely monitoring actual expenditure across Council. The improvements in financial culture, which have been embedded throughout the organisation over the previous 12 months, have resulted in improved fiscal outcome for the organisation. YTD expenditure is \$156M compared to a full year revised budget of \$338M – this represents 46% of the full year budget and is an appropriate year to date spend.

Actual employee costs are currently 47.9% of the revised full year budget (which was revised downwards this quarter). This is only slightly less than 50% at the halfway mark of the financial year and the minor variance is explained by seasonal casuals employed from November to March who service the community during peak summer season. Salaries will continue to be monitored through to 31 March 2025, with the intention of further reducing employee cost budgets and quarantining the underspend to date into the FSR reserve as part of the Quarter 3 (January to March) budget adjustments.

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Materials and services YTD expenditure represents 42.7% of the revised full year budget which is below the 50% expected at 31 December. Areas of council that have phased materials and services expenditure to the second half of the financial year include

- Environmental Services (conducts operational projects that can only be completed at certain times of the year which are due to be conducted in Q3 and Q4).
- Waste (timing of invoices mainly electricity)
- Works and Services (timing of invoices mainly electricity [street lighting], and operational road crews who typically shift their focus to delivering the capital Reseal program from December – March. Expenditure on roads is not linear in nature and typically increases during the warmer months of the year, and therefore expenditure is forecast to increase in Q3 and Q4 FY 2024-25. Additionally, expenditure is scheduled to supplement works being undertaken in conjunction with approved works under Natural Disaster funding.
- Swim Sport and fitness (timing of expenses due to seasonality of work).

Other Expenses are behind budget due to the timing of Waste Levy payments. It is expected that the full year budget will be achieved by the end of the financial year.

Following the completion of the external audit, and the receipt of an unqualified audit opinion from the NSW Audit Office, the updated fair value of Council assets is known and accordingly the depreciation forecast was revised in the Quarter 2 budget review.

Income is on track to meet the full year forecast. User fees and charges are 48.4% received YTD. Due to seasonality of income earned at Holiday Haven and through aquatic centres, it is expected that the third quarter result will be higher and will bring YTD actuals inline with budget by 31 March 2025.

The original budget was built on the assumption there would be no decrease in unrestricted cash, and factored in a favourable movement of \$1k for 2024/25. The budget adjustments made relating to Q1 and carry forwards are fully funded and an upward adjustment to interest income made this quarter has improved the projected cash position of Council at 30 June 2025.

Performance Measures

The revised forecasts of the Office of Local Government (OLG) performance measures for the 2024-25 financial year are detailed in **Table 6** below.

Table 6

Ratio	December revised forecast	Benchmark	Pass/Not Met
Operating Performance Ratio	-8.5%	>0%	Not Met
Own Source Revenue Ratio	78%	>60%	Pass
Debt Service Cover Ratio [^]	1.93	>2.00	Not Met
Infrastructure Renewal Ratio ^{^^}	34.1%	100%	Not Met

^{^^} Proposed Revised budget renewal ratio excludes Natural Disasters, if Natural Disasters had been included renewal ratio would be 74.34%

The calculations supporting these performance measures are reported in **Attachment 2 – Quarterly Budget Review Report – December 2024**.

In addition to the OLG performance measures, Council also has debt covenants it is required to achieve under its borrowings with NSW Treasury Corporation. Council is forecast to meet all required ratios on 30 June 2025 (the reporting date). The calculations supporting these debt covenant ratios are reported in **Attachment 2 – Quarterly Budget Review Report – December 2024**.

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Financial Sustainability Internal Restriction

Last quarter a new internal restriction titled “Financial Sustainability Reserve” was created and \$1.06M was transferred to this reserve as part of the adjustments arising from Q1. The Reserve is used to quarantine savings identified through the Financial Sustainability Project, providing transparency to community regarding where the savings have gone and how they are accumulating over time.

A further \$1.7M in savings has been realised up to 31 December 2024 and it is proposed to transfer these additional savings into the reserve as part of the Q2 adjustments, bringing the 31 December 2024 FSR reserve balance to \$2.76M.

Borrowings and Land sales

The Draft 2025 DPOP approved by Council to be placed on public exhibition on 6 May 2024 ([MIN24.244](#)) and adopted by Council on 24 June 2024 ([MIN24.338](#)), outlined the proposal to fund parts of the FY 2025 general fund capital program through:

- \$5.5M in current unspent loan funds (previously drawn down to fund the Sanctuary Point Library design – Loan 1238) being repurposed whilst a decision on the final scope of this project is determined
- \$5.375M of proceeds from land sales (budgeting for \$15M in proceeds from land sales – remaining \$9.625M will go towards paying of Council loans)

The terms and conditions of Loan 1238 are that the proceeds of that loan are only to be spent on the purpose provided at the time of borrowing, as such, in order to utilise the benefit of those unspent funds, Council must repay Loan 1238 and reborrow \$5.5M to fund the projects that were funded from these monies authorised by the Council as part of the budget passed on 24 June 2024.

Further, due to the uncertainty surrounding the timing of the payment of the Federal Financial Assistance Grant (“FA Grant”), which was 84.6% prepaid to Shoalhaven Council on the last business day of June 2024, there is concern that if available funds from land sales are used to make early repayments on variable interest rate loans prior to 30 June 2025, and the FA Grant is not prepaid before 30 June, or is prepaid to a lower percentage than in 2024, that this will put significant pressure on Council’s unrestricted cash balance on 30 June 2025.

Therefore, it is proposed that the proceeds of land sales originally designated to be used to pay down debt, be held restricted in the Industrial Land Development Reserve until after 30 June 2025.

Cash and Investments

Council held \$201.6M in cash and investments at 31 December 2024. This is split between amounts externally restricted, internally restricted, and amounts unrestricted. Council’s cash and investments are reported in **Attachment 2 – Quarterly Budget Review Report – December 2024**.

The funding, and ongoing management, of the grants spent in advance has placed significant pressure on the management of Council’s cash resources, and it will continue to be a challenge until Council’s unrestricted cash levels are reinstated to the pre COVID amounts.

Preliminary Water Fund Year End Results and Quarterly Review Movements

Council’s Water Fund approved revised budget for FY 2024-25 was projecting a small surplus before capital of \$382K and Operating Performance Ratio of positive 0.8%. This quarterly review has identified a net favourable result in Water Fund’s position to a projected surplus before capital of \$651K, and Operating Performance Ratio of positive 1.5%.

This favourable result is due to increasing the forecast interest income projections as well as identifying and committing employee savings, which will be returned to Water Fund. These positive adjustments have partially been offset by a projected shortfall in water usage revenue and the proposed depreciation charge being higher than expected (compared to original budget). This results in a net favourable movement of \$269K.

The following table presents a high-level summary of the budget and movements for the Water Fund for Quarter 2 2024/25:

Table 6: Water Fund budget movements for 2024/25

(\$'000) Favourable / (Unfavourable)	Current Adopted Budget	QR Adjustments	December QR Revised Budget	YTD Actuals
Net Operating Result	2,060	269	2,329	462
Net Operating Result before Capital Grants & Contributions	382	269	651	-24

Preliminary Sewer Fund Year End Results and Quarterly Review Movements

Council’s Sewer Fund approved revised budget for FY 2024-25 was projecting a surplus before capital of \$9.8M and an Operating Performance Ratio of positive 15.6%. This quarterly review has identified a net favourable result in Sewer Fund’s position to a projected surplus before capital of \$11.9M, and Operating Performance Ratio of positive 18.0%.

This improvement in the projected surplus is due to: an increase in service revenue and interest income and a reduction in the sewer treatment plants operating costs due to cost efficiencies identified. These positive adjustments have been partially offset by a small increase in operating costs to provide services and the proposed depreciation charge being higher than expected (compared to original budget). This results in a net favourable movement of \$2.0M.

The following table presents a high-level summary of the budget and movements for the Sewer Fund for Quarter 2 2024-25:

Table 7: Sewer Fund budget movements for 2024/25

(\$'000) Favourable / (Unfavourable)	Current Adopted Budget	December QR Adjustments	December QR Revised Budget	YTD Actuals
Net Operating Result	11,881	2,094	13,975	7,912
Net Operating Result before Capital Grants & Contributions	9,856	2,094	11,950	7,347

Capital Projects Progress Overview

Council has continued to refine the FY 2024-25 capital works throughout the December 2024 quarter, as preparation for the FY 2025/26 budget commenced. Council has reviewed the committed capital works program as adopted as part of the 30 September 2024 Quarterly Budget Review and have identified projects to be rephased into FY 2025-26 due to timing of delivery.

The proposed revised capital works program for FY 2024-25 is \$146.1M. This consists of Shoalhaven Water \$46.4M, Waste Reserve \$15.8M, Natural Disasters \$29.5M, with remaining balance of \$54.4M is to be delivered by General Fund (exc Waste).

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The capital works program is \$66.4M spent at 31 December 2024, comprising 45% of the program. Current forecasts indicate an increased rate of in civil construction expenditure in Q3, which is typical during the warmer months of the year. Additionally, there are major building projects, such as Materials Recovery Facility (MRF) and the new Manyana RFS station which have large costs forecast for Q3 and Q4. Therefore, year to date expenditure is in line with expectations as at Q2 FY 2024-25.

Projects removed from the FY 2024-25 capital program will be considered as part of the FY 2025-26 draft capital program, which will be presented to Council in April 2025 prior to going on public exhibition.

Proposed Carry Forwards and Revotes for 205/26FY

A carry forward is a capital project which commenced in the 2024-2025 financial year but will not be completed by 30 June 2025. A revote is a capital project that was budgeted for commencement in 2024/25 and will not commence (no expenditure incurred).

Council carry forward and revote requests into FY 2025-26 are to be considered at the December 2024 quarterly budget review (QBR2) and are as follows:

- Total Carry forwards and revotes proposed at QBR2 total \$37.2M
- Carry Forwards total \$36.8M, of which Shoalhaven Water constitute \$2.8M, Waste \$3.5M, Natural Disasters \$8.0M, and the balance of \$22.5M is to be delivered by General Fund (excluding waste).
- Of the \$22.5M in general fund carry forwards \$4.3M relates to Roads to Recovery and Local Roads Upgrade program which have been rephased to future years due to timing of the delivery of the programs and are 100% grant funded, \$4.8M relates to strategic roads both of which have been rephased to future years due to timing of the delivery and/or funding strategies, and \$3.6M relates to Fixing Country Bridges Round 2B which is forecast to be completed under budget
- Revotes total \$357K which is General Funds committed as co-contributions to grants submitted awaiting award determination. These relate to Lake Conjola Entrance Boat Ramp Carpark and Arthur Jones Reserve

A more detailed list by program is provided in **Attachment 3** – FY 24-25 – Q2 Proposed Carry Forwards and **Attachment 4** – FY 24-25 – Q2 - Proposed Revotes

Council will continue to refine the FY 2024-25 capital works program throughout the March 2025 quarter. The Enterprise Project Management Office (ePMO) continues to actively monitor the appropriateness of budget phasing and project deliverability. Any carry forwards/revotes identified in the March 2025 quarterly budget review will be considered for post exhibition changes in the final DPOP.

Conclusion

Positive results have been achieved year to date which are evident through this quarterly budget review.

Council is on the right track however the path to financial recovery is far from complete. Council finances will continue to be a challenge into the medium and long term as we work towards building an operational surplus, and increasing our investment into the renewal of Council assets to the required level.

The ongoing maintenance of Council's limited cash reserves, and the exposure to further natural disasters, continue to place pressure on Council, and council staff. The current lack

of available cash and the continued intervention that Council is required to take in order to avoid using externally restricted cash puts Council at considerable risk.

Finances will continue to be monitored with a high level of scrutiny, and financially responsible decision making will be necessary across all levels of Council.

Internal Consultations

Council staff from across the organisation have provided information to compile the report.

External Consultations

Nil.

Community Consultations

The community is consulted via public exhibition as part of the development of the DPOP and Budget each year.

Subject to Council's endorsement, the Quarterly Performance report will be made available on Council's website. A range of other communication methods may also be used to communicate the outcomes of the report including performance highlights across Council's social media platforms.

Policy Implications

There are no policy implications.

Financial Implications

The proposed changes result in a forecast unrestricted cash balance as at 30 June 2025 of \$3.556M. The budgeted general fund operational and capital expenditures do not exceed the general revenue and available internal and external restrictions of the Council and consequently the adjustments conform to the requirement of no cash deficit budgeting.

Risk Implications

Due to the funding constraints documented throughout this report, it is unlikely there will be unrestricted general fund cash to commit to unplanned capital such as unfunded natural disaster works should another disaster be declared, or if a significant event was to occur such as mechanical failure of a major asset. This risk of not being able to fund the required works could result in reputational and safety risks for the Council and will have longer term financial impacts upon Council.

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CL25.55 Investment Report - January 2025

HPERM Ref: D25/48062

Department: Finance

Approver: Sara McMahon, Acting Director - City Performance

Attachments: 1. Monthly Investment Review (under separate cover)
2. Statement of Investments (under separate cover)

Purpose:

The reason for this report is to inform the Councillors and the community on Council's investment returns. The report also ensures compliance with Section 625 of the Local Government Act 1993 and Clause 212 of the Local Government (General) Regulation 2021, that requires a written report is provided to Council setting out the details of all funds it has invested.

Summary and Key Points for Consideration:

Council's total Investment Portfolio returned 5.20% per annum for the month of January 2025, outperforming the benchmark Aus Bond Bank Bill Index (4.59% p.a.) by 61 basis points (0.61%).

Recommendation

That Council receive the Record of Investments for the period to 31 January 2025.

Options

1. The report of the record of Investments for the period to 31 January 2025 be received for information, with any changes requested for the Record of Investments to be reflected in the report for the period to 28 February 2025.

Implications: Nil

2. Further information regarding the Record of Investments for the period to 31 January 2025 be requested.

Implications: Nil

Background and Supplementary information

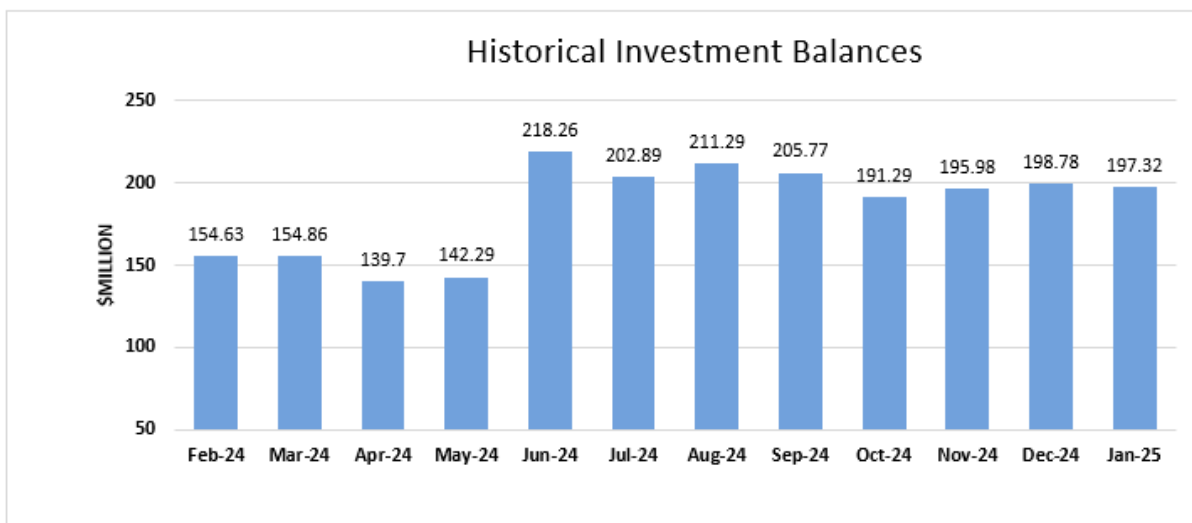
Investment Portfolio

Council's investment balance as of 31 January 2025 was \$197.32 million and consisted of the following types of investments.

Investment type	Invested (\$)
Term Deposit/cash	155,197,545
Floating rate notes	40,125,664
Bonds	2,000,000
Total	197,323,209

The details of each investment held by Council at 31 January 2025 is included in the Statement of Investments at [Attachment 2](#).

The graph below illustrates Council’s investments balance on a rolling 12-month basis. Timing of expenditure and grant monies varies throughout the year which can cause fluctuations in the overall balance at the end of each month.



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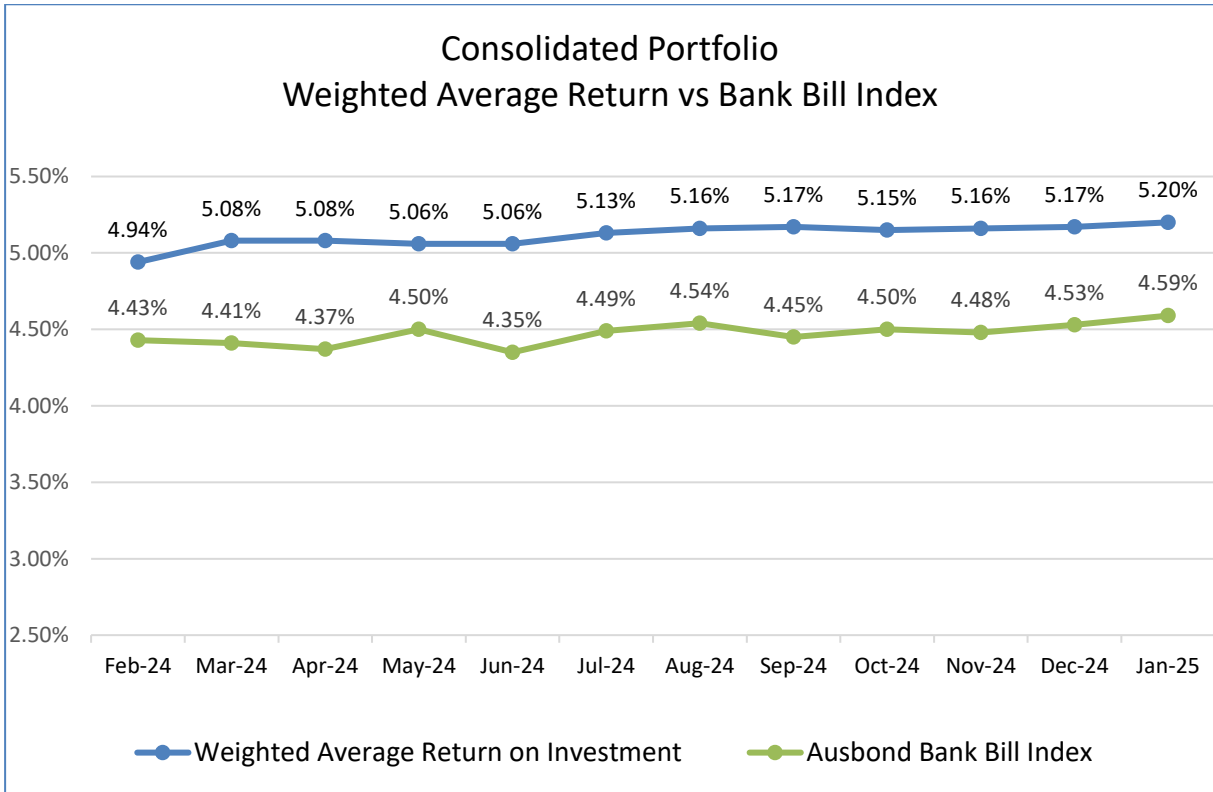
Portfolio Return

For the month of January, the total investment returns were a positive 5.20% p.a. outperforming Aus bond Bank Bill Index (4.59%) by 61 basis points.

Investments

Graph 1 below, shows the performance of Council’s Investment Portfolio against the benchmark on a rolling 12-month basis.

Graph 1 - Performance of Council's Investment Portfolio against the benchmark on a rolling 12 month basis



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Investment Interest Earned – January 2025

Much of Council’s cash is restricted in its use to specific purposes by external bodies, legislation and Council resolutions. Interest earned on externally restricted cash must be allocated to those external restrictions in accordance with legislation. The two tables below show the allocation of interest to each applicable Fund.

Table 1 below, shows the interest earned for the month of January 2025.

Table 1- Interest Earned for the Month of January 2025

Fund	Monthly Original Budget \$	Actual Earned \$	Difference \$
General	296,224	580,901	284,677
Water	140,754	219,028	78,274
Sewer	54,485	152,367	97,882
Total	491,464	952,297	460,833

The interest earned for the month of January, was \$952,297 compared to the monthly original budget of \$491,464.

Investment Interest Earned - Year to Date

Table 3 below, demonstrates how the actual amount of interest earned year to date has performed against the 2024/25 budget.

Table 3 - Amount of interest earned year to date, against the total budget.

Fund	Total Original Annual Budget \$	Actual YTD \$	% Achieved
General	3,487,804	3,375,627	97%
Water	1,657,263	1,502,529	91%
Sewer	641,521	814,108	127%
Total	5,786,588	5,692,265	98%

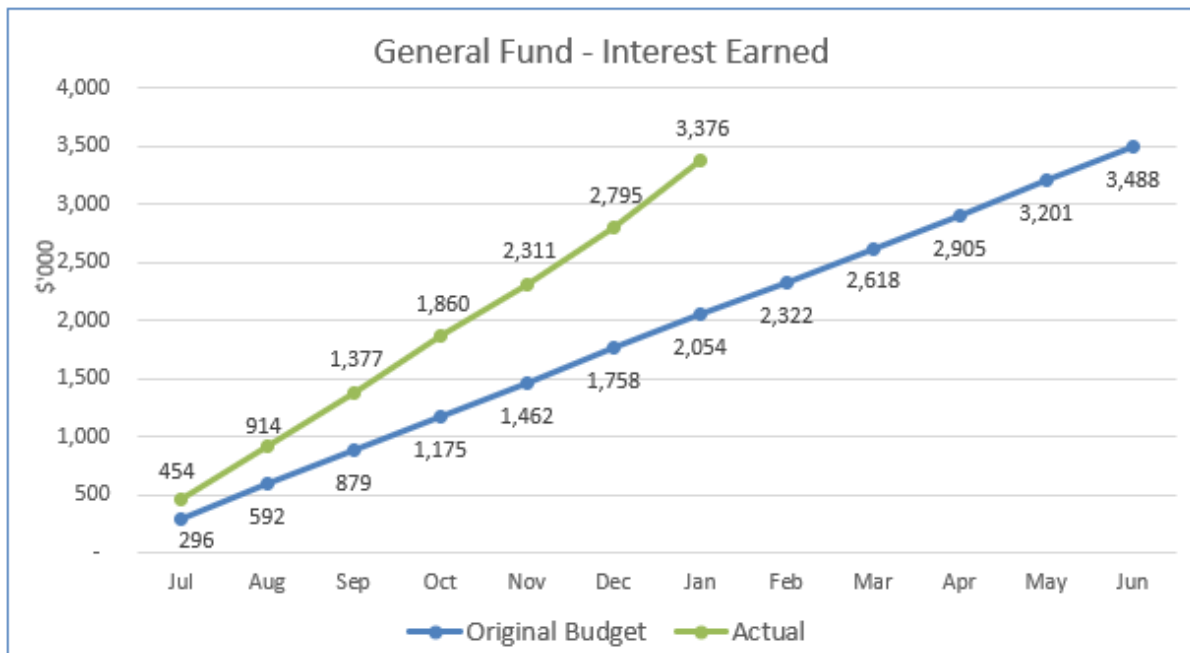
The interest earned in the general fund of \$3,375,627 includes interest earned on unspent s7.11 developer contributions and Domestic Waste Management reserves, which is required to be restricted by legislation. Interest earned on unspent s7.11 developer contributions is \$911,419 and Domestic Waste Management reserves is \$316,126 to the end of January 2025. This leaves \$2,148,082 which is unrestricted however, the amount of unrestricted interest is above YTD budget (above budget by \$322,946). A budgetary adjustment will be made as part of the December Quarterly Budget Review to reflect current market rates and interest forecast.

All returns on investments above budget on externally restricted Funds must be allocated to those Funds in accordance with legislation. Externally restricted surplus funds will be allocated to the respective external reserve to help fund future capital works included in the long-term financial plan. Any returns on investments above budget on unrestricted Funds will be used to replenish internal reserves which are currently funding costs incurred and spent on grant funded projects awaiting final acquittal.

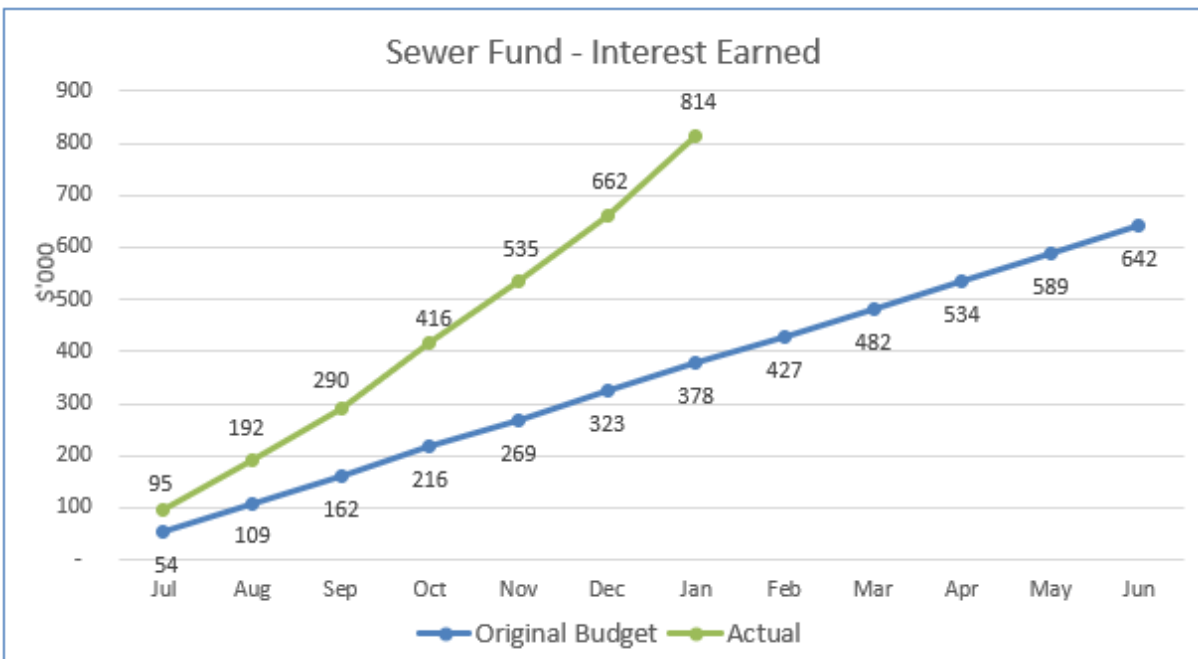
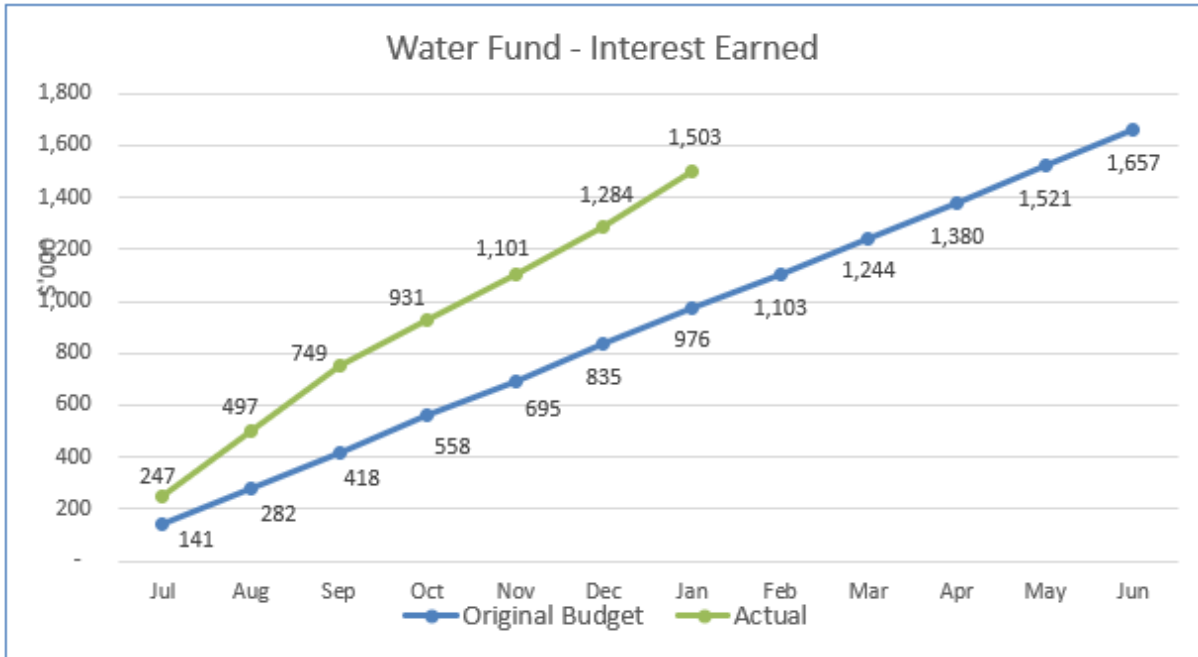
The cumulative interest earned for the year (July to January) was \$5,692,265 which is 98% of the current full year original budget.

Graph 2 (3 separate graphs) below, illustrates the cumulative interest earned for the year for each fund (General, Water and Sewer) against budget:

Graph 2 - Cumulative interest earned for the year for each fund against budget.



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Internal Consultations

Not applicable.

External Consultations

Council's investment advisor, Arlo Advisory Pty Ltd.

Community Consultations

Not applicable.

Policy Implications

All investments have been placed in accordance with Council's Investment Policy.

Financial Implications

Council's return on investments are exceeding budget and a budgetary adjustment will be made as part of the December Quarterly Budget Review to reflect current market rates and interest forecast.

Risk Implications

All investments are placed with preservation of capital the key consideration to prevent any loss of principal invested.

Statement by Responsible Accounting Officer

I hereby certify that the investments listed in the attached report have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulations 2021 and Council's Investments Policy POL22/78.

K Buckman

Katie Buckman

Date: 10 February 2025.

CL25.55

CL25.51 Policy - Councillor Expenses and Facilities

HPERM Ref: D24/543502

Department: Business Assurance & Risk

Approver: Sara McMahon, Acting Director - City Performance

Attachments: 1. DRAFT - Councillor Expenses and Facilities Policy (under separate cover)

Purpose:

This Policy is required under the Local Government Act 1993, to be reviewed and adopted within 12 months of a newly elected Council. Prior to its adoption the Policy must be put on mandatory public exhibition public exhibition for a minimum of 28 days.

This report provides Council with the proposed amendments to the existing [Council Members – Payment of Expenses and Provision of Facilities Policy](#).

Summary and Key Points for Consideration:

Although Council has consistently readopted our policy within the first 12 months of each Council term as required under legislation, no adjustments other than minor administrative changes have been made to the policy since 2015.

In June 2017, the Office of Local Government (OLG) issued a draft policy template consistent with the Act and Local Government (General) Regulation 2021 and the Guidelines for the payment of expenses and provision of facilities for mayors and councillors in NSW. The policy template was designed to be amended to suit local needs and circumstances. Two key aspects of the OLG's policy template are the need to include maximum expenditure limits for specific expenses and facilities and placing the proposed policy on public exhibition, and taking into account any submissions made, prior to the adoption of the policy.

During each Council term, most recently In 2022, Council previously considered Draft policy documents to incorporate the Model Policy and resolved to maintain the current policy.

The proposed policy amendments have been created in accordance with the [OLG's Model Policy](#) and Guidelines, recommendations of Council's Audit Risk and Improvement Committee with minor adjustments to suit the local needs and circumstances of the Shoalhaven City Council as outlined in **Attachment 1**.

The most significant changes include:

- One Definition – *Official Business* which applies to the reimbursement of travel, meals, incidentals, and conferences as per the Office of Local Government's model. Expenses of these types incurred for activities not meeting the definition of '*Official Business*' will require formal approval or resolution of Council prior to payment.
- Table of Definitions has been refined.
- Conferences and seminars – Capped at \$5,000 per Councillor per financial year, being a total of \$65,000 per year for the elected Council (Increased by CPI annually).
- General travel – In accordance with Local Government State Award, kilometre rate and capped at \$10,000 per Councillor for all National and State associated travel meeting the Official Business definition (Increased by CPI annually).
- Interstate, overseas & long-distance travel may only be approved by Council Resolution

- Meals – costs of meals for Official Business will be reimbursed in accordance with the NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award. No reimbursement will be available for alcoholic beverages.
- Reimbursement of Tolls and parking fees at cost will be payable for those fees incurred whilst attending to Official Business.
- Christmas or festive cards – Not provided, electronic mail system subscription can be used.
- Secretarial assistance & office supplies – This has been withdrawn to reflect the provision of email and other tools available electronically to Councillors which have occurred since the policy was last adjusted.
- Carer expenses – Childcare \$3,000 and carer \$2,000 available to support Councillor Activities whilst on Official Business (Increased by CPI annually).
- Information communication technology expenses – Policy amended to provide suitable technology to allow a Councillor to conduct council business based on individual needs and access at given geographical location as approved / agreed by the CEO. It is also recommended that the previous arrangement of Councillors purchasing electronic equipment at market rate at end of Council term will be removed.
- Home office expenses – Capped at \$1,600 requested by Councillor per term.

A clear capped limit for the following:

- General travel expenses
- Professional development
- Conferences and seminars
- Carer expenses
- Home office expenses

The Anzac Day Services - Wreath Laying Ceremonies Policy will be rescinded as the provisions in relation to wreaths are proposed to be incorporated into the draft policy and such services will be considered Official Business.

Recommendation

That Council:

1. In accordance with Section 253 of the Local Government Act 1993, publicly exhibit the attached draft Councillor Expenses and Facilities Policy (Formerly known as “Council Members – Payment of Expenses and Provision of Facilities Policy”).
2. A report be provided to Council on any submissions received during the exhibition period. Should no adverse submissions be received the amended Policy be adopted at the close of the submission period.
3. Rescind the Council’s existing Anzac Day Services - Wreath Laying Ceremonies Policy (POL22/100) noting the provisions with respect to provision of wreaths have been incorporated into the proposed draft Councillor Expenses and Facilities Policy.

Options

1. Adopt the recommendation

Implications: The draft policy based on the model policy provided by the Office of Local Government, will be publicly exhibited, and adopted if no adverse submissions are received.

2. Adopt an alternate recommendation

Implications: Unknown.

Background and Supplementary information

At the Ordinary Meeting held on Monday, 27 November 2023 Council resolved the following as per [MIN23.688](#):

That Council:

1. *Develop a policy to limit or cap councillor national or state conference and associated, unfettered travel expenditure to maximum of \$10-15K per annum.*
2. *Ensure compliance with policy Section 12.5 that states “After returning from a conference or seminar, councillors, or an accompanying member of council staff, shall provide a written report to council and that councillors submit that report within four weeks of attending a conference or seminars (with the exception of Local Government NSW (LGNSW) and Australian Local Government Association (ALGA) at a Council Ordinary meeting.*

Upon creation of the Policy created to address [MIN23.688](#) this was subsequently reported to Council April 2024. You can view the report [here](#).

Council instead [resolved](#) to re-endorse the existing Policy without amendment which effectively rescinded [MIN23.688](#).

An Internal Audit of the Policy in February 2022 Internal Audit identified several activities that were identified by the Audit Risk and Improvement Committee as requiring consideration and/or action:

- The existing Councillor expenses and facilities policy was last adopted in October 2015 and needs to be updated and replaced with the Office of Local Government's best practice policy template. This includes adopting the definition of 'Official Business' for councillors contained in the model policy template. Council can modify the policy template to suit local needs. Council is required under section 252(1) of the Local Government Act 1993 to adopt a new policy within 12 months of the December 2021 Shoalhaven Election. (Finding 1)
- Council needs to review the current arrangements for the reimbursement of travel expenses. Based on current provisions relating to meal costs within Council's policy, a review should be undertaken in conjunction with the implementation of the Office of Local Government's policy framework which considers fairness and equity and safeguards against undue risk (Finding 2)
- The existing method of reimbursing Councillors for use of their private car should be replaced with the method contained in the Local Government (State) Award as provided in the Office of Local Government's policy template. (Finding 3)
- The audit reviewed aspects of administrative support provided to Councillors and considers that the existing policy arrangements relating to postage and the provision of stamps, the typing of letters and the provision of corporate Christmas cards should cease and be replaced with a provision that allows the Chief Executive Officer to

approve specific requests by Councillors for these services on a needs basis where there is an absence for a Councillor to use electronic communication/social media. (Finding 4)

- Audit observed that the existing Council policy contains an extensive range of provisions under several headings. In reviewing the existing policy in line with the policy template issued by the Office of Local Government, all the current provisions need to be assessed for best practice in line with the recommendations of the Office and changes made where appropriate. The audit has also made recommendations for including provisions in a new policy relating to record keeping and reporting. (Finding 5).

The following key risks which were identified during the internal audit remain unaddressed and therefore require consideration and adjustment within this draft policy:

- Council's payment of expenses and the provision of facilities policy are not consistent with legislation and good practice.
- Non-complying expenses are processed and/or expenses paid exceed allowable limits.
- There are inadequate controls in place for the management and monitoring of compliance with the policy.
- Councillors' expenses are not accurately reported on in the City's Annual Report

Benchmarking was undertaken on policy provisions across a range of 10 Councils including those also categorised by the NSW Remuneration Tribunal as 'Regional Strategic Areas', large Councils who are water utilities and Shellharbour and Wollongong Councils. This information was used to gauge levels for each area suggested for amendment in the draft policy. With the exception of Port Macquarie Hastings Council, all the Councils have updated their policy documents to reflect the OLG Model Policy and Guidelines.

Anzac Day Services - Wreath Laying Ceremonies Policy

The Draft Councillors Expenses and Provision of Facilities Policy has now incorporated provisions which provide for Councillor attendance at ANZAC Day services in the Shoalhaven and the provision of wreaths to be laid by Councillors when attending those ceremonies.

Council continues to support the arrangements for ANZAC Day marches and ceremonies in the Shoalhaven as it has since the resolution of the Council of 26 March 1979 (MIN79.268) that:

"Approval be granted to the various R.S.L Sub- Branches, to conduct marches and ceremonies on the 25th April and that the usual arrangements be made in conjunction with the supply of road barriers, Council Flags, etc. for the services, subject to Police approval to the route of the proposed marches, where these are held."

It is therefore recommended that the current [Anzac Day Services – Wreath Laying Ceremonies](#) policy be rescinded as all provisions are covered by the above.

Internal Consultations

The proposed amendments to the existing policy have been discussed with the Acting CEO, the Executive Management Team, the Chief Financial Officer, and Financial Sustainability Project Manager.

Additional internal consultation has occurred with the Information Technology Team in relation to the process of return and retention of ICT facilities. Both the Model policy and our current policy allows for Councillors to purchase all equipment from Council upon receipt of

valuation of market value. The suggestion is to allow for the purchasing of home office equipment only (this will not include laptop, mobile phone, and tablet.)

A briefing/workshop was provided to Councillors prior to the Ordinary Meeting on the recommendations outlined above on 30 January 2025. During the briefing/workshop Councillors were provided detailed information with respect to benchmarking of key components of the policy.

Additional feedback was provided by Councillors following the workshop and in most cases is seen reflected in the Policy as was slight wording changes provided to strengthen and add clarity to the policy without change of intent.

Feedback that has not been incorporated into the attached draft that Councillors may wish to add as amendment prior to adoption are:

- Incorporating an additional provision to limit travel expenses where a Councillor opts for a more expensive mode of travel:

“Interstate Travel may be taken by whichever method is nominated by a councillor however an analysis is to be prepared for travel via air, rail and self-drive. The reimbursement to the councillor will be whichever is the lowest cost to Council.”

The above paragraph would essentially replace clauses 6.10-6.12 of the attached draft policy if incorporated into the Policy.

- Budgeting

Setting a definitive Councillor expenses budget for the Council as a whole and for individual councillors, based on the average Councillor spend. Whilst a budget is set and continually monitored, Councillors under the proposed policy are not limited to a set expenditure figure under each category. This is due to expenditure varying based on individuals attendance and it is difficult to determine the future obligations of Councillors, invitations/requests to attend events, meetings and other official business, which varies from Councillor to Councillor as will the distance they will travel to each engagement and therefore relating costs. An approach has been preferred that will not limit the amount of official business that a Councillor can attend to and claim related expenses under the policy. The current approach of setting in accordance with the previous year’s expenditure with adjustments within budget as required appears to be working sufficiently well. If Councillors keep their expenditure claims current, Council can redirect any excess of funds arising from the proposed amendments to policy to other operations periodically through budget adjustments.

- Application of Fine or Penalty should a Councillor cancel attendance at a prepaid event, conference or training.

A query was raised during briefing as to whether a ‘fine’/‘penalty’ could be imposed on Councillors should they cancel their attendance at a conference without reasonable explanation i.e. sickness, family emergency or similar. Advice was sought from OLG and confirmed that should Council not be able to recuperate the expenses incurred these costs could be reimbursed from the Councillor via an invoice. Should Council wish to include this within the Policy this could be achieved by adding the following wording as a new point 6.33 under conferences and seminars:

*“Should Councillors wish to cancel their attendance **after** a booking has been made, and the CEO determines that reasonable explanation is not provided such as sickness, family or other valid emergency; Councillors will be invoiced for any accommodation, travel and/or conference/seminar bookings that cannot be recuperated or where cancellation or adjustment fees are charged. In the instance this results in exceeding the individual budget for conference/professional development the amount over budget will also be invoiced to the Councillor.”*

External Consultations

Benchmarking was undertaken prior to reporting the proposed policy to the previous Council in April 2024, on policy provisions across a range of 10 Councils including those also categorised by the NSW Remuneration Tribunal as 'Regional Strategic Areas', large Councils who are water utilities and Shellharbour and Wollongong Councils. This information was used to gauge levels for each area suggested for amendment in the draft policy. Apart from Port Macquarie Hastings Council, all the Councils have updated their policy documents to reflect the OLG Model Policy and Guidelines.

The Draft Policy is based on the Model Policy set out by the Office of Local Government and reflects upon further advice from that Office, the Audit Risk and Improvement Committee and the policies of other Councils.

Community Consultations

If the recommendation is endorsed, the policy will require to be placed on public exhibition in accordance with Section 253(5) of the Local Government Act for a period of 28 days. Any adverse submissions received will trigger a report back to Council prior to considering adoption of the final policy.

Policy Implications

If the recommendation is endorsed, the policy will require to be placed on public exhibition in accordance with Section 253(5) of the Local Government Act for a period of 28 days. Any adverse submissions received will trigger a report back to Council prior to considering adoption. If no adverse feedback is received the Policy will be updated and published to the Council Webpage and considered to be adopted and take effect immediately.

Financial Implications

In the previous financial year, Council was recategorized as Regional Strategic Area - the other Councils currently in this annual fee category are Lake Macquarie, Maitland, and Tweed Shire. The Annual Councillor Fee paid to Shoalhaven Councillors was set by resolution of the Council at \$32,590.00 with the additional Mayoral Fee being \$94,950.00 – this amount is not the total amount which may be payable as permitted [by the Local Government Remunerations Tribunal's Annual determination for 2024](#).

As previously advised, the Councillor Expenses policy has not been adjusted since 2015. The fees payable to Councillors and the Mayor are now significantly higher in comparison to the 2015/2016 financial year. At that time, the Councillor Fee was \$18,380.00 with the additional Mayoral Fee being, \$40,090.00, and the claiming of expenses under then Policy provided an avenue for the Councillors to achieve a larger recompense for their work.

Should the draft policy, which includes the Model Policy definition of 'Official Business' be adopted without amendment Councillors would no longer be able to claim without approval by resolution of Council for each instance (or joint approval by the Mayor and CEO for each instance) travel, meals or incidentals relating to the following business which is currently payable automatically under our current policy:

- Funerals as a Community representative
- Government events e.g. openings
- Dinners and other non-Council functions that provide briefings to Councillors from key community members, politicians, and business.

- Charitable functions organised by groups which are recognised as such and supported by Council and their annual dinner meeting, as well as events sponsored by Council.
- Changeover dinners of service clubs,
- Christmas functions for Council boards where the Councillor is invited in their civic capacity to attend.

The proposed draft policy does provide Councillors the opportunity to continue to claim for meals, travel and incidentals for Australia Day and ANZAC Day Ceremonies and Meetings of Community Consultative Bodies (CCB's) or Business Chambers and meetings with ratepayers and residents as flagged as required by Councillors during consultation on this topic.

Further, the travel rate for reimbursement is recommended to be in line with the Local Government (State) Award with a cap as per the resolution [MIN23.688](#) for state and national associated travel of \$10,000. When Council resolved to retain the current Policy in April 2024 this effectively rescinded this minute.

Councillors expenditure for 2023/2024 can be found on Council's [webpage](#), it is estimated that moving to the model policy significant savings would be made within the Travel, Meals and Conferences categories.

Risk Implications

Should Council's final adopted policy defer from the OLG Guidelines and those of other benchmarked Councils, there is reputational risk given Council's current financial status, identified amendments recommended by the Audit and Risk Improvement Committee in 2022 which remain unaddressed and recent Council resolutions on facets of this policy.

CL25.52 Ongoing Register of Pecuniary Interest Returns - January 2025

HPERM Ref: D25/34203

Department: Business Assurance & Risk

Approver: Sara McMahon, Acting Director - City Performance

Purpose:

To provide Council with the Register of Pecuniary Interest Returns from newly designated persons lodged with the Chief Executive Officer for the period of 1 January 2025 to 31 January 2025 as required under Section 440AAB of the Local Government Act 1993 and Part 4.26 of the Code of Conduct.

Summary and Key Points for Consideration:

Under Section 440AAB of the *Local Government Act 1993* and Part 4.26 of the Model Code of Conduct, newly designated persons are required to complete an Initial Pecuniary Interest Return within 3 months of becoming a designated person.

Section 440AAB (2) of *The Local Government Act 1993* states:

Returns required to be lodged with the general manager must be tabled at a meeting of the council, being the first meeting held after the last day specified by the code for lodgement, or if the code does not specify a day, as soon as practicable after the return is lodged.

Part 4.26 of the Model Code of Conduct states:

Returns required to be lodged with the general manager under clause 4.21(c) must be tabled at the next council meeting after the return is lodged.

This report is one of a series of reports of this nature which will be provided throughout the year to align with the legislative requirements.

Those persons who have submitted a return within the period in accordance with their obligation to lodge an initial pecuniary interest return are listed below:

Directorate	Name	Designated Position Start Date	Returned
Councillor	Denise Kemp	19/11/2024	21/01/2025

Electronic versions of the disclosure documents (with relevant redactions) are available on the Council website, in accordance with requirements under the *Government Information (Public Access) Act, 2009*.

Recommendation

That the report of the Chief Executive Officer regarding the Ongoing Register of Pecuniary Interest Returns lodged for the period of 1 January 2025 to 31 January 2025 be received for information.

CL25.52

Options

1. That the report be received for information.

Implications: Nil.

2. That the Council may seek further information.

Implications: Further information be provided to Council in future reports in line with the resolution.

Background and Supplementary information

This report is being submitted directly to the Ordinary Meeting due to the requirements under the Code of Conduct and the Local Government Act 1993.

Internal Consultations

Internal consultation is not required as the process for Initial Pecuniary Interest forms is governed by the *Local Government Act 1993*, the Model Code of Conduct and the *Government Information (Public Access) Act, 2009*.

External Consultations

External consultation is not required as the process for Initial Pecuniary Interest forms is governed by the *Local Government Act 1993*, the Model Code of Conduct and the *Government Information (Public Access) Act, 2009*.

Community Consultations

Community consultation is not required as the process for Initial Pecuniary Interest forms is governed by the *Local Government Act 1993*, the Model Code of Conduct and the *Government Information (Public Access) Act, 2009*.

Policy Implications

The obligations with respect to the Pecuniary Interest Returns by designated officers are in accordance with the Model Code of Conduct and the *Government Information (Public Access) Act, 2009*.

Financial Implications

There are no financial implications for this report.

Risk Implications

A failure of meeting the obligations with respect to the Pecuniary Interest Returns by a designated officer leaves Council at risk of non-compliance with legislative requirements, conflict of interests and limited transparency.

CL25.53 Code of Conduct and Code of Conduct Procedures

HPERM Ref: D25/46606

Department: Business Assurance & Risk
Approver: Sara McMahon, Acting Director - City Performance

Attachments: 1. Code of Conduct (under separate cover)
2. Code of Conduct - Procedures (under separate cover)

Purpose:

Council is required under the Local Government Act to adopt a Code of Conduct and Code of Conduct Procedures within the first 12 months of an Ordinary Election. The report outlines the Draft Documents for endorsement of the Council.

Summary and Key Points for Consideration:

Section 440 of the Local Government Act, 1993 outlines the requirements for the Council to adopt a Code of Conduct and Procedures for the Code of Conduct within the first 12 months of the commencement of each Council term which are based upon and not inconsistent with the [Model Code of Conduct for Councils in NSW](#) and [Model Procedures for the Administration of the Model Code of Conduct for Councils in NSW](#).

The changes to the Code of Conduct relate to

- Incorporating reference to sexual harassment and child safety
- The changes to the CEOs message at the beginning of the document
- Removing the reference to council's media policy (which no longer exists)
- Reference the updated year for the local government regulation (2021).
- Minor formatting amendments

The only minor amendment in relation to the Procedures is to reference the updated year for the Local Government Regulation (2021).

Recommendation

That the:

1. Draft Code of Conduct (Attachment 1) be adopted with amendments as outlined in the report
2. Draft Code of Conduct Procedures (Attachment 2) be reaffirmed with minor amendment.

Options

1. As recommended

Implications: The Code and Procedures will be adopted as per the attachments.

2. Council amends the Code of Conduct or the Code of Conduct Procedures before adoption.

Implications: Any amendments must not contain provisions that are inconsistent with the mandatory provisions contained within the Model Code of Conduct or Procedures outlined by the Office of Local Government.

Should the Council wish to pursue amendments to either document, the appropriate course of action would be for the Council to receive a report containing specifically worded provisions which would validly address the intent of proposed amendments.

3. Council places the Code of Conduct on public exhibition prior to adoption.

Implications: There is no requirement for public exhibition of this Code under the Local Government Act, given the content is required to align with the Model Code of Conduct

Background and Supplementary information

Shoalhaven City Council is proposing to amend its Code of Conduct to incorporate reference to sexual harassment and child safety.

On 15 February 2024, Council adopted its Sexual Harassment Policy following the introduction of legislation surrounding respect at work, including recommendations from the Royal Commission, emphasising the need for organisations to actively address and prevent sexual harassment.

Council considers that incorporating reference to sexual harassment in its Code of Conduct will demonstrate the organisation's commitment to creating an environment free from harassment and discrimination.

On 26 February 2024, Council adopted the Child Safe Strategy which includes child safe indicators. Indicator three requires a 'revision of human resources policies including the code of conduct to ensure they are child safe'. Clauses relevant to child safety have been drafted for this purpose and are included in the proposed amendments.

Internal Consultations

Council has mandatory induction and ongoing refresher training for staff. It is also included as part of the induction process and the onboarding and induction of Councillors.

These changes also went through the Consultative Committee process, Executive Leadership Team and Senior Leadership Team in addition to Human Resources and Business Assurance and Risk departments.

External Consultations

The Model Code of Conduct and the Procedures are released by the Office of Local Government.

Council sought the Office of Local Government's (OLG) views on proposed amendments to Shoalhaven City Council's Code Of Conduct to address sexual harassment and child safety.

Their response reiterated that Councils are permitted under section 440 of the Local Government Act 1993 to include provisions in their adopted codes of conduct that supplement those prescribed under the Model Code of Conduct for Local Councils in NSW and that there were no concerns on those.

Community Consultations

Community Consultation is not required for adoption of the Code of Conduct or Procedures given the requirements for consistency with Model documents limits amendments that can validly be made. Once a new version is adopted Council's Website will be updated.

Policy and Statutory Implications

The provisions within the Code of Conduct and Procedures are related to the Code of Meeting Practice, Council is also required to adopt a Code of Meeting Practice within the first 12 months of an Ordinary Election. The Council considered at its last Ordinary Meeting a proposed submission to the Office of Local Government on the proposed reforms.

Financial Implications

There is no financial implication with adopting the Code and Procedures based on the models.

Risk Implications

Any amendments must not contain provisions that are inconsistent with the mandatory provisions contained within the Model Code of Conduct or Procedures outlined by the Office of Local Government.

Should the Council wish to pursue amendments to either document, the appropriate course of action would be for the Council to receive a report containing specifically worded provisions which would validly address the intent of proposed amendments.

CL25.54 Complaint Handling Policy

HPERM Ref: D25/47393

Department: Business Assurance & Risk
Approver: Sara McMahon, Acting Director - City Performance

Attachments: 1. Complaint Handling Policy (under separate cover)

Purpose:

The Complaint Handling Policy & Procedure are presented for adoption. The Local Government Act requires that the Code of Conduct and its procedures be reviewed within 12 months of an election of a new Council.

Summary and Key Points for Consideration:

Council's Complaint Handling Policy outlines the approach of the Council in responding to complaints.

The Policy is proposed to be reaffirmed by Council with minor amendment only. The proposed amendment does not change the intent or application of the Policy, but provide additional information required under the Council's Policy template under the headings of Related Legislation, Policies or Procedures, Risk Assessment and Data and Reporting.

Recommendation

That Council reaffirm and adopt the current Complaint Handling Policy with minor administrative amendment as attached to this report.

Options

1. As recommended

Implications: the Policy and Procedure will be reaffirmed and adopted.

2. Make amendments to the Policy and or Procedure prior to its adoption

Implications: Any amendments would need to be assessed for the alignment with the Code of Conduct and the Code of Conduct Procedures.

3. The Policy and Procedure be placed on public exhibition for community feedback for a period of 28 days, if no adverse feedback received the Policy and Procedure be considered adopted.

Implications: The Policy and Procedure would be placed on public exhibition for community feedback prior to being adopted for a period of 28 days. If no adverse feedback or comments received it would be considered adopted.

Background and Supplementary information

The Policy and Procedures were last significantly amended in September 2022. The full report detailing those changes is available [here](#).

The significant changes adopted in September 2022 to this policy continue to reflect best practice Complaint Handling Practice outlined by the NSW Ombudsman. The policy also incorporated suggestions from staff and the Council's Audit Risk and Improvement Committee at that time.

The approach of separating the policy and procedure has been continued as the Council is required to have a robust and public policy document in this space and there needs to be sufficient detail in the procedures to assist staff with the practicalities of managing complaints, including information for internal reference only. Council's Executive Management Team have separately considered and endorsed an Internal Complaint Handling Procedure.

Since the last review of this Policy, Council's Policy template has been amended to include additional headings required under best practice. This includes information with respect to:

- Related Legislation, Policies or Procedures
- Risk Assessment, and
- Data and Reporting.

The information included under those headings are the only changes made in the Draft Policy document, and they are not considered to impact on intent or delivery of the administrative or process arrangements under the policy.

Internal Consultations

Internal consultation within the Business Assurance and Risk Team and specifically Council's Complaints Officer has occurred to review and assess whether further amendments were recommended.

External Consultations

No external consultation has occurred with external agencies.

Community Consultations

The Complaint Handling Policy was put on public exhibition ahead of the significant amendments being adopted by Council in September 2022 and during that period no submissions were received. There is no legislated requirement for public exhibition of a Complaint Handling Policy. It is not considered necessary to put the Policy on public exhibition again as no changes are being recommended, however the Council may wish to do so.

Policy and Statutory Implications

Council's Complaint Handling Policy outlines the approach of the Council in responding to complaints. It relates to the Code of Conduct and Procedures and procedural documents.

Upon the adoption of the Policy in September 2022, those amendments made at that time, meant this Policy now closely aligns with the inclusion of management of complaints via the Council's online Request Management system which provides additional accessibility to members of the public wishing to make complaints and more detailed statistical information for reporting and trend analysis.

A separate policy is currently being developed to outline how Council will deal with customers who are unreasonable towards Council staff or have make unreasonable

demands on the Council, assisting the Council to follow guidance from the NSW Ombudsman in this regard.

Financial Implications

The Policy nor its procedures do not implement changes which impact on financing or resourcing of complaint management.

Risk Implications

The Council should hold a current complaint policy outlining clearly how we deal with complaints alleging wrongdoing by the Council and its officials. This policy provides a clear reference point for those who have identified wrongdoing and wish to bring it to the attention of Council to be addressed.

CL25.56 Audit Kerbside Wheely Bins Use & Cross Contamination Levels

HPERM Ref: D25/73843

Department: Waste Services

Approver: Carey McIntyre, Director - City Services

Purpose:

The purpose of this report is to provide information and data to the Council on kerbside waste collected in the Shoalhaven.

Summary and Key Points for Consideration:

The report has been prepared in response to a Notice of Motion ([MIN24.184](#)) which requested that staff consider undertaking an audit of kerbside wheely bins in the City to understand bin use and cross-contamination levels.

The report provides the current available data. The costs of undertaking an audit are also presented.

It is considered the gathering of further data about the composition of kerbside waste may not provide good value for money at this time, as the information gathered is unlikely to have a significant influence on decision making at this time.

Recommendation

That Council:

1. Receives and notes the report.
2. Not proceed with undertaking a kerbside bin audit at this time.
3. Note that a kerbside bin audit may be instigated as part of a review of councils waste strategy in the future.

Options

1. Receive the report.

Implications: Existing data from previous audits and gathered from the collections contractor will be used to inform decisions about kerbside waste services.

2. Receive the report and direct staff to undertake an audit of the kerbside wheely bins in the city.

Implications: Waste Services staff will procure the kerbside audit services from a suitable provider. A kerbside audit of waste and recycling bins is anticipated to cost \$72,000.

CL25.56

Introduction

At its meeting of 8 April, 2024, Council resolved ([MIN24.184](#)):

That Council:

1. *Direct staff, through the CEO to consider what would be associated with undertaking an audit of kerbside wheely bins in the City, to understand bin use and cross-contamination levels. To collect relevant information and data on the waste management needs of our community.*
2. *Receive a report from staff on the outcomes of that consideration, including the cost, a funding mechanism, and a timeframe for completion of an audit.*
3. *Subject to a resolution of the Council, as a result, undertake an audit of kerbside wheely bins in the City.*

Data about kerbside waste assists Council to identify the current performance of the bin system at the kerbside and measure trends to plan for future services including reductions in waste to landfill and consider waste minimisation options.

Council receives monthly data from its kerbside collection contractor on the amount of waste and recyclables collected and the number of bins presented for collection. In addition to the data from the kerbside collections contractor Council has previously commissioned kerbside waste composition audits in the City including in 2011, 2012, 2013, 2019 and 2021.

This report contains presentation and analysis of the current available data which is believed to be adequate for the forthcoming planning needs and the potential costs of a kerbside bin audit and the limitations of the data that would be collected.

Collections data

The domestic kerbside collection service is provided to every urban domestic premises in the Shoalhaven, plus participating business premises, amounting to approximately 58,147 services as of January 2025. The service includes a weekly landfill waste bin (options of 80, 120 or 240 litre red-lidded bin) and a fortnightly commingled recycling bin (240 litre yellow-lidded bin). Costs for the different service levels and the percentage of services is provided in **Table 1**.

Table 1: The different service levels for kerbside rubbish collection

Rubbish bin size	Number of bin services	% of services	Cost per annum
80 litres	3,636	6%	\$383
120 litres	42,346	73%	\$505
240 litres	12,165	21%	\$871

Data about the total number of bin pickups and the tonnage of waste collected from the kerbside collections in 2024 is shown in **Table 2**.

Table 2: Tonnage and number of bin collections in 2024

Collections 2024	Rubbish bins	Recycling bins
Number of pickups	2,552,173	1,219,570
Presentation rate (% of bins put out at the kerbside for collection)	83%	72%
Annual quantity collected (tonnes)	31,000	9,800
Average kg per bin lifted	12.1 kg	8.1 kg

The rubbish bin collection amount has varied between 1,900 tonnes to just over 3,400 tonnes per month over the last five years, while the recycling bin collection amount varied between 700 tonnes and 1,500 tonnes per month, peaking over the January and Christmas periods.

CL25.56

These peaks are shown in the **Figure 1** and **2**, which also include linear trendlines highlighting increasing landfill and decreasing recycling collection rates. These trends are driven by the increases in resident population and a reduction in the packaging weight as producers shift away from glass as well as the introduction of the Container Deposit Scheme (CDS). These trends are slowly evolving; the waste generation rates overall are consistent and predictable month to month.

Figure 1: Monthly kerbside rubbish collected

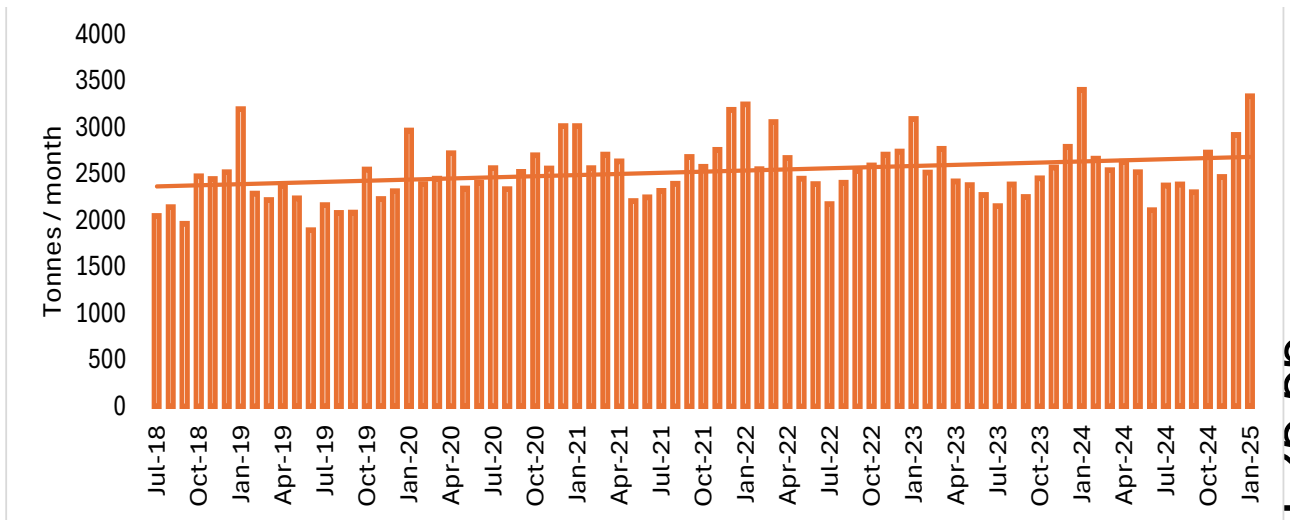
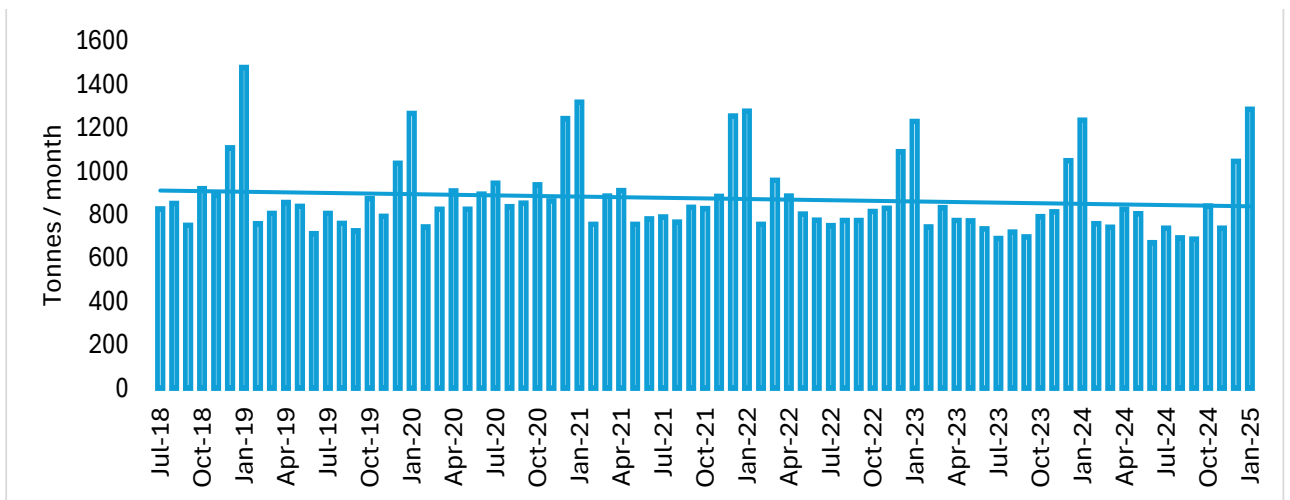


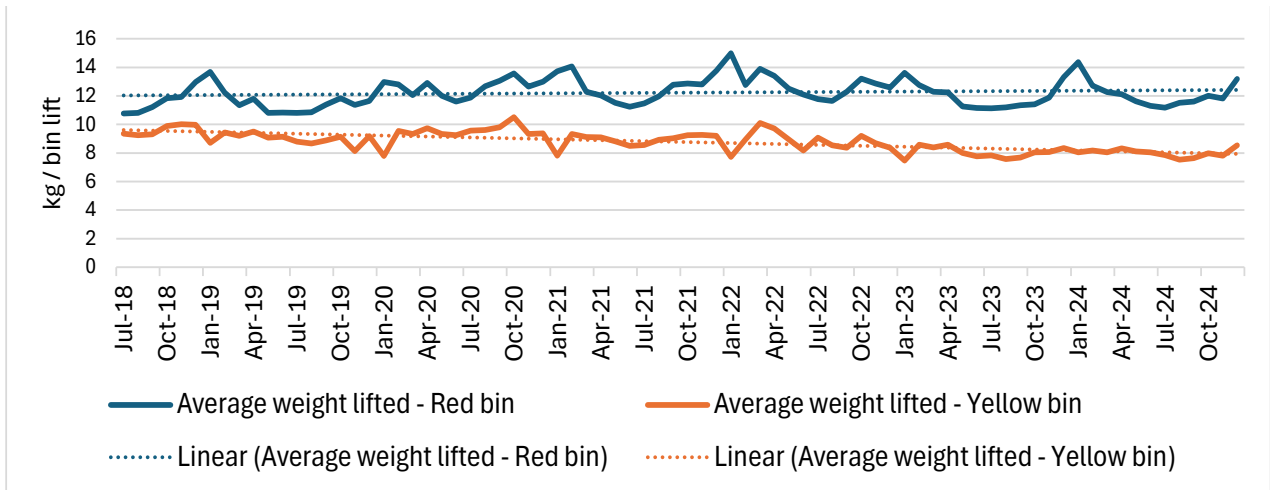
Figure 2: Monthly kerbside recycling collected



Based on the amount of waste collected and the number of bins collected the average bin weight for recycling (yellow bin) and rubbish (red bin) have been calculated and presented in **Figure 3**.

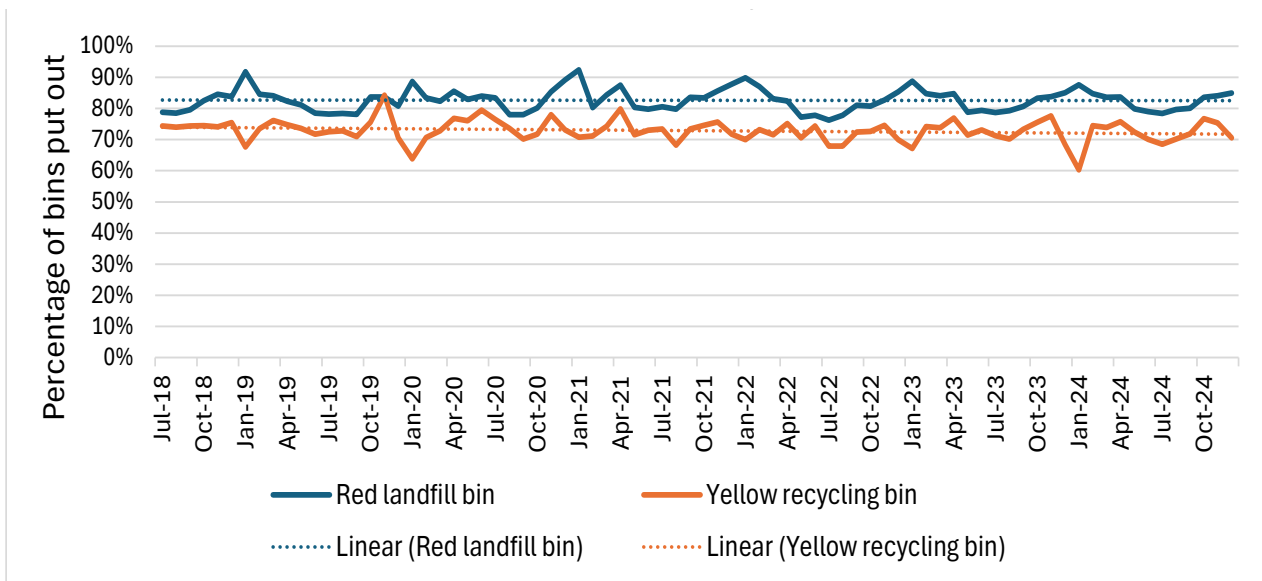
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Figure 3: Average weight of bins collected



Over recent years the presentation rate (% of bins put out at the kerbside for collection) for both recycling and rubbish bins have been consistent, as shown in **Figure 4**. The rates have been high due to the high occupancy and permanent resident rates.

Figure 4: Presentation rates of bins for rubbish and recycling services



Composition data

Composition data from the most recent audit in carried out in winter 2021 is broadly in line with previous audits carried out in the City. **Table 3** shows the kerbside waste audit results by particular use. The audit data does break the composition down to more granular sub-categories but at a higher level the composition is presented based on suitability for particular uses:

- Compliant recyclable – materials that can be placed into the kerbside recycling bins.
- Potentially recyclable – metals that are not compliant in the kerbside recycling bin, but may be recovered by a Materials Recovery Facility (MRF) due to their value or other factors.
- Garden organics.
- Food and other compostable organics – materials that can be composed, including food and compostable bags.

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- Potentially compostable – other materials that can be composted, excluding materials that are compliant in the recycling bin. This includes contaminated soiled paper, other putrescible and wood/ timber.
- MGB non-recyclable – materials that cannot be placed into the kerbside recycling bins and are not compostable or potentially recyclable. This includes some materials that can be recovered (such as textiles at a clothes bank or e-waste at a drop-off centre) but that are not recoverable in the Council kerbside bin system.

Table 4: Kerbside waste audit results by particular use

Recoverability category	Waste stream		Recycling stream	
	Weight (kg/hh/wk)	Percentage (% by weight)	Weight (kg/hh/wk)	Percentage (% by weight)
Compliant recyclable	1.042	9.80	3.944	88.11
Potentially recyclable	0.161	1.51	0.076	1.70
Garden organics	2.821	26.54	0.002	0.04
Food and other compostable organics	2.865	26.95	0.028	0.62
Potentially compostable	0.954	8.97	0.025	0.56
MGB non-recyclable	2.787	26.22	0.401	8.96
Total	10.629	100.00	4.477	100.00

The results presented above are in line with other Council areas which have similar dwelling types and similar collection services.

The audit found that the average household recovered a total of 79.1% of compliant recyclables at the kerbside i.e. a total of 4.986 kg/household/week of recyclable material was generated in both waste streams, with 3.944 kg/household/week correctly recovered in the recycling stream.

The materials with the highest resource recovery rates were:

- Glass packaging, 91.7%
- Cardboard recyclable, 82.0%
- Paper recyclable, 77.3%
- HDPE (plastic no. 2) packaging, 76.3%

Contamination in the recycling bins

The data from the kerbside audit shows:

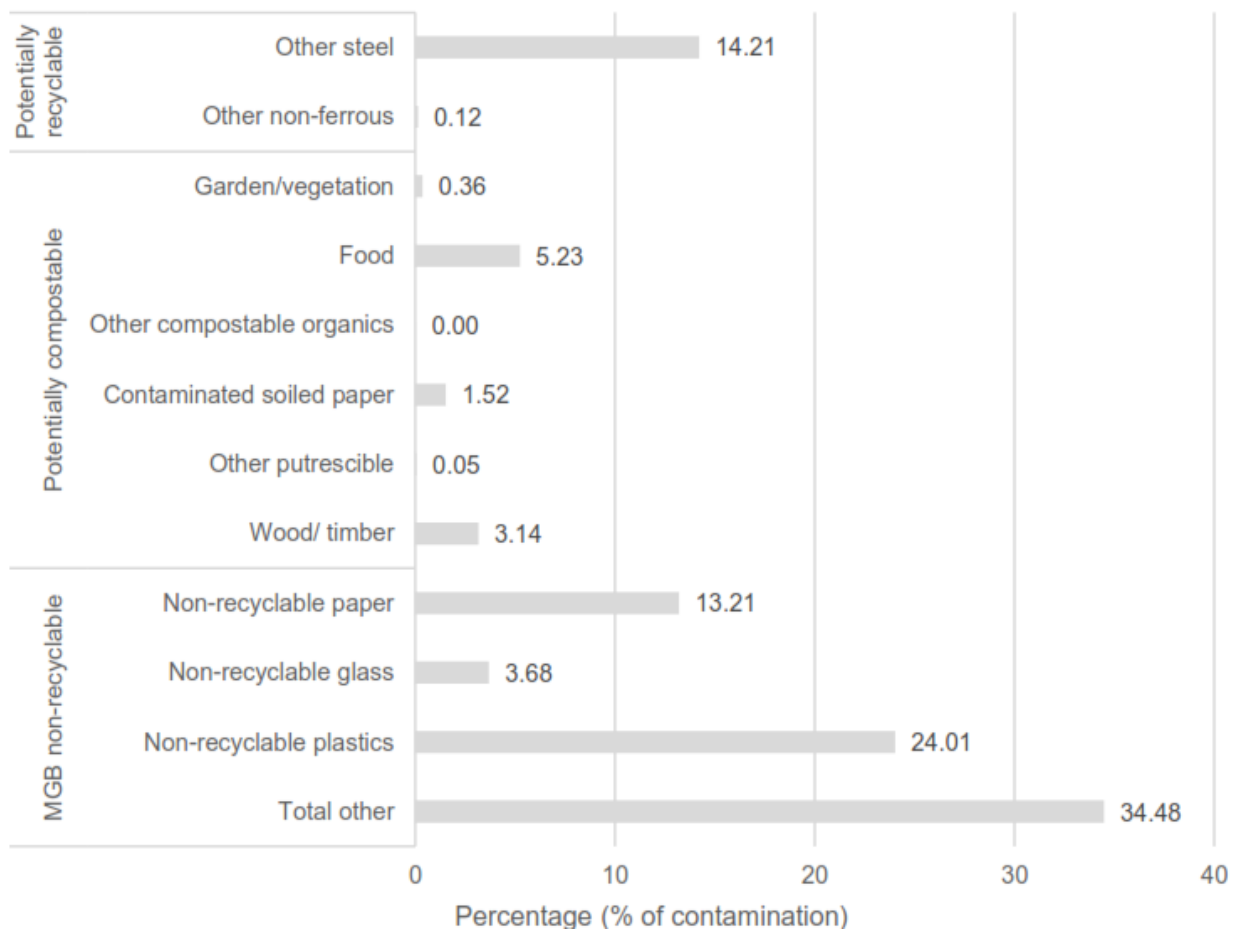
- 55.2% of samples had less than 5% contamination in the recycling bins.
- Nearly one third of the samples (29.3%) had contamination between 5% to 25% in the recycling bins.
- 15.5% of the samples had 25% or more contamination in the recycling bins, which accounted for 64.0% of total contamination by weight.

This indicates that a focus in terms of education and enforcement should be put on a relatively small section of the population who are not using the recycling services as requested. Council’s collection contractor has the ability to record individual properties where contamination is observed, and a letter is sent to these properties with instructions about how to recycle. In extreme cases where non-compliance continues then Council are able to remove the recycling bin service.

The ‘non-compliant’ material in the recycling bin is comprised of various categories as presented in **Figure 5**. Compliant materials were considered to be target materials which Council promote as being suitable for the recycling bin.

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Figure 5: Composition of ‘non-compliant’ material found in sampling the recycling bin



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Information about the composition of the material collected in the recycling bin will be possible to gather directly from the MRF once it is operational. It will be possible to isolate loads of kerbside recycling from and sort it through the MRF to determine the composition and contamination from a specific day’s collection. It is believed that this method will provide a more accurate analysis of the contents of recycling waste stream than random sampling of kerbside bins.

Limitations of the composition data

Composition data is a weight-based snapshot of the contents of the bins. There is a high degree of variability and therefore the margins for error in the data are +/-10% at best.

Bin compositions and quantities can vary seasonally and based on time-specific factors such as weather and events. Seasonal and weather impacts are particularly applicable for garden organics, which can be affected by plant growth rates and gardening activity.

Garden organics are of particular relevance due to the introduction of the “Protection of the Environment Legislation Amendment (FOGO Recycling) Bill 2024” to the Parliament of New South Wales on 21 November 2024. The objective of this Bill is to amend the Protection of the Environment Operations Act 1997 to provide for mandates for the source-separated collection of food organics and garden organics (FOGO) waste from households and businesses, including by requiring local councils to separately collect and transport FOGO waste from households that receive a residual waste collection service from 1 July 2030.

Councils may elect to provide food organic [FO] and garden organic [GO] collection through separate bins or FOGO collection combined in one bin, depending on the council’s preference.

Councils that have introduced separate organic collections previously have found that the quantity and composition of the kerbside waste stream has altered significantly due to the changes in collection service provided. Changes to collection frequency and bin capacity result in changes to householder behaviour with regard to both their food and garden waste.

Costs of kerbside waste audit

Based upon previous experience and discussions with potential auditing contractors the best practice audit would involve sampling 350 households. The contents of both waste and recycling bins would be collected from properties in select locations aiming to provide a representative random sample of the City.

The anticipated cost of undertaking the audit would be \$72,000. The funding for the audit would come from the Domestic Waste reserve and from a \$20,000 contribution from the kerbside collections contractor. Potential auditing service providers have indicated they would be available to carry out an audit within the next 6 months.

There is some scope to reduce the cost of performing the audit. Options include:

- targeting the audit to a single waste stream – either rubbish or recycling
- reducing the number of households sampled which would reduce the confidence in the accuracy of the data.

It is believed that data gathered from other comparable Council areas is of more value than current local waste composition data when making decisions about (for example) FOGO services for the City. Consequently, it is considered that Council should not proceed with a kerbside bin audit at this time and in doing so, avoid an impact on its Domestic Waste reserve.

Internal Consultations

Not applicable as the information only impacts on Waste Services.

External Consultations

Not applicable as the information only impacts on Waste Services.

Community Consultations

Not applicable as the information only impacts on Waste Services.

Policy and Statutory Implications

Waste policy and strategy will be influenced by the data in the report.

Financial Implications

If a kerbside waste composition audit is deemed to be required, the expected cost is up to \$72,000. This would be funded from the Domestic Waste reserve and from a contribution of \$20,000 from the kerbside collection contractor.

Risk Implications

If a kerbside waste composition audit is deemed to be required, it would be carried out by a suitably experienced contractor who would be expected to manage the risks associated with the work.

CL25.57 Consideration - Proponent DCP Amendment Request – 48 to 52 Paradise Beach Road, Sanctuary Point

HPERM Ref: D25/46498

Department: Strategic Planning
Approver: Lindsay Usher, Acting Director - City Development

Attachments:

1. Proponent draft DCP provisions, 48-54 Paradise Beach Rd, Sanctuary Point [↓](#)
2. Previous & current LEP maps - 48-54 Paradise Beach Road, Sanctuary Point [↓](#)

Purpose:

The report seeks initial direction in relation to a proponent request to prepare site-specific provisions for 48-54 Paradise Beach Road, Sanctuary Point for inclusion in the Shoalhaven Development Control Plan (DCP) 2014 .

In August 2024, the State Government completed a Planning Proposal (PP) over the subject land, rezoning the *SP2 'places of public worship'* land to *R2 Low Density Residential* and applied a building height limit of 11 m across the site. The PP application was originally submitted in August 2022 and was the subject of a Rezoning Review (RR).

The amendment to the Shoalhaven Local Environmental Plan (LEP) 2014 also included a local provision in Schedule 1 (Additional Permitted Uses) enabling *multi-dwelling housing* on the land (which is otherwise prohibited in the R2 zone). To help ensure impacts on adjoining land are minimised, the local clause enabling this use requires a site-specific DCP to also be in place.

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Property Address	48-54 Paradise Beach Road, Sanctuary Point.
Property Details	Lot 80 DP 817353 (former Anglican Church site) and Lot 921 DP 27856 (54 Paradise Beach Road), Sanctuary Point. Currently contains a single storey former Church building, car park and single storey dwelling.
Proponent	All About Planning
Owner	Container Group Investments Pty Ltd/A. Papagelou
Land use zoning	<i>R2 Low Density Residential</i>
Mapped building height limits	11 m
Additional permitted use	Multi-Dwelling Housing

Summary and Key Points for Consideration:

- The proponent is seeking to progress and satisfy the provisions of Schedule 1: additional permitted uses, *Clause 30 Use of land at 48-54 Paradise Beach Road, Sanctuary Point* of Shoalhaven Local Environmental Plan 2014.
- A DCP generally provides criteria for the assessment of development applications that builds on and supports the LEP provisions.
- The *Environmental Planning and Assessment Act 1979* allows a proponent to initiate the preparation of a site specific DCP where an LEP requires one to be in place.
- The proponent is seeking to add their suggested draft provisions to Chapter V3: Miscellaneous Site-Specific Issues of the Shoalhaven DCP 2014.
- If this report's recommendations are adopted, a detailed assessment of the proponent's proposed provisions will be undertaken and reported to the Council.

Recommendation

That Council:

1. Acknowledge the Planning Proposal history of 48-54 Paradise Beach Road, Sanctuary Point and the resulting Local Environmental Plan (LEP) clause requiring a site-specific Development Control Plan (DCP) to be prepared prior to development consent being granted for multi-dwelling housing;
2. Undertake a detailed assessment of the draft DCP provisions prepared by the proponent, prepare a draft DCP for the land and report the matter to Council for consideration prior to exhibition.

Options

1. Undertake a detailed review of the proponent's proposed DCP provisions and prepare a draft DCP for Council's consideration prior to public exhibition.

Implications: Having a DCP in place will help to minimise impacts of any multi-dwelling housing proposal on local amenity and privacy. This option will enable Council to shape the DCP provisions and make any required changes (refer to [section 3.44\(4\)](#) of the EP& A Act) through a transparent process. This is the preferred option.

2. Not assess the proponent's proposed DCP provisions and not prepare a draft DCP for public exhibition.

Implications: This will not necessarily prevent multi-dwelling housing from being lawfully approved as [Section 3.44\(5\)](#) of the EP& Act allows the lodgement of development application if Council refuses to make a DCP and allows the Minister to make the DCP (with or without any changes).

Background and Supplementary information

Subject land

The subject land comprises Lot 80 DP 817353 and Lot 921 DP 27856, 48-54 Paradise Beach Road, Sanctuary Point, as shown in **Figure 1**.

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Figure 1 - Subject Land and Aerial Photo

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Planning Proposal History

- The proponent PP application sought to rezone the land to *R3 Medium Density Residential* and increase height limit to 13 m and was initially considered by Council on 31 October 2022.
- Council did not support the PP as submitted, instead resolving to rezone the land to *R2 Low Density Residential* and apply a building height of 8.5 m ([MIN22.788](#)).
- The proponent initiated a rezoning review (RR) and the Southern Regional Planning Panel (the Panel) recommended the PP be progressed in an amended form.
- Gateway determination was issued on 30 October 2023 by DPHI, allowing the PP to proceed and appointing the Panel as the Planning Proposal Authority (PPA). The Panel's Record of Decision noted that a DCP could complement the LEP provisions to ensure a height transition is achieved on the site.
- DPHI publicly exhibited the PP from 8 November to 6 December 2023. The exhibited PP proposed to rezone the site from part SP2 Infrastructure (Place of Public Worship) to *R2 Low Density Residential*, increase the mapped maximum height of building height from part 8.5 m (existing *R2* zoned land) to 11 m and amend Schedule 1 Additional Permitted Uses to permit multi-dwelling housing and introduce objectives to reflect the new permitted use.
- Council's formal submission on the exhibited PP reiterated concerns about the potential impacts on local amenity and the privacy of adjoining residents and requested clearer robust controls in the LEP to achieve an appropriate height transition that minimises impacts on the amenity of existing adjacent residential properties.

The previous and current zoning (post Planning Proposal) is shown in Figure 2 below. The relevant LEP maps are provided in **Attachment 2**.

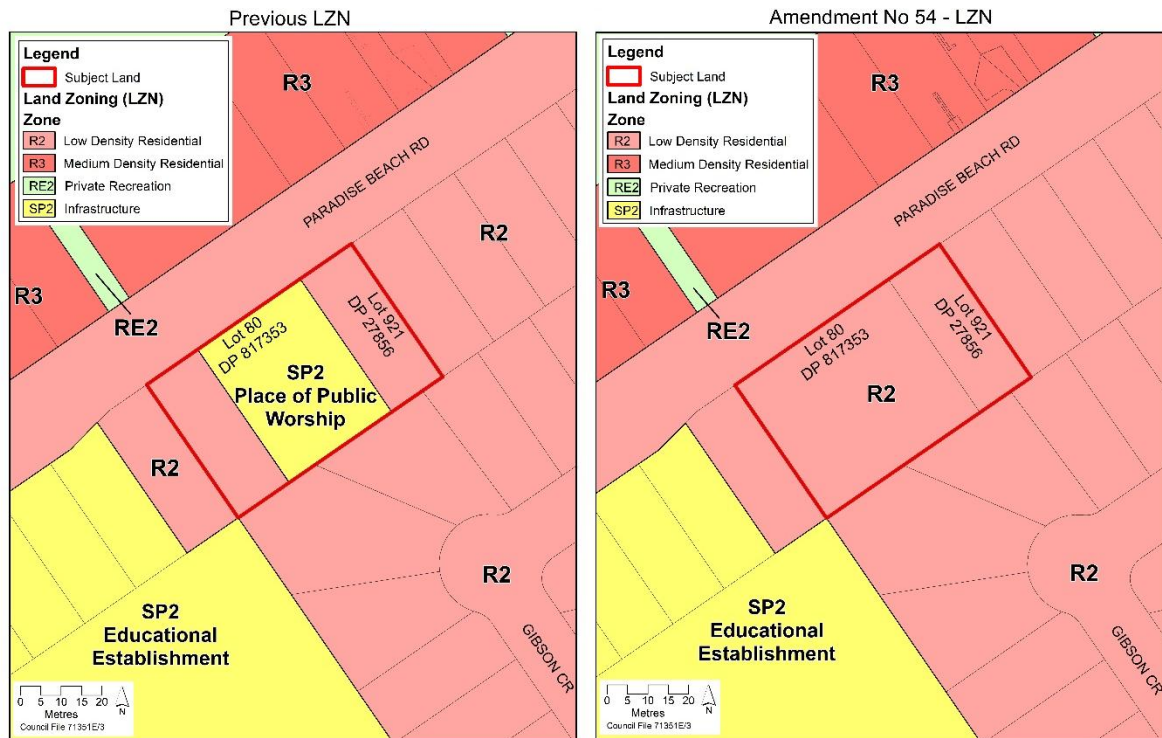


Figure 2 - Previous (left) and Current (right) Zoning (Post-Planning Proposal Amendments).

- The PP concluded when Amendment No. 54 to the LEP was notified on 23 August 2024. The amendment included the addition of Clause 30 to Schedule 1 (Additional permitted uses) which states:
 - (2) Development for the purposes of multi-dwelling housing is permitted with consent.
 - (3) Development consent must not be granted unless—
 - (a) a development control plan has been prepared for the land, and
 - (b) the consent authority is satisfied there is an appropriate height transition between the multi-dwelling housing and dwellings on adjoining land.
 - (4) The development control plan must include measures to minimise the following—
 - (a) overshadowing on adjoining land,
 - (b) impacts on the visual and acoustic privacy of residents on adjoining land.

Proponent’s Proposed DCP Provisions - Initial Comments

The proposed DCP provisions submitted by the proponent are provided as **Attachment 1**.

The submitted draft DCP amendment seeks to introduce controls to manage amenity impacts to surrounding properties covering a number of matters, including overshadowing, direct sunlight access, visual and acoustic privacy, building orientation and building setbacks.

The draft document provides a framework of provisions that cover the necessary matters outlined by Schedule 1 of the LEP and a preliminary staff assessment suggests that the range of controls included are suitable for further detailed assessment following the payment of relevant fees (as per Councils Fees & Charges).

A detailed review, involving consultation with Development Services and other relevant staff, will identify if any changes/adjustments/inclusions to the proponent’s proposed provisions are necessary. For example, additional detail is likely to be required to help minimise acoustic impacts. The provisions for the subject land could be incorporated into one of the following existing chapters in the DCP:

- Chapter V3: Miscellaneous Site Specific Issues

- Chapter N22: Sanctuary Point Local Centre

Conclusion

A detailed assessment of the proponent's proposed DCP provisions and preparation of a draft DCP is supported for the following reasons:

- The enabling clause in the LEP that allows multi-dwelling housing to be approved on the land, requires a DCP to be in place to help facilitate/manage an appropriate transition in building heights, minimise visual impacts and protect local amenity.
- The outcome of the detailed review will be reported to Council for consideration and endorsement prior to proceeding to public exhibition.
- A site-specific DCP will provide detailed objectives and guidance to support the LEP provision for multi-dwelling housing, helping to ensure that potential impacts on the adjoining residential properties are considered in any development application for multi-dwelling housing on the land.

Internal Consultations

Relevant Council sections were consulted during the assessment of the earlier PP, however no internal consultation has occurred at this point in respect of the proponent's proposed DCP provisions. This will occur as part of the detailed review should Council support this approach.

External Consultations

Feedback was sought from a range of stakeholders during Council's initial assessment of the PP. Further external consultation (by DPHI) occurred following the Rezoning Review process.

External consultation will occur, if needed, with targeted stakeholders during the assessment of the DCP should Council resolve to progress its assessment.

Community Consultations

The PP was publicly exhibited (by the DPHI) between 8 November and 6 December 2023, however no community consultation has occurred on a draft DCP at this point.

External stakeholders (nearby landowners, previous submitters, CCB) will be notified in advance of the Council meeting at which this report is considered. The community will be formally consulted if/when the draft DCP is publicly exhibited.

Financial Implications

The applicable fees will be applied to cover Council's costs in progressing the DCP amendment if supported.

Shoalhaven Development Control Plan 2014
Chapter V3: Miscellaneous Site Specific Issues

6 Sanctuary Point Multi Dwelling Housing Site

6.1 Application

These controls apply to the subject land outlined in **Figure 6**. Multi Dwelling Housing site on 48-54 Paradise Beach Road, SANCTUARY POINT.

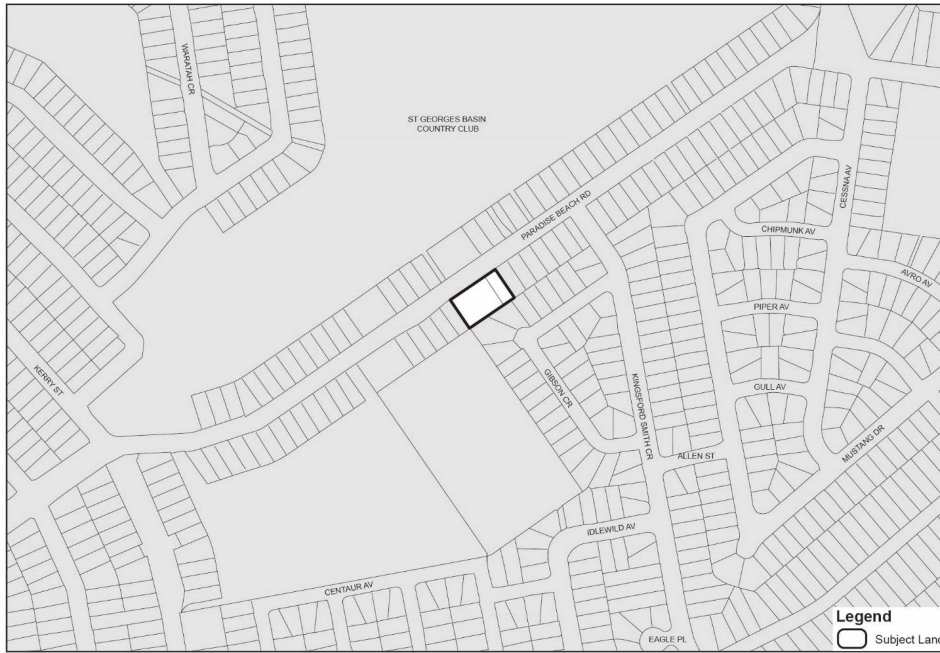


Figure 6: Multi-Dwelling Housing Development – 48-54 Paradise Beach Rd, Sanctuary Point

6.2 Context

This Chapter 6 of the Shoalhaven Development Control Plan (DCP) 2016 contains controls for preserving sunlight and visual and acoustic privacy for adjoining residential properties to the south and north east of the subject site, whilst providing for a multi dwelling housing development.

6.3 Objectives

The DCP objectives for these site specific provisions are to:

CL25.57 - Attachment 1

Shoalhaven Development Control Plan 2014

Chapter V3: Miscellaneous Site Specific Issues

- i. Ensure sunlight access is maintained to the key internal living area and primary open space zone of those existing dwellings which are positioned immediately south and north east of the subject multi dwelling housing site.
- ii. Ensure reasonable visual and acoustic privacy of adjacent dwellings to the south and north east is preserved in respect of a multi dwelling housing development of the subject site.
- iii. Allow lesser building setbacks and greater building height up to the LEP’s maximum 11m height of building control along the western and front boundaries, as these boundaries do not adjoin any existing dwelling.

6.4 Controls

6.4.1 Overshadowing on adjoining land

Performance Criteria	Acceptable Solutions
P13.1 Ensure overshadowing does not result in loss of sunlight to key private open space of adjacent residential properties.	A13.1 The proposed multi dwelling housing development is to be orientated and positioned on site to ensure direct sunlight access in mid-winter is maintained to the primary indoor and outdoor living space of adjacent residential properties.
P13.2 Direct sunlight received through the existing north facing windows of adjacent primary internal living areas is to be maintained.	A13.2 A minimum of 3 hours of sunlight between 9:00 am and 3:00 pm during the winter solstice is to be maintained to at least 50% of the primary outdoor open space of immediately adjacent neighbouring dwellings.
P13.3 The design of a multi dwelling housing development of the subject site will consider the orientation of buildings on that site, and incorporate appropriate building setbacks, or alternatively a building envelope, to minimize overshadowing of the	A13.3 A minimum of 3 hours sunlight between 9:00 am and 3:00 pm during the winter solstice is to be maintained to all the primary north facing internal living areas of immediately adjacent neighbouring dwellings.
	A13.4 The following setbacks from property boundaries will reduce the extent of overshadowing on neighboring outdoor areas: <ul style="list-style-type: none"> • Rear Ground Level Setback: A minimum 3m rear building setback. • Rear First Floor and Above Setback:

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primary living areas of adjacent residential properties, especially the north-facing windows of those existing dwellings.

A minimum 6m rear setback for development positioned from and above the first floor.

- **North East Side Setback:**

A minimum 3m north eastern side boundary setback.

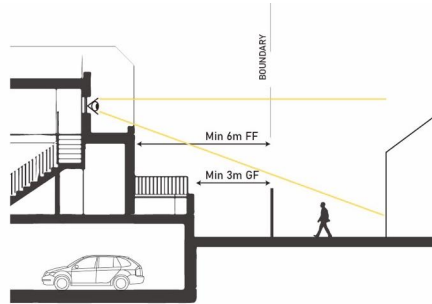


Figure 7: Incorporating rear building setbacks will reduce overlooking opportunities and increase acoustic privacy

- **Front and South Western Side Setbacks:**

A 1.5m minimum front and south western side setback for the site may be appropriate, as these site edges do not share a common boundary with any existing residential use.

A13.5 **Alternate Rear and North East Side Building Envelope Control:**

Where the above north eastern side and rear setback minimums are not achieved, the proposed multi dwelling housing can alternatively be designed to sit within the following Building Envelope:

Building Envelope:

5m up at the common rear (southern) and north eastern side boundaries then a 45 degrees angle in from the northeastern side and southern rear boundary of the subject multi dwelling housing site.

Buildings proposed on site, in proximity of the rear southern and north eastern boundaries are to be positioned within a building envelope determined by

Shoalhaven Development Control Plan 2014

Chapter V3: Miscellaneous Site Specific Issues

the following method: Planes are projected at 45 degrees from a height of 5m above ground level (existing).

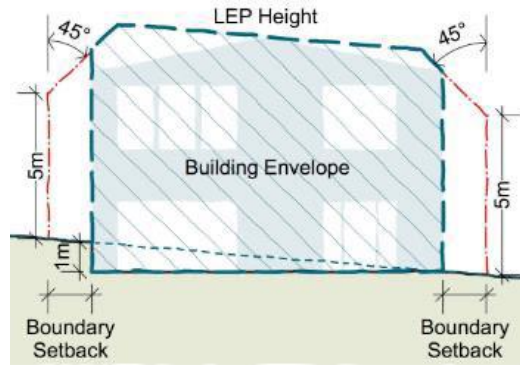


Figure 8: Building Envelope Control alternatively applied to the southern and north eastern site boundaries

6.4.2 Visual and acoustic privacy for residents on adjoining land

Performance Criteria

P15.1 Direct views into the internal living areas and primary private open space of adjoining properties are to be minimised.

Acceptable Solutions

A15.1 Direct views from the subject development site to the primary internal living area/s and key private open space of adjoining residential properties to the south (rear) and north east are to be minimised by incorporation of one or more of the following design solutions:

- Positioning key living area window openings in the proposed development away from the primary living spaces of adjacent dwellings.
- Directing views from balconies and key living spaces in the proposed development up and out, rather than down.

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- Decreasing the window-to-wall ratio of the subject new development in strategic locations on the site.
- Incorporating internal and/or external window or balcony screening devices as part of the proposed development, especially to any key living space windows and elevated balconies that would otherwise obtain direct views into neighbouring rear yard space
- Utilisation of solid or partially solid balustrading and/ or landscaped garden beds to elevated key outdoor open space areas within the subject new multi dwelling housing development.
- Provide a minimum sill height of 1.5m for any bedroom windows on the north east or southern side elevations and which would otherwise obtain a direct view out of that window into neighbouring rear yard space
- Incorporation of translucent/semi-transparent or obscured window glazing on key windows within the proposed development

P16	Reduce the potential for unreasonable noise transmission between the subject Medium Density Housing development and adjacent dwellings.	A16	Consider Installation of: <ul style="list-style-type: none"> • Southern rear boundary and north eastern side common boundary fencing for the development of 1.8m minimum height and preference fencing materials that are either lapped timber or another
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CL25.57 - Attachment 1

Shoalhaven Development Control Plan 2014

Chapter V3: Miscellaneous Site Specific Issues

fencing material that will alternatively provide some acoustic attenuation benefit.

P17	Position any primary noise-generating elements of the subject multi dwelling housing development area away from adjacent neighbours.	A17	<p>Position key noise-generating spaces within the subject development site thoughtfully, including:</p> <ul style="list-style-type: none"> • Placement of air conditioning units, primary communal outdoor entertainment areas and key parking areas, away from the southern and north east site boundaries, if possible. • If possible, set the primary parking area for the development site partially into the existing rear site slope, as shown in Figure 9; to minimise potential acoustic impacts and which will also deliver some potential visual benefits, by reducing the overall prominence of parking provided on site.
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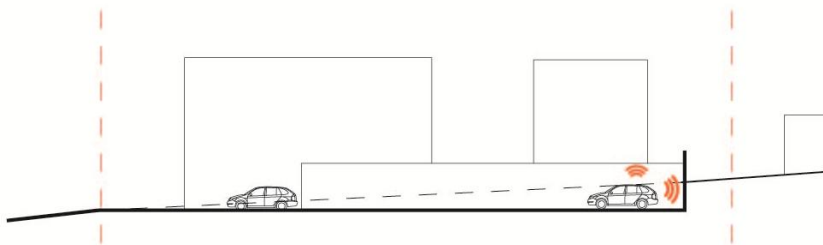


Figure 9: Incorporation of a semi basement parking form is preferred for the Medium Density Housing development to minimise sound transmission to neighbouring dwellings, to mitigate overall building bulk, and to take advantage of the existing slope of the development site

48-54 Paradise Beach Road Sanctuary Point – Previous and Current LEP maps

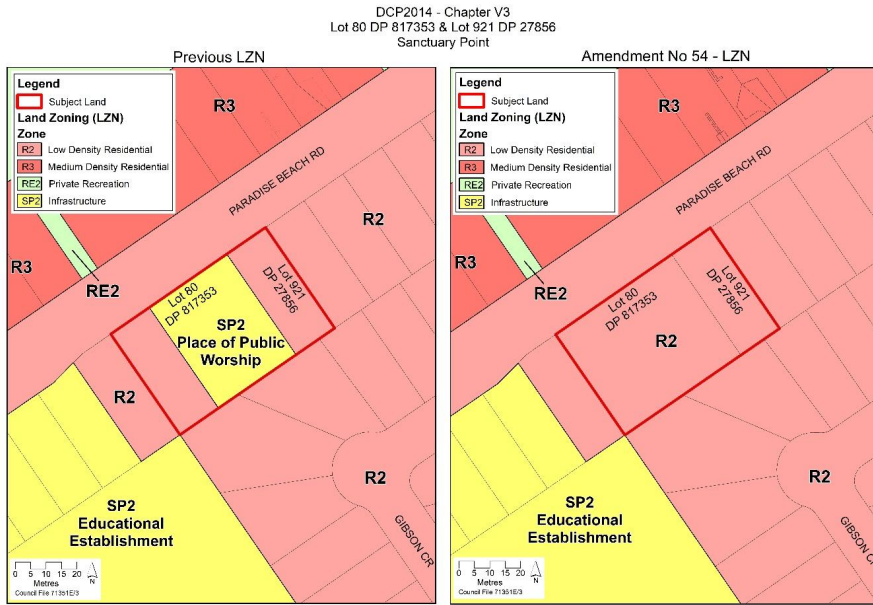


Figure 1 - Previous and Current Zoning (Post-Planning Proposal Amendments).

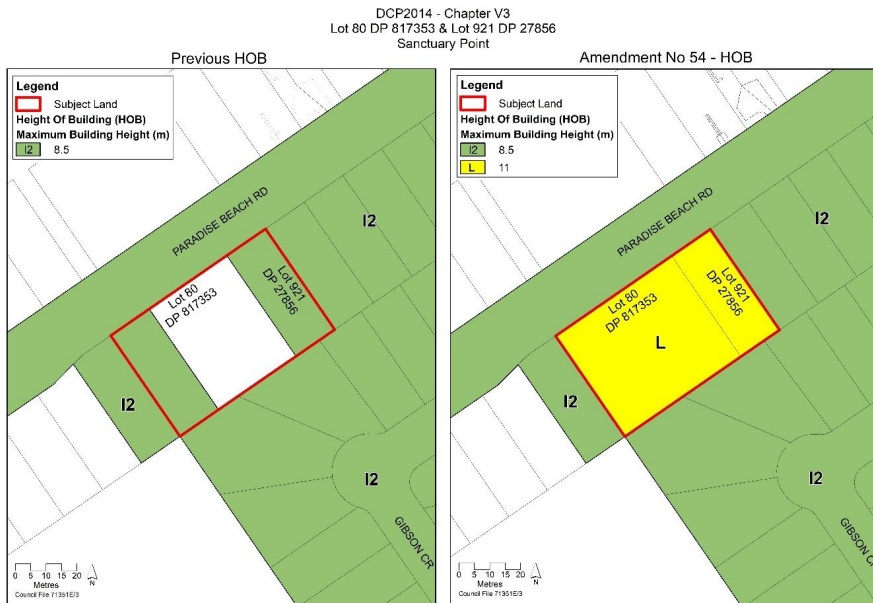


Figure 2 - Previous and Current Maximum Height of Building Controls (Post-Planning Proposal Amendments).

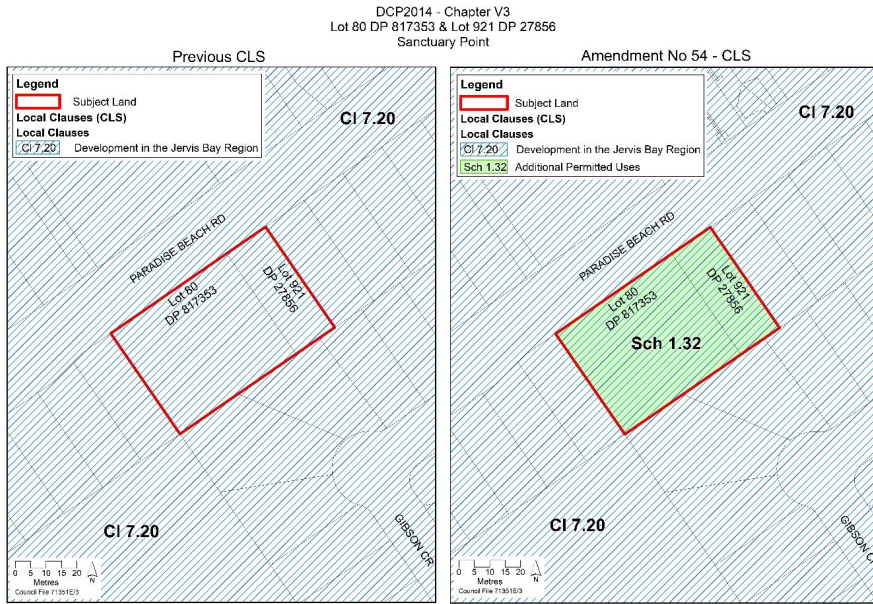


Figure 3: Previous and Current Clause Mapping (showing the addition of Schedule 1.32 to the subject land).

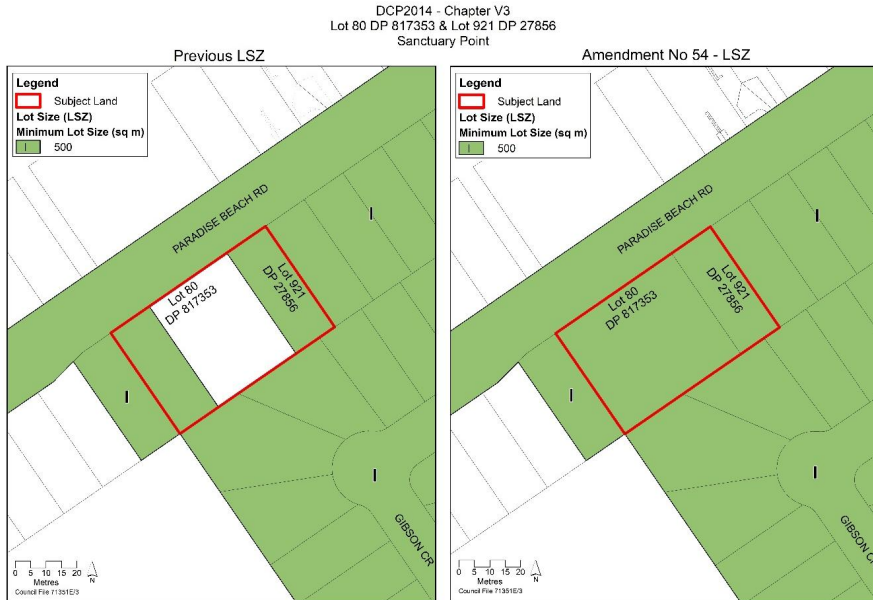


Figure 4 - Previous and Current Minimum Lot Size Mapping (Post-Planning Proposal)

CL25.58 Adjustment - Delegation - Plan Making (LEP) Process

HPERM Ref: D25/25769

Department: Strategic Planning

Approver: Lindsay Usher, Acting Director - City Development

Purpose:

Update which Council staff positions can exercise the delegated Plan Making (Local Environmental Plan) authority on behalf of Council in accordance with Section 2.4 of the NSW Environmental Planning & Assessment Act 1979 following the recent organisation change.

Summary and Key Points for Consideration:

As part of the initial 'Gateway determinations' issued by the NSW Government for Planning Proposals (PP's) it is determined whether or not the 'plan making' tasks at the end of the process can be delegated to Council.

These tasks essentially involve the finalisation of any resulting Local Environmental Plan (LEP) or LEP amendment resulting from a PP and includes liaising with the Parliamentary Counsel to finalise the drafting of the amendment, signing the amendment and then arranging its notification.

Council nominates relevant officers to exercise this delegation (usually the Chief Executive Officer and/or relevant planning directors/managers) consistent with Section 381 of the NSW Local Government Act. Given recent organisational change, this delegation needs to be updated accordingly to ensure Council's processes are efficient and legally robust.

Recommendation

That Council, pursuant to Section 381 of the NSW Local Government Act, consents to the NSW Minister for Planning and Public Spaces giving the required delegations under Section 2.4 of the NSW Environmental Planning & Assessment Act, in regard to the plan making process, to the positions of Chief Executive Officer, Director City Development and Strategic Planning Manager.

Options

1. As recommended

Implications: This will ensure that Council can continue to correctly exercise its delegations in this regard when appropriate.

2. Alternate recommendation.

Implications: Would depend on the nature or any recommendation.

CL25.58

Background

In April 2012 as part of the then reforms to the 'Plan Making' component of the NSW Planning System, Council originally in part resolved to:

Should the proposed changes proceed, that pursuant to Section 381 of the Local Government Act, the positions of General Manager, Director-Strategic Planning and Infrastructure and Strategy Planning Manager be given the delegations under Section 32 of the Environmental Planning and Assessment Act 1979 in regard to the plan making process.

As part of the initial 'Gateway determination' associated with Planning Proposals (PP's) one of the things that is determined is whether or not the 'plan making' tasks at the end of the process can be delegated to Council (officers/staff members). This essentially involves the finalisation of any resulting plan/amendment – liaising with the Parliamentary Counsel to finalise the drafting of the amendment, signing the amendment and then arranging its notification.

Council needs to nominate relevant officers/staff members to exercise this delegation (usually the Chief Executive Officer and/or planning directors/managers) consistent with Section 381 of the Local Government Act. For Shoalhaven this has consistently been Council's General Manager/Chief Executive Officer, relevant Director and Strategic Planning Manager.

There is a need to update things in this regard given recent organisational change to give the delegation to the following three staff positions in the current structure:

- Chief Executive Officer
- Director City Development (Note: was previously Director City Futures)
- Strategic Planning Manager

This will ensure that Council continues to have sufficient coverage to fulfill what is needed in this regard going forward as It is important for Council to maintain and use its Plan Making delegations to ensure the timely finalisation of amendments to the LEP. The delegations to will be updated to reflect the current organisational structure and the NSW Department of Planning, Housing & Infrastructure (DPHI) will be advised accordingly.

Internal Consultations

Not required.

External Consultations

Not required.

Community Consultations

Not required.

Policy and Statutory Implications

To continue to exercise its delegations in regard to the 'plan making' components of the PP process it is necessary for Council to keep its listing of relevant staff positions up to date and reflective of its current structure.

Financial Implications

No direct financial impacts.

Risk Implications

If Council does not keep its listing of relevant staff positions up to date there could be circumstances in the future where it may not be able to finalise relevant matters.

CL25.59 Progress Update - Detailed Planning - Moss Vale Road North Urban Release Area

HPERM Ref: D25/34891

Department: Strategic Planning

Approver: Lindsay Usher, Acting Director - City Development

Attachments:

1. Review and Consideration of Submissions and Feedback (under separate cover)
2. Recommended Adjustments to Draft Development Controls (under separate cover)

Purpose:

This report provides a progress update on the detailed planning work related to the Moss Vale Road North Urban Release Area (URA).

It also seeks direction on the remaining work necessary to facilitate the development and delivery of the URA, principally, finalising the preparation of Development Control Plan (DCP) provisions and a local infrastructure contributions framework.

Summary and Key Points for Consideration:

Council settled the higher level planning controls for the URA at the end of 2023 with an amendment to the Shoalhaven Local Environmental Plan (LEP) 2014.

The more detailed development controls and the local infrastructure contributions framework, which support the planning controls, still need to be finalised to enable and guide the actual development of the URA. Development controls aim to guide the design of subdivisions and dwellings, the street network, protect the environment, and manage flooding and bushfire. The contributions framework will help coordinate the funding and delivery of the infrastructure enabling development and supporting the future community.

Council publicly exhibited a draft DCP Chapter and a Local Infrastructure Contributions Framework paper in August/September 2024. As a result submissions were received from community members, NSW Government agencies, landowners and the Moss Vale North Owners Group (five members who own/ have an interest in majority of URA = approximately 200 of 240 hectares). An internal review of the draft development controls was also completed.

A summary of the review and consideration of the submissions is provided in **Attachment 1** – *Review and Consideration of Submissions and Feedback* and **Attachment 2** sets out *Recommended Adjustments to Draft Development Controls*.

There are matters that still need setline/resolution before Council can formally adopt the DCP controls. This includes the outcomes of discussions with the NSW Rural Fire Service (RFS) on the design of perimeter roads and from a recommended workshop with the Owners Group. The controls will also need to align with the final infrastructure contributions framework.

The contributions framework outcome could take different forms, such as a contributions plan or voluntary planning agreements offered by developers. An important consideration in settling the framework is the NSW Government's local infrastructure contributions cap which sets a \$30,000 per dwelling threshold for contributions. Analysis demonstrates that the essential infrastructure needed to support the URA is likely to significantly exceed the contributions potentially collected within the current threshold. More work is needed to

confirm infrastructure and identify a funding mechanism(s). As such, a future report will detail the recommended approach to settle a local infrastructure contributions framework for the URA and adopt the DCP controls.

Recommendation

That Council:

1. Notes the progress update on the preparation of local planning documents for the Moss Vale Road North Urban Release Area (URA), which includes a summary of the outcomes of the public exhibition of a draft Development Control Plan (DCP) Chapter and a Local Infrastructure Contributions Framework paper.
2. Endorse the adjustment of the exhibited draft DCP controls in accordance with the amendments listed in **Attachment 2 – Recommended Adjustments to Draft Development Controls**.
3. Continue to investigate and resolve a local infrastructure contributions framework for the URA which identifies, designs, and costs essential infrastructure and confirms infrastructure funding options.
4. Collaborate with the Moss Vale North Owners Group to identify opportunities for further adjustments of the draft development controls and inform the preparation of the local infrastructure contributions framework.
5. Receive a further report on the recommended approach to settle a local infrastructure contributions framework for the URA and adopt the development controls intended to guide development of the URA.

Options

1. As recommended.

Implications: The recommendation allows the necessary work to settle the local planning documents for the URA to continue. These documents will ultimately guide the development of this area and facilitate a supply of new homes in northern Shoalhaven. Completing this work is a high priority project confirmed by Council's earlier decisions.

The recommendation considers and responds to the feedback received in response to the public exhibition. It also facilitates continued collaboration with key landholders/developers who, along with Council, have the common aim of finalising the planning documents to allow the development of the URA to commence.

2. An alternative resolution.

Implications: The implications of an alternative resolution would be subject to the nature and direction of the resolution. For example, a decision setting out an alternative approach to settle the planning documents may delay delivery of the URA and may impact on Council's resources and other priority land use planning work. Alternatively, a decision to adopt the draft development controls in their current form and an alternative infrastructure funding arrangement(s) may result in poor development and infrastructure outcomes for the future community.

Resolving to not proceed would effectively cease the planning and delivery of the URA. The current planning controls would continue to apply, along with the requirement for development controls and arrangements for local infrastructure to be in place prior to any subdivision and development activity. This would mean Council could not approve any subdivision or development.

Background and Supplementary information

The local planning documents needed to enable the 'release' and guide delivery of the Moss Vale Road North URA are:

- Planning Proposal amending the LEP to set land use zones, minimum lot sizes, etc (**completed**).
- New development controls in the City-wide DCP.
- Local Infrastructure Contributions Framework to secure the funding and delivery of infrastructure to enable development and support the future community.

The LEP Amendment was notified in December 2023 and work has continued on the preparation and exhibition of draft DCP controls and a proposed local infrastructure contributions framework.

Draft Development Controls

The draft DCP controls support the LEP provisions settled in 2023. These provisions limited development opportunities in areas at significant risk from flooding and identified wider riparian corridors.

The draft DCP controls also manage residual flood risk by requiring all lots and roads to be filled above the Probable Maximum Flood (PMF) level and the provision of a flood evacuation route.

The draft DCP controls already accommodate some of the Owner Group's requests on a range of matters. Council staff have worked with the Owners Group to adjust the controls where appropriate to simplify the road network and increase the flexibility of controls for development staging, provision of bushfire asset protection zones, planning of local parks, and the delivery of the proposed village centre.

Proposed Local Infrastructure Contributions Framework

The following infrastructure is considered essential to enable the delivery of the URA and ultimately support its new community:

- Roads, roundabouts, and bridges to connect all proposed stages of development to the existing and future road network and provide a flood evacuation route.
- Drainage infrastructure, such as wetlands, detention basins and pollutant traps to manage water quality and the flow and volume of water from the URA.
- Open space, including district- and local-scale parks and playgrounds to meet the recreation needs of new residents.
- Natural areas along watercourses and Moss Vale Road to protect and enhance biodiversity values and provide a buffer between new homes and Moss Vale Road.
- Community facilities through the upgrade of existing regional and district facilities such as libraries, swimming pools, and art galleries.

The delivery of this essential infrastructure is estimated to cost in excess of \$98m for a development of 2,000 homes or \$102.5m for a development of 2,500 homes. Based on this number of homes the necessary contribution rates will be between \$41,000 and \$49,000 per home - \$11,000 to \$19,000 more than the current \$30,000 cap on the collection of development contributions set by the NSW Government.

As a result several options have been initially identified to potentially address this gap:

1. Reduce the infrastructure to lower the cost beneath the cap, noting this will lead to undersupply of infrastructure, may delay delivery of the URA, and create a future need for Council to fund new and upgraded infrastructure.
2. Apply to the Independent Pricing and Regulatory Tribunal (IPART) to increase the cap to deliver the identified infrastructure. This process can take up to 12-18 months, does not guarantee the requested amount, and may also remove the requirement for development to contribute to the upgrade of existing community facilities.

3. Federal and State Government funding accessed through relevant application processes. There is no guarantee the necessary funding can be secured, potentially leading to the undersupply of infrastructure, delays in the delivery of the URA and a future need for Council to fund (or help fund) infrastructure.
4. Owners/developers fund and deliver all identified infrastructure through Voluntary Planning Agreements (VPA's). These agreements are not subject to the cap on local infrastructure contributions but still require resourcing and oversight by Council.
5. Transfer responsibility to development to deliver the infrastructure components related to development such as relevant roads, drainage, and local parks. Requiring developers to dedicate the land for this infrastructure and the natural area land at no cost provides further savings. The funding for critical infrastructure enabling the overall delivery of the URA is added to a Contributions Plan.

The exhibited Local Infrastructure Contributions Framework paper recommended potentially Option 5. The exhibition material can still be accessed via the Council's ['Get Involved' page](#)

Exhibition Outcomes – Development Controls

Feedback was provided on the draft DCP controls by the community, State Government Agencies, and the Owners Group. An additional internal review was undertaken to identify opportunities for further improvements.

The majority of community submissions focussed on broader matters addressed during earlier work for the URA and also on infrastructure need. The submissions did not provide feedback on the exhibited documents. For example, the submissions objected to the delivery of the URA, raised concerns about the lack of an acquisition plan for riparian corridors, suggested alternative lot sizes, and requested greater efforts to manage broader flood risk.

Community Submissions

One submission asked for stronger controls to manage the interaction between new development and existing properties within the URA whose owners choose not to develop their land. New development has the potential to impact on the privacy, amenity, and access arrangements for these properties. Additional controls are recommended to ensure existing properties are appropriately considered in future subdivision planning activities.

Government Agency Consultation

Council staff are continuing to engage with the RFS to confirm the required design of perimeter roads to meet the requirements of *Planning for Bushfire Protection* and appropriate access is provided for firefighting equipment throughout the URA.

The NSW Department of Climate Change, Energy, the Environment, and Water supported the development controls to manage flood risk and requested minor formatting changes.

Transport for NSW sought additional controls to align infrastructure delivery with development stages, such as specific delivery timeframes or triggers, along with minor formatting changes.

Owners Group Feedback

The feedback focussed on various parts of the draft development controls, including:

- Removal of staging controls and diagrams to allow individual development applications to address development staging and sequencing matters.
- Components of the road network, suggesting alternative widths for road reserves and verges, removal of roundabouts, and deletion of controls for rear lane access in certain circumstances.
- Range of permissible development in the Environmental Conservation and Environmental management zones (Note: set in LEP).

- Width of the landscape buffer planned along Moss Vale Road (Note: Set in LEP).
- Further simplification of the development controls to facilitate efficient processing of development applications.
- Support, with some minor amendments for the proposed approach to plan for the village centre (concept rather than detailed plan).

The feedback also recommended deletion of controls which duplicate matters addressed in State legislation and guidelines and identified a series of amendments to improve formatting.

Several of the matters raised by the Owners Group have been incorporated into the development controls where appropriate, while others have been considered and are recommended for rejection. Others matters would possibly benefit from further collaboration to settle or confirm a final position and workshop between Council staff and the Owners Group is recommended as a result.

Internal Council Staff Review

The internal review of the draft development controls identified opportunities to refine or simplify/improve the draft controls. One significant matter raised during the review were the planning controls aimed at securing appropriate asset protection zones (APZ’s) to manage the bushfire risk associated with the riparian corridors. The review identified two options to provide the APZ’s, each with a range of considerations that are discussed/examined in the following table. The provision of APZ’s on public land is desirable and recommended as it ultimately secures their delivery, promotes a more comprehensive risk management approach, and reduces Council’s compliance and enforcement activities.

CL25.59

Public Land – Sufficient width road reserves provide APZs	Private Land – APZs provided on roads and through front setbacks.
Ensures a consistent approach aligned with identified, future bushfire risk of revegetated riparian corridors.	Undermined (no APZs provided) through the Complying Development approval pathway which only considers current risk (pre vegetation of corridors).
The provision of APZs on public land, including hard infrastructure such as roads, provides a solution higher up the risk management hierarchy.	Requires set-up and enforcement of easements to ensure appropriate APZs (clear of landscaping) are provided by hundreds of individual homeowners.
Any increased maintenance costs are likely to be met with increased rate base.	Reduced maintenance cost and obligations for Council.
The inconsistency with Council’s current policy on reducing or not allowing APZs on public land is justified give the unique opportunity presented by the planning for a substantial new residential area from the start.	Consistent with Council’s current policy to reduce APZs on public land.

Intended Next Steps

A range of adjustments to the draft DCP controls are recommended in response to the feedback and these are identified in **Attachment 2 – Recommended Adjustments to Draft Development Controls**. These adjustments will be made to the exhibited [draft DCP Chapter](#).

There are several matters which still need to be settled before the draft controls can be finally formally adopted. This includes the outcomes of current discussions with the RFS on the design of perimeter roads and a recommended workshop with the Owners Group. The controls also need to align with the yet to be settled infrastructure contributions framework.

Exhibition Outcomes – Local Infrastructure Contributions Framework

Community Submissions

The submissions raised concerns about Council's ability to deliver the infrastructure required to service the URA, in full or in part, expressing support for the options requiring developers to fund infrastructure or for Council to apply to IPART to increase the amount of local infrastructure contributions levied on development.

One submission requests a greater range of recreational facilities for the URA, such as a skate park and pump track. The exhibited framework document identified indicative embellishment costs for open space, but did not confirm the range of facilities to be delivered. The detailed planning for the open space still needs to occur, providing the opportunity to deliver a range of appropriate facilities. Council is currently reviewing its Community Infrastructure Strategic Plan (CISP) to identify the recreation needs of current and future communities and set out the response to meet those needs. The findings of this review will ultimately inform the embellishment of new open space in the URA.

One submission from a property owner objected to the proposed requirements for the restoration and dedication of riparian corridors to Council at no cost. There are no current opportunities to acquire riparian corridors as this would increase the amount of infrastructure contributions, exacerbating the problem of maintaining contributions under the cap. In addition, the acquisition and revegetation of natural areas are not listed on the NSW Government's *Essential Works* List outlined in its Local Infrastructure Contributions Policy. This also prevents Council from including acquisition and revegetation activities in any future development contributions plan, even if this were a reasonable consideration. It is relevant to note that in the original request from the earlier owners group to prioritise the planning for this URA, the restoration of these areas was a key outcome that they promoted and identified would result.

Agency Consultation

Transport for NSW:

- Raised concerns about the adequacy of estimates of future road connections and whether the necessary funds will be available during the early stages of development to deliver the initial or enabling infrastructure.
- Recommends Council use the opportunity to apply to increase the current cap on contributions to secure the funds for the identified infrastructure.
- Highlights the importance of connections from the URA to Moss Vale Road and the Princes Highway and the timing and funding mechanisms to secure them, including acquisition of required land.
- Suggests additional mechanisms to adjust timeframes and funding mechanisms for the delivery of identified road connections should development stages be adjusted.

Work is still required to settle the actual contributions framework for the URA and this provides the opportunity to continue to engage/collaborate with Transport for NSW on these matters.

Owners Group Feedback

The Owners Group identified the contributions framework as its most significant issue raising concerns over the appropriateness of the proposed infrastructure, suggesting additional infrastructure or land acquisition requirements, reduced revegetation requirements for riparian corridors, potential design changes/improvements and cost savings, dwelling yield assumptions, and equitable allocation amongst landowners.

Over engineered design solutions and associated costs for key road, bridge, and roundabout infrastructure were also raised as a concern and it is claimed that this adds tens of millions of dollars to the infrastructure bill.

The Owners Group however indicated support for Option 5 (joint delivery of infrastructure by Council and development) subject to a collaborative working group which aims to reduce the contributions shortfall and determine a fair apportionment of contribution requirements. The Owners Group proposes/requests that the working group review the range of issues outlined in its submission.

Intended Next Steps

The likelihood of reducing the likely infrastructure bill below the \$30,000 cap per lot is extremely low, especially when considering the Owners Groups requests for the contributions framework to include land acquisition. The community feedback and agency consultation also indicated support to apply to IPART to increase the threshold.

It is noted that several councils have been granted approval to charge increased development contributions in similar circumstances. Examples include Wollongong City Council's proposed \$80,000 a lot for West Dapto and Penrith City Council's proposed \$105,000 a lot for Glenmore Park (Stage 3). An application to increase the threshold (cap), if successful, would bring a range of benefits, not least securing a comprehensive range of infrastructure for the URA including land acquisition, and protecting Council from future financial risk from the need to deliver necessary infrastructure not delivered upfront or increased construction and material costs.

Work should continue to identify, design, and cost all essential infrastructure deemed necessary to support the URA. This proposed work includes collaboration with the Owners Group and Transport for NSW to provide a forum to address their concerns and keep them informed of infrastructure projects and costs. Once settled, this information will inform the selection of an appropriate local contributions framework for the URA.

Exhibition Outcomes – Other Matters

Community Submissions

Several submissions raised the broader need for new and upgraded schools, State Government managed roads, and health facilities to service the future community. Council continues to advocate for relevant State Government Agencies to plan and provide this infrastructure to support the future community.

Other submissions were critical of Council's notification of the exhibition of local planning documents for the URA and request further efforts to notify more of the community before further planning decisions are made for the area. Council's exhibition complied with the relevant planning regulations governing notification of public exhibitions. Council is currently updating its Community Engagement Strategy and Community Participation Plan, the key documents setting out how Council will engage the community on its decisions, and any future exhibition processes will comply with the commitments made in these documents.

Owners Group Feedback

The Owners Group requested adjustment of a range of matters which Council only settled through its update of LEP provisions in December 2023. These include reductions in the minimum lot size for subdivision development standard to enable the delivery of lots smaller than 500m² and the review of riparian corridor zone boundaries. The proponent initiated Planning Proposal (rezoning) process provides the Owners Group the opportunity to initiate a review of these controls should they wish to pursue justifiable changes of this nature.

The Owners Group has commissioned detailed ground level survey data and an update of the flood modelling for the URA. It has offered to share this information with Council to help inform updates to development controls (areas of fill to manage flood risk) and the design of road and bridge infrastructure.

Internal Consultations

Council's Strategic Planning team collaborated with the following teams within Council to prepare and review the draft development controls and proposed local infrastructure contributions framework:

- Strategic Transport Planner: Road network and designs.
- Environmental Services: Controls for flooding, drainage, and the management of natural areas.
- Open Space and Recreation: Provision and embellishment cost of open space.
- City Services: Provision of bushfire asset protection zones and the design and costing of road, bridge, and drainage infrastructure.
- Development Services: Refinement of development controls.

As the detailed planning and development of the URA proceeds, a Project Control Group consisting of staff from the above teams, Asset Custodians, and Development Services staff will help manage and coordinate the delivery of infrastructure and assist with the consideration of relevant development applications.

External Consultations

The following NSW Government Agencies were consulted:

- Rural Fire Service
- Department of Climate Change, Energy, the Environment, and Water
- Transport for NSW

The Moss Vale North Owners Group has had the following opportunities to collaborate/provide input on the draft development controls:

- June 2022: Submission on exhibited draft planning and development controls.
- December 2023: Meeting to discuss planning controls.
- January 2024: Workshop on development controls.
- March 2024: Submission on development controls.
- July 2024: Meeting to discuss planning for the URA.
- September 2024: Meeting to discuss planning for the URA.
- December 2024: Submissions on exhibited draft development controls and proposed local infrastructure contributions framework.

The Owners Group's most recent submissions covered the following matters:

1. The proposed local infrastructure contributions framework: The Group supports the adoption of Option 5 (hybrid contributions approach) subject to the creation of a collaborative working group to resolve the final contributions framework.
2. Density targets and lot yield calculations: The Group wants to review dwelling yield assumptions and explore opportunities to increased dwelling yield.
3. Road alignment, street widths, and number of roundabouts: The Group identified concerns with draft development controls.
4. Riparian corridors, basins, and associated issues: The Group identified concerns with the controls for managing riparian corridors and drainage infrastructure. It also identified the availability of updated ground level data and flood modelling results.

5. The detail or requirements of the draft development controls: The Group recommended adjustments to simplify the draft development controls.
6. Development staging: The Group requested the deletion of the controls managing development staging, instead proposing to manage staging considerations during the development approval process.

Community Consultations

Council publicly exhibited the draft development controls and proposed local infrastructure contributions framework from 26 August to 23 September 2024. The exhibition material can be accessed via Council's ['Get involved' page](#)

Council received fourteen submissions from community members raising the following matters:

1. Objections to the delivery of the URA.
2. Funding and delivering local infrastructure.
3. Road and community infrastructure.
4. Sustainable development.
5. Dwelling diversity.
6. Acquisition and dedication of riparian corridors.
7. Managing flood risk.
8. Managing existing properties within the URA.
9. Notification of future development proposals.

These submissions are summarised in **Attachment 1 – Review and Consideration of Submissions and Feedback**. This document considers the feedback received and makes recommendations for the adjustment of the draft development controls and for other activities essential to delivering the URA's. For example, continued advocacy with Transport for NSW for its upgrade of Moss Vale Road to provide more travel lanes and upgraded intersections with local roads.

Policy and Statutory Implications

The NSW Government's *Illawarra-Shoalhaven Regional Plan 2041* identifies the Nowra-Bomaderry Regional Release Areas, which includes this URA, as being regionally significant.

Council's Local Strategic Planning Statement (*Shoalhaven 2040*) confirms the importance of preparing the local planning documents for the URA in *Planning Priority 1: Providing homes to meet all needs and lifestyles*. Finalising the planning documents in a timely manner is a high priority project and current focus for Council's Strategic Planning Team.

The delivery of the URA will enable the delivery of a substantial number of new homes, helping Council to meet the NSW Government's housing targets.

Financial Implications

Settling an appropriate local infrastructure contributions framework for the URA is essential to help secure the funding and coordinate the delivery of essential infrastructure. This removes the risk of Council having to fund the delivery of essential infrastructure from its budget. Other funding and infrastructure delivery initiatives will be pursued to either fund the infrastructure or help facilitate its prompt delivery. These include Federal and State Government infrastructure funding initiatives that continue to emerge and agreements with owners/developers.

Council has expended considerable staff resources and funding to date to get the local planning documents to this point in the planning process. There is currently no funding allocated for further work and a funding allocation will be required for the continued work to prepare the local infrastructure contributions framework.

The Owners Group has offered to undertake, fund, and share updated engineering design and costings for the essential infrastructure.

Risk Implications

The NSW Government's recently established Housing Delivery Authority (HDA) is leading a streamlined State Significant Development pathway and concurrent rezoning process. Developers can submit an Expression of Interest to the HDA for major housing developments worth over \$30m. If a nomination occurs and is accepted by the HDA, it could ultimately remove or reduce Council's involvement in planning and managing the development and infrastructure outcomes for the URA.

The NSW Government is publishing Council League Tables in support of its 5-year Housing Targets. This presents a reputational risk for Council if planning for the URA is delayed, and this impacts on Council meeting its targets.

CL25.60 Connection to Town Sewerage System - 20 Church Street Milton - DA24/2386

HPERM Ref: D25/36682

Department: Water Asset Planning & Development

Approver: Andrew McVey, Acting Director - Shoalhaven Water

Purpose:

Shoalhaven Water has received an application under Council's Non-Urban Wastewater Connection Policy to connect Lot 11 DP 1274134, being 20 Church Street Milton, to Council's sewerage system. Such an application requires Council resolution under the Non-Urban Wastewater Connection Policy.

Summary and Key Points for Consideration:

Council's Non-Urban Wastewater Connection Policy provides for non-urban zoned properties to connect to the sewerage system subject to compliance with Section 3.3 of that policy, *Criteria for Determination of an Application for a Property to Connect to Council's Sewerage System*, which states:

"Connection to Council's sewerage system will only be made available properties upon written application in the following circumstances:

- *Where capacity exists in the existing system, and*
- *Where the current levels of service can be provided, and*
- *Where the property is paying the wastewater availability charge.*

Properties not paying the wastewater availability charge will only be considered for connection to Council's sewerage system if;

- *It is not possible to manage wastewater by on site treatment, and*
- *The application is supported by a detailed report from a suitably qualified professional, and*
- *The application is approved or recommended by Council Environmental Services Team.*

Approval in this situation is subject to Council resolution."

Assessment under each of these criteria is outlined below:

- ***Where capacity exists in the existing system***

The calculated loading is 1.0 Equivalent Tenement (ET). The town sewerage system does have the capacity to support the proposed connection.

- ***Where the current levels of service can be provided***

Current levels of service via pressure sewer can be provided.

- ***Where the property is paying the wastewater availability charge***

The property is not paying the wastewater availability charge.

- ***It is not possible to manage wastewater by on site treatment***

The lot is too small for current Council requirements for onsite treatment.

CL25.60

- **The application is supported by a detailed report from a suitably qualified professional**

The applicants consultant has submitted a detailed report.

- **The application is approved or recommended by Council Environment Services Team**

Council's Environmental Services Unit is supportive of a connection to the sewerage system.

Recommendation

That Council approve the connection of Lot 11 DP 1274134, 20 Church Street Milton to the Milton/Ulladulla Sewerage Scheme by a pressure sewer system and subject to the applicant complying with all conditions specified in the Shoalhaven Water, Water Development Notice.

Options

1. Adopt the recommendation

Implications: This is recommended as there is sufficient capacity within the Milton/Ulladulla Sewerage Scheme, the proposal is considered a minor development, and it is of positive economic benefit to Council.

2. Refuse the request to connect to the sewerage scheme

Implications: The applicant will need to find an alternate solution to manage their effluent in accordance with other regulations, codes, and standards.

Background and Supplementary information

A Development Application has been lodged for a new two-storey dwelling with swimming pool on the subject site. As part of the application, the proponent has engaged the services of a consultant to prepare an onsite effluent assessment. The findings of the "Onsite Wastewater Assessment – Proposed Dwelling located at Lot 11 DP 1274134 No. 20 Church Street Milton 2538" (dated 29/11/2024) by SET Consultants state the subject site is unsuitable for any form of onsite effluent disposal due to its insufficient size.

The property is benefitted by its proximity to Council's existing sewerage system (the properties on the western side of Church Street are already connected to the sewer).

Sewer Servicing Options

The location of the proposed dwelling and the natural contour of the land is such that it cannot connect by a conventional gravity system, therefore a pressure sewer system must be installed to pump the flows to the agreed connection point, located in Church St. Draft plans have been prepared by SET Consultants and are shown below.

All designs and construction works are at the applicant's expense. In addition, approval from Shoalhaven City Council will be required for the construction works within the road reserve of Church Street.

- *Where the current levels of service can be provided, and*
- *Where the property is paying the wastewater availability charge.*

Properties not paying the wastewater availability charge will only be considered for connection to Council's sewerage system if;

- *It is not possible to manage wastewater by on-site treatment, and*
- *The application is supported by a detailed report from a suitably qualified professional, and*
- *The application is approved or recommended by Council Environmental Services Team.*

Approval in this situation is subject to Council resolution."

Assessment under each of these criteria is outlined below:

- ***Where capacity exists in the existing system***

The calculated loading is 1.0 Equivalent Tenement (ET). The town sewerage system does have the capacity to support the proposed connection.

- ***Where the current levels of service can be provided***

Current levels of service via pressure sewer can be provided.

- ***Where the property is paying the wastewater availability charge***

The property is not paying the wastewater availability charge.

- ***It is not possible to manage wastewater by on site treatment***

The lot is too small for current Council requirements for onsite treatment.

- ***The application is supported by a detailed report from a suitably qualified professional***

The applicants consultant has submitted a detailed report.

- ***The application is approved or recommended by Council Environment Services Team***

Council's Environmental Services Unit is supportive of a connection to the town sewerage system.

Financial Implications

There are no negative financial impacts to Council as all works are at the applicant's full expense, and Council will benefit by way of the sewer availability charge.

The development will be levied the Section 64 (Sewerage) Charge by way of a condition under the Shoalhaven Water, Water Development Notice for DA24/2386. The calculated Section 64 Sewerage Contribution is \$8,964.40 (2024/25). However, after applying the current *Water and Sewerage Headworks Charges (Section 64 Contributions) – Assistance for Developments* policy the amount payable is \$2,241.10 (2024/25).

Risk Implications

There are no new risk implications to Shoalhaven Water's role in maintaining the new pressure sewer main and pressure sewer unit on the property.

CL25.61 Policy Review - Backflow Prevention and Cross Connection Control

HPERM Ref: D25/55630

Department: Water Business Services

Approver: Andrew McVey, Acting Director - Shoalhaven Water

Attachments: 1. Revised Policy - Backflow Prevention and Cross Connection Control (under separate cover)

Purpose:

This report proposes that Council consider and reaffirm the attached policy.

Summary and Key Points for Consideration:

The attached policy has been reviewed and updated with minor edits in wording, definitions and legislation references the changes proposed do not change the original policy intention.

Recommendation

That Council reaffirm the Backflow Prevention and Cross Connection Control.

Options

1. Adopt the recommendation as written.

Implications: Minor changes will assist for currency and clarity. There are no significant changes.

2. Not adopt the recommendation.

Implications: Council can request further detail, seek further community input or make other changes.

Background and Supplementary information

The policy attached to this report has been marked up with the proposed changes for consideration and adoption by Council and a summary of the changes to the policy are as follows:

1. Backflow Prevention and Cross Connection Policy

- Reorganising of information from the body of the policy to the definitions table
- Align policy with the Plumbing Code of Australia (PCA), backflow survey to include National Construction Code (NCC) building classification on properties for assessment of hazard ratings
- Specify any Council variation to the PCA for containment protection (allowed under PCA), including fire service requirements

- Clarify requirement for plumbers to submit certificate of compliance for installation of all testable devices on a property. This will support Shoalhaven Waters Regulatory team's intention to inspect containment devices.
- Provide additional information regarding Standpipes – to reflect current practice.

Changes also include minor editing, rewording and formatting of the policy and updating to the new policy template.

Internal Consultations

Key staff within Shoalhaven Water have been consulted and provided feedback on the proposed changes, no formal internal consultation across Council was conducted as the responsibility and application of the policy is the responsibility of Shoalhaven Water.

External Consultations

No external consultation has been conducted as part of the review of this policy as no significant changes have been proposed in the review of this existing policy.

Community Consultations

No community consultation has been conducted as part of the review of this policy as no significant change has been proposed.

Policy and Statutory Implications

Policy included in this report is proposed for reaffirmation, the nature of the changes are considered minor and therefore have no implications or deviation from the intent of the existing approved policies.

Financial Implications

No financial implications have been identified from the proposed changes.

Risk Implications

As no significant changes have been proposed there is no change to the current risk implications of this policy.

LOCAL GOVERNMENT ACT 1993

Chapter 3, Section 8A Guiding principles for councils

(1) Exercise of functions generally

The following general principles apply to the exercise of functions by councils:

- (a) Councils should provide strong and effective representation, leadership, planning and decision-making.
- (b) Councils should carry out functions in a way that provides the best possible value for residents and ratepayers.
- (c) Councils should plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of the local community.
- (d) Councils should apply the integrated planning and reporting framework in carrying out their functions so as to achieve desired outcomes and continuous improvements.
- (e) Councils should work co-operatively with other councils and the State government to achieve desired outcomes for the local community.
- (f) Councils should manage lands and other assets so that current and future local community needs can be met in an affordable way.
- (g) Councils should work with others to secure appropriate services for local community needs.
- (h) Councils should act fairly, ethically and without bias in the interests of the local community.
- (i) Councils should be responsible employers and provide a consultative and supportive working environment for staff.

(2) Decision-making

The following principles apply to decision-making by councils (subject to any other applicable law):

- (a) Councils should recognise diverse local community needs and interests.
- (b) Councils should consider social justice principles.
- (c) Councils should consider the long term and cumulative effects of actions on future generations.
- (d) Councils should consider the principles of ecologically sustainable development.
- (e) Council decision-making should be transparent and decision-makers are to be accountable for decisions and omissions.

(3) Community participation

Councils should actively engage with their local communities, through the use of the integrated planning and reporting framework and other measures.

Chapter 3, Section 8B Principles of sound financial management

The following principles of sound financial management apply to councils:

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services

Chapter 3, 8C Integrated planning and reporting principles that apply to councils

The following principles for strategic planning apply to the development of the integrated planning and reporting framework by councils:

- (a) Councils should identify and prioritise key local community needs and aspirations and consider regional priorities.
- (b) Councils should identify strategic goals to meet those needs and aspirations.
- (c) Councils should develop activities, and prioritise actions, to work towards the strategic goals.
- (d) Councils should ensure that the strategic goals and activities to work towards them may be achieved within council resources.
- (e) Councils should regularly review and evaluate progress towards achieving strategic goals.
- (f) Councils should maintain an integrated approach to planning, delivering, monitoring and reporting on strategic goals.
- (g) Councils should collaborate with others to maximise achievement of strategic goals.
- (h) Councils should manage risks to the local community or area or to the council effectively and proactively.
- (i) Councils should make appropriate evidence-based adaptations to meet changing needs and circumstances.