

## Ordinary Meeting

**Meeting Date:** Tuesday, 26 August, 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

**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.

Shoalhaven City Council live streams its Ordinary Council Meetings and Extra Ordinary Meetings. These can be viewed at the following link

<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 - 12 August 2025

**6. Declaration of Interests**

**7. Presentation of Petitions**

**8. Mayoral Minute**

**9. Deputations and Presentations**

**10. Notices of Motion / Questions on Notice**

Notices of Motion / Questions on Notice

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**12. A Committee of the Whole (if necessary)**

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Nil

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CEO

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### **15. Confidential Reports**

Nil

## **CL25.258 Notice of Motion - Publish information on Staff benchmarking and a true organisational (position) chart**

**HPERM Ref:** D25/360809

**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**

As Councils are required to perform workplace planning and to be able to align our human resources with our financial and strategic goals. Can the A/CEO provide a report with benchmark levels or comparable information for councils of a similar size to the Shoalhaven LGA for the purposes of being more accurate in considering and developing our future staff, succession, strategic and financial planning needs. An organisational chart that shows departments, titles and staff numbers that is non identifying for public information. Is additional information available to be included from the OLG all in the public interest please.

### **Background**

For ongoing Transparency, Accountability & Financial sustainability.

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## CL25.259 Notice of Motion - Culture of the Elected Council

**HPERM Ref:** D25/361765

**Submitted by:** Cllr Bob Proudfoot

### Purpose / Summary

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

### Recommendation

That Council, as it approaches its first anniversary, expresses its great pleasure in ensuring that a good positive culture has consistently been displayed by the vast majority of Councillors during Council meetings, workshops and briefings, and at public functions. Further, Council rejects any insinuation that the culture of the elected Council is dominated by toxic behaviours where poor decision-making is the order of the day. However, Council does acknowledge that there have been moments during times of spirited debating where some Councillors feel disadvantaged when they do not have things all their own way.

### Background

Accusations have recently been reported in the media regarding the so-called toxic behaviours and toxic culture of the elected Council. The finger has been pointed at the right of Councillors to have a re-consideration of past motions by way of rescission, which, of course, is their democratic right. Part of the broad-brushed swipe at decision-making came issues such as Local Character Statements, the Bioenergy Lease, the location of Sanctuary Point Library, the sale of an unformed Road Reserve at Depot Beach, the supposed impact of Bloc Voting, Workplace Safety, Councillors gathering in the Mayor's Office prior to meetings and a CPI Pay rise for elected Councillors. A reasonable person may interpret the stated list of grievances as nothing more than a mammoth "dummy-spit" where certain Councillors did not get their own way. Most Councillors accepted verdicts graciously, with just the few who could not let go and seem to enjoy their attempts at bringing a very good Council into disrepute.

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## CL25.260 Financial Sustainability Quarterly Productivity and Efficiency Report

**HPERM Ref:** D25/355132

**Department:** Financial Sustainability

**Approver:** Brian Barrett, CEO

**Attachments:**

1. 3% challenge ideas - redacted (under separate cover) ➡
2. Sustainable Financial Futures Plan - June 2025 Update (under separate cover) ➡

### Purpose:

The purpose of this report is to inform Councillors and the community of the productivity and efficiency actions that have been taken from April to June 2025 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 April to June 2025.
- Council's [Sustainable Financial Futures Plan](#) was updated in June 2025 (see attached), with 40 of the 75 actions completed to date. The FY26 budget included the allocation of the approved \$7 million in operational savings to the general fund. Any additional operational savings identified during FY26 will be reported quarterly and added to the FSR reserve.
- The financial outcomes achieved to date remains unchanged with the total recurrent general fund savings at \$2.548 million and one-off general fund savings/income at \$95.731 million. The Financial Sustainability Reserve balance as at 30 June 2025 is \$4.1 million.

### Recommendation

That Council:

1. Receive the productivity and efficiency report for the period from April to June 2025.
2. Note the actions taken during the period that have supported progress towards the vision identified in Council's Sustainable Financial Futures Plan.

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## Options

1. The productivity and efficiency report for the period from April to June 2025 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 are updated monthly via Council's website on the status of the actions taken and progress made on the agreed savings plan. This complements the 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.

In the June 2025 Financial Sustainability update on Council's website, the Sustainable Financial Futures Plan was updated with the latest status of actions, with 40 of 75 actions having been completed. This represents significant progress towards Council's vision of being a financially sustainable organisation. The Sustainable Financial Futures Plan will be updated again in September 2025.

## Summary of financial sustainability initiatives

### Status of AEC report implementation

In November 2023, AEC provided a report (CL23.420) to Council on its financial sustainability. AEC made 27 recommendations, including an SRV, and that all had to be implemented to ensure Council's financial sustainability. The following table reports the progress towards implementation of the AEC Financial Sustainability report recommendations.

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	AEC Recommendation	Current Status	Comment
<b>1a</b>	Submit a Special Rate Variation (SRV) Application based on increasing General Fund rates revenue by \$310.9 million over the next 10 years. This can be achieved through a 32% increase in 2024/25.	Partially complete	12% SRV application successful for FY26, resulting in an estimated \$89.8m in income above rate peg over 10 years.
<b>1b</b>	Review the pricing for fees and charges (outside of statutory fees set by the State Government) and ensure they reflect full cost price for services, as far as it is practical to do so, without impacting significantly on access to services by the community.	Complete	Since the AEC independent review into Financial Sustainability, the finance team have led the organisation on 2 reviews of fees and charges, resulting in additional increases in general fund fees and charges.
<b>2a</b>	Decrease operating costs through the development of an Efficiency and Productively Improvement Plan which should consider the list of productivity improvements and cost savings collected by AEC through consultation with the senior management team. The Plan should establish a realistic and achievable productivity and efficiency target which is adopted by Council and the achieve of the targets against the Plan reported regularly to Council.	Complete	AEC productivity list has been incorporated into the financial sustainability plan, and has been added to through the 3% challenge (staff efficiency and revenue ideas)
<b>2b</b>	Decrease operating costs through conducting a strategic review of services to assess the range and levels of service provided.	In progress	As service reviews are completed, the service levels are reviewed and updated to reflect the community need for the service and to change the service level where possible to reduce the cost of service. This review will continue for all services via the service review program.
<b>2c</b>	Decrease operating costs through improving the strategic and technical asset management capability and practices to manage assets at the most optimal whole of life costs.	In progress	Work is underway to enhance asset management systems and processes. This includes the implementation of an asset service investment model and ensuring all proposed capital projects have captured whole of life costs for better decision making.
<b>3a</b>	Implement a Strategic Service Planning framework, including the development of a Service Catalogue, that defines the approved range and levels of service.	In progress	A service catalogue has been developed, defining service and activity levels. Work is still required to document and seek approval for the range and level

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			of service through a formal process.
<b>3b</b>	Implement requirement for a Business Case and/or Capital Expenditure Review prior to approving to proceed with material new or upgraded services and assets (mandatory for proposed capital works for new or upgraded assets over \$1million)	Complete	All projects require a business case for approval via ePMO.
<b>3c</b>	Implement a framework for grant applications and acceptance to consider the impact of the grant on the Long-Term Financial Plan and financial sustainability.	Complete	Grant policy and framework are in place and staff have been trained on new processes.
<b>4a</b>	Maintain integration of the Annual Budget and Long-Term Financial Plan with the Delivery Program, Operational Plan, Asset Management Plans, Workforce Strategy, and other adopted plans – each plan should be updated when material decisions are made that impact on the respective plans.	Not started	Plan in place to review the resourcing strategy and LTFP once asset management plans are updated and the financial sustainability service reviews are complete. Work scheduled for 2026.
<b>4b</b>	Implement effective budget and other financial controls – including budget accountability, a project management framework with gateway controls, workforce plan outlining the funded staff establishment, contract management framework.	In progress	Budget parameters are in line with financial sustainability principles, oversight and control of the funded organisation chart is in place through the People and Culture Manager and the project management framework has been implemented.
<b>4c</b>	Develop an annual budget development process that is activity based rather than largely historical.	Complete	This was achieved in the development of the FY25 budget, where a bottom-up budget process was adopted to provide a realistic budget reflective of the funding required to deliver current services at the agreed level.
<b>5</b>	Council should budget for and maintain, at least in the short term, an unrestricted cash balance of at least \$15.0 million as a contingency for unplanned asset renewals/replacements due to asset failure or other unknown or unplanned events. The \$15 million balance of unrestricted cash balance should be achieved in the 2024/25 financial year, or 2025/26 at the latest, as Council is currently exposed to high risk of using restricted cash reserves	In progress	This was based on an assumption that Council will apply for a 32% special rate variation for FY25. The delivery of the actions in the Sustainable Financial Futures Plan will achieve an improvement in Council's unrestricted cash balance. Council's unrestricted cash balance as at 30 June 25 is still being finalised.

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	until the balance is achieved.		
<b>6</b>	As part of the Financial Sustainability Review, AEC has facilitated a list of properties that may be suitable for sale, or further development and then sale, to general cash to assist in restoring the unrestricted cash balance. The list requires further review by Council and decisions made whether to proceed with the sale of the assets	In progress	Council's land sales program is underway, with \$11.3m in sales achieved to date.
<b>7</b>	Review internally restricted cash to ensure alignment with intended purpose of the reserves and that the reserves are adequate for the purpose. Any cash not required to be restricted should not be used to fund expenditure but rather used to build the unrestricted cash position.	Not started	Not started, work to commence in late 2025.
<b>8</b>	Implement a monthly reconciliation and reporting process for all external restrictions.	Not started	Not started, work to commence in late 2025.
<b>9a</b>	Improve processes for asset data collection, standardisation, and componentisation.	Complete	The asset management team has been centralised, data collection processes have been reviewed, and the team is now working through asset categories to collect data.
<b>9b</b>	Prepare an asset management strategy that provides guidance and direction to improve Council's asset management approach, improve resource allocation, increase the awareness of current asset performance/risk, establish asset management strategies, and integrate the Asset Management Plans and the Long-Term Financial Plan.	Complete	The implementation of the Functional Asset Management Model provides the strategy and structure to facilitate appropriate resourcing to be directed toward collation of asset data, production of AMP's and improvement in project planning to ultimately improve Council's asset management approach.
<b>9c</b>	In the short term, develop the strategic asset management capability to better predict, prioritise and plan for asset renewal programs based on known risks, criticality, condition, and performance of each asset class.	In progress	The centralisation of asset management through the implementation of the functional asset management model is building Council's strategic asset management capability.

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<b>9d</b>	Review and update the asset management plans for each asset class to determine and direct the optimal life cycle approach for each asset class.	In progress	A project management plan has been developed for asset management plan updates which includes prioritisation and timing of work. It is planned to have all asset management plans updated by June 2026.
<b>9e</b>	Establish systems and practices that enhances and realises the value of asset management across the organisation.	In progress	Financial and asset management system integration is complete and additional management reports to support financial statements have been developed.  Further work is planned to integrate maintenance and inspection systems.
<b>9f</b>	Implement a condition inspection program with an initial focus on all critical assets, or assets with high risk, and sample condition assessment for less critical assets (or asset assessed with less risk). This is best through integration with the asset valuation plan.	In progress	Condition inspection program defined and underway. Data collection for roads, footpaths, playgrounds and bus shelters complete, and stormwater is in progress.
<b>9g</b>	Prepare a pavement management system with a detailed whole of life approach designed specifically for Council's sealed and unsealed road network, including optimised approach to maintenance and renewal of assets and estimated costing to inform the Long-Term Financial Plan.	In progress	The integration of financial and asset management system, as well as the integration of maintenance and asset management system through OneCouncil will ensure that assets are recorded with whole of life costs and improved road asset renewal costings will inform the LTFP.
<b>10</b>	Improve the integration of asset planning with the strategic service planning to better understand, manage and avoid where possible the demand for growth in assets.	Not started	A strategic service planning framework is still required to embed an annual review process, and link service costs and priorities through the budget and DPOP.
<b>11</b>	Prioritise updating the community infrastructure plan and its implementation with a view to explore opportunities to rationalise the land and facilitates assets that are used to deliver Council's services, including the rationalisation of the number of locations services are provided and considering identified social need and a regional approach to service delivery rather than service in each location.	In progress	Community infrastructure audit and community engagement is complete. Infrastructure needs analysis underway.

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12	Require the development of a “State of Assets Report” to be prepared and presented to Council to ensure the Councillors understand the preparation of the Draft Report on Infrastructure Assets (schedule to the Annual Financial Statements) and enable discussion between Councillors and Management on progressing improvement in asset management and asset renewal planning.	In progress	Work underway, planned for completion in September 2025.
13	Council should complete the review of its developer contributions plans, before undertaking any substantial asset programs to ensure that the current contribution levels are able to support the future development costs.	In progress	Contributions Plan review underway, expected to completed March 2026.
14	Develop a strategic service planning framework to guide and inform the development of the Delivery Program and Resourcing Strategies. A framework that includes an annual review of service performance and alignment to priorities will enable Council to better inform the development of the Annual Budget and review priorities in the allocation of constrained resources.	Not started	Action planned for late 2025 to undertake community engagement on levels of service. A strategic service planning framework is still required to embed an annual review process, and link service costs and priorities through the budget and DPOP.
15	Review the efficiency and effectiveness of current corporate overhead functions, particularly the service with large operating expenditure and potential to support improvements in productivity and efficiencies such as ICT, fleet and plant operations, finance, and asset management.	In progress	All corporate overhead functions are in scope of the financial sustainability project. To date, the plant and fleet operation, workers compensation, and asset management have been reviewed. Other functions, such as ICT and finance will be considered for efficiencies as part of future structural reform.
16	Develop measures of productivity and efficiency when developing the Annual Budget and reporting to assist trend analysis and benchmarking with partner councils – for example \$/km of unsealed road graded, \$/km of road reseal, \$/hectare of mowing, cost/library member, median time taken to resolve customer requests, plant utilisation rates, median time taken to fill a vacancy.	In progress	Benchmarking of productivity and efficiency measures with comparable councils have been conducted as part of the service review program. In the plan for completion by December 2025 is to define and measure key productivity metrics with comparable councils and complete trend analysis as part of the budget process.

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17	Council should embark on an initiative to target service efficiencies and increase productivity to contribute to the improvement in the operating position of Council. The initiatives should include corporate initiatives (such as improvement in procurement, salary benchmarking etc.) as well as focused review on the delivery of targeted services.	In progress	Review underway of high value procurement categories, behind schedule due to procurement resourcing issues.
18	Report to Council on a quarterly basis the progress in achieving efficiency and implement process to track the achievement of the productivity and efficiencies target.	Complete	This has been achieved through the regular quarterly Productivity and Efficiency Report which is presented to Council.
19	Review the Asset Custodian Model in order to minimise duplication of functions, gaps in service delivery, ambiguity about asset responsibility and decrease response times for asset decision making.	Complete	The Functional Asset Management model has superseded the Asset Custodian Model.
20	Revise the Resourcing Strategy including the Long-Term Financial Plan informed by funding requirements from strategic asset management, workforce planning and strategic service planning.	Not started	Not started, work scheduled for early 2026.
21	Implement a comprehensive and robust budget development process with oversight by the Chief Financial Officer and the Executive Team.	In progress	The finance team are building a roadmap to implement best practice budget processes.
22	Implement oversight and control of the funded organisation chart by the Manager Human Resources (Workforce Officer)	Complete	Through OneCouncil, the People and Culture Manager retains control of the funded organisation chart.
23	Implement a Project Management Framework, under the coordination of an enterprise Project Management Officer, which includes appropriate gateways for project selection, planning, execution, and closure, and enforce the project management governance for all potential projects (including approval to proceed with grant applications).	Complete	ePMO has implemented a project management framework.
24	Develop the financial governance (defined roles, financial planning processes, performance reporting and accountability) and the financial acumen of staff all levels of	In progress	A budget policy is being developed and is expected to be finalised by September 2025. Internal reporting system improvements and financial training for managers and

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	management.		supervisors is scheduled for completion by end 2025.
25	Council may wish to consider undertaking a review of the range of non-core services provided, to determine whether they continue to deliver value to the community and whether there remains a public policy rationale for Council delivery of such services.	In progress	Discretionary services have been targeted for service review, including Family Day Care, Shoalhaven Entertainment Centre, Shoalhaven Regional Gallery, Tourism and Visitor Services.
26	Council may also wish to consider the levels of service provided within services that are not regulatory required services to reduce the cost of the services provided.	In progress	Each service review conducted reviews the current service level and makes recommendations to reduce service levels where community impact is deemed to be low and a financial sustainability outcome can be achieved.
27	Council should implement the use of formal business cases to consider and determine undertaking new projects or service, or a change in current service levels. The financial implications should be a major determinant of the decision making.	Complete	Project Lifecycle Management (PLM) has been implemented, which ensures that robust project justification and financials are captured as part of the project bid process, leading to enhanced council-wide budget prioritisation.

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### 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 achieved this quarter will be reported in the Quarterly Performance and Budget Report, to be reported to Council in November 2025. Salary savings are moved into the Financial Sustainability Reserve.

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.

To achieve the Sustainable Financial Futures savings plan, \$3.5 million of salary savings was incorporated into the adopted FY26 budget. This saving will be realised through the implementation of the agreed actions resulting from the critical vacancy and recruitment review, that was completed in February 2025. The Executive Leadership Team has prioritised the completion of these actions to ensure staff have clarity around the organisation's resourcing levels and to address the impact of ongoing vacancies.

### Reducing costs – other efficiency ideas

Since May 2024, Council staff have been working on 3% challenge ideas to deliver department level cost savings and revenue generating initiatives that will contribute to the savings target. The 3% challenge was a whole of Council initiative to drive engagement of all staff to seek ideas to improve the financial sustainability of Council. The 3% challenge ideas were triaged and allocated to a department manager to be responsible for reviewing and implementing the idea.

A Notice of Motion was raised in the 29 July 2025 Ordinary Meeting, resulting in a resolution (MIN25.353) to make available to the public the findings of the 284 staff ideas (3% Challenge) by the Ordinary Meeting 26 August 2025. The full list of 3% challenge ideas and status is attached to this report. Ideas are flagged as 'complete' if they were implemented and 'closed' if they were assessed but were not implemented (unfeasible or would not achieve a financial sustainability outcome). Teams continue to implement the remaining ideas flagged as work in progress.

Since commencing the 3% challenge, 377 ideas have been raised by staff. Of these, 120 ideas have been implemented. Some of the recently completed 3% challenge ideas across Council include:

- Streamline City Services staff office accommodation to reduce reliance on leased premises. To date, this has saved \$45,000 per annum, with further savings expected in early 2026.
- Reduce Shoalhaven Entertainment Centre (SEC) season launch expenditure. By reviewing the annual season launch, the SEC team saved \$12,000 on the cost of the previous year's event and brochure.
- Review the Section 64 Discount Policy. Shoalhaven Water's removal of the Section 64 discount, through the Policy – Water & Sewer Headworks Charges (Section 64 Contributions) Assistance for Developments endorsement in May 2025. This will result in ongoing additional revenue for Water and Sewer funds, which will enable funding of critical water and sewer infrastructure. The additional revenue will vary depending on the amount of major development work taking place each year, but the discounting policy that applied from 2013 to 2024 resulted in a total discount of \$58,337,818. This revenue loss has resulted in a significant decline in both the water and sewer funds.
- Installation of in-house Internet of Things (IoT) devices on Pressure Sewer Units. These IoT devices monitor residential pressure pump stations providing running and alarm status to permit support of system event status, failures & programmed response. The implementation of this idea resulted in an annual saving for Shoalhaven Water of \$34,000 per annum.

The 3% challenge initiatives compliment the improvements being made through delivering recommendations from Council's service review program and AEC recommendations from the Financial Sustainability Review. 3% challenge ideas are still being received from staff.

#### Reducing costs – plant and fleet

To date, the following under-utilised plant and fleet sales have been achieved:

Fund	Sale Proceeds	Annual operational Savings	No. items sold and not replaced
General Fund	\$816,037	\$464,180	25
Water/Sewer Fund	\$67,604	\$42,117	3

The annual operational savings from the sale of the above plant and fleet items will be adjusted in FY26 QBR1. Proceeds from the sale of under-utilised plant and fleet are currently held in the Fleet Reserve.

#### Reducing debt – land sales

As of end June 2025, the operational land sales program had achieved sales of \$11.3 million, from the sale of 12 land parcels across the Shoalhaven. This income has been directed to fund critical capital works.

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### Service review outcome – Family Day Care

The findings of the Shoalhaven Family Day Care (SFDC) service review was reported to Council on 18 February 2025 ([CL25.42](#)), with Council resolving to transition away from Council providing the service. The service closed in July 2025, with educators supported to move to an alternative provider. The financial sustainability outcome of \$90,000 annually will be realised in FY27, after the costs of finalising the service have been paid in FY26.

### Service review update – Bereavement Services

The business model of options for cremation services were completed and presented to Councillors and the Finance Review Panel in May 2025. An EOI is being drafted that will seek interest in the lease of the cremation facility and/or the full Worrigeer operation, including burial, chapel and inurnment services.

### Service review update – Shoalhaven Entertainment Centre

Part one of the service review – current service assessment – has been completed and presented to Councillors and the Finance Review Panel in June 2025. Service improvement options, including alternative business models, are being analysed, and will be presented to Councillors and the Finance Review Panel in September 2025.

### Improving organisational efficiencies – other 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	Review Type	Review Completion	Review Resourcing	Status
Holiday Haven	Business process improvement	Apr-24	In-house	Review Complete - implementation underway under BAU
Fleet & Mechanical	Internal process/structure/services	Jun-24	Consultant	Review complete – implementation underway
Fire Safety Certificates	Business process improvement	Aug-24	In-house	Review complete – implementation underway
Asset custodian model (incl. PM function)	Structure	Dec-24	In-house	Structural review complete – implementation complete and embedding new structure and processes
Family Day Care	Business model - commercial	Feb-25	In-house	Review complete – implementation underway
Communications and Media	Internal process /structure/services	Mar-25	In-house	Review complete

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Waste tipping vouchers	Internal process/business model	Apr-25	In-house	Review complete
Safety review	Internal process	May-25	In-house	Work in progress
Bereavement Services	Business model - commercial	May-25	Consultant	Review complete – implementation underway
Library Services	Business process improvement	May-25	In-house	Complete – implementation underway
Shoalhaven Entertainment Centre	Business model - commercial	July-25	In-house with consultant for peer review / financial modelling	Work in progress – options analysis
Holiday Haven	Business model - commercial	Dec-25	Consultant	Scoping to commence in September
Legal	Business model - internal resources	TBC	In-house	On hold pending resource availability
Customer Experience	Internal process /structure/services	Sept-25	In-house	In progress

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### Internal Consultations

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

Councillors were briefed on the Bereavement Services review in April. The Shoalhaven Entertainment Centre current service assessment was briefed to Councillors in July, and the service options will be presented in September 2025.

### External Consultations

This quarter Council's Finance Review Panel have been consulted on the Shoalhaven Entertainment Centre current service assessment and will be engaged again in September to provide robust and objective feedback on the service review options and financial analysis, prior to the review being considered by Council.

### Community Consultations

This quarter, the financial sustainability project commenced monthly project updates of the organisation's progress against the agreed actions and savings target via Council's website. The objective of this regular communication is to make financial sustainability updates more accessible to the community and includes an infographic showing the high-level project status, a clickthrough high level monthly update, and a detailed monthly update with a CEO video.

The Sustainable Financial Futures Plan was also updated in June, with the latest status of actions, updated completion dates (where staff need more time to complete the action) and savings achieved to date. This resulted in the completion of 40 of 75 actions. The SFFP will continue to be updated quarterly and published to the community on the website.

In May, the Financial Sustainability Project Manager presented on the status of the organisation's progress towards the Sustainable Financial Futures Plan to the CCB Executive meeting.

### **Policy and Statutory Implications**

No policy implications this quarter.

### **Financial Implications**

#### Summary of financial outcomes achieved to date

One-off efficiency savings that occurred from April to June 2025 do not get added to the Financial Sustainability Reserve as there is no budget review process for quarter 4. Any salary or material and contracts savings achieved will be retained in general fund and will improve the end of financial year cash position of Council. The Financial Sustainability Reserve balance as at 30 June 2025 is \$4.1 million.

The financial outcomes achieved to date remains unchanged with the total recurrent general fund savings at \$2.548 million and one-off general fund savings/income at \$95.731 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.

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## CL25.261 DPOP 2024-25 - Quarterly Performance Report (April - June)

**HPERM Ref:** D25/345721

**Department:** Government Relations, Strategy & Advocacy  
**Approver:** Brian Barrett, CEO

**Attachments:**

1. Delivery Program Operational Plan - Quarterly Performance Report 2024-25 - April to June (under separate cover) [⇒](#)
2. Uncompleted Notices of Motion/Mayoral Minutes Report (under separate cover) [⇒](#)
3. Completed Notices of Motion/Mayoral Minutes Report (under separate cover) [⇒](#)

### Purpose:

The purpose of this report is to present the Quarter 4 performance report on the 2024-25 Delivery Program and Operational Plan.

### Summary and Key Points for Consideration:

This report outlines highlights for Quarter 4 performance (April to June 2025) against actions and targets set in Council's 2024-25 Delivery Program and Operational Plan (DPOP). The report also includes a status report on Council's Uncompleted and Completed Notices of Motions.

### Recommendation

That Council receive the June Quarterly Performance Report on the 2022-26 Delivery Program and 2024-25 Operational Plan and publish on Council's website.

### Options

1. Adopt the recommendation

Implications: The performance report will be published on Council's website.

2. Adopt an alternative recommendation

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

### 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 activities detailed in the Delivery Program (Operational Plan) at least every 6 months. Council's 2024-25 Financial Statements are in the process of being finalised and will be reported to Council prior to 30 October 2025.

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### Summary of Delivery Program Operational Plan 2024-25 Performance

**Table 1** below provides a breakdown of performance as at 30 June 2025 across each of the key themes outlined in the Community Strategic Plan - Shoalhaven 2032.

**Table 1: Action performance as at 30 June 2025 by Community Strategic Plan 2032 Theme area**

CSP Theme	Progress snapshot
Resilient, safe, accessible and inclusive communities	91% actions on track or completed
Sustainable, liveable environments	83% actions on track or completed
Thriving local economies that meet community needs	83% actions on track or completed
Effective, responsible and authentic leadership	92% actions on track or completed

Of the 135 DPOP actions, 107 are rated as completed with a further 12 as 'on track'. The remaining 16 actions are rated as 'requires attention', 'on hold' or 'deferred'. These are summarised in the tables below.

### 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 (April - June) is included as **Attachment 1**.

Significant achievements between April and June 2025 include:

- The Reconciliation Action Plan was launched on 28 May 2025 at the Nowra Regional Gallery with local Elders, Aboriginal Community, Councillors, Members of Parliament, community and council staff.
- Council's Flood Alert network (rain gauges, water level gauges and repeater stations) are fully operational and all site audits and maintenance is up to date.
- All funded pathways were designed, and construction commenced on Myola Pathways project, Dolphin Point Road and Murramarang Road, River Road and Sheaffe Street Callala Beach.
- Critical water supply and wastewater mitigation projects are in development, including the Coonemia Recycled Water Plant (CRWP), Bamarang to Milton Stage 2 (B2M2) and the mains replacement program. Risk assessment and mitigation actions undertaken as part of Hydraulic model assessment and strategy development project.
- During 2024/25 Council submitted 77 grant applications to external funding sources with 26 successful grants that have brought in over \$3.2M in additional funding to help deliver projects to the community.
- There were six successful Regional Event Fund grant applications securing over \$100,000 from DNSW through advocating and supporting events coming to Shoalhaven.
- Council's self-insurance case management activities have shown sustained strong performance over more recent audits. Compliance for the 2024 claims period audit is 98%, up from 97% in 2023.

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- Shoalhaven Animal Shelter works tirelessly to ensure minimal returns of adopted animals with 142 adoptions and seven returns this quarter, resulting in overall 6.1% (YTD) of adopted animal return rate, well below the 10% target.

#### Requires Attention

**Table 2** below outlines the eleven Action items that have been reported as ‘requires attention’ at 30 June 2025. 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 30 June 2025**

Ref.	Action	Quarter 4 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 are implementing the inspection regime for on-site sewage management systems. Where systems have failed the inspection appropriate compliance action is undertaken to achieve compliance which is supported by education on the operation of the respective system and the associated health and environmental risks associated with poorly performing or managed systems.
2.2.01.01	Finalise the local planning documents to guide the development of the Moss Vale Road North Urban Release Area	Public Exhibition outcomes for Draft Development Control Plan Chapter and Infrastructure Funding Options Paper for the Urban Release Area reported to Council in February 2025 for consideration. Council resolved to 'defer' the matter to a briefing. Council Briefing occurred May 2025, involving representative of Owners Group. Continued dialogue with the Owners Group via Working Group Meetings and associated Technical Workshops in an attempt to resolve issues. Further report to Council envisaged August 2025.
2.2.01.02	Develop planning controls and character statements to manage the contribution new development makes to neighbourhood or local character, including contemporary development and heritage controls for Berry	Work progressing including: City Wide LEP Character aims/objectives - Council resolved in June 2025 to discontinue the work and consider a possible character provisions in the DCP as part of Stage 2 work on the New Land Use Planning Scheme. Strategic Growth Principles - adopted by Council in Dec 2024 following public exhibition. LSPS document updated to incorporate. Additional Heritage Conservation Area and listings in Berry - Planning Proposal to amend the LEP submitted to NSW Government for required initial Gateway Determination in Dec 2024 - response received June 2025 requiring consultation with RFS. New Development Control Chapter, Berry East - Council resolved in April 2025 to exhibit draft DCP Chapter alongside the related PP. Awaiting advancement of the PP.
2.2.01.03	Preparation of a new local infrastructure contributions scheme	Work continued on the preparation of the new Local Infrastructure Contributions Scheme (Contributions Plan) for Shoalhaven. Progress reports provided to

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Ref.	Action	Quarter 4 Comment (summary) Full comments in attached report
	and governance framework	Council's Executive Management Team. The infrastructures projects review and basic needs analysis is now complete. Work to determine new infrastructure list is close to completion. Staff resources taken off line to enable focus on this key project. Internal Developer Contributions Advisory Group established to assist with finalisation of the plan and associated matters.
2.2.02.01	Assess and determine development applications within legislative timeframes and community expectations	The percentage of DAs which have been determined within 40 statutory days has declined in the latest quarter to 44% of DAs determined within 40 days, which is down from 56% in the previous quarter. Timeframes within the last quarter have been affected by staffing levels. The overall performance of Development Services has officially complied with the Minister's Statement of Expectations Order for 2024-25, the purpose of which is to provide an increased focus on total assessment days as opposed to statutory days.
2.2.02.02	Resolve Subdivision and Subdivision Works Certificates to meet applicant and community expectations	There were only 2 applications determined during this period. The Development Engineering Team has a position vacancy and has had to focus their time on more urgent matters such as Section 138 approvals. Results should improve once the team is adequately resourced again which should occur over the next reporting period.
2.3.03.02	Support organisational environmental due diligence	This action includes the completion of environmental assessments to support the activities of Council. For this quarter, a Review of Environmental Factors (REF) was completed for the existing dog off-leash access area at Cormorant Beach. The Shoalhaven Heads Seven Mile Beach REF has been updated and undergoing management review. There remains a number of REFs to be completed for dog off-leash areas.  29 DA referrals were assessed in the last quarter. In total, 103 were completed in the 2024/25 financial year (99 new referrals were received).
3.1.01.04	Progress work to unlock the economic growth and employment generating opportunities of zoned but undeveloped land in the South Nowra Industrial Area	Matter reported to Council (Jan 2025) to determine continued work to attempt to progress this matter, including the possible preparation of an 'interim' Development Control Plan Chapter.  Continued to also liaise with NSW Government staff on the Regional Plan project related to this important area. Council briefed on progress in April 2025.
3.1.03.01	Promote the Shoalhaven as a diverse region with a focus on off-season	A reduction in funds for direct tourism marketing has decreased the engagement on shoalhaven.com, and reduced campaign budgets by around one third. Data shows that spend is down between 15-20% year on

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Ref.	Action	Quarter 4 Comment (summary) Full comments in attached report
	visitation	year, although visitation remains stable. However a co-operative marketing campaigns such as "Go Grand" and support from Destination NSW with inclusion in the winter Feel New campaign assisted with brand exposure. Huskisson won Top Tiny Town in NSW for the third year running, and one of our team represented the region and it's products at Australian Tourism Exchange in May.
4.2.01.05	Complete review and update of the key strategic business documents and plans of Shoalhaven Water as required under the Regulatory and Assurance framework for local water utilities	Council have endorsed the Development Servicing Plan that is progressing though public consultation, this will inform the Long Term Financial Plan of each fund and the finalisation of the Shoalhaven Water Strategic Business Plan. Upon appointment of Shoalhaven Water Director the draft Plan will be presented to Council during the next financial year for consideration and approval.
4.2.10.03	Develop a fair and equitable rating system that also improves Council's financial sustainability	During the quarter Council engaged with the community via the draft DPOP placed on public exhibition, showing both rate-peg and special variation rating scenarios. On 16 May 2025, IPART approved Council's application for a 12% special variation increase to Council's rate base for 2025/2026, from 1 July. A single year, permanent increase. Council at their meeting of 19 June 2025, adopted the DPOP with the 12% special variation increase to 2025/26 rates.

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#### On Hold

**Table 3** below, outlines the three Action items that have been reported as 'on hold' as at 30 June 2025. 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 30 June 2025**

Ref.	Action	Quarter 4 Comment (summary) Full comments in attached report
1.2.02.02	Staged implementation of Shoalhaven Entertainment Centre's Strategic Business and Marketing Plan	The Strategic Plan continues to be on hold pending the service review and any adopted changes.
4.1.03.01	Review and update the Bereavement Services Business Plan to reflect updated licencing requirements and legislation	Service Review in progress. Business Plan will be updated once service review completed and outcomes considered. Interment Industry Scheme and Licencing requirements will be included in the updated plan.
4.3.01.01	Facilitate staff education and awareness of the International	Executive Leadership Team is now considering budget for any possible IAP2 training for key staff members who engage with the community on a regular basis. The Community Engagement Officer position has

Ref.	Action	Quarter 4 Comment (summary) Full comments in attached report
	Association for Public Participation (IAP2) Framework	been advertised and recruitment about to proceed in July/August.

#### Deferred

**Table 4** below, outlines the two Action items that have been reported as ‘deferred’ as at 30 June 2025. 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 30 June 2025**

Ref.	Action	Quarter 4 Comment (summary) Full comments in attached report
1.2.02.01	Progress development of a new Library at Sanctuary Point in line with adopted position of Council	Report presenting outcome of feasibility investigations provided to Council 15 April 2025. At this meeting, Council determined to abandon the project and has directed staff to investigate alternative sites including Francis Ryan Reserve (owned by Council) and the location of the existing Sanctuary Point Library (owned by NSW Dept. of Education) - ref. MIN25.175.
3.1.01.02	Develop and implement a combined Tourism and Economic Development strategy	The Economic Development and Tourism Strategy 2025 has developed a full communications plan, with stakeholder engagement scheduled for August/September 2025. Completion of this project was deferred and carried forward into the 25/26 financial year. This strategy is being developed wholly in-house due to financial resources, and therefore the timelines may be constrained due to staff capacity.

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#### **Quarterly Notices of Motion Reports**

The full report of Uncompleted and Completed Notices of Motion’s have been attached as **Attachment 2** and **Attachment 3**, respectively.

#### **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 and Statutory Implications**

There are no policy implications.

**Financial Implications**

There are no financial implications.

**Risk Implications**

There are no additional risk implications in receiving this report.

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## CL25.262 Community Wellbeing Grants Program 2025 - Panel Recommendation

**HPERM Ref:** D25/339862

**Department:** Business Assurance & Risk  
**Approver:** Katie Buckman, Director - City Performance

**Attachments:** 1. Informal Minutes - Grants Assessment Panel Meeting 31 July 2025 (under separate cover) [↗](#)

### Purpose:

This report seeks Council's endorsement for funding to the successful applicants as determined by the Community Wellbeing Grants Assessment Panel.

### Summary and Key Points for Consideration:

Council has undertaken its annual [Community Wellbeing Grants Program](#) (previously titled as the Community Donations Program) with a total budget \$180,000, with applications opening on 27 May 2025 and closing on 24 June 2025.

In accordance with the [Community Wellbeing Grants Policy](#), the Grants Assessment Panel met on 31 July 2025. The Panel considered all 40 applications received totalling \$243,904.00 of requested funds and recommended that the total amount of funding of \$156,388.26 be granted by resolution of the Council to the 31 organisations listed below. Further details about the applications recommended and not recommended for funding can be found at **Attachment 1** of the report, along with the Grants Assessment Panel feedback.

### Recommendation

That Council

- Note the information in the report outlining the process followed for the 2025 Community Wellbeing Grants Program, including the applications received.
- Approve the funding of the 2025 Community Wellbeing Grants recommended by the Community Wellbeing Grants Assessment Panel, totalling \$156,388.26 to the following community organisations and community groups in the Shoalhaven:

Organisation	Donation For:	Amount Recommended
PURE Health Advising	PURE Health Local Series – A Blueprint for Healthy Ageing in Shoalhaven	\$2,500.00
North Shoalhaven Meals on Wheels	Volunteer Appreciation	\$1,500.00
Shoalhaven First Nations Film Festival Incorporated	Storytelling Workshops for Young Indigenous Men and Women in the Shoalhaven	\$8,830.00
Vincentia Matters Incorporated	Vincentia Connections Community Wellbeing Day (Mental Health Month)	\$2,400.00
Apex Club of Milton Ulladulla	Milton Ulladulla Community Kindness Initiative	\$5,000.00

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Shoalhaven Singers Inc	Lydian	Shoalhaven Lydians "Sing Gloria" Christmas December Concerts	\$3,200.00
Mission Australia		Youth Beat Outreach Program	\$5,386.00
CareSouth Ltd		Aunties & Uncles Program	\$5,850.00
Safe Waters Community Care		First Aid Training for Our Volunteers	\$4,725.00
Growing Together South Coast		Food for Thought - fostering community wellbeing through participation in sustainable food production	\$6,500.00
South Coast & Country Community Law		2025 Shoalhaven Koori Touch Football Competition	\$2,500.00
Noah's Inclusion Services		Noah's Challenge 2025	\$4,000.00
The Lions Club of Bomaderry Nowra		Joint SCC and Bomaderry Nowra Lions Carols in the Park Carols in Harry Sawkins Park, Nowra	\$10,000.00
Community Connect South Shoalhaven		South Shoalhaven Community Expo	\$10,000.00
Sanctuary Point Community Pride		Spring Into Sanctuary Point Fair	\$650.00
Meet the Makers Festival Inc		Meet the Makers Festival	\$6,000.00
Milton Folk, Jazz and Blues Festival		Milton Folk, Jazz and Blues Festival 2026	\$5,000.00
Friends of Callala Seniors Group		Friends of Callala - A Seniors Group	\$952.00
Albatross Musical Theatre Company		Albatross Musical Theatre Company Rental Subsidy	\$8,000.00
Tomerong School of Arts		Tomerong School of Arts Rates Subsidy	\$2,000.00
Sussex Inlet Foundation for Community Development Inc		Rental support for Sussex Inlet Foundation for Community Development Inc	\$12,000.00
Sussex Inlet District Chamber of Commerce		Community Rent Assistance - Ellmoos Centre Usage	\$6,000.00
Wandandian Progress Association Inc		Rates Reimbursement for Joint Wandandian Community/SCC Emergency Support Project	\$1,880.00
CWA Berry Branch		CWA Hall, 79 Victoria St, Berry - rate subsidy	\$2,500.00
Shoalhaven City Concert Band		Hire of Rehearsal Venue and Assistance for Summer Sounds Workshop	\$5,006.00
Berry RSL sub-Branch		Berry RSL Rates Donation Equivalent	\$3,300.00

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Treading Lightly Inc	Rental support for the Treading Lightly Hub, Milton	\$18,000.00
Shoalhaven Historical Society	Rental Subsidy - Nowra Museum	\$1,300.00
Cambewarra School of Arts	Subsidies Council Rates	\$2,259.26
Shoalhaven Youth Orchestra	Shoalhaven Youth Orchestra	\$8,000.00
Five Villages Community Garden Inc	Five Villages Community Garden	\$1,150.00

- Advise the remaining applicants that their application for the Community Wellbeing Grants Program have been unsuccessful.
- Return the remaining budget balance of \$23,611.74 to Council's General Fund.

### Options

- As recommended.

Implications: The Grants will be paid to the community organisations and groups as listed within the recommendation as recommended by the Grants review panel. This will result in funds of \$156,388.26 being expended from the Community Grants fund, leaving an available balance of \$23,611.74 in the Grants budget for Councils consideration.

- That Council approve the funding as recommended by the Grants Panel totalling \$156,388.26 as well as any additional funding being awarded to those Community organisations or groups as decided by Council.

Implications: The available balance of \$23,611.74 will be reduced by any additional donation amounts decided by Council.

- That Council determines funding to applicants differently to the recommendation made by the Community Wellbeing Grants Assessment Panel.

Implications: This may delay the determination and distribution of funds until a later time if the resolution is not immediate and could possibly result in organisations becoming ineligible if funding is determined after their event/project takes place.

- Council determines that remaining funds following determination is not returned to the General Fund and retained in case other urgent funding matters are determined by Council, or the funds be rolled into the following budget year.

Implications: The funds will be held for possible use later in the financial year or the following year and will not be available to be utilised for other purposes.

### Background and Supplementary information

At the 29 April 2025 Ordinary meeting, Council resolved ([MIN25.198](#)) to make changes to the Community Donations Policy as outlined in the [report 29 April 2025](#). In summary, the following was amended:

- The Policy was renamed the 'Community Wellbeing Grants Policy'.

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- The *Subsidised Rental, Rates and Use of Council Facilities* was removed as a category and incorporated into the *General Grants* category.
- A maximum amount considered for each application was included, being 10% of the available budget, as adopted by Council.

In accordance with the resolution of the Council of 25 March 2024 (MIN24.150) the Community Wellbeing Grants budget for 2025/2026 has remained at \$180,000 making the total considered amount for each application \$18,000 under the Policy.

The process undertaken in accordance with the adopted Policy for the 2025/2026 Financial Year has been as follows:

1. Correspondence to past donation recipients, both successful and unsuccessful to advise them of the application period opening and closing dates – (27 May 2025 – 24 June 2025).
2. Advertising and promotion of the Community Well Being Grants via Council website and other Council networks.
3. Receiving and collating applications, as well as assisting applicants by following up outstanding documentation necessary for assessment. Applications closed on 24 June 2025.
4. A meeting of the Community Wellbeing Grants Assessment Panel was held on 31 July 2025 to assess the applications received. The minutes of the Assessment Panel meeting can be found at **Attachment 1**.

As part of the procedure in accordance with the [Community Wellbeing Grants Policy](#), adopted at the Ordinary meeting of 29 April 2025, a Grants Assessment Panel was formed with the purpose of independently assessing applications across different areas of Council which involved staff from Environmental Services, Community Connections, Grants, Business & Events and Business Assurance & Risk.

The Grants Assessment Panel met on Thursday, 31 July 2025. The Panel considered all 40 applications received totalling \$243,904.00 of requested funds and recommended:

- That of the 40 applications received, 31 be provided funding in full or part.
- That 9 applications do not receive funding on the basis that they are ineligible under the policy criteria, did not provide sufficient information for assessment, or were not considered appropriate to fund. (This represents \$56,025.00 in applications. These are shown in table 2 of Attachment 1.)

The total amount of funding recommended to be paid for the 2025/2026 Financial Year by the Grants Assessment Panel is \$156,388.26.

This leaves an available balance of \$23,611.74 for 2025/2026 Financial Year.

### Internal Consultations

In accordance with the [Community Wellbeing Grants Policy](#) a Community Wellbeing Grants Assessment Panel was formed with the purpose of independently assessing applications across different areas of Council, which involved the following staff: Environmental Services (Lead – Land Management), Cultural & Community Services (Manager - Community Connections, Grants Officer and the Business & Events Coordinator) and Business Assurance & Risk (Manager – Business Assurance & Risk).

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## External Consultations

External consultation is not required under the [Community Wellbeing Grants Policy](#) and is not deemed necessary to undertake for the program, as the appropriate expertise exists within Council.

## Community Consultations

Past applicants of donations, both successful and unsuccessful, were contacted via email to advise of the opening of the 2025/2026 Community Wellbeing Grants Program and were encouraged to review the eligibility criteria to apply for a donation in line with the [Community Wellbeing Grants Policy](#).

Advertising was undertaken via Council's website and social media. Appropriate departments were also made aware so they could send information on the Grants Program to their relevant networks.

Information, eligibility criteria and online application forms were made available via Council's website. The application period was open for a month from 27 May 2025 – 24 June 2025.

It is worth noting the following statistics regarding application numbers over the years:

- 58 applications financial year 2023/2024
- 46 application financial year 2024/2025 (first round)
- 39 applications financial year 2024/2025 (second round)
- For this financial year a total of 41 applications were received. 1 applicant withdrew their application.

## Policy and Statutory Implications

Applications were assessed in line with Council's adopted [Community Wellbeing Grants Policy](#), and the recommendation above has no impacts upon the current Policy.

## Financial Implications

In accordance with the resolution of the Council of 25 March 2024 (MIN24.150) the Community Wellbeing Grants budget for 2025/2026 has remained at \$180,000 making the total considerable amount for each application \$18,000, in accordance with the Policy.

If Council resolves to approve the recommendation as outlined in the report, this will leave an available balance of \$23,611.74 for 2025/2026 Financial Year. This balance is available for further consideration by Council as outlined in the options of this report.

## Risk Implications

If Council substantially alters the applicants receiving funds as recommended by the Panel, this could undermine the independent process and divert funds from organisations who have demonstrated a need for a Grant.

It should also be noted that if there is a delay in the determination and distribution of funds until a later time, this could possibly result in organisations becoming ineligible under the Policy if funding is determined after their event/project takes place.

## CL25.263 Ongoing Register of Pecuniary Interest Returns - July 2025

**HPERM Ref:** D25/325087

**Department:** Business Assurance & Risk  
**Approver:** Katie Buckman, 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 July 2025 to 31 July 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
City Performance	Jenna Anderson	21 July 2025	23 July 2025
Shoalhaven Water	Manali Gunwantkumar Kherodiya	14 July 2025	25 July 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 July 2025 to 31 July 2025 be received for information.

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## 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.

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## CL25.264 Investment Report - July 2025

**HPERM Ref:** D25/354729

**Department:** Finance

**Approver:** Katie Buckman, Director - City Performance

**Attachments:** 1. Monthly Investment Review (under separate cover) [⇒](#)  
2. Statement of Investments as at 31 July 2025 (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 4.77% per annum for the month of July 2025, outperforming the benchmark Aus Bond Bank Bill Index (3.60%p.a.) by 117 basis points (1.17%).

### Recommendation

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

### Options

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

Implications: Nil

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

Implications: Nil

### Background and Supplementary information

#### Investment Portfolio

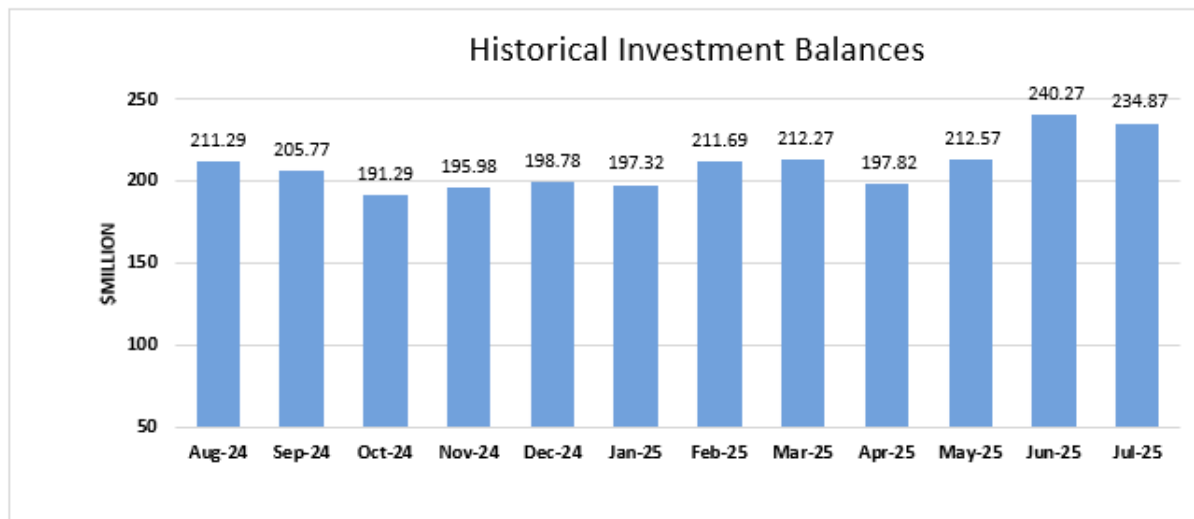
Council's investment balance as of 31 July 2025 was \$234.87 million and consisted of the following types of investments.

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Investment type	Invested (\$)
Cash	50,322,444
Term Deposits	145,000,000
Floating rate notes	37,550,000
Bonds	2,000,000
<b>Total</b>	<b>234,872,444</b>

The details of each investment held by Council on 31 July 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.



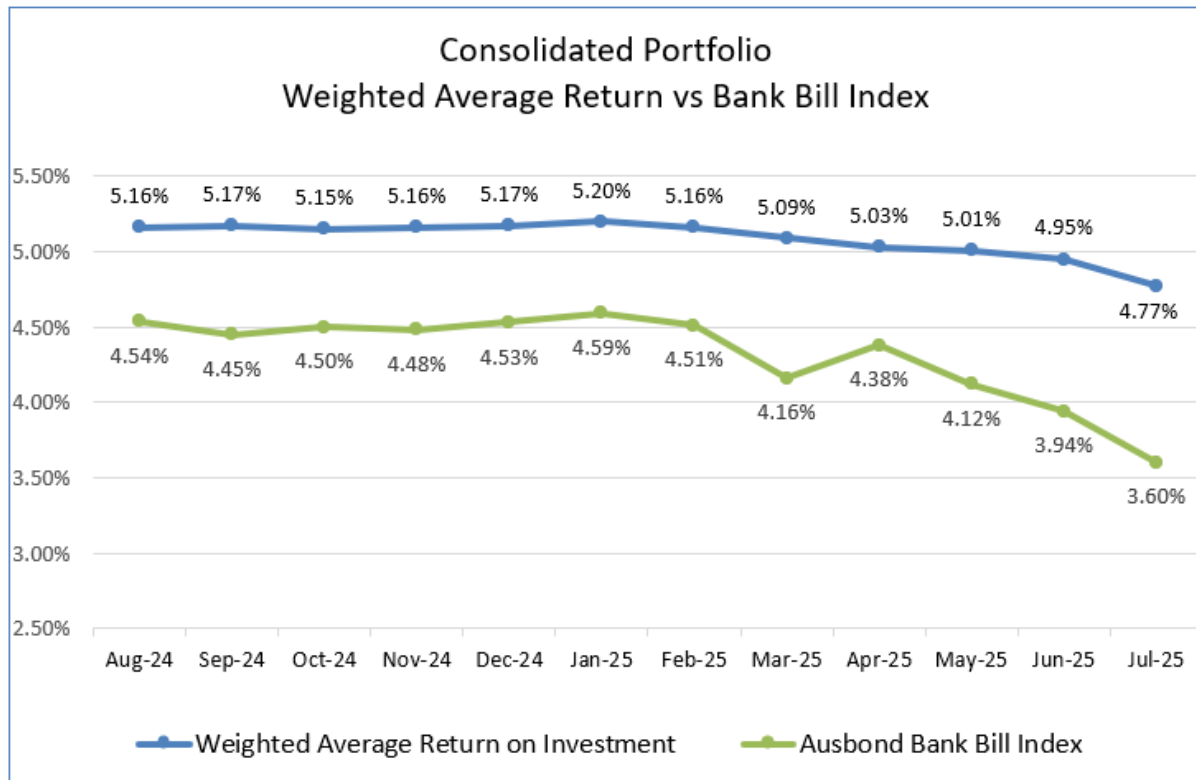
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### Portfolio Return

For the month of July, the total investment returns were a positive 4.77% p.a. outperforming Aus Bond Bank Bill Index (3.60%) by 117 basis points.

### Investments

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



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### Investment Interest Earned – July 2025

Much of Council's cash is restricted in its use to specific purposes by external bodies (e.g., specific purpose unspent grants), legislation (e.g., developer contributions, domestic waste management, water and sewer funds) and Council resolutions (i.e., internally restricted reserves). 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 July 2025.

**Table 1 - Interest Earned for the Month of July 2025**

Fund	Monthly Budget \$	Actual Earned \$	Difference \$
General	454,173	523,377	68,664
Water	175,045	197,339	22,294
Sewer	113,691	137,279	23,588
<b>Total</b>	<b>743,450</b>	<b>857,995</b>	<b>114,546</b>

The interest earned for the month of July, was \$857,995 compared to the monthly budget of \$743,450.

### Investment Interest Earned - Year to Date

**Table 2** below, demonstrates how the actual amount of interest earned year to date has performed against the 2025/26 budget.

**Table 2 - Amount of interest earned year to date, against the total budget**

Fund	Total Annual Budget <sup>1</sup> \$	Actual YTD \$	% Achieved
General	5,353,884	523,377	10%
Water	2,061,012	197,339	10%
Sewer	1,338,624	137,279	10%
<b>Total</b>	<b>8,753,520</b>	<b>857,995</b>	<b>10%</b>

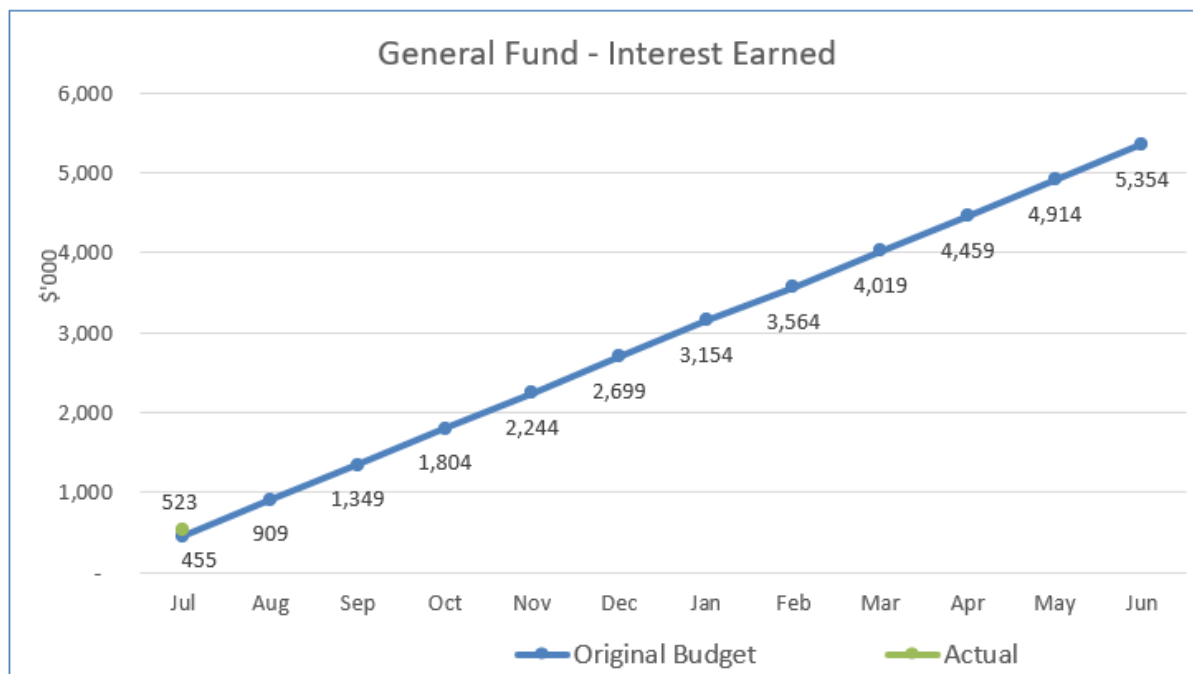
The interest earned in the general fund of \$523,377 includes interest earned on unspent s7.11 developer contributions and Domestic Waste Management reserves, which is required to be restricted by legislation. Interest earned on unspent s7.11 developer contributions is \$141,312 and Domestic Waste Management reserves is \$88,974 to the end of July 2025. This leaves \$293,091 which is unrestricted.

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.

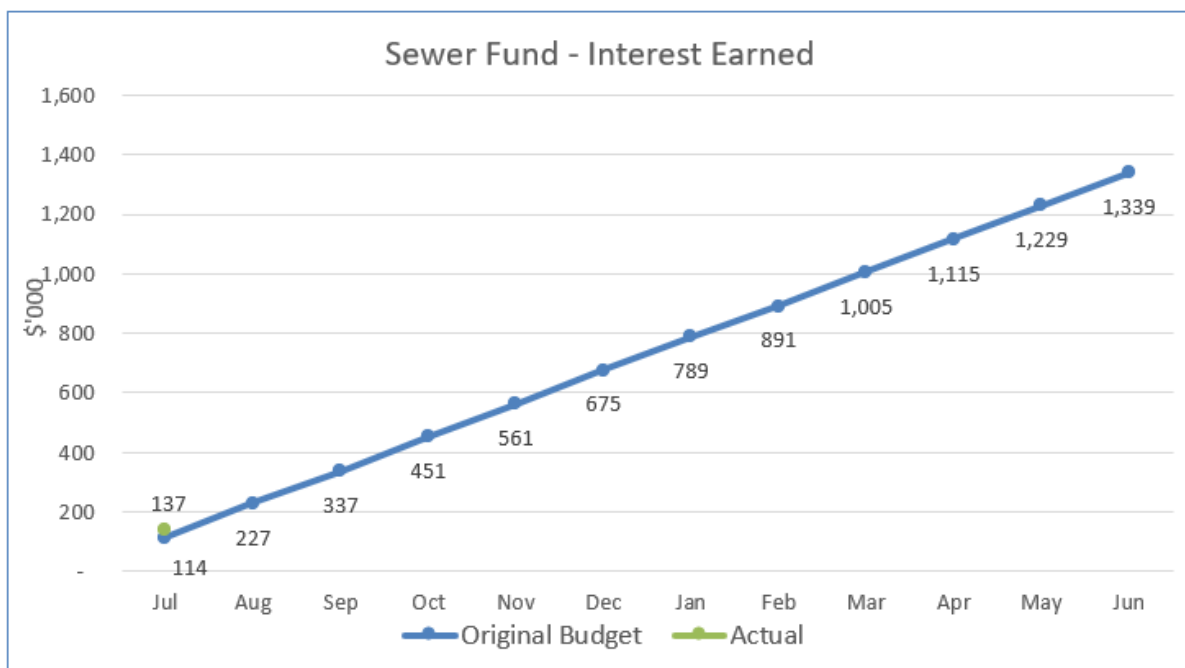
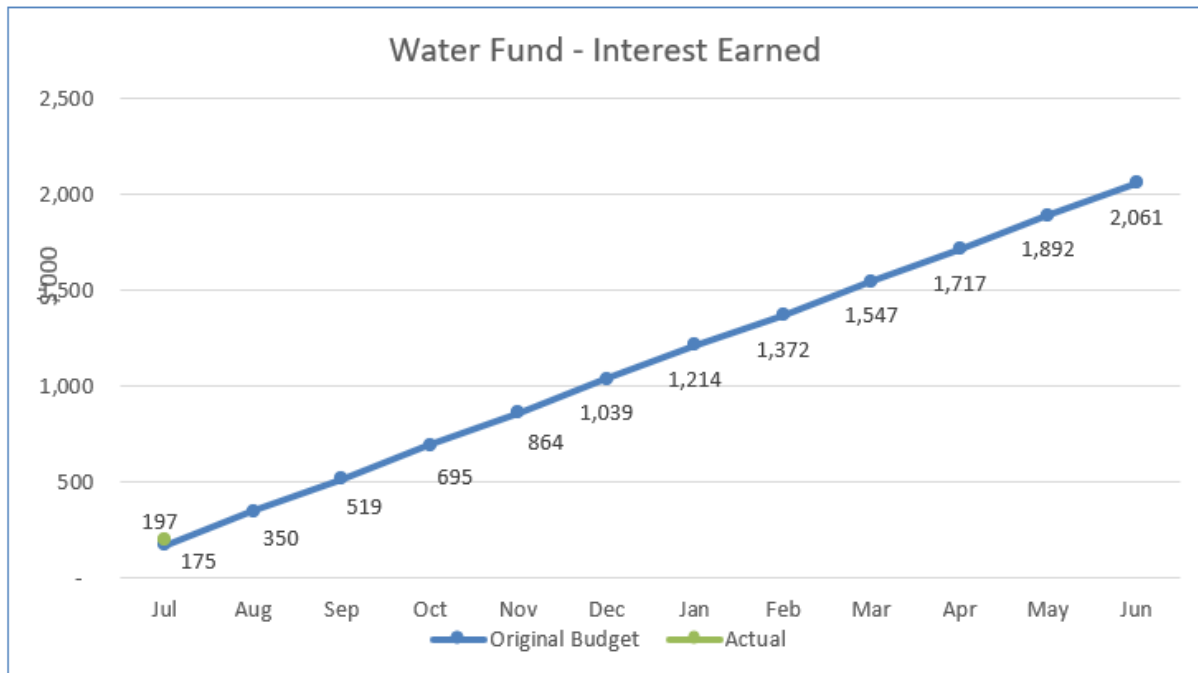
The cumulative interest earned for the year (July) was \$857,995 which is 10% of the current full year revised total annual budget.

**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.

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### **Policy Implications**

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

### **Financial Implications**

Council earned favourable returns compared to budget for July. The market continues to price in additional interest rate cuts over the next few months and if delivered, this should see interest rates on term deposits drop further.

### **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.



Mathew Badcock

Date: 20 August 2025

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## CL25.265 Proposed Licence Renewal - Shoalhaven City Turf Club Ltd - 96 Albatross Road, South Nowra

**HPERM Ref:** D25/282588

**Department:** Buildings & Property Services

**Approver:** Kevin Norwood, Acting Director - City Services

### Purpose

The purpose of this report is for Council to consider approval of a proposed Licence renewal to Shoalhaven City Turf Club Limited at part Lot 4 DP 1265268 (Crown Reserve R88840), 96 Albatross Road, South Nowra.

### Summary and Key Points for Consideration

- The land is Crown land and Shoalhaven City Council is the Crown Land Manager. Council can enter the proposed new five-year Licence.
- Council resolution is required to determine the granting of the proposed Licence on the basis the annual rent exceeds \$5,000 per annum.

### Recommendation

That Council:

1. Enter a five-year Licence with Shoalhaven City Turf Club Ltd at part Lot 4 DP1265268, 96 Albatross Road, South Nowra.
2. Establish new Licence rental of \$25,875 (excluding GST) per annum with annual rent increases with the Consumer Price Index (All Groups Sydney).
3. Establish that the licensee to be responsible for operating costs of the licensed premises including proportional building insurance, water and sewer rates, and fire compliance at an estimated cost of \$7,395 (GST inclusive) per annum.
4. Authorise the Common Seal of the Council of the City of Shoalhaven to be affixed to any document required to be sealed and delegate authority to the Chief Executive Officer or Delegate to sign any documentation necessary to give effect to this resolution.

### Options

1. Approve a new Licence with rental using Council's Rental Assessment Framework (RAF) equating to a rental subsidy of 32% and new Licence commencement rent of \$25,875 + GST per annum.

Implications: Council will receive an increase on the current Licence rental.

2. Approve a new Licence renewal based on full market rental of \$37,500 + GST per annum (no rental subsidy).

Implications: Council may secure the existing tenant and a continued service to the community over the new term.

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3. Seek potential new Licensee via Expression of Interest process for the occupation of the subject land for public recreation and racecourse.

Implications: This is not recommended. The Licensee has occupied the premises for over 25 years and sub-licences parts of the premises to four other community organisations. There is no guarantee that an EOI process will result in an improved outcome for Council. An alternate outcome is preferred to establish agreed new Licence terms.

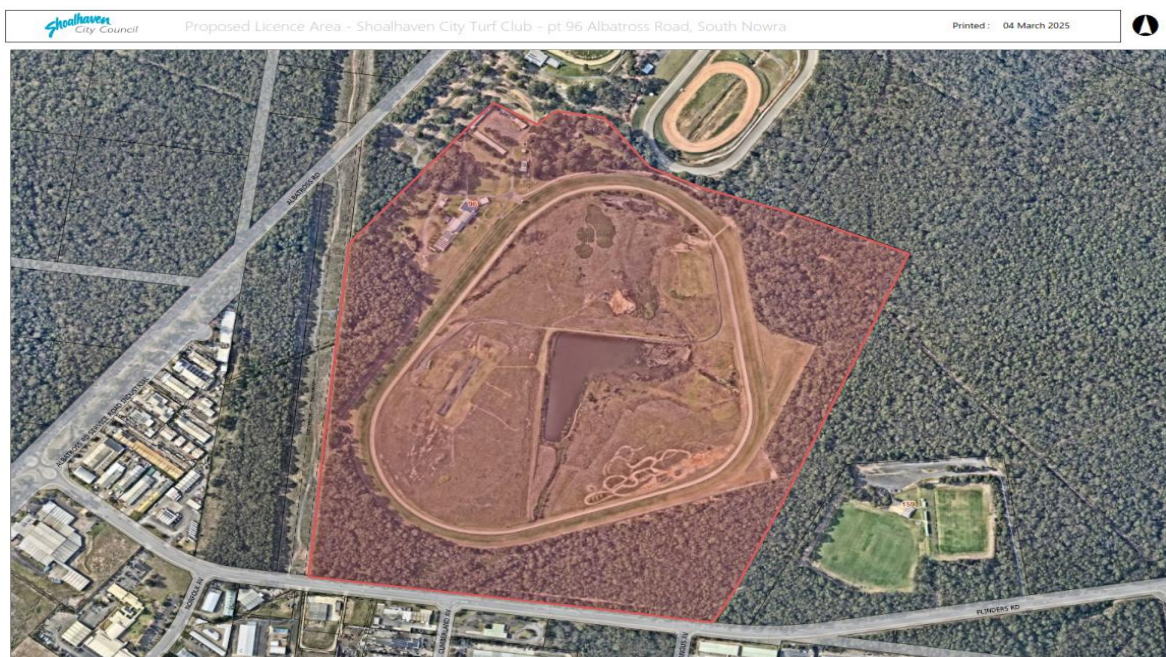
### Background and Supplementary information

Shoalhaven City Turf Club Limited (SCTC) have occupied the premises for several decades and utilise the premises to conduct and promote thoroughbred horse racing.

SCTC sub-licence parts of the premises to four other community organisations for recreational purposes. The site is also used for other activities including night markets.

The documentation provided by SCTC to Council as part of the Licence renewal process has been considered. The area of the Crown reserve occupied by SCTC under Licence agreement is shown on Figure 1.

**Figure 1 – Licence area Shoalhaven City Turf Club Ltd (part Lot 4 DP 1265268)**



### Internal Consultations

Internal stakeholder consultation was undertaken, and no concerns were raised to the new Licence.

### External Consultations

Discussions have taken place with the licensee regarding proposed new Licence terms. The licensee has been advised that the renewed Licence needs to be reported to Council for determination on the basis of the annual rental amount exceeds \$5,000 p.a. A rental subsidy assessment has been undertaken to determine the new rental outcome, and this is considered to be an appropriate determination and amount.

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## Community Consultations

In accordance with Section 47 of the *Local Government Act 1993*, Council advertised the proposed new Licence. No comments or objections were raised to the issue of a new Licence.

## Policy and Statutory Implications

Council [Policy 22/98](#) (Occupation of Council Owned or Managed Land) is relevant to the proposed Licence and has been considered for this matter.

For the purposes of this report, an assessment was undertaken to determine a potential rental subsidy, as an alternative to a market rent based amount. The rental subsidy is calculated using the Rental Assessment Framework (RAF). The licensee provided relevant information to determine a potential rental subsidy, through a *Proposal to Occupy Council Property*, which is undertaken by all occupants of Council owned or managed land when seeking a renewed lease/licence term.

The proposed Licence is in accordance with Council's Occupation of Council Owned or Managed Land Policy.

The land is classified as community land under the *Local Government Act 1993*. The relevant plan of management assigns a General Community Use categorisation to the land. The proposed use under new Licence is consistent with both the land categorisation and the plan of management.

Under the Local Government Act, Council is restricted to the uses that can be considered under a lease or licence on community land. As community land, the uses conducted under a lease or licence must be in accordance with 46(4) of the Act, be expressly authorised in the plan of management, and consistent with the core objective of the category of the land (General Community Use).

The uses being undertaken by the licensee conforms with 46(4)(a) of the Act for the purposes of the grant of a lease or licence, being listed as a prescribed purpose;

*(a) the provision of goods, services and facilities, and the carrying out of activities, appropriate to the current and future needs within the local community and of the wider public in relation to any of the following -*

*(i) public recreation,*

*(ii) the physical, cultural, social and intellectual welfare or development of persons.*

The land is Crown Reserve (R88840) managed by Shoalhaven City Council as Crown Land Manager. The proposed use of the land under new Licence is consistent with the reserve purpose of Public Recreation and Racecourse.

Accordingly, a new Licence agreement can be considered by Council.

## Financial Implications

A market rent assessment was obtained as required under Policy 22/98. The market rent determined by independent valuer was \$37,500 (+ GST) p.a. The current rent amount under the prevailing Licence is \$3,917 p.a.

A rental scenario based on an assessed 32% rental subsidy (Rental Assessment Framework) was undertaken by Council Officers. The resultant annual rent was calculated at \$25,875 (+ GST) p.a. This represents a rental uplift for Council from the current rent amount (\$3,917 p.a.) in the order of \$21,958 p.a.

Outgoings have been assessed at an estimated \$7,395 p.a. (GST inclusive) which is in addition to the annual rent.

The Licensee is also responsible for the costs of new licence preparation in accordance with Policy 22/98 and Council's adopted Fees & Charges.

Discussions have taken place with the Licensee with regard to the completed market rental assessment and the RAF rental assessment by Council officers, and the need for the proposed new Licence to be reported to Council.

**Risk Implications**

Council's interests have been considered and there is minimal risk associated with the recommended new Licence agreement. Options have been included in the report with regard to the proposed new rental terms.

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## CL25.266 Proposed Lease - 69 Princes Highway Milton - Milton Theatre

**HPERM Ref:** D25/286029

**Department:** Buildings & Property Services

**Approver:** Kevin Norwood, Acting Director - City Services

### Purpose

The purpose of this report is for Council to consider approval of a new five-year lease to Milton Theatre Committee Incorporated at Part Lot 1 DP 736273 and Part Lot 1 DP 325570 known as 69 Princes Highway Milton.

### Summary and Key Points for Consideration

- The land is classified as Council owned Operational land, and Council can enter the proposed new five-year lease.
- Council resolution is required to determine the granting of the proposed lease on the basis the annual rent exceeds \$5,000 per annum.

### Recommendation

That Council:

1. Enter a new five-year lease with Milton Theatre Committee Incorporated (ABN 15 613 578 294) over Council Operational land known as 69 Princes Highway, Milton (Part Lot 1 DP 736273 & Part Lot 1 DP325570).
2. Establish commencement new lease rental of \$5,478.50 (excluding GST) per annum with annual rent increases in line with the Consumer Price Index (All Groups Sydney).
3. Lessee to be responsible for operating costs of the leased premises totalling \$14,000 (excluding GST) per annum, which includes building insurance, water rates, waste and compliance costs.
4. Authorise the Common Seal of the Council of the City of Shoalhaven to be affixed to any document required to be sealed and delegate authority to the Chief Executive Officer or delegated officer to sign any documentation necessary to give effect to this resolution.

### Options

1. Resolve as recommended.

Implications: The lessee will be able to continue in the community offering live entertainment, whilst looking after the historic building.

2. Seek opportunity for new tenancy.

Implications: If Milton Theatre Committee Incorporated does not secure the premises under a new lease term, Council will need to advertise the premises through Expression of Interest.

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## Background and Supplementary information

### Property Overview

The property located at Part Lot 1 DP 736273 and Part Lot 1 DP 325570 (69 Princes Highway, Milton) is Council-owned operational land (**see Figure 1**). The site includes a historic building originally constructed as a theatre, featuring seating, a stage, restrooms, changerooms, a lighting booth, and a kiosk.

### Cultural and Historical Significance

Since 1997, Milton Theatre has served as a cornerstone of the local community. Operated as a not-for-profit live music venue, it is entirely managed by a dedicated team of volunteers who oversee all administrative and operational functions. The theatre provides a unique cultural service, fulfilling a significant need for accessible, high-quality live performance experiences in the region.

### Community Engagement and Events

Milton Theatre plays a central role in the town's cultural life. In May, it was a key venue for the highly successful Folk, Jazz and Blues Festival. The streets of Milton came alive with free performances in hotels, cafés, and on the Village Green. The Theatre hosted four sold-out, ticketed performances over the weekend, all staffed by volunteers. The festival attracted approximately 5,000 attendees, with 50% coming from outside the local area, delivering a substantial economic boost to local businesses including restaurants, shops, accommodations, and hotels.

In June, the Theatre was again at the heart of the community during "Storyfest", a literary festival featuring renowned authors and speakers. Milton Theatre hosted another four sold-out events, drawing audiences from Sydney, Canberra, and beyond. The festival contributed both educational and economic value to the Milton–Ulladulla region.

### Economic and Social Impact

Milton Theatre significantly contributes to the local economy. Its events consistently drive increased patronage to nearby restaurants, cafés, and accommodation providers. The Theatre also supports local not-for-profit groups by offering affordable venue hire for fundraisers and community events. However, rising operational costs threaten this accessibility and even the viability of these community-focused events.

### Investment in Infrastructure

Over the years, the volunteer committee has invested in various improvements in the building as well as a state-of-the-art sound and lighting equipment, enhancing the Theatre's capacity to host professional performances. These upgrades have enabled the venue to attract nationally and internationally renowned artists, making Milton Theatre a beloved stop on the national touring circuit. Many performers have cited it as one of their favourite venues due to its intimate atmosphere and high-quality facilities.

### Future Outlook

In the wake of widespread venue closures and the broader challenges facing live music in Australia, the continued operation of Milton Theatre is more important than ever. Since the COVID-19 pandemic, the Theatre has prioritised support for emerging artists, offering a platform for new talent and fostering a welcoming environment for both performers and audiences.

Milton Theatre is not just a performance space, it is a vital cultural, social, and economic asset to the region. Its preservation and continued support are essential to maintaining the vibrancy and resilience of the local community.

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**Figure 1 – Milton Theatre at 69 Princes Highway, Milton**



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### **Internal Consultations**

Internal stakeholder consultation was undertaken, and no concerns were raised to the new lease.

### **External Consultations**

No external consultation was required for this proposal given Council is re-negotiating with the existing lessee for a new term.

### **Community Consultations**

The land is classified as Operational land, and no consultation/notification is required.

### **Policy and Statutory Implications**

Councils Occupation of Council Owned or Managed Land policy ([POL22/98](#)) is relevant to the proposed lease and has been considered for this matter.

The Rental Assessment Framework (RAF) is utilised to determine a fair rental subsidy.

The lessee provided information through a Proposal to Occupy Council Property which was used to assess the applicable subsidy amount.

The land is classified as Operational land meaning the provisions of the Local Government Act (community land) and the grant of a lease or licence under section 46 is not relevant for this lease proposal.

### **Financial Implications**

A market gross rent assessment was conducted in accordance with POL22/98, determining the rent at \$36,800 per annum. A Proposal to Occupy Council Property was submitted, and the RAF (Rental Assessment Framework) calculator was applied to evaluate a potential new rent. This resulted in a 53.64% rental subsidy, setting the annual gross rent at \$17,060 (excluding GST).

Outgoings were assessed at approximately \$14,000 per annum (excluding GST), which led the tenants to confirm their inability to afford the property if the rent was increased as well. Given the recent \$10,000 per annum (excluding GST) increase in outgoings, and after extensive discussions with the group, it is proposed that the base rent remain at the current figure.

The lessee has agreed to the proposed rent and the increased outgoings. This arrangement provides Council a gross rental of \$19,478.50 per annum (excluding GST) with future increases in outgoings also covered. Additionally, the annual rent will be subject to CPI increases.

The lessee is also responsible for the costs of new lease preparation in accordance with POL22/98.

### **Risk Implications**

It is normal practice to allow for an interest in a premises in the form of a lease. Council's interests have been considered and there is minimal risk associated with the recommended new lease agreement.

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## CL25.267 Response to Notice of Motion - Mens Shed Organisations

HPERM Ref: D25/213531

Department: Buildings & Property Services  
Approver: Kevin Norwood, Acting Director - City Services

### Purpose

This report is to provide a response to the resolution of Council ([MIN25.23](#)) regarding current leases to Men's Sheds in the LGA.

### Summary and Key Points for Consideration

- At the Council Meeting on 28 January 2025, Council resolved in relation to Notice of Motion – Men's Sheds operating on public land under lease or licence ([MIN25.23](#));  
*That Council direct the CEO to:*
  - Prepare a historical report on the evolution of the current financial commitment incurred by the Men's Shed organisations regarding leases, licences, rates, garbage collection and other charges, over at least the past five years.*
  - Make comment on the capacity of Council or other organisations to provide some form of financial relief in the future, particularly as Council's own financial position makes a significant turn for the better.*
- This report summarises current Men's Shed lease rent/outgoings obligations.

### Recommendation

That Council receive for information the report on Men's Shed organisations and historical report of past five years.

### Options

- As recommended.

Implications: Individual proposals for lease renewals, as well as any new Men's Shed proposals in the LGA, will continue to be undertaken in accordance with prevailing policy *Occupation of Council Owned or Managed Land* ([POL22/98](#)).

- That Council adopts an alternate resolution.

Implications: Any implications of an alternate resolution would be dependent on the nature of the resolution.

### Background and Supplementary information

#### Existing Arrangements

There are nine lease/licence agreements with Men's Sheds organisations in the LGA. Table 1 below identifies these including current agreement terms and lease/licence expiry dates.

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**Table 1 – Men's Shed Lease/Licence Terms**

Location	Term (years)	Expiry
Sanctuary Point	5	July 2026
Shoalhaven Heads	5	June 2024
Greenwell Point	5	September 2025
Culburra/Orient Point	5	June 2025
Culburra and Districts	10	February 2025
Nowra	10	July 2024
Sussex Inlet	1	December 2025
Milton Ulladulla	5	July 2022
Bawley Point	10	September 2025

Council Policy – Occupation of Council Owned or Managed Land ([POL22/98](#)) serves as the guiding framework for evaluating and administering leases and licences over land and property owned or managed by Council.

To ensure equitable rental arrangements, Council applies the Rental Assessment Framework (RAF), which determines the appropriate level of rental subsidy based on factors such as community benefit and financial capacity.

Upon the expiry of a lease agreement, lessees are invited to submit a Proposal to Occupy Council Property. This proposal enables Council to reassess the occupancy arrangement and apply the RAF to determine any applicable rental subsidy for the new term.

Agreements with Men's Shed organisations were established between 2014 and 2021. In accordance with Policy 22/98, community leases are generally limited to a maximum term of five years. Longer lease terms may be considered only in exceptional circumstances, such as when the lessee undertakes a significant upgrade to the facility, with Council's approval.

Of the existing Men's Shed agreements:

- Three were granted 10-year terms due to exceptional circumstances.
- One agreement was limited to a one-year term to comply with the Crown Land Management Act 2016.
- The remainder were issued five-year terms, which is standard for community leases on public land.

Currently, four Men's Shed agreements are undergoing renewal. These will be progressed in accordance with the provisions of Policy 22/98, ensuring compliance with Council policy and relevant legislation.

The diversity in rental arrangements for Men's Shed organisations reflects a combination of factors, including:

- The classification of properties as Council-managed Crown land.
- Application of the statutory minimum rent.
- Use of subsidised rent under the RAF.
- Implementation of 'peppercorn rent' in specific cases.

Two agreements were established on a peppercorn rent basis, recognising significant capital investment by the lessees. These arrangements were made in lieu of applying either a subsidised or statutory minimum rent.

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All other agreements are set at or below the current statutory minimum annual rent of \$609, with rents ranging from \$541 to \$607 per annum. These represent the minimum rental amounts Council is permitted to impose under current policy and legislation.

As part of the review of Policy 22/98, the RAF is also being reviewed to ensure a consistent and transparent approach to rental assessment for all new and renewed lease agreements. Going forward, rental outcomes will reflect Council's prevailing policy framework.

#### Outgoing Charges

Council applies a range of outgoing charges to lessees occupying Council-owned or managed land. For Men's Shed organisations, this includes:

- Council-imposed charges for services such as waste collection, water and sewer costs, currently totalling at the higher end of up to \$1,188 per annum.

Electricity and other utilities are charged directly by the service provider and are the sole responsibility of the lessee under separate arrangements.

In most cases, 100% of outgoing costs are borne by the lessee. In shared tenancy arrangements, outgoing responsibilities may be apportioned based on a percentage split, as agreed between Council and the lessee.

These arrangements are consistent with Policy 22/98, which stipulates that tenancies must be cost-neutral to Council. Specifically, Section 6.7 of the policy states:

*"Cost Recovery – Council is to ensure that agreements do not impose an unreasonable burden on general revenue. Council is to obtain a reasonable dividend and at a minimum, cost neutrality from the use of its property, i.e., the tenancy is to be at no cost to Council."*

This approach ensures that Council's property assets are managed sustainably and equitably, with lessees contributing to the costs associated with their occupancy.

Rent under Men's Shed lease agreements is subject to annual CPI indexation, ensuring alignment with inflation and economic conditions. Outgoings charges (e.g., waste, water, electricity) may increase over time, as determined by the relevant utility providers. These charges are also influenced by individual usage and consumption patterns, meaning costs may vary between lessees.

#### Financial Relief and Policy Support for Men's Sheds

**Grant Opportunities:** Men's Shed organisations can access grants for capital improvements and operational needs (e.g., machinery and equipment). Council's Grants Officer actively supports community groups in identifying and applying for funding.

**Subsidised Rent Mechanism:** Under Policy POL22/98 community groups may occupy Council-owned or managed land at subsidised or statutory minimum rent. Relevant policy provisions include.

*"6.16.1. All rents charged in the first instance are to be determined in accordance with market values and subject to market trends thereafter."*

*6.16.2. Community Groups - Rental figure is determined through a rental assessment framework (R.A.F.). Only in exceptional circumstances where the community group can demonstrate that it essentially functions as a volunteer or self-help group (with no funding from State or Federal Government) within the local community, will Council consider a rent of equivalent to the minimum statutory rent."*

#### **Internal Consultations**

Internal consultation was undertaken with the Property team.

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**External Consultations**

No external consultation was undertaken for this report.

**Community Consultations**

There is no community consultation requirement for this report.

**Policy and Statutory Implications**

This report has been prepared having regard to Council Policy – Occupation of Council Owned or Managed Land (POL22/98).

POL22/98 is currently under review. The future lease management regime for the occupation of Council owned or managed land will be considered as part of the policy review.

**Financial Implications**

There are no financial implications in relation to this report. General commentary has been provided in the Supplementary and Background Information section.

**Risk Implications**

No risk implications are identified.

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## CL25.268 New Land Use Planning Scheme - Strategic Planning Work Program - Continued Focus

**HPERM Ref:** D25/312411

**Department:** Strategic Planning

**Approver:** Lindsay Usher, Acting Director - City Development

**Attachments:**

1. Background Resolutions (2022-2023) - New Landuse Planning Scheme  
[↓](#)
2. Shoalhaven DPOP 2025/2026 - Relevant Strategic Land Use Planning Related Extracts [↓](#)
3. Other Recent Relevant Resolutions - Strategic Planning Work Program  
[↓](#)

### Purpose:

Enable Council to consider and formally reconfirm (or adjust/establish) its strategic land use planning work program priorities for this term of Council, ideally involving a continued commitment to the development and delivery of a new contemporary Land Use Planning Scheme (involving both new strategy and plans) for Shoalhaven.

### Recommendation

That Council

1. Continue to focus its Strategic Land Use Planning Work Program on the delivery of a new Land Use Planning Scheme for the City via a staged approach.
2. Continue with and complete the following new Land Use Planning Scheme Stage 1 projects:
  - a. Berry Development Controls & Heritage Conservation Area/Items
  - b. Local Infrastructure Contributions Framework development and delivery
3. Make representations to the NSW Government requesting the timely release of the foreshadowed Short Term Rental Accommodation (STRA) policy response to enable Council to consider its possible approach in this regard and receive a briefing from staff when appropriate to enable a position to be considered.
4. Commit to the focussed delivery, as outlined in the report, of the following project components of an adjusted new Land Use Planning Scheme Stage 2 during this term of Council:
  - a. Housing and Employment Land Strategy - focussing on residential housing, related supporting outcomes or needs (commercial/business) and not including rural residential rezoning opportunities.
  - b. New Local Environmental Plan - involving review and retention/adjustment of the current LEP provisions, inclusion of relevant outcomes from the new Strategy (e.g. new residential zoned land) and also any consequential resulting amendments to the Development Control Plan and Contributions Plan arising from new zoned areas.
  - c. Local Infrastructure Framework – completion of a new Contributions Plan during 2026 and continued work as necessary/appropriate.
  - d. Nowra Projects – complete the range of regionally significant projects that are

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underway as outlined in the report and that require a continued focus.

- e. Affordable Housing Strategy implementation – work with Councils new Affordable Housing Action Taskforce to progress the actions in the recently adopted Strategy.
5. Undertake a shorter term housekeeping review Planning Proposal to resolve key more pressing issues that have arisen with the Local Environmental Plan (LEP) and that cannot necessarily wait for the overall project, some of which are outlined in the report.
6. Continue with the relevant other continuing projects or work that are outlined in the section of the report headed ‘Other Current Projects/Work’ as resourcing and time permits.
7. Note that the review of the Development Control Plan (DCP) will not be undertaken as part of the resolved approach and as such the work foreshadowed in MIN24.648 Tourist Cabins Review, MIN25.297 Local Character Planning and MIN25.330 Shoalhaven Residential Style Guide will not occur at this point and may ultimately require a specific budget allocation to enable it.
8. Commit to not adding other one off additional projects to the Strategic Planning Work Program, unless they are urgent, to enable the required focus to be given to the resolved strategic approach
9. Utilise the Strategic Planning Working Party (or possible replacement Planning & Development Committee) to provide necessary input and guidance as work progresses on the new Land Use Planning Scheme Stage 2 work.

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## Options

1. Council proceed as recommended and outlined in detail in the report.  
Implications: This will see Council continuing to focus its Strategic Planning Work Program work on the staged delivery of a new Land Use Planning Scheme for the City (new scheme) via a progressive staged approach as detailed in the report,
2. Council take a different approach to determine the focus of its Strategic Planning Work Program and/or work on a new scheme. This could include holding a similar Councillor workshop to the one that occurred in late 2022.  
Implications: Would largely depending on the nature of the approach. But the need for a new scheme has not diminished and should be a continued focus of the Council.  
Holding a dedicated workshop that is externally facilitated could enable Councillors to collaboratively establish their agreed strategic land use planning priorities for this term of Council.
3. Not proceed with continued work toward a new scheme and go back to considering a project based Strategic Planning Work Program on an annual basis.  
Implications: This would possibly see work revert to being project based and not focussed on the delivery of a new scheme for the City. This is likely to see reactive and ad hoc responses to land use planning challenges, requests, and opportunities as they occur.  
Not preparing a new scheme would be inefficient, will not necessarily respond to current land use planning challenges and would not provide the required certainty about future planning and assist development activity.

## Background and Supplementary information

### Previous Resolved Approach

Prior to 2022 Council formally considered its Strategic Planning Work Program (SPWP) on an annual basis. The SPWP was an internal tool to manage Council's strategic land use planning effort and work focus.

Having a clear work program to focus Council's strategic planning effort is important and working with existing resources ensures that Council has an appropriate strategic framework in place that is forward thinking and responsive in nature.

In 2022 following receipt of a range of feedback from the Shoalhaven community (and subsequent external drivers) about the need for new and contemporary strategic land use plans and a planning scheme (LEP, DCP etc) for the City, it was considered timely for Council to take a 'fresh eyes' look at its land use planning strategy/scheme.

In November 2022 the Council, with the assistance of an independent facilitator, workshopped the need for a new land use planning strategy and scheme for the city and explored how this could be undertaken and delivered in a timely manner.

Council then made four separate resolutions during 2022 and 2023 that settled the approach to deliver the new scheme and the work to be undertaken in this regard – these resolutions are provided in **Attachment 1**. The resolutions have guided Councils work on this and other priority projects Including 'business as usual') in recent years.

Some subsequent external drivers also emerged including NSW Governments Housing Target (released May 2024) for Shoalhaven of 4,900 additional new homes by 30 June 2029, related Ministerial Statement of Expectations (planning) Order 2024 and associated monitoring of Council performance.

Council received briefings/engagement on the new scheme work following the September 2024 election in November 2024 and April 2025.

### Progress Overview – New Scheme Work

Consistent with the above mentioned resolutions (**Attachment 1**) a staged approach has been taken in regard to the work on the new scheme.

The following table provides an overview of the intended components of each stage and their status where relevant.

**Table 1 – Status Overview: Work on New Landuse Planning Scheme**

Stage 1	
<i>Element</i>	<i>Status</i>
Berry Development Controls & Heritage Conservation Area	<u>Advanced</u> Draft DCP Chapter and Planning Proposal (heritage items and conservation area) on public exhibition until 19 September 2025.
Local Character Planning Controls	<u>Not proceeding</u> Planning Proposal to add initial provisions to LEP not proceeding – 10 June 2025 resolution (MIN25.297).
Local Infrastructure Contributions Framework	<u>Work continuing/progressing</u>
Affordable Housing Strategy	<u>Completed</u>

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	New Affordable Housing Strategy adopted – 12 August 2024 resolution (MIN24.452). Actions will be advanced with the new Affordable Housing Action Taskforce.
Housing Strategy evidence base and strategic principles	<u>Completed/Continuing</u> Strategic Growth Principles adopted – 17 December 2024 (MIN24.696). Added to Local Strategic Planning Statement. Evidence Base - Work continuing/progressing.
Managing short term rental	<u>On hold</u> Submission made to the NSW Government discussion paper in April 2024. Waiting on the release of the NSW Government's detailed reforms in this regard.
<b>Stage 2</b>	
<i>Element</i>	<i>Status</i>
Character statements and development controls	Not yet commenced
Growth Management Strategy: Housing, Rural Land, Employment Land	
New key local planning documents (LEP, DCP, CP)	
Scenic values and landscape qualities	
Retail centres	
Master planning – Ulladulla CBD	

Note: it was agreed that Stage 1 would commence/progress in the previous Council term and Stage 2 would commence and be undertaken with the new (current) Council. This is discussed further in this report for Councils consideration.

### Commentary - Continuing Stage 1 Projects

The following commentary is provided on the continuing/uncompleted Stage 1 projects.

#### Berry Development Controls & Heritage Conservation Area/Items

This work has two separate, but related components: Planning Proposal (PP) – inclusion of additional heritage items and a Heritage Conservation Area (HCA) into the Shoalhaven Local Environmental Plan (LEP) 2014; and draft 'Town of Berry' Chapter for addition to the Shoalhaven Development Control Plan (DCP) 2014.

Council adopted the Draft new DCP Chapter N2: Town of Berry for exhibition on 29 April 2025 (MIN25.205) and endorsed the progression/exhibition of the PP on 29 July 2024 (MIN24.396). The PP received a favourable Gateway determination from the NSW Government on 19 June 2025.

Both the PP and Draft DCP Chapter are on formal exhibition from 6 August until 19 September 2025. The exhibition outcomes will then be reported to Council for consideration following the exhibition period to enable finalisation.

#### Local Infrastructure Contributions Framework

In 2023, Council resolved to prepare a new contributions plan for Shoalhaven. In addition to the work on a new plan, a broader review of Council's contributions framework and related internal processes is also underway.

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The broader review follows and responds to the following two key external recommendations:

- AEC Financial Review recommended (No. 13) that: *Council should complete the review of its developer contributions plans, before undertaking any substantial asset programs to ensure that the current contribution levels are able to support the future development costs.*
- Shoalhaven Infrastructure Contributions Resourcing Framework Review (Undertaken for Council by GLN Planning) recommended a new contributions plan and works schedule be prepared due to significant structural flaws.

The following **Figure 1** sets out the Key Milestones and Tasks for the New Contributions Framework Project and identifies the current focus.



**Figure 1: Key Milestones of the Contribution Framework Review Project (and current focus)**

The Stage 3 plan preparation component is nearing completion, leading into the internal consultation phase. The draft new contributions plan will then be presented to the Council for progression to public exhibition.

The related process review is ongoing and reviews of Councils Planning Agreement and Works in Kind Agreement policies are progressing.

Council has received the following briefings on this component of work:

7 November 2024 – Councillor Induction Briefing: Contributions Planning - an Explainer for Councillors (Dr Lindsay Taylor, Lindsay Taylor Lawyers).

24 April 2025 – Councillor Briefing: Covered the progress of the current review, overview of current Planning and Works in Kind Agreements and discussion on projects 50% complete that could possibly be delivered early (arose from MIN25.4 – 21 January 2025).

The new contributions plan project is being managed by the Strategic Planning Team and now with increased oversight from Councils internal Development Contributions Advisory Group (DCAG). The DCAG is a newly formed internal governance group consisting of the Executive Leadership Team, key Department managers and core staff involved in contributions.

To enable the timely delivery of this key plan, relevant Strategic Planning staff have been taken 'off line' to enable focus on this work and are currently working to a 'Go Live' commencement date of 1 July 2026 for the new contributions plan. This may however change depending on the outcomes of the internal and external consultations and engagement with the Council.

Housing Strategy evidence base

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The adoption of the Strategic Growth Principles allowed work to start on the preparation of a Preliminary Growth Management Scenario and Recommendations for Shoalhaven. This work will be guided by the adopted Strategic Growth Principles and Council's "retain and manage" policy position set for rural and employment land (i.e. avoid rezoning for residential or rural-residential purposes unless identified in a land use planning strategy).

The Scenario and Recommendations work will address the communities housing, retail, and employment needs, i.e. its urban requirements. The strategic planning for the future management of rural and environmental land will be undertaken later in the continued new scheme work. The Scenario and Recommendations will also address constrained land previously considered suitable for development, for example land with environmental risks. These recommendations may reduce, restrict or modify the development potential of such land, in an attempt to improve certainty.

The proposed Scenario and Recommendations are initially "preliminary" as they need to be considered by the Council and tested with Shoalhaven's communities and other stakeholders (engagement and exhibition). The Scenario and Recommendations are proposed to be embedded in a contemporary Growth Management Strategy, which includes a new Local Housing Strategy. The exact title of this piece of strategy work is not set at this point. The implementation of the strategy work will also ultimately occur through adjusted land use zones and planning controls in the City-wide Local Environmental Plan.

The first and current step in preparing the Preliminary Growth Management/Housing Scenario is the preparation of an evidence base and the identification of opportunities and challenges in meeting the communities' housing needs. The evidence includes:

- Demographic data of the forecast changes in Shoalhaven's communities to establish dwelling demand (number and type), e.g. future population size, an ageing population, decreasing household size etc.
- Review of current strategic planning documents, policies, and planning controls to identify current dwelling supply. This includes the NSW Government's Housing Targets and resultant policies that have emerged, such as the Low and Medium Rise Housing Policy. Council's existing relevant documents include the:
  - Current City-wide Growth Management Strategy
  - Nowra-Bomaderry Structure Plan
  - Jervis Bay Settlement Strategy
  - Sussex Inlet Settlement Strategy
  - Milton-Ulladulla Structure Plan
- Analysis of development activity to understand recent trends in housing delivery (rate of supply, areas of supply, types of homes).
- Analysis of constraints (flood risk, bushfire etc) and values (protected vegetation, scenic values etc) to identify future potential greenfield and infill growth opportunities.

The work will ideally include proposed economic modelling to identify the retail floor space and employment land (type and amount) required by future communities (including in response to the preliminary growth scenario and recommendations). This will most likely require the identification and allocation of additional funding to engage a consultant specialising in this work. The modelling and its recommendations will have a dual use, also informing the current preparation of a new Tourism and Economic Development Strategy.

The work will incorporate the earlier work on a Preliminary Growth Scenario identified for Milton, Ulladulla, and surrounds (updated as required to respond to current housing need). This Scenario of greenfield and infill growth opportunities was publicly exhibited but then

‘paused’ to enable broader consideration as part of the new Land Use Planning Scheme work.

Other previously identified areas will also be considered and if appropriate progressed as part of this piece of work including, for example, the Worrowing Heights area over which a masterplan was adopted in 2018.

The evidence base and preliminary scenario work will align with the approximate 20 “small areas” or “districts” already in use on Council’s online demographic products and based on census areas. This enables efficient monitoring of the effectiveness of the Scenario and Recommendations in meeting the communities’ housing needs.

Subsequent steps in the preparation of the new Growth Management or Housing Strategy include councillor engagement, public exhibition, and a landowner nomination process. The latter is proposed to provide a controlled, strategic process for landowners to nominate their land, and for Council to consider nominations, in the preparation of the Strategy. It also provides an opportunity to reduce ad-hoc rezoning proposals (or proponent-initiated planning proposals) removing pressure on the resources required to undertake associated work.

#### Managing short term rental accommodation

Work on this component of the new scheme Stage 1 has unfortunately not progressed as it was considered prudent to wait for the release of the NSW Government’s reforms in this regard.

Council made a detailed submission to the governments discussion paper in April 2024. It was then resolved on 14 October 2024 (MIN24.512) to ‘defer’ consideration of a rescission motion on the following possible STRA related resolution (MIN24.433) until after a briefing is provided to Council.

*That Council:*

- 1. Strongly request the NSW Government to release the detail of their proposed new Short-Term Rental Accommodation (STRA) regulatory framework for NSW as soon as possible to enable Council to better manage STRA in Shoalhaven within a known and agreed framework; and*
- 2. Consider applying a cap of zero days for whole homes and a hosted cap of 180 days in all new significant residential subdivisions and rezoning areas within the City as part of any response to the new STRA regulatory framework, to ensure their use primarily as homes and still provide opportunities for residents who also wish to rent a room on the short-term market.*

The resolved briefing has not been held and action on this element is ‘on hold’ pending the release of the NSW Government’s proposed regulatory framework for STRA. This approach was discussed with Councillors as part of relevant briefings.

The following motion from Council was passed at the 2024 Local Government NSW Conference:

*No.58 Shoalhaven City Council - Short term rental accommodation (STRA) That Local Government NSW calls on the NSW Government to complete its review of the options in regard to short-term rental accommodation (STRA) and provide a range of 'model' options for councils to consider ensuring flexible and improved opportunities to improve the management and regulation of this land use in their local areas.*

The NSW Government response (April 2025) was as follows:

*The review of Short Term Rental Accommodation is being led by the Minister for Housing. The NSW Government is still considering options regarding STRA. However, the Department will support any council that chooses to develop a local response, as has been recently implemented for the Byron Council area.*

LGNSW has also continued to call on the NSW Government to finalise its STRA framework review to give councils tools to better manage the impacts of STRA platforms on the availability of long-term rental housing and as a result their Advocacy Priorities 2025-2026 document includes the following:

*Short-term rentals - Finalise the overdue review of short-term rental accommodation (STRA) to give everyone greater certainty. Give councils stronger powers to manage non-hosted STRA so they can balance housing needs and the local visitor economy*

The timing for the release of the review is still currently unknown. It will be reported to Council when released/available to enable Council to decide what steps it may wish to take in regard to the regulation or management of STRA. As a result, this component is currently on hold and will not progress until the release occurs.

Relatedly, in July 2025, the University of Sydney published the results of research work commissioned by the Australian Coastal Council's Association. The publication *Short term rentals in Australia's coastal regions: Recent impacts and policy responses (July 2025)* identifies trends in short term rental accommodation and recommends a range of measures to manage short term rental accommodation (STRA).

Council helped fund this research, provided data and research findings<sup>1</sup>, and also shared experiences in managing short term rental accommodation in Shoalhaven. There are currently between 3,071 and 4,114 un-hosted STRA properties registered in Shoalhaven. These have an average daily price of \$508 and typically are rented for about 38 nights a year (Sources: NSW Fair Trading Register & Airbnb City Portal).

The research identified several benefits of STRA, including increased economic opportunities for the tourism industry and residents, and flexible accommodation in response to spiking tourism demand or for people relocating for work. It also identified impacts on rental availability, rental costs, and house prices. The research recommends, amongst other things, improvements to data sharing, increased regulation (planning controls, restrictions on number of nights and areas), revenue raising, and increased investment in crisis, social, and affordable housing.

The research will be used as part of Councils advocacy to the NSW Government for it to advance and complete its policy reform for managing STRA (underway for approx. 16+ months) and identify a policy approach that can be considered for Shoalhaven. Further representations should be made to the NSW Government requesting the timely release of the STRA reform package.

<sup>1</sup> HillPDA's economic modelling of a range of management measures.

## Other Current Projects/Work

In addition to the abovementioned continuing Stage 1 new scheme projects, Council staff are also working on or involved other important land use planning projects/matters, including the following:

- Nowra Projects:
  - Nowra Riverfront Precinct:
    - Homes NSW Mandalay Ave Sub-precinct Planning Proposal.
    - Regional Precincts & Partnership Program grant project.
    - Nowra Riverfront State Assessed Rezoning Proposal precinct.
  - Nowra City Centre Strategic Roadmap
    - Assisting NSW Department of Planning, Housing & Infrastructure (DPHI).
  - South Nowra Employment Precinct

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- Planning and biodiversity investigations to clarify development.
- Homes NSW Estate Renewal Project
  - Grant funded - NSW Government Regional Housing Strategic Planning Fund
- Moss Vale Road South Urban Release Area (URA):
  - Taylors Lane Planning Review.
  - MVRs Missing road link.
  - Various Voluntary Planning Agreements (VPA's) and Works in Kind Agreements (WIKAs).
  - Other planning tasks associated with developing the URA.
- Moss Vale Road North URA
  - Attempting to finalise the release planning for this significant URA including the required DCP Chapter and infrastructure approach.
  - Councillor Briefing held on 7 August 2025.
  - Matter will be separately reported to Council in September 2025 for further direction.
- Low & Mid Rise Housing Reforms:
  - Consideration of responses to the NSW Governments reforms affecting areas of Nowra and Bomaderry.
- Affordable Housing Strategy implementation actions:
  - Will be discussed with the new Affordable Housing Action Taskforce.
- Range of demographic and housing research tasks, including:
  - Responding to requests associated with the NSW Government's Urban Development Program (UDP).
- Heritage planning related tasks, including:
  - Grant funded heritage projects.
  - Historical Bural Ground investigations.
  - Possible Aboriginal Cultural Heritage Planning Toolkit and Predictive mapping.

Council considered a separate Heritage Strategy (policy) report at its meeting on 12 August 2025.
- Development Contributions administration and related activities including range of current VPA's and WIKAs - Mundamia URA, Hitchcock's Lane, Commercial Road, Sussex Inlet, Cook Street, St. Georges Basin etc.
- Administration – development contributions and related activities.
- Callala URA – Matters related to Part 6 of the LEP.
- Draft DCP Preparation, 48-54 Paradise Beach Road, Sanctuary Point – resolution to exhibit.
- Initial investigation – LEP Cause 4.2B Review.
- Providing feedback on NSW Government planning and other legislative reforms.
- Administration activity related to the LEP, DCP and Contributions Plan (CP).

- Proponent or Council initiated Planning Proposals (PP), including:
  - Motel site building height change, Huskisson.
  - 131 St.Vincent Street, Ulladulla.
  - Nebraska Estate.
  - Initial scoping proposals: various and ongoing.

### 2025/2026 Delivery Program Operational Plan – Relevant Actions

Various strategic planning related projects and priorities are already identified in Councils Delivery Program Operational Plan (DPOP) for 2025/2026, including specifically the following:

- Moss Vale Road North URA – finalise local planning documents.
- Completing the Berry development and heritage controls project.
- Completing the new local infrastructure contributions scheme and related.
- Progressing the Stage 2 work on the new Land Use Planning Scheme.
- NSW Government planning reforms/projects - providing strategic feedback.
- Finalise a draft interim DCP for the South Nowra Employment Precinct.
- Nowra Riverfront – finalise the master planning
- Nowra City Centre – work with the NSW Government to complete the strategic roadmap.
- Shoalhaven Affordable Housing Strategy - Implement actions.
- Advance preparation of a housing/settlement strategy for the City

Relevant extracts from the actual DPOP 2025/2026 are provided as **Attachment 2**.

Given that the above projects are already identified by Council as priorities they need to continue to be a key part of Council's strategic land use planning work effort.

The intention of this report to enable the current Council to settle or establish the focus for its strategic planning work program, including a revised scope for the Stage 2 work on the new scheme.

### Other Relevant Council Resolutions

In addition to the above existing or current matters/work priorities, the following relatively recent Council resolutions (four of which resulted from Notices of Motion) are relevant and require further consideration in terms of their priority and what can be reasonably achieved as part of the overall work program.

- MIN24.648 (26 November 2024) – Tourist Cabins/Farm Stay - Commercial Farm/Primary Production land
- MIN25.157 (15 April 2025) – Development Applications - Affordable Housing - Processes/Procedures improvement
- MIN25.48 (27 May 2025) – Addressing Illegal Tobacco and Vaping Concerns in Shoalhaven - Nowra CBD
- MIN25.297 (10 June 2025) – Local Character Planning

- MIN25.330 (22 July 2025) – Stand-alone Shoalhaven Residential Style Guide.

The full text of the above resolutions is provided as **Attachment 3**.

Should Council decide to proceed with the resolved staged approach to the new scheme work it is possible that some, but not all, of the above resolved projects or tasks will be completed as part of this work. They may also require additional resourcing or dedicated funding to enable them to be worked on and completed.

Specifically, MIN24.648, MIN25.297 and MIN25.330 all refer to work to be done as part of the preparation of a new DCP for the City. This is unlikely to occur as part of a revised approach to the new scheme that is detailed in this report and the new DCP component could be some time off. Additionally the pieces of work identified under MIN25.297 and MIN25.330 are likely to require dedicated specialist resourcing and funding to possibly enable use of specialist consultants if/when they are undertaken.

### Other Expectations

When considering Council's strategic planning work program effort, there are a range of other community, landowner, government etc. expectations, requests or 'pressure points' regarding relevant or highlighted work or tasks. This includes the following:

- NSW Governments 'Statement of Expectations' (planning) and meeting housing targets.
- Managing and balancing future growth.
- Community concerns around character and the nature of development.
- Need for predictive mapping to better recognise and help protect cultural heritage.
- Possible review and down zoning of certain areas e.g. Callala URA (*Note: considered by Council on 10 June 2025 – was resolved not to initiate a PP*).
- Cabbage Tree Lane URA – requests to commence the detailed release planning.
- Culburra Beach CBD – masterplan funding offer from The Halloran Trust.
- Masterplan for Ulladulla CBD – Recent request from the Ulladulla Forum for Council to collaborate with the DPHI on a masterplan for the CBD following the increasing number of substantial proposals for major developments in the area and suggestions that no contemporary plan exists for the CBD.
- Ongoing rezoning requests and expectation, including for rural residential development.

As an example in this regard there is a separate report in this paper on various rezoning approaches that have recently been received adjacent to Berry.

- Rural tourist accommodation (cabins etc.) review. *Note: abovementioned Council resolution.*
- Community led plans – expectations/outcomes/actions.
- Infrastructure planning challenges and matters – responding to and serving growth whilst considering Councils broader financial sustainability.
- LEP - More pressing review or revision of relevant components, including the following:
  - Clause 4.2B – rural lot averaging provision
  - Clause 4.1A(4) – multi dwelling housing related subdivision
  - Managing flood risk – planning adjustments
  - Coastal hazard adjustments

- Possible error: Heritage listed trees, George Street, Berry (affected landowner request)

Depending on the approach taken by Council, some of the above requests or tasks, but not all, could be considered or incorporated into the continued work on a new land use planning scheme that will take place over the next 3+ years.

It will however most likely be necessary and appropriate to also do a shorter term housekeeping review PP to resolve some of the more pressing issues that have arisen with the LEP that can be resolved in a timely manner and that cannot necessarily wait for the overall project. It should be noted that it may not be possible/practical to include and resolve all the above mentioned matters as part of a shorter term housekeeping review PP.

## Revised Approach to Stage 2

Council staff discussed a possible approach to the Stage 2 work on the new scheme with Councillors at the Strategic Planning Working Party meeting on 3<sup>rd</sup> April 2025. Essentially it was suggested that:

- Council needs a new Land Use Planning Strategy and Plans.
- Strategic land use planning takes time, commitment and focus. As a result once a program of work is set, there is a need to avoid adding additional projects.
- There is a need to manage landowner and community expectations.
- Requires resourcing, for example information to support informed decision making.

The need to consider what can be done or completed in this term of Council (3+ years) is also considered critical. From previous experience, the timing of projects will drag out and be extended if they cross Council terms.

Ideally the Council needs to commit to 3-5 key strategic planning outcomes or projects that will be delivered in this term when considering resourcing etc. The discussion at the Working Party involved a possible intended approach that would see Council working to deliver the following two essential components of the new scheme work:

- **New Focussed Planning strategy** focussed on additional homes (residential zones) and jobs (supporting commercial and industrial zones/provisions).

### Notes:

1. *Not intended that the strategy will cover or include rural residential development given the inefficient nature of this form of development, the length of time it could take and uncertain nature of any outcome.*

2. *Not intended to review or consider the environment protection and conservation provisions at this time. This is not because these matters are not important, but if they are considered it will add considerable time and complexity to the task etc. at hand. Conservation/environmental values will however be considered as part of any relevant strategy outcomes (e.g. identifying new additional residential areas)*

- **Initial New LEP** delivering new or adjusted zones consistent with the new strategy and also update/revise relevant retained provisions. In addition to this component, any shorter term amendments to the DCP and CP will also probably need to be considered alongside the new LEP to reflect relevant zoning amendments or adjustments and/or respond to the new infrastructure needs associated with new zoned areas.

It is noted that both these components need to be timed and coordinated together. Following these a new updated wholistic DCP can then be delivered and the CP fully updated to support the new LEP.

Based on the commentary in this report the following is presented as the possible framework for the amended strategic planning Stage 2 outcomes that the Council will focus on completing during this term:

1. Housing and Employment Land Strategy - focussing on housing and resultant related outcomes or needs (commercial/business). Will not consider rural residential or similar.
2. New LEP – involving review of the current LEP provisions: which ones stay, need improved etc. ahead of also including outcomes from the new Strategy (e.g. new residential etc. zoned land)
3. Local Infrastructure Framework – it is hoped that Council will have a new Contributions Plan in mid-2026, but work will need to continue to be undertaken in this key area.
4. Nowra Projects – completing the range of regionally significant projects that area already underway requires a continued focus.
5. Affordable Housing Strategy implementation – working with Councils new Affordable Housing Action Taskforce the actions in the relatively recently adopted Strategy will be worked on and progressed.

It is intended that Council's Strategic Planning Working Party (or the new Planning & Development Committee that could replace it) will play a key role in working with staff on guiding the delivery of the above project areas and also in considering the priority of other work that may also need to continue to be undertaken or that could emerge over time.

### Internal Consultations

This matter has been the subject of initial discussions with the Council at the following briefings:

- 14 November 2024 – Introductory Council Briefing: New Land Use Planning Scheme: Background, Resolved Priorities, Next Steps.
- 3 April 2025 – Strategic Planning Working Party: New Land Use Planning Scheme Work recap, other significant ongoing work, strategic planning work program focus and intended approach/relevant things to consider.

As the relevant projects progress internal consultation and engagement will also occur as necessary within Council and also through the Strategic Planning Working Party (or replacement)

### External Consultations

External consultation has been undertaken at this point.

It is however noted that the NSW Government has released a Housing Target (released May 2024) for Shoalhaven of 4,900 additional new homes by 30 June 2029, related Ministerial Statement of Expectations (planning) Order 2024 and associated monitoring of Council performance. This essentially sets some of their expectations regarding Councils strategic planning efforts.

As individual strategic planning projects progress consultation or engagement will occur with relevant external parties.

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## Community Consultations

There has been no specific community engagement that has informed the preparation of this report.

As noted earlier, the resolutions in 2022 and 2023 resulted in part from a range of feedback from the Shoalhaven community (and subsequent external drivers) about the need for new and contemporary strategic land use plans and a planning scheme (LEP, DCP etc) for the City.

As individual strategic planning projects progress consultation or engagement will occur with the broader community.

## Policy and Statutory Implications

Given current and emerging land use planning challenges and legacy planning matters, it is considered to continue the move toward a contemporary land use planning scheme for Shoalhaven that responds to the change, challenges and community expectations.

This work provides significant opportunities to consider and respond to continued land use planning policy changes being pursued by the NSW Government.

An up-to-date land use planning policy platform is essential to inform collaboration and advocacy activities with NSW Government Agencies.

The elements or projects listed in this report are generally consistent with Shoalhaven 2040, Council's adopted Local Strategic Planning Statement (from 2020) and also the DPOP for 2025/2026.

## Financial Implications

Depending on what Council resolves, current resources (both staff and budget) may potentially need to be increased, where or if possible, to prioritise work on preparing the new Planning Scheme and potentially continue work on existing key planning tasks/activities.

The capacity to undertake the additional planning work covered by the report will be extremely limited and therefore Council will need to be disciplined should new requests for strategic planning projects or work be received/suggested.

This includes the need for Council to subsequently resist resolving to review parts of the LEP or DCP as they pertain to specific localities/issues on an individual basis. The work described in this report will be best achieved as a strategic whole, rather than focusing on individual issues or localities ahead of others.

The ability to fill the existing vacant strategic planning positions and gain additional planning staff (and funding for them), where possible and subject to a resolution of the Council at the time, is critical to providing the capacity needed to prepare the new Planning Scheme in the proposed time.

ious technical studies are likely to also be required to inform the work, including the preparation of the citywide strategy work and continued work on the new local infrastructure contributions plan. For example, mapping of environmental constraints, infrastructure and servicing studies, analysis of scenic values, infrastructure needs analysis, and the design and costing of infrastructure items. Additional funding will need to be provided/sought, if possible, to enable the proposed work.

Other funding initiatives will also continue to be examined and pursued to assist. These include future rounds of the NSW Government's Regional Housing Strategic Planning Fund. Council has already received funding from this fund for the Homes NSW Estate Renewal Project in Nowra that is underway and being managed by Council staff.

In addition, Council staff will seek advice on the potential for individual developers/landowners to contribute to the cost of any relevant studies, where those studies are scoped, commissioned, and managed by Council alone to maintain independence.

### **Risk Implications**

The proposed approach could have resourcing challenges given current vacancies in the Strategic Planning Team and experienced difficulties recruiting due to an industry-wide shortage in land-use planners.

Given it is essential to provide the resource capacity to prepare the new Scheme, this is a risk that needs to be acknowledged, and in respect of the industry-wide skills shortage, is somewhat outside the organisations control.

Not proceeding to prepare a contemporary new scheme will require continued reactive and ad hoc responses to land use planning challenges, requests, and opportunities as they occur. For example, responding to the NSW Governments focus on the delivery of additional housing opportunities and rise in 'one off' rezoning proposals from landowners and developers. Not preparing a new Scheme would be an inefficient use of Council's resources, would not respond to current land use planning challenges, and would not provide Shoalhaven's communities with the required certainty about future planning and development activity.

Access to an available budget and sufficient staff to work on and deliver the new scheme and continue required 'business as usual' is also a significant risk that needs to be recognised. Importantly, this report does not include a request for resources. What could however result is a reorganisation of the current Strategic Planning Team to better respond to the intended new scheme approach.

One area that is likely to continue to impact is the need for staff to remain involved in the realisation and delivery of the regionally significant urban release areas in Nowra-Bomaderry. These continue to be challenging to manage and focus on, alongside other pressing strategic planning projects or tasks. Council may need to consider how it continues to respond to and resource this task.

It is considered critical that in endorsing an approach to the important overall piece of work that the Council needs to support it and be disciplined – set a strategy and stick to it (e.g. do not change course once it starts or continue to add additional tasks or projects to the work program).

### **Conclusion**

Responding to previous Council resolutions, this report presents an option to continue the challenge of delivering a new contemporary Planning Scheme for the City through a staged approach, initially focusing on the delivery of new land use planning strategy and adjusted or new LEP during the remaining Council term, alongside some other key continuing focusses.

There are also a range of matters which could impact adversely on the progress and delivery of this project including the need for additional resourcing and/or budget (if that is available). Adverse impact will also occur if Council supports individual location or 'one off' changes to the LEP and DCP, requiring resources to be allocated to them ahead of the continued holistic approach recommended by this report.

## **New Land Use Planning Scheme**

### **Background Council Resolutions**

#### Council Resolution – MIN22.943 - 5 December 2022

1. *Endorse the preparation of revised land use planning strategies and Local Environmental Plan, Development Control Plan and Developer Contributions Plan (collectively a Planning scheme) for Shoalhaven City.*
2. *Include in the work in Recommendation 1 an investigation and inclusion of local character.*
3. *Receive a further report that provides a Project Plan and Terms of Reference for this work, which informs the Council on how this work would be best achieved, including scope, timing/staging and resourcing.*

#### Council Resolution – MIN23.451 – 28 August 2023

1. *Endorse the Project Plan and staging of work for the new Citywide Land Use Planning Scheme and updates of local planning documents as detailed in Attachments 1 and 2.*
2. *Commence Stage 1 of the new Citywide Land Use Planning Scheme as detailed in Attachment 1, with the inclusion of the investigation and possible progression of a Princess Street heritage conservation area in Berry.*
3. *Endorse the following guiding principles for the preparation of the new planning scheme:*
  - a. *Preference for urban consolidation and increased/higher densities in existing centres wherever possible,*
  - b. *any outward expansion to be focused on cleared/unvegetated land; and*
  - c. *ability to adequately and economically deliver the development and service the needs of the community in preparing new planning schemes,*
  - d. *ecologically sustainable development for resilient and climate-friendly design.*
4. *Adopt the “Existing Character Statements” and “Future Desired Local Character Statements” identified in the Shoalhaven Character Assessment Report (February 2020) as ‘interim’ character statements to support the proposed planning controls for managing local character (link to document).*
5. *Incorporate the current review of the Milton-Ulladulla Structure Plan into the new Citywide Land Use Planning Scheme.*

#### **Council Resolution – MIN23.496 – 9 September 2023**

1. *Give priority to the finalisation of the Princess Street Heritage Conservation areas and the completion of a draft DCP for the area of Berry east of the Princes Highway (known as old Berry).*
2. *Incorporate this work in the new program for the Shoalhaven Land Use Planning Scheme.*
3. *Refer the current Strategic Planning Works Program to the Strategic Planning Working Party for a review of priorities having regard to parts 1 and 2, with a report back to Council in October with amendments that would enable works on the Berry DCP to proceed as a priority matter.*

Council Resolution – MIN23.621 – 30 October 2023

1. *Endorse the revised Strategic Planning Project Plan (Project Plan) in Attachment 1 that outlines the priorities over the remaining term of Council relating to:*
  - a. *Stage 1 of the new Citywide Land Use Planning Scheme (new Scheme).*
  - b. *'Business as usual' obligations.*
2. *Provide delegation to the CEO, or his delegate, to manage the timing and delivery of the projects in the Project Plan, to enable an agile response to business and resourcing needs over time. Noting priority is to be given to the following projects in Stage 1 of the new Scheme:*
  - a. *Citywide Housing Strategy - Research and Strategic Principles.*
  - b. *A simplified DCP Chapter for Berry, and the investigation and finalisation of the Princess St Heritage Conservation Area addressing key issues for the Berry community.*
3. *Receive regular updates on the status of the Project Plan via the Strategic Planning Working Party.*

**Relevant Extracts: Shoalhaven Delivery Program and Operational Plan (DPOP) for 2025/2026**

Ref.	Delivery Program Strategy / Operational Plan Action	Responsibility	25/26	26/27	27/28	28/29
<b>2.2.1 – Facilitate sustainable development that considers current and future needs of our community and environment</b>						
2.2.1.01	Finalise the local planning documents to guide the development of the Moss Vale Road North Urban Release Area (URA)  Measure (target) * Publication Moss Vale Road North URA local planning documents (100%)	Strategic Planning	✓			
2.2.1.02	Advance work on planning controls and character statements to help better manage the contribution new development makes to neighbourhood or local character, including completing contemporary development and heritage controls for Berry  Measure (target) * Amendment of City-wide Local Environmental Plan to include new heritage items and heritage conservation areas in Berry and publication of a new Development Control Plan Chapter for Berry (100%)	Strategic Planning	✓	✓	✓	✓
2.2.1.03	Complete preparation of a new local infrastructure contributions scheme and governance framework  Measure (target) * Annual report on progress of preparing the new contributions scheme and governance framework (100%)	Strategic Planning	✓	✓	✓	✓
2.2.1.04	Progress resolved Stage 2 work to prepare a new Land Use Planning Scheme for the city  Measure (target) * Provide quarterly progress reports on a new Land Use Planning Scheme to Council's Strategic Planning Working Party (4)	Strategic Planning	✓	✓		
2.2.1.08	Provide strategic feedback to NSW Government and others on policies and strategies impacting on strategic land use planning in Shoalhaven  Measure (target) Number of submissions regarding strategic land use made to State Government and others (count)	Strategic Planning	✓	✓	✓	✓
2.2.1.09	Provide graphics and cartography support to the organisation and issue 10.7 planning certificates and dwelling entitlement certificates in a timely manner  Measure (target) * Number of 10.7 planning certificates and dwelling entitlement certificates issued (count)	Strategic Planning	✓	✓	✓	✓
Ref.	Delivery Program Strategy / Operational Plan Action	Responsibility	25/26	26/27	27/28	28/29
<b>3.1.2 – Work with business, government and other partners to build a diverse local economy which provides employment opportunities for all</b>						
3.1.2.04	Progress work with the NSW Government and others to unlock the economic growth and employment generating opportunities of zoned but undeveloped land in the South Nowra Employment Precinct  Measure (target) * Finalise a draft 'Interim' Development Control Plan Chapter for the South Nowra Employment Precinct to provide general high level guidance on relevant matters (Count)	Strategic Planning	✓	✓	✓	✓
3.1.2.06	Finalise master planning for the Nowra Riverfront Precinct with the assistance of the Nowra Riverfront Advisory Taskforce and actively collaborate with the NSW Government to complete their Strategic Roadmap for the Nowra City centre  Measure (target) * Regular progress reports on the Nowra Riverfront Precinct and City centre issued to Council (100%)	Strategic Planning	✓	✓	✓	✓
<b>3.3.1 – Develop and implement plans which will enable a variety of affordable and appropriately serviced housing options within the city</b>						
3.3.1.01	Implement the short-medium term actions in the adopted Shoalhaven Affordable Housing Strategy and advance the preparation of a Settlement/Housing Strategy for the city  Measure (target) Publish annual Progress Report on the actions in the Shoalhaven Affordable Housing Strategy (100%)	Strategic Planning	✓	✓	✓	✓
<b>4.3.2 – Provide opportunities for the community to have genuine engagement on Council planning and decision making</b>						
4.3.2.01	Provide and explain strategic planning information to our local community using Council's Community Participation Plan framework and ensure appropriate consultation is undertaken  Measure (target) * Number of formal strategic planning exhibitions or consultations (Count) * Number of submissions received on strategic planning consultations (Count)	Strategic Planning	✓	✓	✓	✓

**Strategic Planning Work Program: Other Recent Relevant Council Resolutions****1. MIN24.648, 26 November 2024 – Tourist Cabins/Farm Stay - Commercial Farm/Primary Production land:**

*Consider the matters raised in respect of land use characterisation and controls as part of its work on Stage 2 of the New Land Use Planning Scheme for Shoalhaven, including any required or possible amendments to the Shoalhaven Development Control Plan.*

**2. MIN25.157 (15 April 2025) – Development Applications - Affordable Housing - Processes/ Procedures improvement**

*Advise Council of the ways Council can improve its procedures and processes in approving applications for affordable housing.*

*Provide a further report to Council on the progress made and recommendations for Council's consideration.*

*Refer the matter to the Affordable Housing Taskforce when the committee is established.*

**3. MIN25.48 (27 May 2025) – Addressing Illegal Tobacco and Vaping Concerns in Shoalhaven - Nowra CBD**

*6. That Shoalhaven City Council revise the LEP through the current review process to mandate that tobacconist stores require approval through a development application.*

**4. MIN25.297 (10 June 2025) – Local Character Planning**

*As part of the Stage 2 work on a New Land Use Planning Scheme for Shoalhaven, Council consider the preparation of new or revised character statements with the community, subject to funding and resourcing, for inclusion only in the Shoalhaven Development Control Plan.*

**5. MIN25.330 (22 July 2025) – Stand-alone Shoalhaven Residential Style Guide**

*That Council develop a Stand-alone Shoalhaven Residential Style Guide to work in concert with the DCP.*

## CL25.269 RD25/1000– 73 Sanctuary Point Rd Sanctuary Point – Lot 419 DP 16557

**DA. No:** RD25/1000/4

**HPERM Ref:** D25/327491

**Department:** Development Services

**Approver:** Lindsay Usher, Acting Director - City Development

**Attachments:**

1. Assessment Report (under separate cover) [⇒](#)
2. Draft Notice of Determination (under separate cover) [⇒](#)
3. Original Determination - Refusal (under separate cover) [⇒](#)
4. Plans - Amended Driveway Plans July 2025 (under separate cover) [⇒](#)

**Description of Development:** Review of Determination - DA2024/1694 - Change the use of the existing secondary dwelling, to a dwelling, thereby creating a dual occupancy arrangement on site.

**Owner:** RMJ Bayside Pty Ltd

**Applicant:** L.Carmichael & L.C.Hawke

**Notification Dates:** 16.05.2025 to 30.05.2025

**No. of Submissions:** NIL

### Purpose / Reason for consideration by Council

The application is seeking a Clause 4.6 variation to the development standard greater than 10% for the minimum lot size required for a detached dual occupancy development under Clause 4.1A of Shoalhaven Local Environmental Plan 2014.

### Recommendation

That the Review of Development Application RD25/1000 (DA2024/1885) for change of use of the existing secondary dwelling, to a dwelling, thereby creating a dual occupancy arrangement at 73 Sanctuary Point Rd Sanctuary Point, Lot 419 DP 16557 be determined by way of approval subject to the recommended draft conditions of consent (Attachment 4) to this report.

### Options

1. Approve the application in accordance with the recommendation.

Implications: This would enable the development to proceed

2. Uphold the refusal of the application

Implications: Council would need to determine the grounds on which the refusal is to be upheld. The applicant would be entitled pursue an appeal in the Land and Environment Court.

3. Alternative Recommendation

Implications: Council will need to specify an alternative recommendation and advise staff accordingly.

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Figure 1 - Location Map. Source: Council's GIS System

## Background

Development application DA2024/1694 was determined by way of refusal on 12 March 2025. On 12 May 2025 an application was lodged for a section 8.2 review of determination under the Environmental Planning & Assessment Act 1979 (EPA Act). In accordance with the legislation, Council has a 6 month maximum review period from the date it was refused for a review the determination. The applicant may in the interim period file a Class 1 appeal in the Land and Environment Court in accordance with section 8.10 of the EP&A Act. At the time of preparing this report Council had not been served with appeal papers relating to the refusal. Proposed Development

- To change the use of the existing secondary dwelling to a dwelling and thereby creating a dual occupancy arrangement on the site.
- Clause 4.6 request to vary a development standard of SLEP 2014 Clause 4.1A that relates to the minimum lot size for detached dual occupancies.

## Subject Land

The subject site has a primary frontage to Sanctuary Point Rd and secondary frontage to Warrego Drive Sanctuary Point. The site is 626m<sup>2</sup> in area and contains a principal dwelling and a secondary dwelling.

The site is not affected by any easements.

## Site & Context

The surrounding area is residential in character and the site is adjoined by low density residential developments.

The site is located in the R2 Low Density residential zone and has a cross fall of approximately 2 metres towards the southeast and is about 200m to the west of St Georges Basin, and just over 1 km to the east of the Sanctuary Point town centre.

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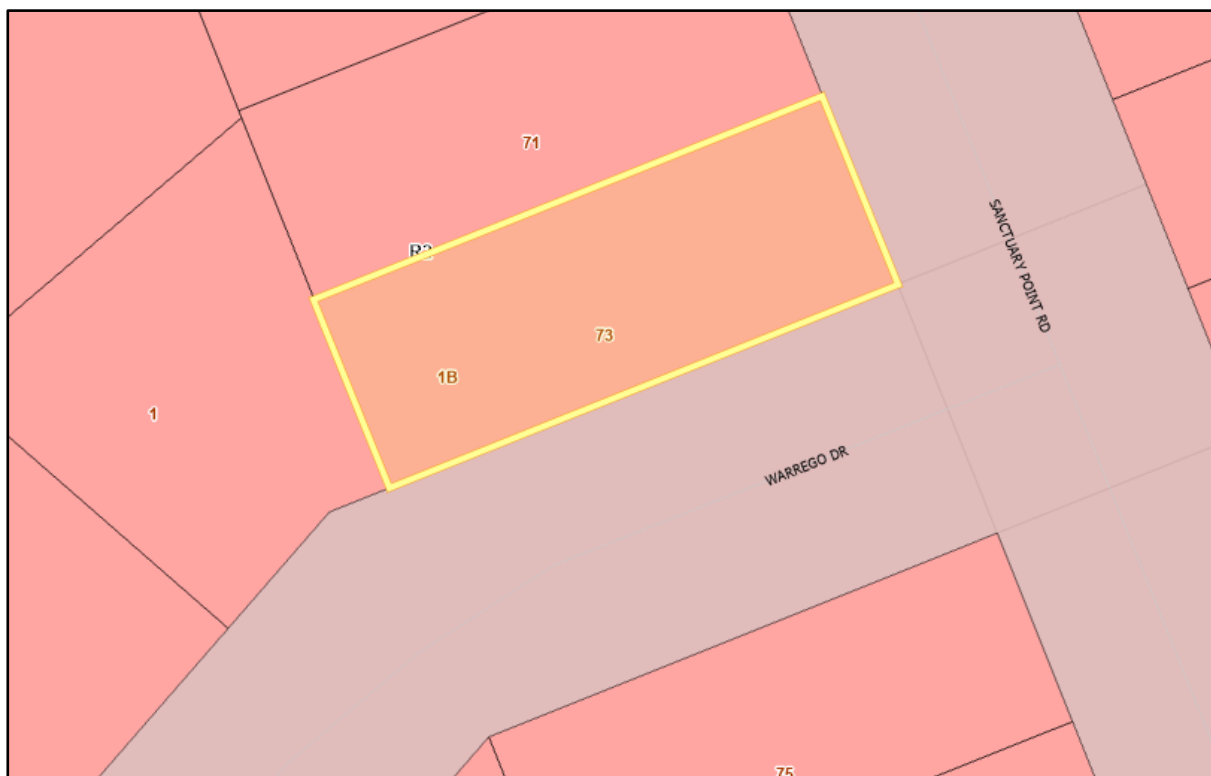


Figure 2 – SLEP 2014 Zone Map



Figure 3 – Existing secondary dwelling (left side of image) with principal dwelling in the background.

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### History

The existing secondary dwelling was approved by a Complying Development Certificate in 2023.

The principal dwelling on the site was approved by Council in 1965.

### **Planning Assessment**

The Review of Determination has been assessed in accordance with Division 8.2 of the Environmental Planning and Assessment Act 1979. Please refer to **Attachment 1**.

### Review of Refusal of Development Application No. DA2024/1694

The applicant seeks a review of the refusal to grant development consent. The reasons for refusal provided in the Notice of Determination are extracted below:

REASONS FOR REFUSAL
1. Pursuant to Section 4.15(1)(a)(i) of the Environmental Planning and Assessment Act 1979, the proposal is non-compliant with the development standards set out in clause 4.1A Shoalhaven LEP 2014 and inconsistent with the clause objectives.
2. Pursuant to Section 4.15(1)(a)(i) of the Environmental Planning and Assessment Act 1979, the application has not satisfied the requirements of clause 4.6 Shoalhaven LEP 2014 as it has been sought to apply to varying the development standards set out in clause 4.1A in that the application does not demonstrate that compliance with the development standards is unreasonable or unnecessary in the circumstances of the case.
3. Pursuant to Section 4.15(1)(a)(i) of the Environmental Planning and Assessment Act 1979, the application has not satisfied the requirements of clause 4.6 Shoalhaven LEP 2014 as it has been sought to apply to varying the development standards set out in clause 4.1A in that the application does not demonstrate that there are sufficient environmental planning grounds to justify contravening the development standard.
4. Pursuant to Section 4.15(1)(a)(iii) of the Environmental Planning and Assessment Act 1979, the application has not been supported by sufficient information demonstrating suitable parking arrangements for the development. As such, the application has not demonstrated that the site is suitable for the proposed development with regard to the provisions of Chapter G13 and G21 Shoalhaven DCP 2014.
5. Pursuant to Section 4.15(1)(a)(iii) of the Environmental Planning and Assessment Act 1979, the proposal does not include suitable landscaping. The proposal is not considered suitable with regards to the provisions of Chapter G3 and G13 Shoalhaven DCP 2014.
6. Pursuant to Section 4.15(1)(c) of the <i>Environmental Planning and Assessment Act 1979</i> , the information submitted with the development application does not satisfactorily demonstrate that the site is suitable for the proposed use.

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7. Pursuant to Section 4.15(1)(e) of the Environmental Planning and Assessment Act 1979, having regard to the above matters to address the relevant provisions of Environmental Planning and Assessment Act, 1979, the granting of development consent is not considered to be in the public interest.

#### Assessing Officers Review of Refusal Reasons

**1. Pursuant to Section 4.15(1)(a)(i) of the Environmental Planning and Assessment Act 1979, the proposal is non-compliant with the development standards set out in clause 4.1A Shoalhaven LEP 2014 and inconsistent with the clause objectives.**

The lot is 626m<sup>2</sup> and the minimum lot size for a detached dual occupancy is 700m<sup>2</sup> as prescribed in Clause 4.1A of SLEP 2014. This is a 10.4% variation to the development standard.

The applicant provided a **Clause 4.6** request to vary clause 4.1A of SLEP 2014 as part of the original application and has provided a revised written statement for the review of the determination.

#### Unreasonable or Unnecessary

The Applicant's justification for the support of the development relies on the test set out in *Wehbe v Pittwater Council 2007*, specifically on point number (1), which states, "**objectives of the development standard are achieved notwithstanding noncompliance with the development standard**"

Based on the above point, the applicant states that the objectives of clause 4.1A are achieved notwithstanding the variation as stated below:

1. **The proposal achieves planned residential density because:** The existing dwelling and secondary dwelling already exist on the land. Changing the use of the 'secondary dwelling' to a 'dwelling' would not transform the locality and /or radically alter any 'planned' density in the area. It is noted that the site is over 500m<sup>2</sup> in area, and full compliance could have been achieved with Clause 4.1A if the dwellings were attached. Instead, a different configuration of dual occupancy is proposed. The fact that the dual occupancy is detached instead of attached does not result in development at odds with planned density within the R2 zone. Importantly, the floor space ratio (a key density control) proposed is only 0.21:1. 0.5:1 is allowed pursuant to the provisions of the Shoalhaven Development Control Plan. The height of the existing development is below allowable limits. More landscaping is provided than required under local planning controls. All required car parking is provided on site. Areas of private open space exceed minimum requirements. The physical attributes of the development are therefore entirely consistent with what would be expected in the R2 low density zone.
2. **The area and dimensions of the allotment are sufficient for the type of buildings proposed because:** Despite the minimum lot size not being met for the type of development proposed, the plans demonstrate compliance with all critical aspects of Chapter G13 of the Shoalhaven DCP. In this regard, the shortfall of 72.9m<sup>2</sup> of land has not affected the ability for the proposed detached dual occupancy to comply with floor space ratio controls, height of building controls, a compliant landscaping scheme, parking requirements, or the ability to meet the required private open space areas for dual occupancy dwellings.

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3. ***The development won't adversely impact on the amenity of neighbouring properties because:*** *Given the high degree of compliance with all other relevant planning and development controls for the proposed detached dual occupancy, there is nothing to suggest that it would adversely impact on the amenity of neighbouring property. The shortfall of 72.9sqm of land has not resulted in a situation whereby all other development controls are varied, and external impacts are exacerbated.*

The objectives of clause 4.1A are as follows:

- (a) to achieve planned residential density in certain zones,*
- (b) to ensure that the area and dimensions of a lot are able to accommodate development that is consistent with the objectives and development controls for dual occupancies, manor houses, multi dwelling housing, multi dwelling housing (terraces) and residential flat buildings,*
- (c) to minimise any likely adverse impact of development on the amenity of neighbouring properties*

### Discussion

The applicant has satisfactorily demonstrated that the objective (b) of clause 4.1A is achieved by the proposed development.

The secondary dwelling, approved as a Complying Development under CD23/1363, did not require separate or additional parking, and vehicular access. Chapter G21 of the Shoalhaven Development Control Plan 2014 requires 1.5 car parking spaces per two-bedroom dwelling for dual occupancy developments. The principal dwelling has two bedrooms, and the secondary dwelling has two bedrooms.

However, in the original application, the parking space in front of the secondary dwelling did not meet Australian Standards for manoeuvrability and therefore could not at the time be considered as a functional car parking space. The proposal now provides sufficient and appropriate parking and manoeuvrability for the proposed use as a dual occupancy. This has been shown on the amended plan (see Figure 4) whereby the proposed dual occupancy (existing secondary dwelling) driveway is of a sufficient size to accommodate two car parking spaces and a manoeuvrability for a B85 vehicle in accordance with AS2890.1.

While the proposal does not contribute to any additional housing given it's an existing dwelling, the proposed dual occupancy/subdivision will contribute to the diversity of dwellings in the area and given its small size will likely be a more affordable purchase option than the larger dwellings on larger allotments in the area

The 10.4% variation (74m<sup>2</sup>) from the minimum 700m<sup>2</sup> size lot for detached dual occupancies will not be discernible in the area, as the built form will not change from the existing configuration of buildings. The lot is a corner lot and provides separate street access, the development meets the DCP requirements for private open space, and the proposal is not likely to have any further amenity impacts on neighbouring properties or the surrounding environment. Conditions of consent will require an upgrade of kerb and guttering, and footpath in accordance with DCP Chapter G21.

Furthermore, landscaping has been established in front of the existing secondary dwelling carparking space and the existing landscaping on the property is considered to be adequate for the proposed development.

Council is satisfied that the applicant has demonstrated that compliance with the clause 4.1A(2) development standard is unnecessary or unreasonable in the circumstances of this specific circumstance.

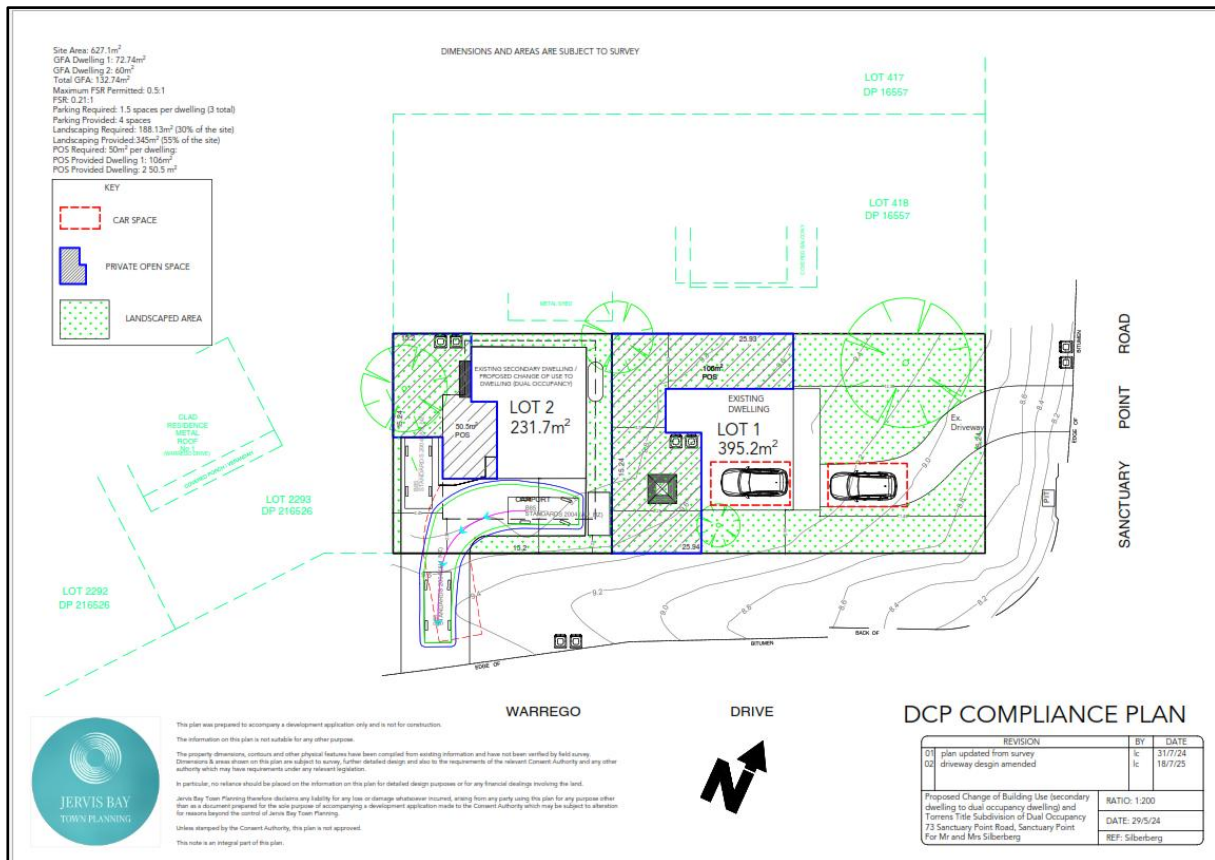


Figure 4 – Amended DCP Car Parking Compliance Plan

### Sufficient Environmental Planning Grounds

The applicant has put forward the following justification for the variation:

- 1) The nature and extent of the variation is minor.
- 2) Despite the non-conformity with the minimum lot size provisions of the SLEP 2014, the development is of an appropriate form and scale that is compatible with the existing streetscape and desired future character of the immediate locality.
- 3) The non-compliance does not result in any unreasonable amenity impact beyond that of a compliant scheme. It does not give rise to unreasonable adverse visual impacts, overshadowing, disruption to views or loss of privacy to neighbouring properties. The lack therefore of any material impacts consequential is an environmental planning ground to justify contravening the development standard.
- 4) The variation proposed achieves consistency with object (c) of the Act which seeks to “promote the orderly and economic use and development of land” and objective (d) which seeks to “promote the delivery and maintenance of affordable housing”.
- 5) It has been demonstrated that strict compliance with the minimum lot size development standard is unreasonable and unnecessary because the proposal complies with the relevant objectives of both the zone and the objectives of the minimum lot size development standard, notwithstanding the non-compliance.
- 6) The objectives of the SLEP Zone R2 Low Density Residential land use zone include to provide for the housing needs of the community within a low-density residential environment and to provide an environment primarily for detached housing. The plans are consistent with these objectives. The minimum lot size variation proposed does not impact on the extent to which the proposal is consistent with zone objectives.

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- 7) *The objectives of Clause 4.1A per the SLEP 2014 aim to achieve planned residential density, ensure that the area and dimensions of a lot are able to accommodate development that is consistent with the objectives and development controls for dual occupancies and to ensure that any likely adverse impact of development on the amenity of neighbouring properties is minimised. The plans are consistent with these objectives despite the variation.*

### Discussion

The Applicant's clause 4.6 statement contends that, the proposal is consistent with the objects of the Environmental Planning and Assessment Act 1979, the aims of the Shoalhaven Local Environmental Plan 2014 and the Shoalhaven Development Control Plan 2014, and that there are no unreasonable impacts of the development and that the development is in the public interest.

The applicant has demonstrated that the aims and objectives of the EP&A Act, the Shoalhaven Local Environmental Plan, and the Shoalhaven Development Control Plan are achieved.

The applicant argues that the proposal supports the objects of the EP&A Act 1979 to promote the orderly and economic use and development of the land in that the application *"and promotes the delivery and maintenance of affordable housing"*. Although not an affordable housing project, given the size of the dwelling it is likely to be a more affordable option than a larger dwelling on a larger allotment and would suit single persons, couples or a small family. However, it is noted that the dwelling is already constructed and occupied, so does not provide a net gain to current housing stock.

The applicant also argues that the proposal promotes good design and amenity of the built environment. The applicant has now provided amended car parking plans that demonstrate compliance with DCP development controls for parking and manoeuvrability.

The application has demonstrated that there are sufficient environmental planning grounds to justify the variation of the clause 4.1A(2) development standard.

### Continuation of review of refusal reasons

- 2. Pursuant to Section 4.15(1)(a)(i) of the Environmental Planning and Assessment Act 1979, the application has not satisfied the requirements of clause 4.6 Shoalhaven LEP 2014 as it has been sought to apply to varying the development standards set out in clause 4.1A in that the application does not demonstrate that compliance with the development standards is unreasonable or unnecessary in the circumstances of the case.**

The applicant has, this time, provided revised driveway and car parking plans to satisfy the DCP requirements. The density will not change as a result of the proposal, and it complies with the DCP requirements that apply to dual occupancies. The proposed change of use to a dual occupancy will not have any further adverse impacts on the surrounding neighbours or environment.

As discussed above the applicant has satisfactorily demonstrated that compliance with the development standard is unreasonable and unnecessary in the circumstances.

- 3. Pursuant to Section 4.15(1)(a)(i) of the Environmental Planning and Assessment Act 1979, the application has not satisfied the requirements of clause 4.6 Shoalhaven LEP 2014 as it has been sought to apply to varying the development standards set out in clause 4.1A in that the application does not**

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**demonstrate that there are sufficient environmental planning grounds to justify contravening the development standard.**

As discussed above that there are sufficient environmental planning grounds to justify the variation.

4. **Pursuant to Section 4.15(1)(a)(iii) of the Environmental Planning and Assessment Act 1979, the application has not been supported by sufficient information demonstrating suitable parking arrangements for the development. As such, the application has not demonstrated that the site is suitable for the proposed development with regard to the provisions of Chapter G13 and G21 Shoalhaven DCP 2014.**

The applicant has, this time, provided amended car parking plans that demonstrate suitable car parking arrangements that comply with Council's DCP requirements and the relevant Australian Standards. See Figure 3.

5. **Pursuant to Section 4.15(1)(a)(iii) of the Environmental Planning and Assessment Act 1979, the proposal does not include suitable landscaping. The proposal is not considered suitable with regards to the provisions of Chapter G3 and G13 Shoalhaven DCP 2014.**

The applicant has put forward in their Statement of Environmental Effects that the existing established landscaping is sufficient for the proposed development.

The additional information confirms that landscaping has been planted in the front setback between the secondary dwelling car parking space and the boundary which will provide landscape screening and soften the look of the development. The existing principal dwelling also has adequate existing landscaping.

6. **Pursuant to Section 4.15(1)(c) of the Environmental Planning and Assessment Act 1979, the information submitted with the development application does not satisfactorily demonstrate that the site is suitable for the proposed use.**

The information that has now been provided for the review of determination now satisfactorily demonstrates that the site is suitable for the proposed use.

7. **Pursuant to Section 4.15(1)(e) of the Environmental Planning and Assessment Act 1979, having regard to the above matters to address the relevant provisions of Environmental Planning and Assessment Act, 1979, the granting of development consent is not considered to be in the public interest.**

It is considered that the proposed development will be in the public interest.

## Section 8.2 Review of Original Application DA2024/1694

The review undertaken provides a planning assessment of the application, and a review of the reasons for refusal and the applicant's amended submission in relation to the application. The Assessment Report is provided at Attachment 1.

This review concludes that the proposal now demonstrates that strict compliance with the development standard prescribed in Clause 4.1A of SLEP 2014 is unreasonable and unnecessary in the circumstances, given that there will be no physical change to the built environment. The applicant has demonstrated that there are sufficient planning grounds to support the proposal and it is compliant with Councils DCP controls for dual occupancies and is supported.

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### Community Consultations

No public submissions were received in relation to Council's notification of the development.

The application was notified in accordance with the EPA Regulation requirements, that is in the same way that the development application was originally notified. No submissions were received.

### Financial Implications

There are potential cost implications for Council in the event of a refusal of the application. Such costs could be associated with defending an appeal in the Land and Environment Court of NSW.

### Legal Implications

Pursuant to the *Environmental Planning and Assessment Act 1979* (EP&A Act), a decision of the Council may be subject to an appeal to the Court against the determination under section 8.7 of the EP&A Act.

### Summary and Conclusion

This application has been reviewed in accordance with section 8.2 of the EP&A Act and requires a Clause 4.6 variation to the development standard greater than 10% for the minimum lot size required for a detached dual occupancy development under Clause 4.1A of Shoalhaven Local Environmental Plan 2014.

Based on the review of the determination and consideration of the development standard the proposal is recommended for approval.

A draft determination has been prepared and is provided at Attachment 2 to this Report for consideration.

## CL25.270 Position on Unplanned Residential Development - Rural Area Adjoining Berry

**HPERM Ref:** D25/331145

**Department:** Strategic Planning

**Approver:** Lindsay Usher, Acting Director - City Development

### Purpose:

The purpose of this report is to inform Council of a number of recent potential rezoning proposals relating to additional residential development on the south-western rural edge of Berry.

This report seeks to reaffirm Council's existing policy position to retain and manage existing rural land, as set by the Shoalhaven Local Strategic Planning Statement (LSPS) and reinforced by the Illawarra-Shoalhaven Regional Plan (ISRP) 2041.

### Summary and Key Points for Consideration:

Council has received an increasing number of proposals/approaches from rural landowners on Berry's south-western edge seeking additional residential development outcomes for their land.

The subject properties are currently distinctly rural in nature and are currently not identified for future growth in any of Council's land use strategies. Residential development of these sites is also inconsistent with Council's current policy to retain and manage rural land, a policy position that is set by the Shoalhaven LSPS and reinforced by the ISRP 2041.

In addition to being an important agricultural resource, this broader area is also a highly valued feature of Berry's scenic landscape, contributing to the character of Berry and the northern Shoalhaven region more broadly. The properties themselves are also subject to a number of physical constraints, including (but not limited to):

- Water and sewer servicing constraints.
- Limitations on existing traffic and transport infrastructure networks.
- Proximity to the Eastern Gas High Pressure Pipeline.
- Environmental constraints including flooding, bushfire, and riparian corridors.
- Potential land contamination due to historic agricultural use of the land.

### Recommendation

That Council

1. Receive this report for information.
2. Reaffirm Council's current policy position set by the Shoalhaven Local Strategic Planning Statement to "retain and manage existing rural land, avoiding the rezoning of such land for other uses including rural-residential and residential outcomes, unless identified in a relevant strategy."

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## Options

1. As recommended.

**Implications:** Reaffirming Council's current policy position on retaining and managing rural land will provide more certainty for landowners, local communities and infrastructure providers, helping to limit unplanned growth, particularly on sensitive and/or significant agricultural land.

If warranted/appropriate, the strategic growth of Berry can/should be considered holistically as part of the strategic work to be undertaken on the new Land Use Planning Scheme for Shoalhaven.

2. Council makes an alternative resolution.

**Implications:** This would be dependent on the nature of the resolution.

## Background and Supplementary information

From mid-2024, Council has received a number of proposals/approaches from rural landowners on the south-western edge of Berry seeking additional residential development outcomes on their land.

Proponents for the subject four properties (Figure 1, outlined in yellow) are seeking to amend the *Shoalhaven Local Environmental Plan (LEP) 2014* to enable a range of low-to-medium density and large-lot residential outcomes over this area. Proposed lots sizes, ranging from 300-4,500m<sup>2</sup>, could potentially deliver up to 370 additional residential lots, representing a further increase in Berry's urban area of approximately 30%.

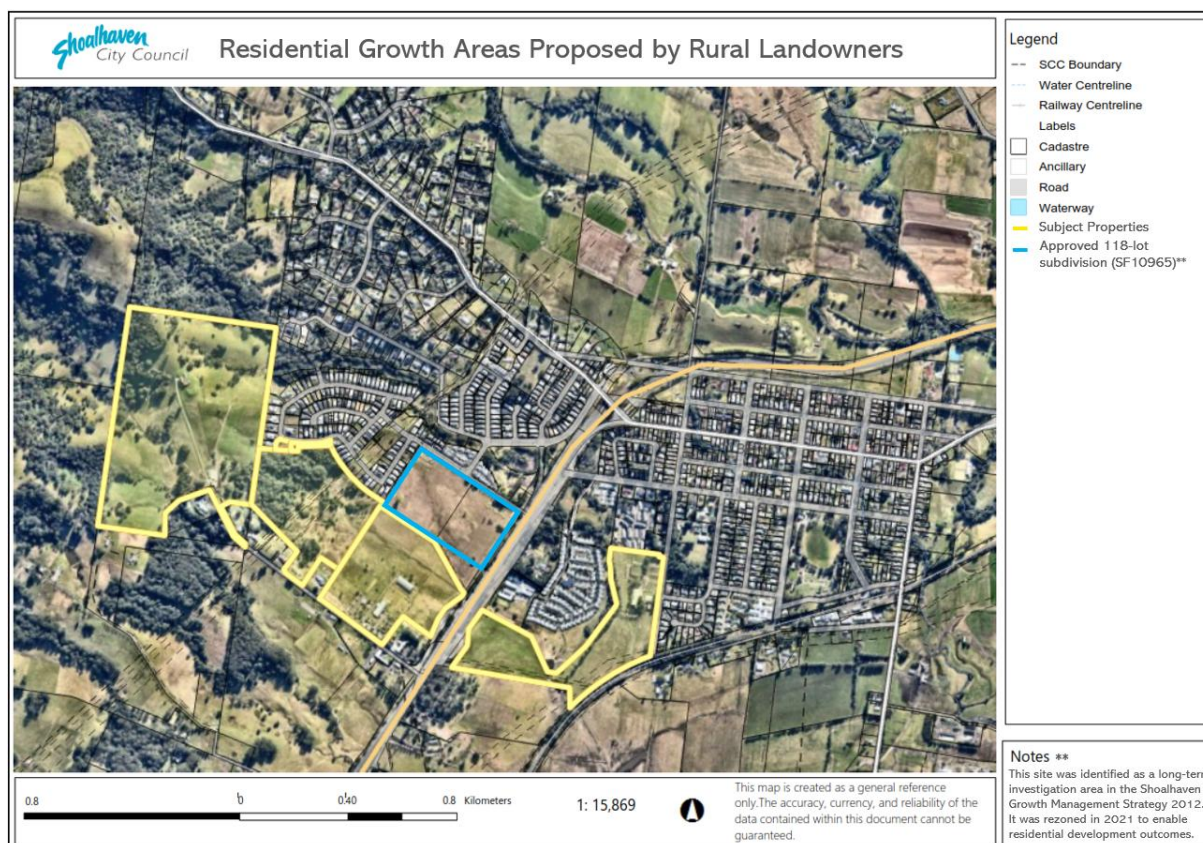


Figure 1: Aerial image of the subject lands, outlined in yellow. Note: the area outlined in blue is subject to a recent subdivision approval for 118 lots, as identified in the Shoalhaven Growth Management Strategy.

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Some of the proponents have commented on their ability to assist with responding to the 5-year housing targets for Shoalhaven set by the NSW Government in July 2024. However, with the exception of a small portion of the land to the east of the Princes Highway, none of the sites are currently identified for future growth in any of Council's land use Strategies and would require considerable planning work to make such a significant change to Council's planning and development controls for this area, if indeed it was considered appropriate.

Thus, it is unlikely that any of these sites would be able, if supported, to contribute to Shoalhaven's housing supply within the 5-year period set by the housing targets (to June 2029).

#### Strategic and Site-Specific Merit

Amending the LEP requires the preparation of a planning proposal (PP) under NSW planning legislation. Under the NSW Government's Local Environmental Plan Making Guideline ([link](#)), for a PP to be progressed it must have both strategic and site specific merit.

The Shoalhaven LSPS, which was adopted by Council in 2020 and updated in March 2025 to include the endorsed Strategic Growth Principles, includes the following Policy Statement in relation to rural land:

*"Retain and manage existing rural land, avoiding the rezoning of such land for other uses including rural-residential and residential outcomes, unless identified in a relevant Strategy."*

This policy position reflects and reinforces a similar position outlined in the ISRP 2041, with Strategies 9.1 and 9.2 aiming to:

*"...protect identified agricultural land and industries from other land uses, land use conflict and fragmentation" and*

*"Enable rural residential development only where it has been identified in a local strategic plan, prepared by Council and endorsed by the Department of Planning, Industry and Environment [now Department of Planning, Housing and Infrastructure]."*

All of the subject land, with the minor noted exception, is outside the growth areas identified in the Shoalhaven Growth Management Strategy (GMS), which was adopted by Council in 2012 and endorsed by the NSW Government in 2014 (Figure 2). The land is also not currently specifically identified for future growth in any other strategic plan prepared by either Council or the NSW Government.

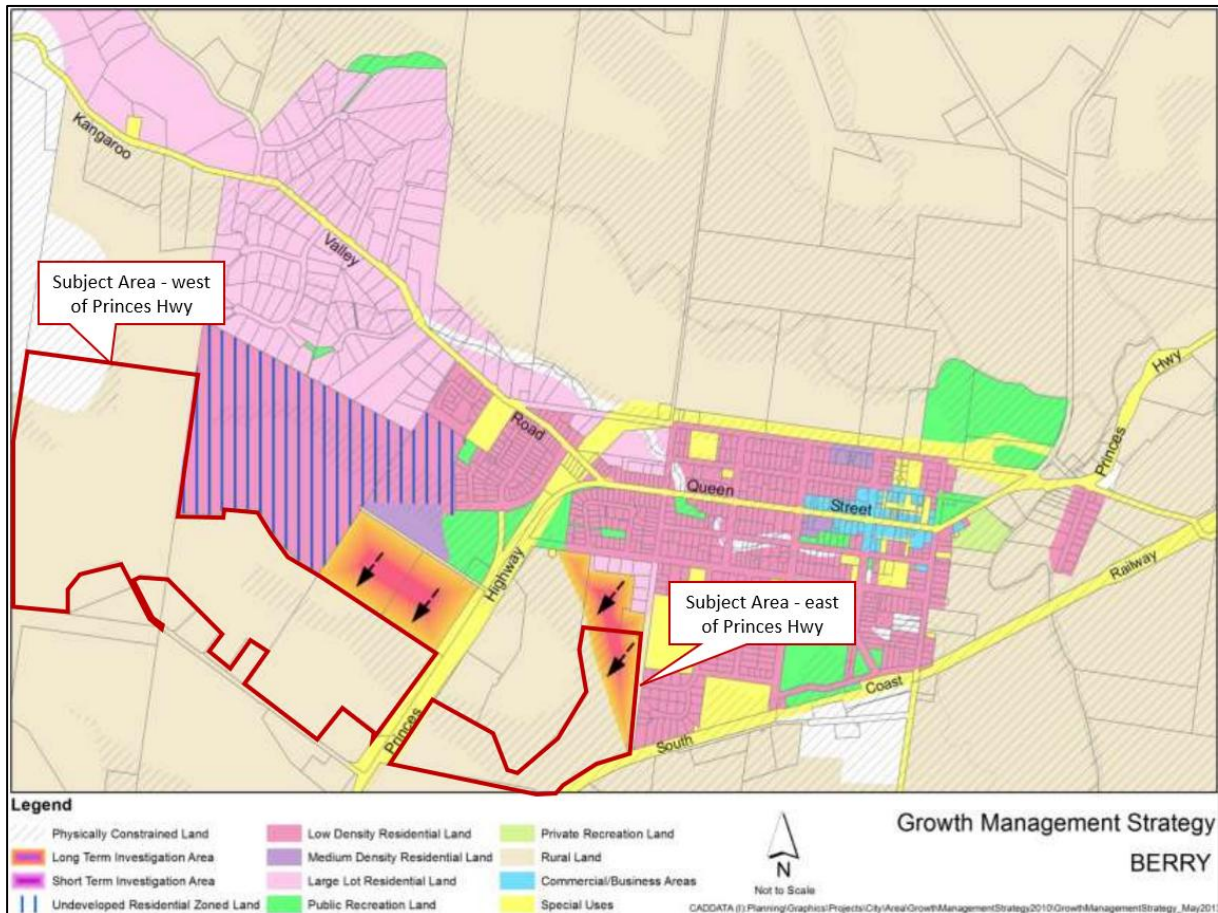


Figure 2: Annotated extract of the Shoalhaven GMS Map for Berry, with the area subject to the current approaches outlined in red. Note: the areas are outside the identified growth areas for Berry.

In addition to the absence of strategic merit, there are significant site merit challenges associated with potential unplanned development in this area, as briefly outlined below.

#### Impacts on Agricultural Resource Lands and Scenic Amenity

The rural aspects of the subject land are highly valued, both for their importance as an agricultural resource and for their contribution to the scenic landscape surrounding Berry.

The majority of the land is currently mapped as prime crop and pasture land, while some is also mapped as state significant on the NSW Government's Draft State Significant Agricultural Land (SSAL) mapping ([link](#)). The existing policy positions in both the LSPS and ISRP do not support the fragmentation of agricultural land or its rezoning for other uses.

The pastoral landscape also contributes significantly to the scenic amenity and local character of Berry and surrounds. The proposed development of the subject land represents a substantial encroachment into the scenic rural surrounds, which would be significantly detrimental to Berry's scenic amenity and local character.

#### Infrastructure Servicing

##### Water and Sewer

There are considerable concerns about the capacity of Council's current water and sewer network in Berry and its ability to accommodate any increase in demand resulting from unplanned development in this area.

The subject land is not identified in Shoalhaven Water's current Development Servicing Plans (DSP) for Water and Sewer and is also not included in the updated Draft DSP, which (at the time of writing) is currently out for public consultation.

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To adequately cater and plan for network expansion, an accurate strategic view on long-term planning is needed. New infrastructure, and upgrades to existing infrastructure, must consider growth over an extended horizon. Ad hoc and/or unplanned growth can leave Council exposed to under-sizing infrastructure, resulting in much higher costs and complex operating arrangements. Any costs associated with additional infrastructure to service the development of this area, including future upgrades, would be borne by the developer.

#### *Traffic and Transport Networks*

As the subject land is located between 1.5-3km from the Berry town centre, the majority of residents in the proposed development areas will be reliant on private motor vehicle transport to access their day-to-day needs.

Transport for NSW (TfNSW) have identified a number of concerns around the ability of the local road network to accommodate additional growth in this area. Concerns relate to the:

- Significant increase in daily vehicle movements on both the local road network and their interactions with the Princes Highway.
- Limitations on the intersection of Schofields Lane and the Princes Highway, which has been designed to accommodate minimal traffic volumes only.
- Inability to upgrade this intersection due to design and safety specifications.
- Inability of existing road networks to accommodate alternative modes of transport, for example buses and shared user pathways.

#### *Eastern Gas High Pressure Pipeline*

Some of the subject lots contain, or are within the buffer area, to the existing Eastern Gas High Pressure Pipeline. Further consultation with Jemena is needed to determine whether the necessary construction protections are in place for the pipeline to safely accommodate intensification of residential development in this area.

#### Physical and Environmental Constraints

##### *Natural Hazards*

The subject land is currently identified as bushfire prone and is also subject to varying degrees of flooding. This presents challenges relating to isolation and the need to shelter in place, and more importantly, the ability of future residents to evacuate safely during a bushfire or flood event. Development of any land for increased residential uses must consider the findings and recommendations of the NSW Government's Inquiries into the 2020 bushfires and 2022 floods, and provide appropriate responses to these risks.

##### *Environmental Constraints*

The subject land is also identified as having a number of other physical and environmental constraints, including (but not limited to):

- Numerous riparian corridors and areas of high biodiversity value.
- Natural drainage lines, steep topography and areas of potential geotechnical sensitivity.
- Potential land contamination due to the previous use of the land for agricultural purposes.

#### Summary

On balance, there are significant challenges in the consideration of any future residential development outcomes in this area that cannot be resolved quickly or easily, if at all. Thus, it is preferable for Council to focus its efforts on meeting the housing targets by advancing and resolving planning controls for areas already identified for future growth in existing land use

strategies, rather than managing ad hoc proposals for new growth areas that are not currently supported by any strategy.

### **Internal Consultations**

Shoalhaven Water and Council's City Development Directorate were consulted on two of the sites in the subject area following the lodgement of formal scoping proposals. The comments in this report are drawn from some of the points raised in response to these proposals.

### **External Consultations**

A number of NSW Government Agencies were consulted on two of the sites in the subject area following the lodgement of formal scoping proposals. The comments in this report are drawn from some of the concerns raised in response to these proposals.

### **Community Consultations**

Community consultation has not been undertaken as there is no requirement for Council to consult with the community at this stage. However, community consultation will be undertaken if any of the proposals/approaches progress to a formal PP.

It is likely that there will be significant community interest in proposals of this nature in the Berry area.

### **Policy and Statutory Implications**

Adopting the recommendation will reaffirm Council's current policy position on retaining and managing rural land. This will provide more certainty for landowners, local communities and infrastructure providers, helping to limit unplanned growth, particularly on sensitive and/or significant agricultural land and areas subject to significant constraints.

### **Financial Implications**

There are no financial implications in adopting the recommendation. However, should Council make an alternative resolution or not reaffirm its policy position, there could be significant financial implications for Council in terms of resource allocation and costs associated with reviewing and managing increasing numbers of ad hoc PPs.

### **Risk Implications**

Should Council make an alternative recommendation or not reaffirm its policy position, there is a risk that Council will receive an increasing number of ad hoc PPs to rezone rural land in this location outside of any endorsed land use strategy. This carries the risk of potentially undermining Council's strategic land use planning and placing increased pressure on Council resources.

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## CL25.271 Request from the Insurance Industry to Access Council's Flood Data

**HPERM Ref:** D25/253427

**Department:** Environmental Services

**Approver:** Lindsay Usher, Acting Director - City Development

### Purpose:

For Council to decide whether Council's flood data should be shared with the insurance industry, as requested.

### Summary and Key Points for Consideration:

Council has been approached by several companies from the insurance industry with a request for access to Council's flood data. Historically, Council has not provided this data to the insurance industry. However, there are several benefits to Council and the community by doing so, including:

- It may reduce insurance premiums to affected property owners.
- Council will ensure it meets its obligations under the NSW Flood Prone Land Policy by making flood information publicly available more broadly.
- The insurance industry is currently using outdated and/or more conservative flood data to set their premiums, which is likely driving insurance premiums up.

### Recommendation

That Council:

1. Provide flood data to the insurance industry upon request.
2. Charge for the preparation of that data at \$209/hour (base on the 25/26 Floodplain Engineer hourly charge).

### Options

1. That Council provides its flood data to the insurance industry upon request & charge for that data.

Implications: This option may reduce flood insurance premiums to property owners where outdated and/or conservative flood data is currently used to set premiums. No community members will be adversely affected by this option.

2. That Council do not provide its flood data to the insurance industry.

Implications: This option will result in a status quo, i.e., no community members will benefit from the insurance industry having access to contemporary detailed flood data.

### Background and Supplementary information

Council has been approached by several companies from the insurance industry requesting access to Council's flood data to inform their insurance premiums. Historically, Council has not provided this data as doing so would be inconsistent with Council's standard data licence

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agreement which is generally used for any data Council shares externally. Flood data is frequently provided to customers and the development industry for a specific project and timeframe. The standard conditions of Council's data licence agreements requires that the data is not copied, lent or resold, and that it is deleted upon project completion. However, the insurance industry want access to Council's flood data to incorporate it with other data in their products and services on a commercial basis without an expiry date. This intended use for the data is therefore inconsistent with Council's standard data licence agreement.

However, there are several benefits to the community by Council providing flood data to the insurance industry. These are as follows.

- Council's flood data is likely the most detailed data that exist for each studied catchment as it is a local government responsibility under the NSW Flood Prone Land Policy to undertake detailed flood studies and investigations. Completing these studies are both time consuming and expensive and the insurance industry is therefore unlikely to prepare flood investigations to the same level of detail as Council.
- It is Council's understanding that the insurance industry assesses flood risk at every individual house, considering the likely frequency and depth of flooding to develop pricing for individual properties. Where Council's detailed flood data is not available, the insurance industry will use other data sources such as the National Flood Information Database, flood risk mapping produced by independent consultants, insurance industry datasets or other.
- Some insurance companies already have access to Council flood data from superseded flood investigations. As an example, both the *Lower Shoalhaven River Flood Study (2022)* and the *St Georges Basin Flood Study (2022)* produced lower flood levels than Council's older studies on these catchments as a result of improved and updated data and contemporary flood modelling methodologies and techniques.
- Therefore, if the insurance industry uses less detailed, or outdated flood data, which is generally more conservative, a conservative estimation of flood risk may result in increased insurance premiums for property owners by overestimating flood risk.
- If Council was to provide the insurance industry with Council's flood data, Council and the community can be reassured that flood insurance premiums are set based on the best available data to assess flood risk. Thus, ensuring insurance premiums are reflective of the flood risk at each individual property and that it is not inflated.

It should be noted that there is a common misconception that by Council undertaking flood investigations we are driving up insurance premiums. However, as discussed above, if Council does not to provide the insurance industry with this flood information, they will continue to rely on less detailed information to set their premiums.

Council has in recent years consistently received feedback from the community that insurance premiums for flooding are going up and sometimes even becoming unaffordable. This is likely due to the number of large floods that have occurred across Australia in recent years resulting in significant insurance payouts, highlighting the significant public and private costs from flooding. By providing Council's flood data to the insurance industry, Council may assist the community in making flood insurance more affordable to affected residents.

Floodplain Management Australia (FMA) is the peak national body for flood risk practitioners in Australia. FMA promotes wise management of development on floodplains and community awareness of flood-related issues, helping to reduce the risk of flooding to life and property. FMA has prepared a number of Flood Insurance Fact Sheets that are available online [\[LINK\]](#). It is noted that an update to these fact sheets is currently underway; however, the content still provides valuable information.

The Local Government and Insurance Sharing Flood Risk Information Fact Sheet recommends the following regarding when councils should give this information to insurers:

“Any time but particularly:

- When residents begin raising concerns with council about local prices for flood insurance;
- When a new flood study is adopted by council;
- When planning and/or building flood mitigation structures; or
- Whenever flood risk changes for any built-up location in a local government area.”

Based on the above, it would be considered best-practice for Council to share its flood data with the insurance industry.

Council has a responsibility under section 733 of the Local Government Act (LGA) 1993 to make decisions relating to flood liable land that are in accordance with the principles and guidance of the *Flood Risk Management Manual (2023)* (the Manual). There are 10 principles in the Manual, where Principle 4 is to Make flood information available. Council is doing so through our online Shoalhaven Flood Interactive Mapping, by making all current studies publicly available on Council’s website, and by providing property specific flood information through Council’s Flood Certificate service. By making flood data available to the insurance industry, Council would be making a decision in accordance with Principle 4, further ensuring Council’s responsibility under section 733 of the LGA is met.

### Internal Consultations

Council’s Floodplain Management Unit has consulted with relevant senior management regarding this request who recommended a report to Council (this report).

### External Consultations

Council has consulted with NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) regarding this request. Any studies Council undertakes that are partly funded by DCCEEW is completed under a Creative Common Attribution 4.0 Licence. Through this licence, DCCEEW requests that the final report and key flood data is made publicly available. The consensus within DCCEEW is that making flood data available more broadly (incl. to insurers) benefit the public more than it doesn’t.

### Community Consultations

The content of this report relates to Council’s internal processes and thus, no community consultation has been undertaken as part of this request.

### Policy and Statutory Implications

Making flood data publicly available more broadly ensures Council’s obligations under section 733 of the LGA is met as this decision is in accordance with the principles and guidance of the Manual.

If Council decide to share its flood data with the insurance industry, data would be shared under a Creative Common Attribution 4.0 Licence to mitigate any inconsistencies by using Council’s standard data licence agreement.

**Financial Implications**

There are no financial implications by Council providing flood data to the insurance industry. However, as Council expends a lot of financial and staff resources in gathering this information consideration should be given to charging interested parties for access to this data.

**Risk Implications**

Council is exempt from liability under section 733 of the LGA for decisions made in relation to flood liable land if these decisions are made in good faith and are in accordance with the principles and guidance of the Manual. Making flood information publicly available is one of the 10 principles of the Manual.

Providing Council's detailed flood information to the insurance industry may reduce the flood risk to the community by reducing insurance premiums and thus making flood insurance more affordable and accessible. By doing so, affected community members can reduce their exposure to flood risk through insurance.

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## CL25.272 Adoption of the Lower Shoalhaven River Coastal Management Program

**HPERM Ref:** D25/314665

**Department:** Environmental Services

**Approver:** Lindsay Usher, Acting Director - City Development

**Purpose:**

To present to Council the [Lower Shoalhaven River Coastal Management Program \(CMP\)](#). The CMP is being presented again to Council for adoption and for subsequent CMP certification by the relevant NSW Government Minister, following which the CMP will be submitted for gazettal.

**Summary and Key Points for Consideration:**

The Lower Shoalhaven River CMP has been developed in accordance with the legislative requirements and framework developed under the *Coastal Management Act 2016* (NSW). The development of the CMP has followed the required staged process and has involved the consideration of historical studies, completion of additional technical studies, and extensive consultation with the community and key stakeholders. The CMP comprises a program of integrated management actions responding to identified risks and opportunities that are to be implemented over a 10-year management timeframe under several overarching strategies. There are 58 management actions to be delivered through the implementation stage of the CMP.

A Business Plan has been developed that outlines the key components of the funding strategy for the CMP to implement the management actions, including the cost of proposed actions, proposed cost-sharing arrangements, and other potential funding mechanisms. Delivery of the CMP is estimated to cost \$24.45 million (2024 dollars) over 10 years, with approximately \$8 million of this funding proposed to be coming from Council.

Following the completion of the public exhibition of the CMP, 4 November 2024 to 10 February 2025, the CMP was finalised and presented to the Northern Coastal Management Program Advisory Committee to gain their support and endorsement before the CMP is presented to Council to request their adoption. Following endorsement from the Northern Coastal Management Program Advisory Committee, a report was presented to Council (attached) for adoption of the CMP at the Ordinary Council meeting on 10 June 2025. Due to time constraints at this meeting, this agenda item was deferred to the Ordinary Meeting on 17 June 2025. At the 17 June 2025 meeting, it was resolved, as per MIN25.317, “that Council defer the report for further public briefing on the Lower Shoalhaven River Coastal Management Program (CMP)”.

This briefing was held on 14 August 2025 and this report is now being presented to Council for adoption of the final CMP. Following this, the CMP will be submitted to the relevant NSW Minister for certification at which time Council can then gazette the CMP and then commence Stage 5 – Implementation.

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## Recommendation

That

1. That Council adopt the Lower Shoalhaven River Coastal Management Program (CMP) and the CMP be submitted to the relevant NSW Government Minister for certification.
2. Note the resourcing requirements encompassed by the plan and its actions (Stage 5 implementation), with capital and operational allocations to be determined via budget processes, and the reliance on grant funding for delivery.
3. Note that the Northern CMP Advisory Committee have requested that Council consider, through the implementation of the Lower Shoalhaven River CMP, additional sites for water testing where available resources and funding can be identified.

## Options

1. As recommended.

Implications: Council's adoption of the CMP will support the finalisation and certification of this document, and subsequent implementation by Council. This CMP provides an integrated and strategic approach to the management of the Lower Shoalhaven River coastal zone consistent with the objectives of the *Coastal Management Act 2016* and has integrated community feedback following substantial consultation. Once certified, Council can proceed with the implementation of the identified management actions to ensure the comprehensive, risk-based management and mitigation of coastal hazards within the CMP Study Area can occur to meet the needs of the community.

2. Not adopt or seek further modification to the Lower Shoalhaven River CMP.

Implications: Additional modifications to the draft CMP, if significant, would require further public exhibition and reporting back to the Committee and Council. Under such a scenario, additional Council time and budget would be required for the project team to complete this work, which would delay the implementation of high priority management actions to address coastal hazards. This will also place further demands on community members who have already provided significant input into the development of this CMP. This project has been funded by the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) Coast and Estuary Grants Program with a one third contribution by Council. Applications for additional funding and time would not be successful due to several variations already approved on this project and the project now being considered complete. Consequently, there is no scope or budget for further significant amendments to the CMP.

## Background and Supplementary information

Background and supplementary information are as per the report presented to Council at the Ordinary Meeting on 17 June 2025 (agenda item [CL25.193](#)). At this meeting, as per MIN25.317, it was resolved:

That Council:

1. Defer the report for a further public briefing on the draft Lower Shoalhaven River Coastal Management Program (CMP) to address:
  - a. potential amendments to the draft CMP including:
    - i. Removal of living shoreline from 1-3 year implementation program.
    - ii. Increasing the boat ramp infrastructure allocation to reflect river-wide need.

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- iii. Substantive Berry's Canal solutions beyond consultative workshops.
- iv. Addressing the water quality monitoring gaps as requested by the Advisory Committee.
- v. Integration with the Floodplain Risk Management Study as the community has requested.
- vi. Embedding the mangrove removal permit requirements.
- vii. Addressing the sewage infrastructure and overflow pollution concerns.
- viii. Enabling dredging for channel management and flood mitigation.
- b. The resourcing and implementation of the draft CMP be reviewed if it were to be adopted.

This resolution was carried unanimously by Council.

In response, an open Council briefing was held on 14 August 2025. A response to each item from the 17 June 2025 resolution is provided in the table below. It was noted that many of the responses to the items raised in MIN25.317 are detailed in the following, publicly available CMP documents:

- The [Response to Submissions Document](#) (RTS)
  - This was prepared as a community engagement tool after the completion of the Stage 4 Public Exhibition period for the CMP and has been publicly available since March 2025. The below table is intended to be read in conjunction with this document.
- The [Final Draft Lower Shoalhaven River Coastal Management Program](#) (CMP)
  - This version of the CMP includes various updates to the documents following the Public Exhibition period.

Item:	Response
i. Removal of living shoreline from 1-3 year implementation program.	<p>The CMP's living shoreline approach is based on coastal protection, recreational amenity and habitat resilience. It supports a design that enhances ecological benefits whilst improving recreational spaces as requested by the community, incorporating water access for swimming, soft boating and other recreational activities. While mangrove expansion is a natural process, this action does not promote unrestricted growth but focuses on erosion control through nature-based solutions to protect assets whilst balancing ecological balance with the community's recreational needs.</p> <p>Following the feedback from the public exhibition, the living shoreline action was re-crafted as a less expensive option that will still serve to activate the area for multiple benefits including recreational amenity, environmental values, and public access. This cost reduction considers that this site requires less capital works than examples such as the Wagonga Inlet project in Eurobodalla, that the draft budget was initially based on. The capital cost of the living shoreline action was brought down from \$1,060,000 to \$560,000 and the maintenance costs of the living shoreline action were brought down from \$100,000 per year to \$50,000.</p> <p>The implementation of a living shoreline project will still include extensive community consultation to develop the concept and will return to Council for determination of plan/design before implementation.</p>

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	<p>A summary of the responses is provided in the Response To Submission (RTS) document and provided below.</p> <p>The RTS shows that there was varied levels of support for the living shoreline action throughout the Public Exhibition period. The action identification in the LSR CMP for the living shoreline project is BE_46.</p> <ul style="list-style-type: none"> <li>• Support of BE_46 is acknowledged in comment IDs 58, 66, 72 of the RTS.</li> <li>• Lack of support of BE_46 is acknowledged in comment ID 29, 77.13 of the RTS.</li> <li>• The high cost of BE_46 is noted in comment IDs 34, 76.49, 77.7 of the RTS (among others).</li> </ul> <p>Living shorelines are considered beneficial solutions due to their ability to reduce the risk of coastal hazards, such as erosion and inundation, while also providing benefits such as carbon sequestration, water filtration, biodiversity and fisheries provisions, and tourism. Mangroves, saltmarshes, seagrasses and biogenic reefs (all of which are potential ecosystems of a living shoreline) can provide coastal protection through wave attenuation and sediment stabilisation. Natural systems within living shorelines are also known to self-repair after storm events and potentially have the capacity to adapt to changes in climate. Establishing a living shoreline can provide long-term, cost-effective protection against erosion and inundation, reducing the need for reactive and often expensive interventions that do not offer the same ecological and recreational benefits.</p>
<p>ii. Increasing the boat ramp infrastructure allocation to reflect river-wide need.</p>	<p>Discussion regarding boating upgrades is provided in many comments in the Response To Submission (RTS). A summary on <u>page 3 of the RTS</u> provides the information on this action:</p> <p><u>Concern:</u> Community concerns were raised regarding the condition and accessibility of recreational facilities, including boat ramps and beaches.</p> <p><u>Response:</u> The CMP acknowledges these concerns, proposing actions to review and upgrade key recreational infrastructure. Additionally, ongoing maintenance and monitoring programs aim to enhance community access and recreational opportunities along the foreshore.</p> <p>Following public exhibition, the action BOAT_38 - <i>Develop and implement a comprehensive boat ramp facility upgrade and asset management program</i> was increased by \$500,000 (meaning that the total cost over 10 years increased from \$550,000 to \$1,050,000) in direct response to community requests. This was not explicitly mentioned in the RTS, however is reflected in the final draft LSR CMP.</p> <p>Additionally, Coast &amp; Estuary grants, which are the main funding mechanisms for CMPs, are not targeted to support works on boating infrastructure. Moreso, Transport for NSW (TfNSW) boating grants are the appropriate funding mechanism and Councils can apply for such grants outside of CMPs. The inclusion of action BOAT_38 in the CMP acknowledges Council's need for additional funding to support the maintenance and upgrade of boating facilities. Inclusion of</p>

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	BOAT_38 action in a certified CMP will strengthen Council's position in future funding applications by demonstrating an alignment with the organisations endorsed coastal management priorities.
iii. Substantive Berry's Canal solutions beyond consultative workshops.	<p>As a result of the implementation of action ID BE_42 - <i>Develop an adaptation strategy for land loss along Berry's Canal</i>, site-specific and asset-specific adaptations plans will be developed to inform and guide decision making for Berry's Canal. It should be appreciated that this is a significant issue that requires long-term strategic management that will require significant resources. As land along Berry's Canal is owned both privately and publicly (including National Parks Estate), a coordinated strategy is required.</p> <p>Additionally, action BE_38 (Support private land bank stabilisation and restoration) of the CMP (see page 67) will support Council and State Agencies in the development of support frameworks to facilitate bank protection on private lands and encourage proactive landholder involvement.</p>
iv. Addressing the water quality monitoring gaps as requested by the Advisory Committee.	<p>It is acknowledged that the Lower Shoalhaven River CMP Advisory Committee put forward a recommendation to increase the number of monitoring sites on the Shoalhaven River and this recommendation forms part of the recommendation to Council with this report.</p> <p>Council does have an existing water quality monitoring program that is well supported by DCCEEW and the CMP itself. It is also worth highlighting that numerous technical studies have found that water quality within and around Shoalhaven Heads is of good quality, with the reports stating that the system is well flushed, with estimates indicating that the embayed area around Shoalhaven Heads is 50% exchanged in 2-8 days (indicating low water residence times) and that circulation is sufficient. Further water quality investigations were undertaken in Berry's Bay that resulted in the sewer being provided to the St Andrews Way subdivision at Coolangatta reducing risks to the local water quality raised by local Oyster Farmers.</p> <p>A summary of the response provided in the Response To Submission document is provided below.</p> <p>The CMP includes several water quality improvement initiatives (e.g. ENV_42 and ENV_43), stormwater and catchment management development controls (ENV_51), and septic system performance assessments (ENV_44), all aimed at improving estuarine health and supporting sustainable aquaculture. Other broader scale options that would support water quality initiatives include ENV_58 which aims to reduce acid and blackwater runoff from drained floodplain areas.</p>
v. Integration with the Floodplain Risk Management Study as the community has requested.	<p>Flood risk is addressed in the Floodplain Risk Management Program which is outside the scope of the CMP. However, the CMP does consider entrance management to be an appropriate action within the coastal zone, where the flood benefits can be adequately shown to be achieved, and the environmental impacts mitigated sufficiently (this is assessed in the Review of Environmental Factors (REF) undertaken to support Council's Entrance Management Policy (EMP)).</p> <p>Potential mitigation measures to reduce flood risk are being considered as part of the Lower Shoalhaven River Floodplain Risk Management Study &amp; Plan which is currently underway. A review of the EMP trigger levels and preparation of a draft Shoalhaven River</p>

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	<p>EMP and REF was completed in early 2025 separate from the CMP and Lower Shoalhaven River Floodplain Risk Management Study &amp; Plan. The Shoalhaven River EMP is due to be presented to Council for adoption in the coming months.</p> <p>Integration with the Floodplain Risk Management Study has been addressed in many comments in the Response To Submissions document.</p>
vi. Embedding the mangrove removal permit requirements.	<p>The request for the removal of mangroves at Shoalhaven Heads is discussed in comment IDs 29 and 76.50 of the RTS. The reasoning behind not including this action in the CMP is provided in the RTS and is as follows.</p> <p>The CMP process cannot support the removal of mangroves. The need for managed mangrove removal will be considered through existing regulatory processes, but removal for amenity alone is not supported under current environmental guidelines (policy and legislation).</p> <p>Further reasoning as to why the mangrove removal is not included as a management action in the CMP is explained in the final draft CMP on page 48 of the main document. There is over a page of text/figures justifying why this action is not included in the CMP. Details of this justification include the following:</p> <p>The removal of mangroves at Shoalhaven Heads Beach was assessed as a management option (CS_03) in Stage 3 of the CMP development process. Mangroves provide multiple benefits to the local Shoalhaven Heads area and the broader estuary including assisting with stabilising the shoreline, reducing erosion, filtering pollutants, enhancing water quality, sequestering carbon, providing habitat and food for fish and wildlife, and supporting biodiversity. These benefits are also valued by both residents and visitors, contributing to the appeal of the location as a tourist destination and the associated economic benefits. Removing mangroves would reduce these benefits and potentially increase the vulnerability of the estuary to climate change and sea level rise, which will put increasing pressure on intertidal estuarine ecosystems. The option to remove mangroves at Shoalhaven Heads Beach was not recommended for inclusion in the CMP as it did not score well in the Multi-Criteria Assessment (MCA) which assesses all actions in the CMP. When the MCA was applied to this option, it scored well for only one criterion being that it supports social values associated with foreshore recreation. It scored neutral or negative for all other criteria. As such, on balance, it does not support the objectives of the CMP (which are based on the Objects of the <i>Coastal Management Act 2021</i>), nor does it sufficiently mitigate any of the key risks/threats from coastal hazards. Therefore, mangrove removal was not considered appropriate for inclusion in the CMP. In the RTS, it is noted that, “the need for managed mangrove removal will be considered through existing regulatory processes, but removal for amenity alone is not supported under current environmental guidelines”.</p> <p>The CMP states that, “should the need arise, Council can apply for a Fisheries Permit for this activity through other strategic plans and operational mechanisms”.</p>

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<p>vii. Addressing the sewage infrastructure and overflow pollution concerns.</p>	<p>Flooding can result in inundation of the sewage network and result in overflows into the catchment. This will continue to be managed by Shoalhaven Water through their licence requirements with the NSW Environment Protection Authority (EPA) and their Regulatory and Assurance Framework from DCCEEW.</p> <p>Shoalhaven Water works with their regulators to identify and manage risks to sewer overflows. With these systems and processes in place Shoalhaven Water aims to have nil sewer overflows during dry weather and to minimise sewer overflow during wet weather events. Shoalhaven Water has several programs aimed at minimising sewer overflows including sewer relining, emergency storage, pump replacement program and improvements to their major treatment facilities. These programs are all aimed at ensuring sewer overflows are minimised. In addition, Shoalhaven Water has completed hydraulic modelling to inform strategic improvements to the network.</p> <p>However, in large rainfall events the infrastructure becomes overloaded and, in some low-lying areas, completely inundated due to flooding. This will continue to be a priority and managed by Shoalhaven Water.</p> <p>This response has been given to concerns regarding sewerage and overflow pollution and is detailed against comment IDs 29 and 76.50 of the Response To Submissions document.</p>
<p>viii. Enabling dredging for channel management and flood mitigation.</p>	<p>A pre-dredging feasibility study was completed by Advisian Pty Ltd in 2024. This report presents a qualitative multicriteria assessment of options for maintaining the channel including leaving the current channel as is ('do nothing'), and several scenarios to achieve a deeper channel in some areas, with and without beach nourishment of the foreshore.</p> <p>The assessment determined that in most weather conditions, the channel was safe to use for vessels up to 8 m in length, indicating there was no requirement to dredge the channel to improve navigability. The report notes that the current channel would restrict navigation access for 8 m vessels during low tide conditions with an open and scoured entrance of the Shoalhaven River at Shoalhaven Heads, and during a storm with a 20-year return interval.</p> <p>However, navigation would not be impeded for vessels less than 6 m in length. In the unlikely event that these weather conditions coincide, and a boat user is using the waterway at that time an 8 m vessel could use the nearby Hay Avenue or Wharf Road Boat ramps as alternative safe access/egress points.</p> <p>Consultation with NSW State Government agencies during the pre-dredging feasibility study determined that due to the absence of a navigation/safety risk during normal estuarine conditions, the unlikely scenario of an 8 m vessel navigating the channel in significant storm conditions, and the negative impacts on the environment (seagrass), these agencies would not support dredging within the Lower Shoalhaven River, adjacent to River Road, Shoalhaven Heads, in line with relevant legislation and associated environmental planning instruments. For these reasons, the "do nothing" option is the recommended approach in the Advisian report (2024), and this recommendation has been carried forward into the CMP.</p>

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	<p>A response to this item is provided against comment ID 76.7 of the RTS.</p> <p>Also, action BOAT_38 and ECON_14 of the CMP supports ongoing monitoring of navigation channels, and continued collaboration with the relevant State Government Agencies on boating safety and navigation. Ongoing monitoring will occur throughout the lifecycle of the CMP, and if navigational channels are determined to be unsafe, then the channel may be subject to maintenance dredging.</p> <p>The CMP is not the appropriate program to investigate possible flood mitigation measures. Potential flood mitigation measures are being investigated in the Lower Shoalhaven River Floodplain Risk Management Study and Plan (FRMSP) in accordance with the NSW Flood Prone Land Policy and Flood Risk Management Manual (2023). Waterway dredging is being investigated as a possible flood mitigation measure in the Lower Shoalhaven River FRMSP which is currently underway and will be completed in late 2025 ready for public exhibition and community consultation.</p> <p>There are no other reasons for dredging at this location that are supported through the NSW Coastal Management framework.</p>
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The CMP is now being presented to Council to request its adoption. Following this, the CMP is required to be submitted to the relevant NSW Minister for certification before Council can gazette the CMP and then commence Stage 5 – Implementation.

### Internal Consultations

Internal Consultations are as per the report presented to Council at the Ordinary Meeting on 17 June 2025 (agenda item [CL25.193](#)).

### External Consultations

External Consultations are as per the report presented to Council at the Ordinary Meeting on 17 June 2025 (agenda item [CL25.193](#)) with some additional information provided below.

Several management actions within the CMP identified external entities as a 'Lead Agency' in the action implementation. Council engaged with these entities throughout the development of the CMP to ensure that the relevant legislation under each of their jurisdictional boundaries is appropriately complied with. One external agency has since requested that their actions are to be omitted from the main body of the CMP due to uncertainty regarding securing a funding source, thus, making it challenging for them to commit to implementation. Although not formally included in the CMP Business Plan, these actions are still documented in the final CMP (Appendix F) for future consideration. This is because the risk assessment conducted during the CMP development identified them as important for addressing key priority issues. As such, the number of actions has reduced from 60 to 58 and cost to deliver the CMP has reduced from \$24.64 million to \$24.45 million since the report to Council on 17 June 2025 report.

Following the completion of the CMP Public Exhibition Period, Council has been seeking letters of support from the relevant NSW State Government agencies listed as either a 'Partner' or a 'Lead Agency' within the CMP in the implementation of the management actions. These letters are required for submission of the CMP for certification by the relevant NSW Minister. To date, all agencies have expressed in principle support for the CMP. Council

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has formally received many of these letters of support and as such, the CMP can be considered ready for certification submission from a State Government perspective.

### **Community Consultations**

Community Consultations are as per the report presented to Council at the Ordinary Meeting on 17 June 2025 (agenda item [CL25.193](#)).

As per MIN25.317, it was resolved at the Ordinary Meeting on 17 June 2025, that Council would “defer the report for a further public briefing on the draft Lower Shoalhaven River Coastal Management Program (CMP)”. The public briefing was held on 14 August 2025.

### **Policy and Statutory Implications**

Policy and Statutory Implications are as per the report presented to Council at the Ordinary Meeting on 17 June 2025 (agenda item [CL25.193](#)).

### **Financial Implications**

Financial Implications are as per the report presented to Council at the Ordinary Meeting on 17 June 2025 (agenda item [CL25.193](#)).

### **Risk Implications**

Risk Implications are as per the report presented to Council at the Ordinary Meeting on 17 June 2025 (agenda item [CL25.193](#)).

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## CL25.273 Adoption of the Shoalhaven River Entrance Management Policy

**HPERM Ref:** D25/339039

**Department:** Environmental Services

**Approver:** Lindsay Usher, Acting Director - City Development

**Attachments:** 1. Shoalhaven River EMP (under separate cover) [⇒](#)

### Purpose:

To provide Council with an update on the outcomes of the draft Shoalhaven River Entrance Management Policy (EMP) public exhibition and community consultation. Then seek Council's adoption of the *Shoalhaven River EMP (2025)*.

### Summary and Key Points for Consideration:

Council has recently completed a review of the entrance management arrangements for the Shoalhaven River at Shoalhaven Heads.

The Shoalhaven River EMP takes into consideration a range of environmental factors and includes the outcome of an evidence-based, technical review of the planned opening levels and associated entrance management options to inform the entrance management procedures within the EMP.

The Shoalhaven River entrance at Shoalhaven Heads is located on land owned by NSW Crown Lands. Council is only permitted to mechanically open entrances in accordance with the planned opening water levels and conditions contained within EMPs, and the corresponding NSW Crown Lands licence (to be applied for upon adoption of this EMP). The Shoalhaven River EMP has been developed in accordance with all relevant State and Federal Government legislation.

The draft Shoalhaven River EMP and Review of Environmental Factors (REF) was publicly exhibited for 13 weeks from 24 February 2025 to 26 May 2025. During this exhibition period an additional petition was undertaken by the Shoalhaven Heads Estuary Taskforce (SHET), and this was tabled at Council's Ordinary Meeting on 27 May 2025. The outcomes from the public exhibition and community consultation process and how the EMP compares against the petition feedback is summarised in this report.

Following adoption of the Shoalhaven River EMP, the EMP and supporting REF will be submitted to NSW Crown Lands to obtain an NSW Crown Lands licence to allow Council to undertake entrance management in accordance with the updated *Shoalhaven River EMP (2025)*. Council will also submit an application to the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) for a Threatened Species Permit to assist with entrance management.

### Recommendation

That Council:

1. Adopt the Shoalhaven River Entrance Management Policy (EMP);
2. Submit the EMP and supporting Review of Environmental Factors (REF) to NSW Crown Lands to obtain an NSW Crown Lands licence.
3. Prepare a Shoalhaven River Entrance Management Fact Sheet to summarise the key entrance management information for the community.

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## Options

1. As recommended. Council adopts the Shoalhaven River Entrance Management Policy (EMP). Then the EMP and supporting REF will be submitted to NSW Crown Lands to obtain an NSW Crown Lands licence.

Implications: Council's adoption of the EMP will allow Council to obtain an NSW Crown Lands licence and Threatened Species Permit to undertake entrance management in accordance with the updated *Shoalhaven River EMP (2025)*. The updated EMP includes significantly improved entrance management measures to assist to reduce flood risk at Shoalhaven Heads and other communities in the Lower Shoalhaven River floodplain.

2. Not adopt, or, seek further modification to the Shoalhaven River EMP.

Implications: Additional modifications to the draft EMP, if significant, would require further public exhibition and reporting back to Council. Under such a scenario, additional Council time and budget would be required for the project team to engage a consultant to complete this work, which would delay the community benefiting from the improved entrance management measures included in the EMP. By adopting the EMP, Council meets its obligations under the NSW Flood Prone Land Policy to help manage flood risk in the Lower Shoalhaven River floodplain. Should Council choose not to adopt the improved EMP, it may jeopardise Council's exemption from liability for decisions made relating to flood liable land under section 7.33 of the Local Government Act 1993.

This project has been funded by the NSW DCCEEW Coast and Estuary Grants Program and Floodplain Management Program with a one third contribution by Council. Applications for additional funding and time would not be successful due to several variations already approved on this project and the Lower Shoalhaven River CMP project now being considered complete. Consequently, there is no scope or budget for further significant amendments to the EMP and supporting REF.

## Background and Supplementary information

An EMP identifies the planned water 'trigger' levels and procedures in which Council opens the entrance of waterways to the ocean, to assist with flood mitigation to low-lying properties and infrastructure.

The purpose of an EMP is to assist with flood mitigation to historic low-lying habitable floor areas. It is important to highlight that an EMP will not prevent flooding from occurring in flood prone areas (nor does it intend to) and that occupying flood prone land therefore comes at a risk.

The Shoalhaven River entrance at Shoalhaven Heads is located on land owned by NSW Crown Lands. Council is only permitted to mechanically open entrances in accordance with the trigger levels and conditions contained within an EMP, and the relevant NSW Crown Lands licence.

Council has recently completed a review of the entrance management arrangements for the Shoalhaven River at Shoalhaven Heads.

The stages completed to support the updated Shoalhaven River EMP include:

- **Stage 1 – Lower Shoalhaven River Flood Study:** Develop contemporary flood model and flood information as part of the *Lower Shoalhaven River Flood Study (2022)*. Complete.
- **Stage 2 – Shoalhaven LGA Floor Level Survey for flood Planning:** Survey floor level data to assess against flood levels to determine flood risk as part of the

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*Shoalhaven LGA Floor Level Survey for Flood Planning (2024) investigation. Complete.*

- **Stage 3 – Lower Shoalhaven River Floodplain Risk Management Study and Plan:** Review of trigger levels through flood modelling. The trigger level review is complete.
- **Stage 4.1 – Shoalhaven River Entrance Management Policy update:** Prepare updated Shoalhaven River EMP based on the EMP update undertaken as part of the Lower Shoalhaven River CMP and Review of Trigger Levels. A high-level review of the existing EMP was undertaken during Stage 2 of the Lower Shoalhaven River CMP. Complete.
- **Stage 4.2 – Prepare a supporting Review of Environmental Factors for the Shoalhaven River EMP:** The development of an EMP also involves the preparation of a supporting REF. The purpose of an REF is to describe the proposed activity and assess the likely environmental impact(s) of that activity. It also identifies suitable mitigation measures to reduce the likely environmental impact(s), if any, of the proposal. An REF is developed in line with the legislative requirements of the Environmental Planning and Assessment Act 1979 (EP&A Act). It also considers the relevant provisions of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), and other relevant NSW environmental legislation and environmental planning instruments. Complete.
- **Stage 5 – Public Exhibition of Lower Shoalhaven River EMP and supporting REF.** Complete.
- **Stage 6 – NSW Crown Lands licence application to implement the Shoalhaven River EMP:** Concurrence from NSW Crown Lands, DPI Fisheries, NSW DCCEEW and NSW NPWS is required for approval. To be completed following adoption of the Shoalhaven River EMP by Council.

The Shoalhaven River EMP takes into consideration a range of environmental factors and includes the outcome of an evidence-based, technical review of the trigger levels to inform the entrance management options within the EMP. The *Lower Shoalhaven River Entrance Management Policy Trigger Level Review (2024)* memo has helped inform the Shoalhaven River EMP. To assess the impact of trigger levels on flood behaviour, a series of trigger levels at Shoalhaven Heads were assessed; including 1.5, 1.7, 2.0, 2.3 and 2.6m Australian Height Datum (AHD). This represents a range of both lower and higher trigger levels and how changes to the trigger level could impact peak flood levels, time to inundation, time of inundation and impacts on overfloor flooding of habitable floor levels. These reviewed trigger levels are consistent with feedback from the Shoalhaven Heads community via a petition as per MIN24.582 - CL24.301.

The EMP Trigger Level Review concluded that a 1.7m AHD trigger level would result in a reduction in peak flood levels of no greater than 4cm in Shoalhaven Heads and 5cm in Greenwell Point for the full range of possible flood magnitudes when compared against the current 2.0m AHD planned opening trigger level for Shoalhaven Heads. There was also no change to the time to flood inundation, period of inundation and impact of flooding above habitable floor levels. Given that no flood mitigation benefits in the form of significantly reduced peak flood levels, time to inundation, time of inundation and impacts on overfloor flooding of habitable floor levels were identified from the EMP Trigger Level review, the updated *Shoalhaven River EMP (2025)* has retained the 3.0m AHD at Nowra and 2.0m AHD at Shoalhaven Heads planned opening trigger levels.

The updated EMP (2025) does however include a number of additional management measures such as dry notch and berm elevation maintenance, pre-emptive pilot channel excavation, and mechanical berm lowering in a toolbox of management measures, which will

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result in significantly improved entrance management measures when compared against the existing *Shoalhaven River Entrance Management Plan for Flood Mitigation (2006)*.

During the EMP public exhibition period an additional petition was undertaken by SHET, and this was tabled at Ordinary Meeting on 27 May 2025. As summary of the items requested by the petition and response to each specific item is provided in the table below. This report addresses the SHET petition in accordance with Council's Petition Policy.

It is noted that consultation with members of the Shoalhaven Heads community identified that the Shoalhaven River EMP petition is asking for measures which are largely included in the draft EMP.

Item:	Response
<p>1. Intervention action to commence on a BOM Flood Watch and when the river height reaches 1.5m AHD</p>	<p>Consultation with members of the Shoalhaven Heads community identified that the desire of this specific item is to commence digging prior to (at a level of 1.5m AHD), rather than when, planned opening trigger levels are met to allow the entrance to naturally overtop the entrance berm around 1.8m AHD.</p> <p>The draft Shoalhaven River EMP includes the following entrance management measures:</p> <ul style="list-style-type: none"> <li>▪ Dry notch maintenance to reduce the sand burden behind the entrance berm to facilitate quicker entrance openings. This maintenance will typically be undertaken in the non-shorebird nesting season in a manner intended to limit sand elevation in the dry notch area for the duration of the next shorebird nesting season.</li> <li>▪ Berm maintenance to lower the elevation of the entrance berm if needed. This entrance management measure is not included in the 2006 EMP.</li> <li>▪ Pre-emptive pilot channel excavation based on a forecast (from BOM Flood Warning) flood level reaching or exceeding the planned opening level. The Bureau of Meteorology (BOM) Flood Forecast and Warning Service provides 6 to 9 hours warning for forecast flood levels for Nowra. In this scenario, the pilot channel would be excavated before flood levels rise in the Lower Shoalhaven River. Given that the pilot channel is excavated to an approx. 1m depth, this would result in the base of the pilot channel having a level below 1.5m AHD. As floodwater rises it can flow through the pilot channel and scour open the entrance. This measure has been improved on the 2006 EMP.</li> <li>▪ Pilot channel excavation based on the planned opening levels being reached at Nowra or Shoalhaven Heads.</li> <li>▪ Mechanical berm lowering to lower the natural sand berm area prior to a flood and allow the entrance berm to naturally overtop and open. In practice this would operationally require the natural sand berm area to be lowered below 2.0m AHD (such as around 1.8m AHD) to allow for some potential increase in berm elevation from storm washover immediately prior to the flood peak rising in the Shoalhaven River and overtopping the entrance berm. This entrance management measure is not included in the 2006 EMP.</li> </ul> <p>Management measures included in the EMP such as pre-emptive</p>

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Item:	Response
	<p>pilot channel excavation on a BOM Flood Warning would result in works commencing prior to and at a lower level than 1.5m AHD. This not only satisfies this petition item but commences works earlier than requested.</p> <p>Mechanical berm lowering is proposed to allow the natural sand berm area to be lowered prior to a flood event as a pre-emptive measure in situations in which oceanic conditions (actual or forecast) may prevent works from being undertaken when trigger levels are reached. The intention of mechanical berm lowering is to lower the natural sand berm area to allow the entrance to naturally overtop when the planned opening level is reached. It is noted that pre-emptive pilot channel excavation or pilot channel excavation could still be undertaken following initial mechanical berm lowering works when this can be undertaken safely, but if this could not occur, the natural sand berm area would have already been lowered to allow natural opening by the planned opening level.</p> <p>In the unlikely event that entrance management works had not already been undertaken prior to flood levels rising via pre-emptive mechanical berm lowering or pre-emptive pilot channel excavation, and planned opening trigger levels were forecast to be reached or exceeded and the water level at Shoalhaven Heads had reached 1.5m AHD, then the EMP would allow the entrance berm to be lowered to around 1.8m AHD as has been requested by the petition.</p> <p>The EMP Trigger Level review investigated the feasibility of opening the Shoalhaven River entrance at Shoalhaven Heads on a Flood Watch instead of a Flood Warning. A Flood Watch will only indicate if a minor, moderate or major flood may occur. The high level of uncertainty at this point does not allow BOM to predict peak flood levels in the river which is undertaken for a Flood Warning. Furthermore, a Flood Watch may be issued for a range of scenarios including minor flooding which would not reach the relevant trigger levels. Opening on a Flood Watch could result in a significant increase in the number of openings, many of which would prove to be unnecessary, or too early an opening which risks the excavation works closing by storm washover before floodwaters arrive. Increased opening frequency is likely to have increased negative impacts on the estuary and entrance including threatened and migratory shorebirds which nest on the sand berm when it is closed. Consequently, opening the Shoalhaven River entrance at Shoalhaven Heads on a Flood Watch was not recommended as it provides no entrance management or flood mitigation benefits and could lead to unnecessary adverse environmental impacts and impose an unnecessary financial burden on Council. However, it is noted that a Flood Watch for moderate or major flooding would provide advance warning for a situation in which mechanical berm lowering could be undertaken.</p> <p>In summary the draft Shoalhaven River EMP achieves the objectives of this specific item. Some amendments have been made to the EMP wording to provide further discussion and</p>

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Item:	Response
	clarification.
<p>2. Maintenance of the dry notch at 1.8m AHD and sand berm height of 2m AHD.</p>	<p>The intent of the draft EMP is to ensure the dry notch area does not exceed 2.0m AHD and works are undertaken in accordance with the REF and licence conditions.</p> <p>Dry notch maintenance will typically be undertaken in the non-shorebird nesting season in a manner intended to limit sand elevation in the dry notch area for the duration of the next shorebird nesting season. This would result in the dry notch being lowered to around 1.7 to 1.8m AHD. For example, the most recent dry notch maintenance undertaken by Council in June 2025 lowered an area of the dry notch to approximately 1.7m AHD.</p> <p>The draft Shoalhaven River EMP includes berm maintenance to lower the elevation of the entrance berm if needed. This would typically ensure that the entrance berm elevation is maintained at approximately 2.3m AHD. Noting that flood modelling undertaken as part of the EMP Trigger Level review identified that adverse flood impacts would only occur in a scenario in which the entrance berm was above 2.3m AHD and Council was unable to open the entrance. Therefore, the berm maintenance and mechanical berm lowering measures included in the draft EMP provide robust solutions to manage this risk.</p> <p>Maintaining the entrance berm at an elevation of 2.0m AHD would require frequent earthworks for no flood mitigation benefits, and significantly larger entrance management operational budgets. There is no benefit in limiting the entrance berm elevation to not exceed 2.0m AHD when the draft EMP includes management measures to retain this below approximately 2.3m AHD and to undertake mechanical entrance berm lowering prior to a flood event.</p> <p>In summary the draft Shoalhaven River EMP achieves the objectives of this specific dry notch elevation item. Some amendments have been made to the EMP wording to provide further discussion and clarification.</p>
<p>3. Publish survey information on dry notch maintenance on Council's website in a timely manner.</p>	<p>Consultation with members of the Shoalhaven Heads community identified that the desire of this specific item is to know when Council have completed entrance surveys.</p> <p>Council will consider the best way to make relevant information available to the community via Council's website.</p> <p>It is noted that Council will notify key stakeholders when dry notch maintenance and berm maintenance are planned to be undertaken. Council notified key stakeholders and community groups when dry notch maintenance was undertaken in June 2025.</p>
<p>4. A dredging channel leading towards the entrance breakout point to complement efficiency of</p>	<p>It is noted that dry notch maintenance is adequate to manage flood risk as this reduces the sand burden and pilot channel length to allow the entrance to be opened as quickly as possible.</p> <p>NSW Government agencies do not support the inclusion of dredging in the draft Shoalhaven River EMP and would expect</p>

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Item:	Response
entrances processes.	<p>this be investigated outside of the EMP if Council decides to further pursue this potential complementary measure. Additionally, it is noted that past technical studies undertaken for Council have found dredging to be a largely ineffective entrance management option.</p> <p>The supporting REF for the Shoalhaven River EMP does not include an assessment of dredging as a supplementary measure and therefore this would require a separate REF and budget allocation if it was to be considered further by Council.</p> <p>It is noted that waterway dredging is being investigated as a possible mitigation measure in the Lower Shoalhaven River Floodplain Risk Management Study &amp; Plan. The outcome from this evidence-based flood investigation will confirm the potential benefit of any dredging on flooding.</p>
5. A trial period of these changes for a period of five floods.	<p>It is noted that NSW Crown Lands provide a licence to implement an EMP for 5-years based on measures investigated through an evidence-based approach that satisfy all requirements of relevant legislation and are supported by the relevant NSW Government agencies.</p> <p>This specific item is asking for a licence to trial the measures listed in the petition. Crown Lands don't issue licences for "trial periods" and the EMP is operationally reviewed by Council after every entrance management event. Therefore, Council will seek to obtain a 5-year NSW Crown Lands licence based on the EMP and REF.</p> <p>Also as noted above, the draft EMP will largely achieve the objectives listed in the petition and hence a trial period is not necessary.</p>

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The EMP (2025) is now being presented to Council for adoption. Following adoption of the draft EMP (2025), the EMP and supporting REF will be submitted to NSW Crown Lands to obtain an NSW Crown Lands licence.

Following receipt of a NSW Crown Lands licence, Council will also submit an application to the NSW DCCEE for a Threatened Species Permit. This permit provides a procedure and associated mitigation measures for the NSW NPWS and Council to legally implement in situations in which entrance management works are required at times in which threatened shorebirds are present in the entrance area. It is noted that this is a procedure that Council has already been through for the Tabourie Lake entrance when the EMP was last updated and is an ongoing requirement for all of Council's adopted EMP's.

Council will prepare a Shoalhaven River Entrance Management Fact Sheet to summarise the key entrance management information for the community. This Fact Sheet will be made available on Council's website.

### Internal Consultations

Consultation has been undertaken as business as usual with the relevant operational staff at Council throughout Stages 1- 5 of the EMP and REF development.

## External Consultations

Throughout all stages of the EMP and REF development, external consultation was carried with a range of representatives from NSW State Government agencies. These included:

- NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW)
- NSW Department of Primary Industries and Regional Development (DPIRD) – Fisheries
- NSW Department of Planning, Housing and Infrastructure (DPHI) – Crown Lands and Planning
- National Parks and Wildlife Service (NPWS)
- State Emergency Services (SES)

Council engaged with these entities throughout the development of the EMP and REF to ensure that the relevant legislation is appropriately complied with. These agencies have all provided in-principle support of Council's EMP.

## Community Consultations

The draft Shoalhaven River EMP and Review of Environmental Factors (REF) was publicly exhibited for 13 weeks from 24 February 2025 to 26 May 2025. During this exhibition period an additional petition was undertaken by SHET on behalf of the Shoalhaven Heads community and this was tabled at Ordinary Meeting on 27 May 2025. The outcomes from the public exhibition and community consultation process and how the EMP compares against the petition feedback is summarised in this report.

The public exhibition process involved:

- Provision of the draft Shoalhaven River EMP electronically on the *Shoalhaven Entrance Management Policy Review Get Involved* webpage: <https://getinvolved.shoalhaven.nsw.gov.au/shoalhaven-entrance-management-policy-review> and the *Documents on Exhibition* section of the Council website.
- Provision of the *Shoalhaven River Entrance Management Policy Trigger Level Review (2024)* memo, EMP Trigger Level Review Summary Video, and *draft Shoalhaven River Entrance Opening Review of Environmental Factors (2025)* on the *Shoalhaven Entrance Management Policy Review Get Involved* webpage.
- To help explain the complexities of Shoalhaven River entrance management, Council also prepared a brief, educational video. The video discusses how the entrance to the Shoalhaven River naturally behaves, how Council manages the river entrance and why the entrance is not opened outside of flood conditions. This video was hosted on the *Shoalhaven Entrance Management Policy Review Get Involved* webpage and Entrance Management (<https://www.shoalhaven.nsw.gov.au/Environment-and-emergency/Coast-and-waterways/Entrance-management>) webpages.
- Engagement with the community via social media, Council community newsletter, media release, email to subscribers of relevant Lower Shoalhaven River Coastal Management and Floodplain Management Get Involved webpages, and notification of the community groups such as the Shoalhaven Heads Community Forum and SHET.

The following summarises the engagement achieved throughout the public exhibition process:

- 10 submissions on the draft EMP were received.

- 7 submissions from community members included identical content to the SHET petition and requested that the EMP considers provision to lower the entrance berm to 1.8m AHD when the water level reaches 1.5m AHD to prevent undertaking works when the trigger level is reached, and flexibility in the EMP. As noted in the above table, the EMP already includes mechanical berm lowering as well as other measures such as pre-emptive pilot channel excavation, pilot channel excavation, dry notch maintenance and berm maintenance within a toolbox of entrance management measures that can be deployed by Council. Some amendments have been made to the EMP wording to provide further discussion and clarification.
- 2 submissions from community members covered matters relevant to shorebirds. Some amendments have been made to the EMP wording to provide further discussion and clarification. One of these submissions noted that lack of detail in the EMP for shorebirds, however this information is included in the REF which was also on public exhibition and is the most appropriate location for this information.
- 1 submission was provided by the NSW DCCEEW for the EMP and REF covering threatened species licence provisions, dry notch maintenance, and assessments of significance in the REF. Some amendments have been made to the EMP and REF wording to address this feedback.
- Targeted consultation has been undertaken with members of the Shoalhaven Heads community following completion of the public exhibition period. Amendments have been made to the EMP as a result of this consultation.

Following the public exhibition period, the draft EMP and REF has been updated based on the submissions received.

### Policy and Statutory Implications

The Shoalhaven River EMP has been developed in accordance with all relevant State and Federal Government legislation. This includes the NSW Flood Prone Land Policy and Flood Risk Management Manual (2023). Entrance management as a flood risk mitigation measure is also supported by the draft Lower Shoalhaven River CMP and hence the Coastal Management Act (2016).

The REF has been developed in line with the legislative requirements of the Environmental Planning and Assessment Act 1979 (EP&A Act). It also considers the relevant provisions of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), and other relevant NSW environmental legislation and environmental planning instruments.

Following adoption of the EMP (2025) and obtaining an NSW Crown Lands licence, the existing *Shoalhaven River Entrance Management Plan for Flood Mitigation (2006)* will be superseded.

### Financial Implications

The Shoalhaven River EMP and REF has been prepared by Council with funding assistance received from NSW DCCEEW through a Coast and Estuaries Grant (Lower Shoalhaven River CMP) and Floodplain Management Grant (Lower Shoalhaven River Floodplain Risk Management Study & Plan). This grant funding has provided a two-thirds contribution from the NSW State Government for the completion of the EMP and REF.

Following adoption of the EMP and obtaining a NSW Crown Lands licence, Council will undertake entrance management actions as required with existing entrance management operational budgets.

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## Risk Implications

The *Lower Shoalhaven River Floodplain Risk Management Plan (2011)* includes a mitigation measure to implement Council's Shoalhaven River Entrance Management Plan for Flood Mitigation to ensure that the optimal flood mitigation benefit is achieved through management of the Shoalhaven River entrance at Shoalhaven Heads in an ecologically sustainable manner.

By adopting the updated *Shoalhaven River EMP (2025)*, Council meets its obligations under the NSW Flood Prone Land Policy to manage flood risk within the Shoalhaven River catchment.

Should Council choose not to adopt and implement the updated EMP, it may jeopardise Council's exemption from liability for decisions made within the Lower Shoalhaven River catchment relating to flood liable land under section 7.33 of the Local Government Act 1993.

Section 733 of the Local Government Act 1993 provides local councils and statutory bodies representing the Crown, and their employees, with a limited legal indemnity for certain advice given that relates to the likelihood of flooding or the extent of flooding. The Act also provides that a council that acts in accordance with the Manual relating to the management of flood liable land is taken to have acted in good faith in relation to advice given, or things done or not done, relating to the likelihood of flooding or the extent of flooding.

Broader flood investigations and associated investigations of potential flood mitigation measures are being investigated as part of the Lower Shoalhaven River Floodplain Risk Management Study & Plan which is underway and will be completed in 2025 ready for public exhibition and community consultation.

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## CL25.274 Adoption of the Lake Conjola Entrance Management Policy

**HPERM Ref:** D25/339260

**Department:** Environmental Services

**Approver:** Lindsay Usher, Acting Director - City Development

**Attachments:** 1. Lake Conjola Entrance Management Policy (under separate cover) [⇒](#)

### Purpose:

To provide Council with an update on the outcomes of the draft Lake Conjola Entrance Management Policy (EMP) public exhibition and community consultation. Then seek Council's adoption of the *Lake Conjola EMP (2025)*.

### Summary and Key Points for Consideration:

Council has completed a review of the entrance management arrangements for Lake Conjola.

The Lake Conjola EMP takes into consideration a range of environmental factors and includes the outcome of an evidence-based, technical review of the planned opening levels and associated entrance management options to inform the entrance management procedures within the EMP.

The Lake Conjola entrance is located on land owned by NSW Crown Lands. Council is only permitted to mechanically open entrances in accordance with the planned opening water levels and conditions contained within EMPs, and the corresponding NSW Crown Lands licence (to be applied for upon adoption of this EMP). The Lake Conjola EMP has been developed in accordance with all relevant State and Federal Government legislation.

The updated draft EMP (2025) includes significantly improved entrance management measures than are included in the *NSW Crown Lands licence (2021)*. The EMP discusses occasional dredging of the ebb tide channel as a contingency measure, but this has not been assessed in the supporting Lake Conjola REF. Each ebb tide channel dredging campaign would need to be supported by a separate REF. Even if an ebb tide channel dredging campaign is undertaken, the lake can still close due to natural processes such as coastal storms which deposit sand in the entrance. The updated EMP provides significantly improved entrance management measures for opening Lake Conjola following a natural closure.

The draft Lake Conjola EMP was publicly exhibited for 4 weeks from 25 October 2024 to 25 November 2024 and an additional 7 weeks from 10 April 2025 to 1 June 2025. The draft Lake Conjola Review of Environmental Factors (REF) was publicly exhibited from 10 April 2025 to 1 June 2025. The outcomes from the public exhibition and community consultation process are summarised in this report.

Following adoption of the Lake Conjola EMP, the EMP and supporting REF will be submitted to NSW Crown Lands to obtain an NSW Crown Lands licence to allow Council to undertake entrance management in accordance with the updated *Lake Conjola EMP (2025)*. Council will also submit an application to the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) for a Threatened Species Permit to assist with entrance management.

Council will commence implementation a Total Flood Warning System (TFWS) at Lake Conjola in 2025. When fully implemented, this TFWS will predict lake levels in a flood event, provide early warning, and assist with flood event response and pre-flood entrance

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management procedures. It is important to note that the TFWS will allow pre-emptive entrance management works to be undertaken and for this reason the Lake Conjola EMP includes a range of management measures in a toolbox of entrance management options. In summary the TFWS will complement the Lake Conjola EMP.

### Recommendation

That Council:

1. Adopt the Lake Conjola Entrance Management Policy (EMP);
2. Submit the EMP and supporting Review of Environmental Factors (REF) to NSW Crown Lands to obtain a NSW Crown Lands licence.

### Options

1. As recommended. Council adopts the Lake Conjola Entrance Management Policy (EMP). Then the EMP and supporting REF will be submitted to NSW Crown Lands to obtain an NSW Crown Lands licence.

Implications: Council's adoption of the EMP will allow Council to obtain an NSW Crown Lands licence and Threatened Species Permit to undertake entrance management in accordance with the updated *Lake Conjola EMP (2025)*. The updated EMP includes significantly improved entrance management measures to assist to reduce flood risk at Lake Conjola, especially when complemented by the proposed TFWS.

2. Not adopt, or, seek further modification to the Lake Conjola EMP.

Implications: Additional modifications to the draft EMP, if significant, would require further public exhibition and reporting back to Council. Under such a scenario, additional Council time and budget would be required for the project team to engage a consultant to complete this work, which would delay the community benefiting from the improved entrance management measures included in the EMP. Recent entrance openings such as in April 2025 would have significantly benefited from the measures included in the updated EMP. By adopting the EMP, Council meets its obligations under the NSW Flood Prone Land Policy to help manage flood risk in the Lake Conjola floodplain. Should Council choose not to adopt the improved EMP, it may jeopardise Council's exemption from liability for decisions made relating to flood liable land under section 7.33 of the Local Government Act 1993. This project has been funded by the NSW DCCEEW Coast and Estuary Grants Program with a one third contribution by Council. Applications for additional funding and time may not be successful due to several variations already approved on this project and the Lake Conjola CMP project now being considered complete. Consequently, there is no scope or budget for further significant amendments to the EMP and supporting REF.

### Background and Supplementary information

An EMP identifies the planned water 'trigger' levels and procedures in which Council opens the entrance of waterways to the ocean, to assist with flood mitigation to low-lying properties and infrastructure. Lake Conjola is classified as an intermittently closed and open lake and lagoon (ICOLL).

The purpose of an EMP is to assist with flood mitigation to historic low-lying habitable floor areas. It is important to highlight that an EMP will not prevent flooding from occurring in flood prone areas (nor does it intend to) and that occupying flood prone land therefore comes at a risk.

The Lake Conjola entrance is located on land owned by NSW Crown Lands. Council is only permitted to mechanically open entrances in accordance with the trigger levels and conditions contained within an EMP, and the relevant NSW Crown Lands licence.

Council has completed a review of the entrance management arrangements for Lake Conjola in association with the Lake Conjola CMP. The EMP was decoupled from the CMP post public exhibition following the 29 April 2025 Ordinary Meeting as per MIN25.195. Noting that the Lake Conjola CMP was adopted on 10 June 2025 as per MIN25.300 and has subsequently been submitted to the relevant NSW Government minister for certification.

The Lake Conjola EMP takes into consideration a range of environmental factors and includes the outcome of an evidence-based, technical review of the trigger levels to inform the entrance management options within the EMP.

The draft Lake Conjola EMP includes the following entrance management measures:

- Dry notch maintenance to reduce the sand burden behind the entrance berm to facilitate quicker entrance openings. This maintenance will typically be undertaken in the non-shorebird nesting season in a manner intended to limit sand elevation in the dry notch area for the duration of the next shorebird nesting season. It is noted that dry notch maintenance was not included in the existing *Lake Conjola Interim EMP (2013)* and *NSW Crown Lands licence (2021)*.
- Pilot channel excavation based on the planned opening levels being reached.
- Mechanical berm lowering to lower the natural sand berm area prior to a flood and allow the entrance berm to naturally overtop and open. In practice this would operationally require the natural sand berm area to be lowered below the planned opening level to allow for some potential increase in berm elevation from storm washover immediately prior to the flood peak rising in Lake Conjola and overtopping the entrance berm. It is noted that pilot channel excavation could still be undertaken following initial mechanical berm lowering works when this can be undertaken safely, but if this could not occur, the natural sand berm area would have already been lowered to allow natural opening by the planned opening level. It is noted that mechanical berm lowering was not included in the existing *Lake Conjola Interim EMP (2013)* and *NSW Crown Lands licence (2021)*.

It is noted that the draft EMP discusses occasional dredging of the ebb tide channel as a contingency measure, but this has not been assessed in the supporting Lake Conjola REF. Each ebb tide channel dredging campaign would need to be supported by a separate REF (and potential Environmental Impact Statement (EIS)).

The development of an EMP also involves the preparation of a supporting REF. The purpose of an REF is to describe the proposed activity and assess the likely environmental impact(s) of that activity. It also identifies suitable mitigation measures to reduce the likely environmental impact(s), if any, of the proposal. An REF is developed in line with the legislative requirements of the Environmental Planning and Assessment Act 1979 (EP&A Act). It also considers the relevant provisions of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), and other relevant NSW environmental legislation and environmental planning instruments.

The EMP (2025) is now being presented to Council for adoption. Following adoption of the draft EMP (2025), the EMP and supporting REF will be submitted to NSW Crown Lands to obtain an NSW Crown Lands licence. Concurrence from NSW Crown Lands, DPI Fisheries, NSW DCCEEW and NSW NPWS is required for approval.

Following receipt of a NSW Crown Lands licence, Council will also submit an application to the NSW DCCEEW for a Threatened Species Permit. This permit provides a procedure and associated mitigation measures for the NSW NPWS and Council to legally implement in situations in which entrance management works are required at times in which threatened shorebirds are present in the entrance area. It is noted that this is a procedure that Council

has already been through for the Tabourie Lake entrance when the EMP was last updated and is an ongoing requirement for all adopted EMP's.

Council will commence implementation of a TFWS at Lake Conjola in 2025 following the completion of a TFWS Scoping Study in March 2025 and securing the necessary funds from the NSW Government and Council to implement a TFWS. When fully implemented, this TFWS will predict lake levels in a flood event, provide early warning, and assist with flood event response and pre-flood entrance management procedures. It is important to note that the TFWS will assist pre-emptive entrance management works to be undertaken and for this reason the Lake Conjola EMP includes a range of management measures in a toolbox of entrance management options. In summary the TFWS will complement the Lake Conjola EMP.

### Internal Consultations

Consultation has been undertaken as business as usual with the relevant operational staff at Council throughout all stages of the EMP and REF development.

### External Consultations

Throughout all stages of the EMP and REF development, external consultation was carried with a range of representatives from NSW State Government agencies. These included:

- NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW)
- NSW Department of Primary Industries and Regional Development (DPIRD) – Fisheries
- NSW Department of Planning, Housing and Infrastructure (DPHI) – Crown Lands and Planning
- National Parks and Wildlife Service (NPWS)
- State Emergency Services (SES)

Council engaged with these entities throughout the development of the EMP and REF to ensure that the relevant legislation is appropriately complied with. These agencies have all provided in-principle support of Council's EMP.

### Community Consultations

The draft Lake Conjola EMP was publicly exhibited (as part of the CMP) for 4 weeks from 25 October 2024 to 25 November 2024 and an additional 7 weeks (following decoupling of the EMP from the CMP) from 10 April 2025 to 1 June 2025. The draft Lake Conjola Review of Environmental Factors (REF) was publicly exhibited for 7 weeks from 10 April 2025 to 1 June 2025.

The EMP public exhibition process involved:

- Provision of the draft Lake Conjola EMP electronically on the *Shoalhaven Entrance Management Policy Review Get Involved* webpage: <https://getinvolved.shoalhaven.nsw.gov.au/shoalhaven-entrance-management-policy-review> and the *Documents on Exhibition* section of the Council website.
- Provision of the *draft Lake Conjola Entrance Opening Review of Environmental Factors (2025)* on the *Shoalhaven Entrance Management Policy Review Get Involved* webpage.

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- Engagement with the community via social media, Council community newsletter, media release, email to subscribers of relevant Lake Conjola Coastal Management and Floodplain Management Get Involved webpages, and notification of the community groups such as the lake Conjola Community Association.

The main theme in community feedback from the Lake Conjola CMP public exhibition from 25 October 2024 to 25 November 2024 was associated with entrance management. Some common themes raised are summarised below. Council feedback on these comments is provided in italics.

- Requests that the lake is maintained in an open condition by regular dredging or training the entrance with breakwalls.
- *[This is not an objective that can be achieved with an EMP to open an ICOLL].*
- An open entrance improves poor water quality that occurs when the entrance is closed.

*[It is noted that NSW Government agencies do not support opening an ICOLL for water clarity and/or water quality objectives. It is for this reason that the EMP includes mitigation measures to manage flood risk to existing low-lying development.]*

- If the entrance is open, flooding will not be experienced.

*[This statement is incorrect. Lake Conjola has most recently flooded with an open entrance in July 2025 (1.60m Australian Height Datum (AHD)) and March 2022 (1.57m AHD).]*

- The previous mechanical opening approach has been ineffective, particularly when flood events occur overnight.

*[The NSW Crown Lands licence (2021) only includes measures to open the lake when water level triggers have been met. The inclusion of additional entrance management measures in the updated EMP such as dry notch maintenance and berm lowering in addition to pilot channel excavation provides a range of management options to facilitate an entrance opening during daylight hours or overnight. The February 2020 and November 2023 entrance openings, for which flooding occurred overnight, would have significantly benefited from the dry notch maintenance and mechanical berm lowering provisions included in the updated EMP. As noted above, the updated draft EMP includes significantly improved entrance management measures than are included in the NSW Crown Lands licence (2021)]*

- Council uses guesswork or their interpretation of weather events to decide when to open the entrance.

*[Council utilises available rainfall forecasts and information from rainfall and water level gauges when opening Lake Conjola. It is noted that the Lake Conjola TFWS will predict lake levels in a flood event, provide early warning, and assist with flood event response and pre-flood entrance management procedures. It is important to note that the TFWS will allow pre-emptive entrance management works to be undertaken and for this reason the Lake Conjola EMP includes a range of management measures in a toolbox of entrance management options.]*

- Council is proposing entrance management that is similar to the current inadequate approach.

*[This statement is incorrect. As noted in this report, the updated draft EMP includes significantly improved entrance management measures than are included in the NSW Crown Lands licence (2021)]*

The following summarises the engagement achieved throughout the EMP public exhibition process from 10 April 2025 to 1 June 2025:

- 15 submissions on the draft EMP were received.
- 12 submissions from community members that cover the following themes. It is noted that only one of these submissions included any feedback on the specific EMP content. Council feedback on these comments is provided in italics.

- Desire for blue water in Lake Conjola for tourism and water sports benefits facilitated by openings for tidal flushing.

*[This is not an objective that can be achieved with an EMP to open an ICOLL].*

- The communities request for dredging to assist with water clarity and/or water quality and flood management objectives. This covered ebb tide dredging and dredging within the lake, but some comments noted that a permanent entrance opening was not wanted.

*[It is noted that NSW Government agencies do not support opening an ICOLL for water clarity and/or water quality objectives. It is for this reason that the EMP includes mitigation measures to manage flood risk to existing low-lying development. The EMP discusses occasional dredging of the ebb tide channel as a contingency measure, but this has not been assessed in the supporting Lake Conjola REF. Each ebb tide channel dredging campaign would need to be supported by a separate REF (or potential EIS). Even if an ebb tide channel dredging campaign is undertaken, the lake can still close due to natural processes such as coastal storms which deposit sand in the entrance. The updated EMP provides significantly improved entrance management measures for opening Lake Conjola following a natural closure.]*

- Comments that the current trigger levels included in the NSW Crown Lands licence (2021) were ineffective for the April 2025 entrance opening.

*[It is noted that the updated draft EMP includes significantly improved entrance management measures than are included in the NSW Crown Lands licence (2021). The provision of dry notch maintenance, pilot channel excavation and mechanical berm lowering within the EMP, especially when combined with early flood warnings from a TFWS, provides a range of management options to facilitate an entrance opening during daylight hours or overnight that reduces flood risk and prevents the entrance quickly closing up again. If the updated EMP had been adopted and an NSW Crown Lands licence made available prior to April 2025, dry notch maintenance would have been undertaken, and the pilot channel length would have been significantly shorter. This would have resulted in higher flow velocities through the pilot channel, and the lake entrance would have scoured open much quicker. The role of a dry notch as included in the updated draft EMP is to reduce the sand burden behind the beach berm to reduce the pilot channel length to facilitate a quicker and more effective entrance opening.]*

- Feedback on individual preferences for what specific text is included in the EMP or REF.

*[The EMP and REF include the necessary information as required by relevant State and Federal Government legislation and NSW Government Agency requirements].*

- Comments that the current trigger levels NSW Crown Lands licence (2021) have proven ineffective for entrance openings at nighttime. This includes one comment that a lower trigger level of 0.8m AHD should be considered.

*[The NSW Crown Lands licence (2021) only includes measures to open the lake when water level triggers have been met. The inclusion of additional entrance management measures in the updated EMP such as dry notch*

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*maintenance and berm lowering in addition to pilot channel excavation provides a range of management options to facilitate an entrance opening during daylight hours or overnight that reduces flood risk and prevents the entrance quickly closing up again. The February 2020 and November 2023 entrance openings, for which flooding occurred overnight, would have benefited from the dry notch maintenance and mechanical berm lowering provisions included in the updated EMP. As noted above, the April 2025 entrance opening would have benefited from the dry notch maintenance provision included in the updated EMP. As noted above, the updated draft EMP includes significantly improved entrance management measures than are included in the NSW Crown Lands licence (2021). A key driver for the relatively ineffective entrance openings in April 2025 and June 2019 was the attempt to open at very low levels below 1.0m AHD.]*

- 3 submissions from NSW Government agencies, including NSW DCCEEW, NPWS and DPIRD Fisheries.

*[This feedback covered shorebird management, agency contact details, feedback to establish effective and repeatable flora and fauna management practices for future EMP revisions within the LGA, and REF feedback.]*

It is noted that Mechanical openings at low levels are difficult and are often short lived due to several factors:

- The water level at the time of opening is typically too low, or the tides too high, to create the surge required for effective scouring of the excavated pilot channel, also known as insufficient 'hydraulic head'. For example, in the April 2025 entrance opening, the lake water level was not significantly higher than the ocean water level when opened at 0.93m AHD (at times it would have been lower) and this resulted in an ineffective entrance opening given water needs to flow downhill with sufficient velocity to scour open the entrance.
- Opening the lake at a level lower than the trigger level will lead to an even more rapid closure of the entrance. The better the scour, the longer the lake stays open.
- Storm wash-over carries offshore sand back into the entrance causing sand build up through the entrance.

Following the public exhibition period, the draft EMP and REF has been updated based on the submissions received.

### **Policy and Statutory Implications**

The Lake Conjola EMP has been developed in accordance with all relevant State and Federal Government legislation. This includes the NSW Flood Prone Land Policy and Flood Risk Management Manual (2023). Entrance management as a flood risk mitigation measure is also supported by Council's adopted Lake Conjola Coastal Management Program (CMP) and hence the Coastal Management Act (2016).

The REF has been developed in line with the legislative requirements of the Environmental Planning and Assessment Act 1979 (EP&A Act). It also considers the relevant provisions of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), and other relevant NSW environmental legislation and environmental planning instruments.

Following adoption of the EMP (2025) and obtaining an NSW Crown Lands licence, the existing *Lake Conjola Interim EMP (2013)* and supporting *NSW Crown Lands licence (2021)* will be superseded.

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### Financial Implications

The Lake Conjola EMP has been prepared by Council with funding assistance received from NSW DCCEEW through a Coast and Estuaries Grant (Lake Conjola CMP). This grant funding has provided a two-thirds contribution from the NSW State Government for the completion of the EMP. The supporting REF was fully funded by Council.

Following adoption of the EMP and obtaining a NSW Crown Lands licence, Council will undertake entrance management actions as required with existing entrance management operational budgets.

### Risk Implications

The *Lake Conjola Floodplain Risk Management Plan (2013)* includes a mitigation measure to implement an entrance management policy for flood mitigation benefits.

By adopting the updated *Lake Conjola EMP (2025)*, Council meets its obligations under the NSW Flood Prone Land Policy and Flood Risk Management Manual (2023) to manage flood risk within the Lake Conjola catchment.

Should Council choose not to adopt and implement the updated EMP, it may jeopardise Council's exemption from liability for decisions made within the Lake Conjola catchment relating to flood liable land under section 7.33 of the Local Government Act 1993.

Section 733 of the Local Government Act 1993 provides local councils and statutory bodies representing the Crown, and their employees, with a limited legal indemnity for certain advice given that relates to the likelihood of flooding or the extent of flooding. The Act also provides that a council that acts in accordance with the Manual relating to the management of flood liable land is taken to have acted in good faith in relation to advice given, or things done or not done, relating to the likelihood of flooding or the extent of flooding.

## CL25.275 Adoption of the Swan Lake Entrance Management Policy

**HPERM Ref:** D25/339283

**Department:** Environmental Services

**Approver:** Lindsay Usher, Acting Director - City Development

**Attachments:** 1. Draft Swan Lake Entrance Management Policy (under separate cover)  
[→](#)

### Purpose:

To provide Council with an update on the outcomes of the draft Swan Lake Entrance Management Policy (EMP) public exhibition and community consultation. Then seek Council's adoption of the *Swan Lake EMP (2025)*.

### Summary and Key Points for Consideration:

Council has completed a review of the entrance management arrangements for Swan Lake.

The Swan Lake EMP takes into consideration a range of environmental factors and includes the outcome of an evidence-based, technical review of the planned opening levels and associated entrance management options to inform the entrance management procedures within the EMP.

The Swan Lake entrance is located on land owned by NSW Crown Lands. Council is only permitted to mechanically open entrances in accordance with the planned opening water levels and conditions contained within EMPs, and the corresponding NSW Crown Lands licence (to be applied for upon adoption of this EMP). The Swan Lake EMP has been developed in accordance with all relevant State and Federal Government legislation.

The draft Swan Lake EMP and REF was publicly exhibited for 4 weeks from 2 June 2025 to 30 June 2025. The outcomes from the public exhibition and community consultation process are summarised in this report.

Following adoption of the Swan Lake EMP, the EMP and supporting REF will be submitted to NSW Crown Lands to obtain an NSW Crown Lands licence to allow Council to undertake entrance management in accordance with the updated *Swan Lake EMP (2025)*. Council will also submit an application to the NSW Department of Climate Change, Energy, the Environment and Water (DCCEE) for a Threatened Species Permit to assist with entrance management.

### Recommendation

That Council:

1. Adopt the Swan Lake Entrance Management Policy (EMP);
2. Submit the EMP and supporting Review of Environmental Factors (REF) to NSW Crown Lands to obtain an NSW Crown Lands licence.

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## Options

1. As recommended. Council adopts the Swan Lake Entrance Management Policy (EMP). Then the EMP and supporting REF will be submitted to NSW Crown Lands to obtain an NSW Crown Lands licence.

Implications: Council's adoption of the EMP will allow Council to obtain an NSW Crown Lands licence and Threatened Species Permit to undertake entrance management in accordance with the updated *Swan Lake EMP (2025)*.

2. Not adopt, or, seek further modification to the Swan Lake EMP.

Implications: Additional modifications to the draft EMP, if significant, would require further public exhibition and reporting back to Council. Under such a scenario, additional Council time and budget would be required for the project team to engage a consultant to complete this work, which would delay the community benefiting from the improved entrance management measures included in the EMP. By adopting the EMP, Council meets its obligations under the NSW Flood Prone Land Policy to help manage flood risk in the Swan Lake floodplain. Should Council choose not to adopt the improved EMP, it may jeopardise Council's exemption from liability for decisions relating to flood liable land under section 7.33 of the Local Government Act 1993. This project has been funded by the NSW DCCEEW Coast and Estuary Grants Program with a one third contribution by Council. Applications for additional funding and time may not be successful due to several variations already approved on this project and the Sussex Inlet, St Georges basin, Berrara and Swan Lake Coastal Management Program (CMP) project now being considered complete. Consequently, there is no scope or budget for further significant amendments to the EMP and supporting REF.

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## Background and Supplementary information

An EMP identifies the planned water "trigger" levels and procedures in which Council opens the entrance of waterways to the ocean, to assist with flood mitigation to low-lying properties and infrastructure. Swan Lake is classified as an intermittently closed and open lake and lagoon (ICOLL).

The purpose of an EMP is to assist with flood mitigation to historic low-lying habitable floor areas. It is important to highlight that an EMP will not prevent flooding from occurring in flood prone areas (nor does it intend to) and that occupying flood prone land therefore comes at a risk.

The Swan Lake entrance is located on land owned by NSW Crown Lands. Council is only permitted to mechanically open entrances in accordance with the trigger levels and conditions contained within an EMP, and the relevant NSW Crown Lands licence.

Council has completed a review of the entrance management arrangements for Swan Lake as part of the Sussex Inlet, St Georges basin, Berrara and Swan Lake CMP. The EMP was decoupled from the CMP and hence not included in the CMP public exhibition. Noting that the Sussex Inlet, St Georges basin, Berrara and Swan Lake CMP was adopted on 10 June 2025 as per MIN25.298 and has subsequently been submitted to the relevant NSW Government minister for certification.

The Swan Lake EMP takes into consideration a range of environmental factors and includes the outcome of an evidence-based, technical review of the trigger levels to inform the entrance management options within the EMP. The updated Swan Lake EMP includes a 2.5m AHD planned opening level (as per current EMP) and has slightly raised the prolonged inundation trigger level from 2.2 to 2.3m AHD.

The draft Swan Lake EMP includes pilot channel excavation based on the planned opening levels being reached.

The development of an EMP also involves the preparation of a supporting REF. The purpose of an REF is to describe the proposed activity and assess the likely environmental impact(s) of that activity. It also identifies suitable mitigation measures to reduce the likely environmental impact(s), if any, of the proposal. An REF is developed in line with the legislative requirements of the Environmental Planning and Assessment Act 1979 (EP&A Act). It also considers the relevant provisions of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), and other relevant NSW environmental legislation and environmental planning instruments.

The EMP (2025) is now being presented to Council for adoption. Following adoption of the draft EMP (2025), the EMP and supporting REF will be submitted to NSW Crown Lands to obtain a NSW Crown Lands licence. Concurrence from NSW Crown Lands, DPI Fisheries, NSW DCCEEW and NSW NPWS is required for approval.

Following receipt of a NSW Crown Lands licence, Council will also submit an application to the NSW DCCEEW for a Threatened Species Permit. This permit provides a procedure and associated mitigation measures for the NSW NPWS and Council to legally implement in situations in which entrance management works are required at times in which threatened shorebirds are present in the entrance area. It is noted that this is a procedure that Council has already been through for the Tabourie Lake entrance when the EMP was last updated and is an ongoing requirement for all adopted EMP's.

### Internal Consultations

Consultation has been undertaken as business as usual with the relevant operational staff at Council throughout all stages of the EMP and REF development.

### External Consultations

Throughout all stages of the EMP and REF development, external consultation was carried with a range of representatives from NSW State Government agencies. These included:

- NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW)
- NSW Department of Primary Industries and Regional Development (DPIRD) – Fisheries
- NSW Department of Planning, Housing and Infrastructure (DPHI) – Crown Lands and Planning
- National Parks and Wildlife Service (NPWS)
- State Emergency Services (SES)

Council engaged with these entities throughout the development of the EMP and REF to ensure that the relevant legislation is appropriately complied with. These agencies have all provided in-principle support of Council's EMP.

### Community Consultations

The draft Swan Lake EMP and REF was publicly exhibited for 4 weeks from 2 June 2025 to 30 June 2025.

The public exhibition process involved:

- Provision of the draft Swan Lake EMP electronically on the *Shoalhaven Entrance Management Policy Review Get Involved* webpage:

<https://getinvolved.shoalhaven.nsw.gov.au/shoalhaven-entrance-management-policy-review> and the *Documents on Exhibition* section of the Council website.

- Provision of the *draft Swan Lake Entrance Opening Review of Environmental Factors (2025)* on the *Shoalhaven Entrance Management Policy Review Get Involved* webpage.
- Engagement with the community via social media, Council community newsletter, media release, email to subscribers of relevant CMP Get Involved webpages, and notification of the community groups.

The following summarises the engagement achieved throughout the public exhibition process:

- 3 submissions on the draft EMP and REF were received.
- 1 submission from a community member that was in support of the draft EMP content. This community feedback also raised concerns about a potential opening of the lake at The Gap.
  - It is noted that the Sussex Inlet, St Georges basin, Berrara and Swan Lake CMP includes management measure E03 - Monitor risk of breakout of Swan Lake at The Gap, assess the implications should a break-out occur and undertake sand scraping and dune revegetation to build up the dune.
  - Management measure E03 notes that “Monitor the berm level at “The Gap”, Swan Lake as well as the current entrance berm, to assess the risk of a lake breach at “The Gap” location. If the regular survey shows that the berm level at “The Gap” falls below 2.5m Australian Height Datum (AHD), it is recommended that beach scraping be initiated to increase the level to at least 3.0m AHD, combined with dune revegetation to build up the dune and stabilise it to reduce risk of breakout. Assess the implications of breakout at “The Gap” to estuary dynamics through a hydrodynamic modelling assessment (refer to Action E05). The results of this study should be presented to the community for their information and understanding as a community education exercise. The assessment will assess whether the beach scraping should continue, or whether the lake should be allowed to break out naturally at this location.”
- 2 submissions from NSW Government agencies, including NSW DCCEEW and DPIRD Fisheries.

*[This feedback covered minor updates to contact details and references, and feedback on the REF.]*

Following the public exhibition period, the draft EMP and REF has been updated based on the submissions received.

## Policy and Statutory Implications

The Swan Lake EMP has been developed in accordance with all relevant State and Federal Government legislation. This includes the NSW Flood Prone Land Policy and Flood Risk Management Manual (2023). Entrance management as a flood risk mitigation measure is also supported by Council’s adopted Sussex Inlet, St Georges Basin, Swan Lake & Berrara Creek CMP and hence the Coastal Management Act (2016).

The REF has been developed in line with the legislative requirements of the Environmental Planning and Assessment Act 1979 (EP&A Act). It also considers the relevant provisions of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC

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Act), and other relevant NSW environmental legislation and environmental planning instruments.

Following adoption of the EMP (2025) and obtaining an NSW Crown Lands licence, the existing EMP (2008) and NSW Crown Lands licence will be superseded.

### Financial Implications

The Swan Lake EMP and REF has been prepared by Council with funding assistance received from NSW DCCEEW through a Coast and Estuaries Grant (Sussex Inlet, St Georges basin, Berrara and Swan Lake CMP). This grant funding has provided a two-thirds contribution from the NSW State Government for the completion of the EMP.

Following adoption of the EMP and obtaining a NSW Crown Lands licence, Council will undertake entrance management actions as required with existing entrance management operational budgets.

### Risk Implications

By adopting the updated *Swan Lake EMP (2025)*, Council meets its obligations under the NSW Flood Prone Land Policy and Flood Risk Management Manual (2023) to manage flood risk within the Swan Lake catchment.

Should Council choose not to adopt and implement the updated EMP, it may jeopardise Council's exemption from liability for decisions made within the Swan Lake catchment relating to flood liable land under section 7.33 of the Local Government Act 1993.

Section 733 of the Local Government Act 1993 provides local councils and statutory bodies representing the Crown, and their employees, with a limited legal indemnity for certain advice given that relates to the likelihood of flooding or the extent of flooding. The Act also provides that a council that acts in accordance with the Manual relating to the management of flood liable land is taken to have acted in good faith in relation to advice given, or things done or not done, relating to the likelihood of flooding or the extent of flooding.

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## CL25.276 Lake Conjola Voluntary House Raising Scheme

**HPERM Ref:** D25/339336

**Department:** Environmental Services

**Approver:** Lindsay Usher, Acting Director - City Development

### Purpose:

To inform Council about the recently completed *Lake Conjola Voluntary House Raising Scoping Study (2025)* and seek approval to undertake targeted engagement with eligible property owners to understand their interest in being part of a Voluntary House Raising Scheme.

This targeted engagement would ideally be undertaken as part of broader community engagement that highlights how a range of Council projects form part of a strategic roadmap to reduce flood risk to the Lake Conjola community, in the short, medium, and long-term.

### Summary and Key Points for Consideration:

There has been significant focus on the Lake Conjola Entrance Management Policy (EMP) to help manage flood risk. Whilst the EMP is an important flood mitigation measure for small and frequent flood events, there has been limited focus on mitigation measures that address the root cause of the problem i.e. historic low-lying development on flood prone land with very low floor levels. Keeping in mind that Lake Conjola can flood with an open entrance as demonstrated most recently in July 2025 (1.60m AHD) and March 2022 (1.57m AHD).

The *Lake Conjola Floodplain Risk Management Study and Plan (2013)* included a measure to investigate a Voluntary House Raising Scheme (VHRS) to reduce flood damage to existing low-lying residential properties.

A *Lake Conjola Voluntary House Raising Scoping Study (2025)* has recently been completed using floor level survey data obtained as part of the *Shoalhaven LGA Floor Level Survey for Flood Planning (2024)* project.

The *Lake Conjola Voluntary House Raising Scoping Study (2025)* identified a number of properties which are potentially eligible for voluntary house raising and these have been prioritised into Tier 1 (highest risk – most benefit), Tier 2 (moderate risk – medium benefit) and Tier 3 (lower risk – some benefit). Twelve Tier 1 properties will have experienced flooding more frequently than other properties in Lake Conjola and generally comprise single storey properties with an existing floor level significantly lower than the Flood Planning Level for Lake Conjola and are constructed in such a way that floor raising would be practical.

Voluntary house raising would allow property owners to remain in their current location, but with reduced flood damages and potential reduction in insurance premiums resulting from habitable floors being raised to the Flood Planning Level.

It is proposed that Council undertake targeted engagement with landowners of eligible residential dwellings in Lake Conjola as identified from the *Lake Conjola Voluntary House Raising Scoping Study (2025)* to gauge their interest of opting-in to the proposed scheme.

### Recommendation

That Council:

1. Approve targeted engagement with eligible property owners for voluntary house raising in Lake Conjola to understand their interest in being part of a Voluntary House Raising

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Scheme.

2. Undertake broader community engagement that highlights how a range of Council projects form part of a strategic roadmap to reduce flood risk to the Lake Conjola community, in the short, medium, and long-term.

### Options

1. Council endorse targeted Council engagement with Lake Conjola property owners eligible for voluntary house raising, and broader community engagement that highlights how a range of Council projects form part of a strategic roadmap to reduce flood risk to the Lake Conjola community, in the short, medium, and long-term.

Implications: Implementation of voluntary house raising for the lowest residential properties in Lake Conjola would significantly lower their flood risk and would be expected to facilitate access to more affordable flood insurance. This would deliver the voluntary house raising scheme recommendations from the *Lake Conjola Floodplain Risk Management Study & Plan (2013)* in accordance with Council's obligations under the *NSW Flood Prone Land Policy (2023)* and *Flood Risk Management Manual (2023)*.

2. Council does not endorse Option 1.

Implications: The voluntary house raising scheme, as identified as a recommended flood risk mitigation option in the *Lake Conjola Floodplain Risk Management Study and Plan (2013)*, will not be implemented and flood risk to eligible property owners will not be reduced. By undertaking targeted engagement with eligible property owners for voluntary house raising, Council meets its obligations under the *NSW Flood Prone Land Policy* and *Flood Risk Management Manual (2023)* to help manage flood risk in the Lake Conjola floodplain. Should Council choose not to undertake targeted engagement with eligible property owners for voluntary house raising, it may jeopardise Council's exemption from liability for decisions made relating to flood liable land under section 7.33 of the *Local Government Act 1993*.

### Background and Supplementary information

The Lake Conjola village includes a significant number of low-lying residential dwellings that experience relatively frequent flooding. Flooding in these areas can be caused by catchment flooding from excess rainfall, by coastal inundation as a result of ocean storm surges and by low level persistent flooding due to elevated lake levels with a closed entrance.

The *Lake Conjola Floodplain Risk Management Study and Plan (2013)* did not include dredging as a flood risk mitigation option due to its high cost and limited impact on reducing flood risk. There has also been significant focus on the Lake Conjola Entrance Management Policy (EMP) to manage flood risk. Whilst the EMP is an important flood mitigation measure for small and frequent flood events, there has been limited focus on mitigation measures that address the root cause of the problem i.e. historic low-lying development on flood prone land with a very low floor level.

Lake Conjola can flood with an open entrance with the most recent such events occurring in July 2025 (1.60m AHD) and March 2022 (1.57m AHD). Whilst the November 2023 and February 2020 flood events coincided with a closed entrance and reached a higher peak flood level, these events also had higher catchment rainfall than the July 2025 and March 2022 flood events.

The *Lake Conjola Floodplain Risk Management Study and Plan (2013)* included a measure to investigate a Voluntary House Raising Scheme (VHRS) to reduce flood damage to existing low-lying residential properties.

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A *Lake Conjola Voluntary House Raising Scoping Study (2025)* has recently been completed using floor level survey data obtained as part of the *Shoalhaven LGA Floor Level Survey for Flood Planning (2024)* project. This is a mandatory pre-requisite requirement to obtain grant funding from the NSW Floodplain Management Program to implement a VHRS. Council has submitted a grant application to access this NSW Government funding with the outcome expected in late 2025.

The *Lake Conjola Voluntary House Raising Scoping Study (2025)* identified a number of properties which are eligible for voluntary house raising and these have been prioritised into Tier 1 (highest risk – most benefit), Tier 2 (moderate risk – medium benefit) and Tier 3 (lower risk – some benefit). A total of 12, 8 and 25 properties are included in Tier 1, Tier 2 and Tier 3 respectively. Twelve Tier 1 properties will have experienced flooding more frequently than other properties in Lake Conjola and typically comprise single storey properties with an existing floor level significantly lower than the Flood Planning Level for Lake Conjola, constructed in such a way that floor raising would be practical.

NSW planning regulations have historically allowed for, and still do allow for, development of non-habitable floor areas (storage, garage, laundry etc.) in flood zones without any requirements for minimum floor levels. Habitable floor levels, however, have to be at or above a set Flood Planning Level to reduce the risk of flooding. This is the case for numerous properties in Lake Conjola, including many two-storey dwellings which include a non-habitable ground level and habitable upper level. The majority of structures impacted by flooding in Lake Conjola comprise the lower non-habitable level for residential dwellings and cabins in low-lying caravan parks. These building types are not eligible for voluntary house raising funding from the NSW Government.

It is proposed that Council undertake targeted engagement with landowners of eligible residential dwellings in Lake Conjola as identified from the *Lake Conjola Voluntary House Raising Scoping Study (2025)* to gauge their interest of opting-in to the proposed scheme. As the name implies, it is voluntary to opt-in, where Council's role is to act as an intermediate between property owners and the State Government (grantor). This targeted engagement would be undertaken confidentially with eligible landowners.

### Internal Consultations

No formal consultation has occurred, but relevant internal stakeholders have been consulted on an as needs basis throughout the completion of the *Lake Conjola Voluntary House Raising Scoping Study (2025)*.

### External Consultations

Throughout the development of the *Lake Conjola Voluntary House Raising Scoping Study (2025)*, external consultation was undertaken with representatives from the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) and NSW State Emergency Service (SES).

### Community Consultations

No community engagement was undertaken as part of the *Lake Conjola Voluntary House Raising Scoping Study (2025)*. The objective of this study was to firstly identify existing properties in Lake Conjola that are potentially eligible for voluntary house raising and that satisfy the requirements for NSW Government funding contribution.

As noted above, it is proposed that Council undertake targeted engagement with landowners of eligible residential dwellings in Lake Conjola. This targeted engagement would be undertaken confidentially with eligible landowners.

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Further consultation would also be undertaken with the NSW SES to discuss how to balance existing flood risks against the potential benefits of house raising for landowners that may be interested in a VHRS.

It is also proposed that targeted VHRS engagement is undertaken in parallel with broader community engagement that highlights how a range of Council projects form part of a strategic roadmap to reduce flood risk to the Lake Conjola community in the short, medium, and long-term. A summary of some measures in this roadmap is provided below.

#### Short-term Strategies:

- Lake Conjola CMP. This CMP was adopted on 10 June 2025 as per MIN25.300.
- Updated Lake Conjola EMP. The updated Lake Conjola EMP is being reported to Council separately for adoption. The updated draft EMP (2025) includes significantly improved entrance management measures than are included in the *NSW Crown Lands licence (2021)* and will be complemented by the proposed Total Flood Warning System (TFWS).
- A Lake Conjola Entrance Management Community Education Video, similar to that prepared for the [Shoalhaven River at Shoalhaven Heads](#). This provides an opportunity to better inform the community about entrance management and how the updated EMP and TFWS will complement each other to predict lake levels in a flood event, provide early warning, and assist with flood event response and pre-flood entrance management procedures.
- Implementation of a TFWS at Lake Conjola. This TFWS will predict lake levels in a flood event, provide early warning, and assist with flood event response and pre-flood entrance management procedures.
- Lake Conjola Voluntary House Raising Scoping Study. Letters would be sent to eligible property owners to initiate targeted community consultation and to gauge their interest in opting-in.
- Issuing of Flood Information Letters to facilitate access to more affordable flood insurance, where possible. This was undertaken following flooding in November 2023.

#### Medium-term to Long-term Strategies:

- Implementation of a Voluntary House Raising Scheme subject to interest from the community.
- Implementation of suitable flood risk mitigation measures included in the *Lake Conjola Floodplain Risk Management Study and Plan (2013)*.
- Update the Lake Conjola Floodplain Risk Management Study and Plan to investigate contemporary flood risk management measures which are supported by the community. This would likely investigate levees, land raising, managed retreat, and raising Lake Conjola Entrance Road to improve flood evacuation capabilities.

### Policy and Statutory Implications

The NSW Flood Prone Land Policy and practice is defined in the *Flood Risk Management Manual (DCCEEW)* (the Manual), which was gazetted in June 2023 to replace the *Floodplain Development Manual (NSW Government 2005)*. Under the Policy, the management of flood risk primarily remains the responsibility of local government. The State Government provides financial and technical assistance to local government through its Floodplain Management Program which is administered by the NSW DCCEEW.

The *Lake Conjola Floodplain Risk Management Study and Plan (the Plan) (2013)* is Council's adopted plan to manage flood risk in the Lake Conjola catchment. The Plan was undertaken in accordance with the (then) *NSW Floodplain Development Manual (2005)*.

All flood risk management measures undertaken by Council are in accordance with the Manual and *Lake Conjola Floodplain Risk Management Study and Plan (2013)*. For example, the completion of a voluntary house raising scoping study is one adopted measure in the Plan, thus consistent with the principles and guidance of the Manual.

### Financial Implications

The *Lake Conjola Voluntary House Raising Scoping Study (2025)* was fully funded using contingency funds available via the \$1.19M Australian Government's Preparing Australian Communities Program – Local Stream, which funded a package of flood investigation projects all completed in March 2025.

The Floodplain Management Unit has submitted a grant application to access funding from the NSW Floodplain Management Program. The application seeks to include up to 12 residential properties in Lake Conjola, identified as "Tier 1" properties in the Scoping Study, and will seek to raise these in a prioritised manner should residents choose to opt-in and funding be available. A successful application only gives access to the funding pool with no guarantees for funding. The funding arrangements for a VHRS is 2/3 from the NSW Floodplain Management Program and 1/3 from landowners that chose to opt into a VHRS. Hence there is no financial contribution from Council's general funds. The VHRS Scoping Study grant would be administered by Council staff if landowners choose to opt-in to raise their house.

### Risk Implications

The implementation of voluntary house raising for the lowest existing residential properties in Lake Conjola would significantly lower their flood risk and flood damages.

It is important to note that house raising does not mitigate flood risk to life and, therefore, should not be undertaken as an alternative to early evacuation. Houses would not be raised enough for residents to shelter in place above the Probable Maximum Flood. A VHRS should be accompanied by local flood planning, ongoing community education, and clear advice on responding to flood threats.

Section 733 of the Local Government Act 1993 provides local councils and statutory bodies representing the Crown, and their employees, with a limited legal indemnity for certain advice given that relates to the likelihood of flooding or the extent of flooding. The Act also provides that a council that acts in accordance with the Manual relating to the management of flood liable land is taken to have acted in good faith in relation to advice given, or things done or not done, relating to the likelihood of flooding or the extent of flooding.

It is noted that Council is required to follow the principles and guidelines of the Manual when managing flood risk and flood liable land. As noted above, the completion of a voluntary house raising scoping study is one adopted measure in the Plan, thus consistent with the principles and guidance of the Manual.

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## CL25.277 Central Shoalhaven Mobile Pre-School - Council Vehicle Use Arrangements

**HPERM Ref:** D25/38334

**Department:** Cultural & Community Services

**Approver:** Lindsay Usher, Acting Director - City Development

**Attachments:**

1. Memorandum of Understanding - Central Shoalhaven Mobile Pre-School [↓](#)
2. Letter from CSMP Regarding Vehicle Use [↓](#)

### Purpose:

The purpose of this report is to provide Council with information to enable them to make a decision about the ongoing support provided to the Central Shoalhaven Mobile Pre-School as part of Council's Financial Sustainability program.

### Summary and Key Points for Consideration:

Shoalhaven City Council have supported the Central Shoalhaven Mobile Pre-School (CSMP) since 1978, with the provision, maintenance and running costs of vehicles, following a Council resolution.

Due to funding changes for pre-schools, the CSMP no longer requires the support that Council has provided as their financial situation has improved.

This report provides details on the previous resolutions of Council and the current status of the CSMP to enable Council to make a decision on whether to support the organisation with the provision of vehicles into the future.

### Recommendation

That Council:

1. Cease to fund and provide two vans and a trailer for the Central Shoalhaven Mobile Pre-School (CSMP) after the 2025/2026 financial year.
2. Delegate to the CEO the sale of the vehicles and trailer to the CSMP at a fair market rate subject to agreement between the parties and compliance with any legal requirements. If agreement cannot be reached dispose of the vehicles and trailer in the normal manner.
3. Thank and acknowledge the CSMP for the work they do providing early childhood education to families across the Shoalhaven LGA.

### Options

1. That Council cease to provide and fund two vehicles, maintenance and running costs for the Central Shoalhaven Mobile Pre-School and investigate opportunities to sell the vehicles to the CSMP at fair market rate.

Implications: The Central Shoalhaven Mobile Pre-School will be required to self-fund their own vehicles and Councils support of 48 years will cease. Council will save approximately \$40,000 per annum. Income generated from the vehicle sales could be up to \$70,000. Selling vehicles at a fair market rate to the CSMP will require a resolution of

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Council or a directive from the CEO as this is outside of the normal processes for selling Council vehicles.

2. That Council continue to provide two vehicles and maintenance for a further 12 months but cease to provide funding for the running costs of the vehicles.

Implications: Council will continue to provide the two vehicles to the CSMP for a further 12 months but will remove the fuel card, saving Council approximately \$3,700 over the 12 month period.

3. That Council continue to fund the two vehicles for the Central Shoalhaven Mobile Pre-School.

Implications: Council will continue to fund the vehicles through fleet services to the value of approximately \$40,000 per year. The MOU will be reviewed and updated to include a review date, to ensure the agreement is regularly assessed.

## Background and Supplementary information

### • History

Shoalhaven City Council has supported the Central Shoalhaven Mobile Pre-School since it was established in February 1977.

The idea of a mobile pre-school first eventuated at a public meeting at Huskisson in March 1976. Money was raised along with a grant and loan from the Shoalhaven City Council and the service commenced in February 1977.

In May 1987 a second service was started with \$20,000 of funds raised by parents along with the support of Shoalhaven City Council and recurrent funding from the Department of Youth and Community Services.

The Central Shoalhaven Mobile Pre-School provides care, education and a pre-school program for children aged 3 to 5 years at any appropriate venue within one hours drive of their base in Nowra.

In 2017 the pre-school operated at Community Centres at Cambewarra, Callala Beach, Falls Creek and Huskisson. In years past they have provided a pre-school service to Sussex Inlet, St Georges Basin, Manyana, Tomerong, Currarong, Culburra Beach and Greenwell Point.

In 2019 the pre-school operated at Community Centres at Cambewarra, Callala Beach, Falls Creek, Huskisson and Manyana.

The Central Shoalhaven Mobile Pre-School is a community-owned, not for profit service and has been in operation for 48 years in the Shoalhaven. It is one of the longest running Mobile Pre-Schools in NSW.

The Central Shoalhaven Mobile Pre-School is funded by the State Government and licensed under the Department of Education and Communities – Early Childhood Education and Care Grants Program Funding Agreement.

### • Council Resolutions

At the Special Estimates meeting of the Shire of Shoalhaven on 18 December 1978, Council received a deputation from Mrs Bell and Mrs Stewart, who were representatives of the Shoalhaven Mobile Pre-School Management Committee. They indicated that the service was experiencing difficulty in raising funds to meet the repayment of a \$3,000 advance made by Council for the purchase of a van.

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Following this deputation Council resolved (File 76/1897) that:

*Council agree to accept the transfer of the Shoalhaven Mobile Pre-School van, and therefore, be responsible for the future maintenance, running costs and replacement of the vehicle, subject to the concurrence of the Committee and that Council delegate authority to the Shire President to negotiate the transfer, further that the existing committee be appointed under Section 527 & 530A of the Act for the management of the vehicle.*

On 4 November 1985, at its Adopted Council Meeting, the Finance and Welfare Committee made the following recommendation to Council, regarding the provision of a second vehicle and trailer:

*That with respect to the proposal by Shoalhaven Children's Services Association and the Central Mobile pre-school and other children's services that:*

- a) *Council consider for inclusion in the 1986 Estimates for \$6,100 for the purchase of a van and trailer and \$5,000 for the maintenance and running costs of the van.*
- b) *Subject to the voting of funds:-*

*The Central Mobile Pre-School Unit be allocated the additional van and trailer under the existing delegation under Section 530A of the Local Government Act.*

*The Central Mobile Pre-School Unit be advised that such agreement and allocation of vehicle is subject to recurrent funding for salaries etc, from the Department of Youth and Community Services and that the service should be provided in the southern part of the City as outlined in their proposal unless otherwise approved by Council.*

- c) *The Shoalhaven Children's Services Association be advised of Council's decision.*

The above recommendation became a Council resolution, and the funding was confirmed. The vehicle and trailer were purchased in 1986.

Subsequently, there appears to be no review of the arrangements and Council has continued to fund the provision, maintenance and running costs of two vehicles and a trailer for the Central Shoalhaven Mobile Pre-School since this time.

In 2017, an MOU was entered into (**ATTACHMENT 1**) to outline the shared and agreed objectives of the parties and to clarify the role of each party in delivering those objectives.

#### • Review

Due to Council's financial sustainability project, and as part of the 3% challenge, staff commenced an investigation into Council's provision of vehicles to the Mobile Pre-School. This included desktop research and two meetings with the Central Shoalhaven Mobile Pre-School team.

Investigation showed that since 2021 the CSMP has received a significantly increased income. Their published financial reports (which are publicly available) show the following, noting that their reporting is based per calendar year.

	2021	2022	2023	2024
Income	\$718,502	\$946,059	\$1,211,805	\$1,229,987
Expenditure	\$714,827	\$681,403	\$912,940	\$1,069,644
Surplus/Loss	\$3,675	\$264,656	\$298,865	\$160,343
Assets	\$807,693	\$1,146,187	\$1,330,708	\$1,580,279
Liabilities	\$261,461	\$335,298	\$526,844	\$616,072

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Net Assets/Liabilities	\$546,232	\$810,889	\$803,864	\$964,207
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When meeting with the CSMP, the management team (Director and Treasurer) explained that:

- Reserves had been able to be built up over the last few years since the service moved to [‘Affordable Pre-School funding’](#) programs.
- Funding is based on enrolments, and the service has been at capacity since 2020.
- The increase in expenditure in 2023, was due to ensuring that the service was compliant with new legislation that came into place. This saw an 18% increase in employment costs and a 5% increase in the award payments.
- In 2022, the service received a \$90,000 lump sum payment.

The increase in income is directly related to the NSW government funding a COVID-19 free pre-school program in 2021 (which provided a temporary program designed to support families with cost-of-living pressures and to assist pre-schools to continue providing 600 hours of early childhood education to children in the two years before school) and the Start Strong Free Pre-School program that replaced the COVID-19 program in 2022. The Start Strong Free Pre-School program is an ongoing program of funding “...ensuring that all children in New South Wales can participate in 600 hours of quality pre-school education in the years before school, no matter where they live or what their circumstances are”.

The management team agreed that the CSMP was now able to self-fund the vehicles. This may have an impact on the fees that families were charged, however this could be absorbed by the available funding from the federal government.

The CSMP management team made it clear that surplus funds held by the service could both fund vehicles and their running expenses and be used to make childcare more accessible across the Shoalhaven. The new funding structure for the service allows the pre-school to be independent of Council. However, there would be a 12-month period of adjustment for the service due to funding being set.

Whilst the management team have confirmed that they are able to self-fund the vehicles, they have requested that Council consider a staged exit. One suggestion was that in the first 12 months, Council still provide the vehicles, but the CSMP would start to pay for their own fuel.

### Internal Consultations

Staff have spoken with Fleet Services and the Financial Sustainability Project Manager. The proposal to investigate the arrangements with the CSMP was raised as part of the internal 3% challenge.

Fleet have provided details on the possible fair market rate for the vehicles, and this is included below in ‘Financial Implications’.

### External Consultations

Two meetings have been held with the Management team at CSMP and Council received a letter back confirming their position (**Attachment 2**).

The CSMP have been provided with a copy of this report in advance and asked to provide any comments. In their response of 24 January 2025, they requested that the order of options be rearranged with:

Option 1 – to continue as per the current arrangements

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Option 2 – to continue for a further 12 months but Council ceases to provide running costs

Option 3 – that Council ceases to provide the vehicles.

There were no further changes requested.

### **Community Consultations**

No community consultation has been undertaken.

### **Policy and Statutory Implications**

As the decision to provide the vehicles at Council's expense was a resolution of Council, a further resolution to cease in this provision is required.

### **Financial Implications**

The allocated annual budget for the Shoalhaven Mobile Pre-School vehicles is \$40,637 however Fleet services have indicated that the actual fee is \$19,354 per vehicle per annum, therefore the fee for the two vans is \$38,709 per year. The vehicles are Toyota HiAce vans.

Council would see an annual saving of \$38,709 should provision of the vehicles to CSMP cease.

Based on car sale averages of the 12 months, it is estimated that the value of the Toyota HiAce vans is approximately \$36,000 each. The trailer was purchased in 2013 and cost \$2,650 at the time. Due to the age of the trailer, Fleet have identified that the trailer holds little to no market value.

From a Fleet Services perspective, selling the vehicles through public auction is the best solution as the sale is managed by a third party eliminating any speculation of collusion. Council could consider offering the vehicles directly to the Central Shoalhaven Mobile Pre-School for \$36,000 each and to transfer the registration of the trailer to the CSMP at no cost. This would require a resolution of Council.

Should Council consider supporting a model where Council provides the vehicles, registration and maintenance while the CSMP pay for their own fuel, this would see a saving of approximately \$1,850 per van (based on the period 01/12/23 to 29/11/24) or \$3,700 in total.

### **Risk Implications**

The process has been transparent and the CSMP have been consulted and have agreed that Council's support is no longer required. There may be concern in the community that Council is not supportive of childcare.

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## MEMORANDUM OF UNDERSTANDING

### 1. PARTIES

THE COUNCIL OF THE CITY OF SHOALHAVEN ("Council") of  
City Administration Centre, 36 Bridge Road, Nowra.

THE CENTRAL SHOALHAVEN MOBILE PRESCHOOL of 3/17 Quinns Lane  
South Nowra.

### 2. PREAMBLE

This document is a Memorandum of Understanding (MOU) and is not intended to create binding or legal obligations on either party. The function of this MOU is to outline the shared and agreed objectives of the parties and to clarify the role of each party in delivering those objectives.

### 3. PURPOSE OF THIS MEMORANDUM

The shared objectives of the MOU are to:

- Support the delivery of Early Childhood Education to children aged 3-5 years of age at any appropriate venue within 1 hour's drive of Nowra.
- Support the provision of Early Childhood Education in those locations where an alternative service is not available.
- Ensure adequate funding is maintained to support the agreed fleet needs of the Central Shoalhaven Mobile Preschool. This stands at approximately \$25,000 and will be reviewed each financial year to reflect current costs.
- Ensure the vehicles used by the service are road worthy and fully maintained.
- Build a mutual beneficial working relationship between the parties.

### 4. PERMITTED USE OF PROPERTY

The Central Shoalhaven Mobile Preschool shall:

- a) Abide by Shoalhaven City Council Motor Vehicle Policy.
- b) Abide by Shoalhaven City Council Guidelines for Effective and Efficient Use.

**5. GENERAL AGREEMENT**

Either party has the right to seek review of the Memorandum of Understanding.

**10. SIGNATURES**

Signed for and on behalf of Shoalhaven City Council

..... Date .... / .... / ....  
Name

.....  
Position in Organisation

Signed for and on behalf of Central Shoalhaven Mobile Preschool

ADRIENNE VARGA..... Date 09/08/2017  
Name

PRESIDENT.....

Position in Organisation



Central Shoalhaven Mobile Preschool  
Unit 3/80 Park Road  
Nowra NSW 2541

24<sup>th</sup> October 2024

Shoalhaven City Council  
Bridge Road (PO Box 42)  
Nowra NSW 2541

Mike Paine  
Manager – Community Connections

Dear Michael,

Thank you for your time at our recent meeting and for the opportunity to present to the Shoalhaven Council information about our organisation and additional information about how the Council's ongoing support via the provision of vehicles has benefited the children of the Shoalhaven.

Who we are

Central Shoalhaven Mobile Preschool (CSMP) is an Incorporated Association which is managed by a Committee of volunteers, generally drawn from the preschool's parent body and an employee appointed Director. We are funded by the NSW Department of Education year on year.

We employ 5 full time staff members, 2 part time staff members, 5 regular casual staff and 2 casual staff on an irregular basis. Our staff are a mix of Early Childhood Teachers, Diploma and Certificate 3 qualified Educators, in addition to an administration coordinator.

As our name suggests, we are a mobile preschool and deliver early childhood education to children in the under-served areas in the Shoalhaven, where in some cases, a permanent preschool does not currently exist. The going support of the Shoalhaven Council via the provision of two fully-funded vehicles to transport the equipment and resources required has made it possible to deliver our preschool service to the community since 1977.

Our objectives

As a preschool we aim to deliver quality educational programs and practices that are child focussed and that assist our students to prepare for school. We promote access and inclusion and strive towards providing learning environments that are welcoming to all.

Our preschools

Our preschools are currently located in Cambewarra, Huskisson and Manyana. We are licenced to provide education and care to a maximum of 20 children per venue per day. Based on the Mitchell Institute's research into childcare accessibility, our preschools currently operate in areas where there is inadequate access to early childhood education and care.



Our Huskisson preschool operates 5 days per week from the Huskisson Community Centre and in 2024 has 55 children enrolled. Our enrolments are drawn from the surrounding areas:

- Huskisson / Vincentia - 4.798 early childhood places per 100 children
- Tomerong / Wandandian / Woollamia – 22.277 early childhood places per 100 children
- St Georges Basin / Erowal Bay – 27.282 early childhood places per 100 children

Our Cambewarra preschool operates 2 days per week from the Cambewarra School of Arts and in 2024 has 22 children enrolled. Enrolments are drawn from the surrounding areas:

- North Nowra/ Bomaderry / Cambewarra / Cambewarra Village – 31.417 early childhood places per 100 children
- Kangaroo Valley / Budgong – 24.060 early childhood places per 100 children

Manyana preschool operates 2 days per week from the Yulunga Public Hall and in 2024 has 21 children enrolled. Enrolments are drawn from the surrounding areas:

- Manyana / Sussex Inlet / Fisherman's Paradise – 15.384 early childhood places per 100 children

Source: <https://www.vu.edu.au/mitchell-institute/childcare-accessibility-australia>

#### Our Funding and Fees

Since 2020, our funding model has varied year on year, however the NSW Department of Education currently funds our preschool via two funding programs:

- Mobile Preschool Funding program; and
- Start Strong program.

The Mobile Preschool Funding program is our core funding source, which includes a Floor Funding amount to address the minimum operating costs associated with a mobile preschool and average enrolments of up to 10 children plus top-up Enrolment Funding which is to support costs associated with average enrolments exceeding 10 children.

The Start Strong program provides us with Fee Relief Funding to allow us to deliver 15 hours per week of low-cost or no-cost preschool to eligible children who attend our preschool. This program is a restructure of COVID-19 Free Preschool Funding program that provided families with financial support via free preschool during the pandemic which ended in December 2022. At the start of 2020, our fees were \$41 per day, the combination of the COVID-19 Free Preschool Funding and Start Strong Fee Relief Funding have allowed us to provide no-cost preschool to all of our enrolments since the onset of the pandemic in 2020. As a result of our preschool being at no-cost to families, we have consistently operated above 90% occupancy and generally reach 100% occupancy term 2 of each year with no movement other than children leaving the area.

Our high occupancy has led to an increase in our Core Funding over this period due to the additional funding we receive for average enrolments over 10 children. Our ability to keep our fees low into the future is therefore fundamental to maximising our Core Funding. The support provided by the Shoalhaven Council via the provision of fully funded vehicles has been a vital contributor allowing us to keep preschool at no-cost to our families.



#### Our Financial Outlook

The financial support provided by the Federal Government due to the COVID-19 pandemic resulted in financial gains for our organisation in 2020. This coincided with preschool becoming free for families and due to occupancy being above 90% by 2022, resulted the receipt of higher funding from the NSW Department of Education via the COVID-19 Free Preschool Funding program for 2022.

Since 2023, our organisation like many others has faced increasing costs.

In 2024, our rent expenses have increased by 22% for the community buildings we utilise for preschool and our office premise.

With changes to regulations, as a mobile preschool, our organisation has additional staff costs that centre-based services do not encounter due to their ability to use floating staff to meet ratio requirements in staff breaks. As a best practice we staff our venues above the 1:10 ratio requirements with an additional Educator at each venue while the children are present to cover staff breaks, which resulted in more than a 25% increase to our staff costs in 2023.

Due to the Worker Retention Payment being introduced by the Australian Government for the Early Childhood Education and Care workforce in 2025, we expect increased staffing costs of up to 15% throughout 2025 and 2026 to ensure we remain competitive in the labour market. As our organisation is state funded we are not eligible to apply for the Worker Retention Payment to offset these increases.

The on-road running costs for 2 vehicles at a total estimated cost of \$40,000 per year equates to an additional fee cost of \$6 per day based on our current operations. Whilst we appreciate that we are currently in a position to contribute towards some or all of this cost we are conscious that the accumulative result of rising costs will be higher fees for our families into the future.

#### Conclusion

Our ability to continue to provide high-quality, low-cost access to early childhood education and care will support families of the Shoalhaven to participate in the workforce which equates to enormous economic benefits for our region and social benefits into the future by giving our children the best start in life.

With the continued support of the Shoalhaven Council our organisation can continue to keep fees at no-cost to families and focus on investing the equity we have accumulated over the last 5 years to ensuring that we continue to provide a high level of education and care, provide above award remuneration and work conditions of our staff and foremost expanding our services to ensure more children benefit from the education and care that we provide.

Your consideration for our continued support is appreciated and we look forward to partnering with you in the future to address much needed access to early childhood education and care in our region.

We look forward to meeting with you again when you are able to discuss our position further.

Kind Regards

Kym Parsons

Director CSMP

## CL25.278 Adoption of Shoalhaven Water's Development Servicing Plan Following Public Exhibition

**HPERM Ref:** D25/341784

**Department:** Water Asset Planning & Development

**Approver:** Andrew McVey, Acting Director - Shoalhaven Water

**Attachments:** 1. Submission - Mr Stephen Prothero [↓](#)  
2. Submission - UDIA [↓](#)

### Purpose:

To seek Council's endorsement of Shoalhaven Water's Development Servicing Plan (DSP) following the conclusion of the public exhibition period, as resolved by Council at its meeting on 27 May 2025 ([MIN25.269](#)).

### Summary and Key Points for Consideration:

The DSPs cover water supply and sewerage developer charges for the areas serviced by Council.

The DSPs have been prepared in accordance with the 2016 Developer Charges Guidelines for Water Supply, Sewerage and Stormwater (Guidelines) as issued by the Minister for Water, Housing, Homelessness, Mental Health and Youth (Minister), pursuant to section 306 (3) of the Water Management Act 2000.

Shoalhaven Water requires a DSP under the Department of Climate Change, Energy, the Environment and Water (DCCEEW) Regulatory and Assurance Framework (RAF) for several reasons:

1. **Infrastructure Planning:** DSPs help in planning and managing the infrastructure required to support current and future development for water supply and sewerage services.
2. **Financial Management:** DSPs ensure that the costs associated with new developments are fairly distributed. By outlining developer contributions, they help maintain the financial sustainability of water and sewerage services.
3. **Regulatory Compliance:** The DSP aligns with requirements of the RAF and Guidelines set by the State and Federal Governments as part of the National Water Initiative.
4. **Dividend Payment:** In order to pay a dividend to Council's General Fund, Shoalhaven Water must demonstrate effective strategic planning including implementation of sound pricing and prudent financial management.
5. **Growth and Demand Management:** DSPs provide a framework for managing growth and demand. They include predictions for development and population growth, ensuring that infrastructure can meet future needs.
6. **Environmental Protection:** By planning and managing water and sewerage services effectively, DSPs help protect the environment from the impacts of urban development.

Overall, DSPs are crucial for ensuring that Shoalhaven Water can provide reliable, sustainable, and compliant water and sewerage services to the community.

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## Recommendation

That Council

1. Adopt Shoalhaven Water's Development Servicing Plan as exhibited, with minor amendments made in response to industry feedback and commence the new DSP on the 1st January 2026.
2. Publish the final DSP on Shoalhaven Water's website and make it available to developers and the public.
3. Register the finalised DSP with the Department of Climate Change, Energy, the Environment and Water.
4. Rescind Water and Sewerage Headworks Charges (Section 64 Contributions) – Assistance for Developments Policy.

## Options

1. Adopt the DSP (Recommended):

Implications: This option allows Shoalhaven Water to proceed with implementation of the updated Development Serving Plan, providing clarity and consistency for future development.

2. Request Further Amendments:

Implications: Council may request further changes to the DSP prior to adoption. This may delay implementation and create uncertainty for stakeholders.

3. Not Adopt the DSP:

Implications: This option would retain the existing servicing arrangements and may result in outdated or inconsistent planning outcomes and will impact Council's ability to deliver infrastructure to support growth and demand in the future.

## Background and Supplementary information

At its Ordinary Meeting held on 27 May 2025, Council resolved ([MIN25.269](#)) to place Shoalhaven Water's Development Servicing Plan on public exhibition. The DSP outlines the infrastructure servicing strategy and associated charges for new developments across the local government area.

The original report to Council provided the following background:

Section 64 of the Local Government Act (1993) enables a local government council by way of a cross reference to the Water Management Act (2000) to levy developer charges for water supply, sewerage and stormwater. This derives from a cross reference in that Act to Section 306 (3) of the Water Management Act, 2000.

A DSP details the water supply and sewerage developer charges to be levied on development areas utilising a water utility's water supply and sewerage infrastructure.

The DSP covers water supply and sewerage developer charges. There are two water supply development areas and thirteen sewerage development areas served by Council.

The DSP has been prepared in accordance with the Guidelines issued by the Minister, pursuant to section 306 (3) of the Water Management Act, 2000.

CL25.278

The DSP was publicly exhibited from the 17<sup>th</sup> June until the 29<sup>th</sup> July 2025, and two submissions were received from industry and stakeholders during the exhibition period. Key issues raised by the industry submission included:

- A request to phase in the charges over 4 years.
- The UDIA warned that rapidly increasing developer charges in the Shoalhaven could undermine housing affordability and feasibility, potentially deterring investment and shifting development to more cost-effective regions like Kiama.
- And there was a request to clarify that revenue collected would not be used to cross subsidise other development areas.

In addition to the industry submission a submission was received from an individual seeking clarification on a number of technical matters including;

- The omission of assets over 30 years old.
- Growth assumption used.
- Charges not matching local costs and the impact of agglomeration.
- Revenue forecasting.
- Publication of the detailed spreadsheets.
- REMS Scheme cost recovery.

In response to the industry feed back, Shoalhaven Water acknowledges the concerns raised by the UDIA regarding the potential impact of increased developer charges on housing affordability and development feasibility in the Shoalhaven. The Development Servicing Plan (DSP) has been prepared in accordance with Section 64 of the Local Government Act 1993 and the NSW Department of Planning, Housing and Infrastructure's guidelines, ensuring that charges reflect the actual cost of infrastructure required to support growth.

The DSP aims to balance cost recovery with strategic infrastructure planning, and while it is recognised that transitioning from historically discounted charges may present challenges, the updated charges are necessary to ensure long-term financial sustainability and equitable cost distribution. Shoalhaven Water has considered regional competitiveness and affordability in its charge modelling and notes that infrastructure costs vary significantly between LGAs due to geography, servicing complexity, and existing asset conditions.

Minor amendments have been made to the DSP to improve clarity and transparency, but no changes to the charge framework were deemed necessary. Shoalhaven Water remains committed to working with industry stakeholders to support feasible development outcomes and will continue to monitor the impact of the DSP on housing delivery and investment patterns.

The second submission was more around the requirement under the DSP Guidelines. These matters will be addressed in a response however they do not impact on the application or charges within the Development Serving Plan.

### **Internal Consultations**

The DSP has been presented to Council, senior leadership, Council's Strategic Planning and Finance teams.

### **External Consultations**

The DSP document was publicly exhibition from the 17<sup>th</sup> June to the 29<sup>th</sup> July in accordance with the DSP guidelines. With notification provided via Council's website, local newspapers, and direct communication with key industry stakeholders.

### Community Consultations

The DSP were placed on public exhibited between the 17<sup>th</sup> June 2025 to the 29<sup>th</sup> July 2025 accordance with the 2016 DSP Guidelines. Two submissions were received during the exhibition period.

### Policy and Statutory Implications

The adoption of an updated DSP will required the resission of the *Water and Sewerage Headworks Charges (Section 64 Contributions) – Assistance for Developments Policy*. This is required as the impleation of the new DSP's will override the existing policy and retention of ongoing discounts is not permitted under the new DSP guidelines.

### Financial Implications

Endorsement of the DSP will provide Shoalhaven Water with the funds to support growth and demand in the Shoalhaven Region and will provide a sustainable funding source throughout the DSP, which will be factored into the long-term financial plans.

The capping of the Kangaroo Valley sewer DSP, must be calculated and disclosed, in the Annual Report and in Council's annual Operational Plan as a cross subsidy and reported in Council's Annual Report.

### Risk Implications

If the DSP is not updated, the 2005 DSP will remain in place and create risks associated with the provision of inaccurate information, underfunded infrastructure, and not meeting the RAF, which may impact Shoalhaven Water's ability to pay a dividend to Council.

## Public Exhibition Submission



Submitted on	15 July 2025, 2:27PM
Receipt number	PublicExhibition-386
Related form version	5

### Your Submission

Title of document	Developer Servicing Plan
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#### Submission details

I've read through the draft Development Servicing Plan for 2024 and wanted to raise a few concerns. I appreciate the amount of work that's gone into the document, but there are some areas where I think it could be improved to better protect both ratepayers and the long-term financial sustainability of Council's water and sewer systems.

#### 1. Asset Costs Don't Tell the Whole Story

The plan leaves out infrastructure that's over 30 years old and any local reticulation (which developers pay for directly). That might meet the technical guidelines, but it doesn't give a full picture of the costs Council will eventually face when older infrastructure needs replacing. There's a risk that future ratepayers will be left to cover that shortfall.

#### 2. Growth Assumptions Are Too Rigid

The plan assumes 636 new equivalent tenements (ETs) are added every year through to 2054. That's very specific, and I worry it doesn't leave much room for changes in the economy, housing demand, or planning constraints. A more flexible or scenario-based model might give a more realistic picture of what's ahead.

#### 3. Developer Charges May Not Match Local Costs

Service areas with similar charges are merged into one "agglomerated" area, but that can hide cost differences between locations. This could result in some areas subsidising others without any transparency. I think people deserve to know what's being spent—and where.

#### 4. Revenue Forecasts Might Be Too Optimistic

The reduction amounts built into the developer charges are based on expected income from new customers. But what if people use less water or energy prices push costs higher than planned? The current model assumes everything stays steady for 30 years, and that feels risky.

#### 5. Full Cost Models Should Be Public

The summary is available, but the detailed spreadsheets are only available "on request." That's not very transparent. These should be made public on the Council website for anyone to review, especially since these decisions affect long-term planning and developer contributions.

#### 6. REMS Scheme Risks

The reclaimed water scheme (REMS) seems positive, but it's not clear what happens if demand drops—for example, if farming use declines. What's the backup plan if that infrastructure doesn't get the take-up expected?

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#### Suggestions

- Include long-term renewal costs, not just recent or planned works
- Offer different growth scenarios, not just one forecast
- Make the calculation spreadsheets public
- Be clearer about where cross-subsidies might occur
- Reassess the "discounts" built into developer charges, in case real costs rise
- Publish a clearer risk plan for things like REMS and future growth changes

Thanks for the opportunity to comment. I hope Council takes these suggestions seriously and uses this plan to make sure new development is properly funded without unfairly shifting costs onto the community.

Kind regards,  
Steve Prothero  
Burrill Lake

Attach a file

### Applicant Details

First Name	Steve
Last Name	Prothero
Email Address	[REDACTED]
I don't have an email address	
Preferred Contact Number	[REDACTED]
Postal address line 1	[REDACTED]
Postal address line 2	
Postal suburb	[REDACTED]
Postal state	[REDACTED]
Postal postcode	[REDACTED]

### Terms and Conditions

I acknowledge that all information I have provided is correct and that I have read and agree to all terms & conditions

Yes



28 July 2025

The Chief Executive Officer  
Shoalhaven City Council, PO Box 42, Nowra NSW 2541

Via email: [council@shoalhaven.nsw.gov.au](mailto:council@shoalhaven.nsw.gov.au)

Dear James,

**Re: UDIA NSW submission to Shoalhaven Development Servicing Plans**

Urban Development Institute of Australia NSW (UDIA) is the state's leading development industry body. We represent a broad range of participants to the industry and have more than 450 members across the entire spectrum of industry including developers, financiers, builders, architects, engineers, consultants, academics, state government bodies, and local government. We also have established regional chapters across Western Sydney, the Hunter, Central Coast, and Illawarra-Shoalhaven.

We thank Shoalhaven City Council (SCC) for the opportunity to comment on the Draft Development Servicing Plans (DSPs). UDIA acknowledges SCC's recalculation of the DSPs, which follows the recognition that an increased quantum of infrastructure is needed to service new developments in the Shoalhaven Local Government Area (LGA), and that the costs of existing infrastructure need to be recovered. We also appreciate that the new proposed DSPs do ease the DSP charge in some portions of the LGA.

However, it is important that SCC continues to understand the potential impact new DSPs will have on development in areas experiencing an increased charge, and the implications this will have on the housing supply pipeline for areas that have been earmarked for new housing.

We believe that SCC has an opportunity to sustain its advantage as a place to do development and to support housing supply over the period housing targets have applied by adopting the following key recommendation:

***UDIA NSW recommends that SCC phases in the introduction of the new DSP charges over four financial years as has been adopted by Sydney Water and Hunter Water.***

CL25.278 - Attachment 2

We are city-shapers.

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**The Consequences for New Housing in the Shoalhaven**

UDIA acknowledges the general principle that housing is more expensive to service in areas where there is not existing infrastructure. However, to achieve the housing targets, there is also a collective understanding that a range of housing typologies are required.

Higher charges introduced quickly to an industry that has experienced many years of discounts may create a perverse outcome where revenue is not generated for the new or existing infrastructure, because development becomes unfeasible (or less feasible). For example, a 100-lot subdivision in DSP Code B will incur close to \$550,000 in additional upfront costs. These costs will need to be passed on to the buyer to maintain project feasibility, eroding affordability in areas identified for new housing.

Another consequence of new DSPs, particular to the Shoalhaven, is the signal it sends to development opportunities in the Shoalhaven. The LGA risks losing its competitive advantage over nearby development fronts, particularly Kiama. The full Sydney Water DSP charge in Kiama (which is currently discounted until July 2026) of \$13,917 is less than the proposed DSP charge in 5 of the 13 DSP areas in the Shoalhaven (across DSP Codes A and B). This cost is also closely aligned with the 4 areas in DSP Code C. There is a genuine possibility that current and future developers reprioritise their operations to places where development is more feasible, and the DSPs risk being a factor contributing to these investment decisions.

**Phased Introduction of DSPs**

The Sydney Water and Hunter Water DSPs (finalised in late 2023) were introduced with a phased re-introduction. While not as lengthy a phase-in as UDIA had advocated for, the acknowledgement from water authorities on the role that a phased introduction has in supporting short-term financial planning, ameliorating financial shocks, and encouraging initial development activity to generate some revenue, was welcomed.

Discounts have applied for over a decade in the Shoalhaven. As such, a substantial increase now risks slowing development, which anecdotally is already occurring at the margin across the Illawarra-Shoalhaven. Some members have examples, in Illawarra-based greenfield developments, where up to \$185,000 per home is spent on government related taxes, fees, and charges<sup>1</sup>. The industry, which is hamstrung by these charges, would view any reprise, such as a phased introduction, as an incentive to development. Further, it could enable faster

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<sup>1</sup> Includes Stamp Duty, GST on sale, Local Contributions, Housing and Productivity Contribution, DSPs, Utility charges.

revenue generation for SCC, as industry looks to progress development more quickly to take advantage of the discounted charges.

UDIA would encourage SCC to adopt the same transition period as Sydney Water, given they are the operators across the rest of the Illawarra. This approach would see:

- Contributions capped at 0% of the full contribution from the date of endorsement to the end of the 25/26 financial year.
- Contributions capped at 25% of the full contribution for the 2026/27 financial year
- Contributions capped at 50% of the full contribution for the 2027/28 financial year
- Full contributions applying from the 2028/29 financial year

While we acknowledge that Shoalhaven's DSPs differ, in that they are not being re-introduced from a base of zero, we note that given the long-term discount application in the Shoalhaven, this phased-in approach would ensure that consistency is maintained, and that the industry is not burdened by financial shocks.

#### **Seeking Clarification**

Finally, UDIA members have also asked for clarification on whether the revenue collected will be used to cross-subsidise across different areas/codes, or if it will be spent in the geographic area it is generated? Given the sparse nature of each of the DSP Codes (i.e., areas under the same code are not necessarily close geographically) there are concerns that funds will not be directly spent in the areas they are collected.

We thank SCC for the opportunity to respond to the public exhibition. If you would like to discuss the contents in our submission further, please reach out to Nathan Boulous, Southern Regional & Research Manager, UDIA NSW [REDACTED]

Kind Regards,

[REDACTED]

**Stuart Ayres**  
**Chief Executive Officer**  
**UDIA NSW**

## 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.