

# Land Use Planning & Development Advisory Committee

**Meeting Date:** Tuesday, 18 November, 2025

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

## Minutes Attachments

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LU25.1 Update - New Shoalhaven Contributions Plan

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# Land Use Planning & Development Advisory Committee

## New Contributions Plan & Process

*18 November 2025*



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## What we'll cover

- Quick contributions refresher
- The need for change
- About the draft Plan and process
- Next steps

# About Infrastructure Contributions

- Framework established by the EP&A Act: non-statutory document like a DCP.



- Four main contributions pathways:



## About Infrastructure Contributions

- Contributions can be levied for DAs and CDCs.
- Contributions cap of \$30,000 for certain URAs, and \$20,000 elsewhere.
- Infrastructure can include:
  - Roads (new or upgrades).
  - Shared pathways.
  - Drainage (detention/retention, conveyance infrastructure).
  - Car parking.
  - Passive open space (parks).
  - Active open space (aquatic centres, sports fields/courts).
  - Community facilities (libraries, art galleries).

# About Infrastructure Contributions

- Two different types of contributions:
  - Section 7.11 – demand, apportionment and nexus based.
    - Nexus: The relationship between anticipated development and the demand for infrastructure generated by that development.
    - Apportionment: Value of works development will need to pay, based on the demand created. New development must only pay its share of demand.



- Section 7.12 – percentage-based levy – no nexus, no appeal.



## Key Information to Remember

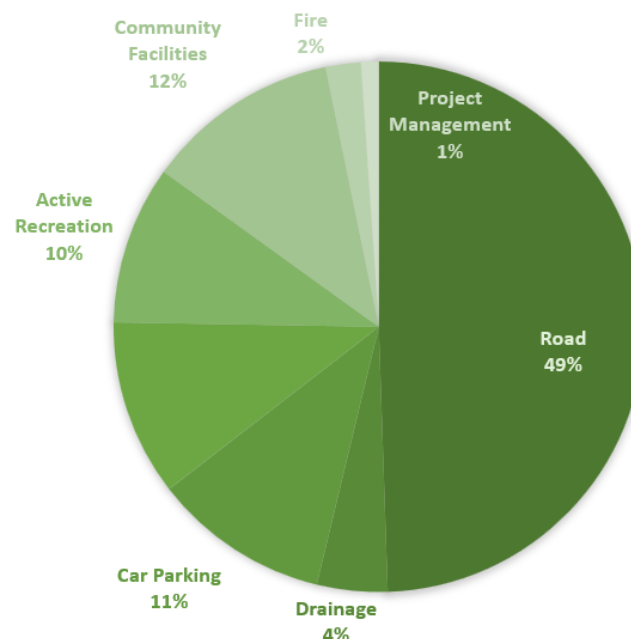


- Reasonable expectation that projects can be delivered:
  - Council **must** have the ability to fund its share of the infrastructure.
- 7.11 projects must meet a demand generated by new development (wholly or partially).
- Cannot include renewal works.
- Use of funds collected heavily restricted.



## Current Shoalhaven Contributions Plan 2019

- Commenced May 2019.
- Repealed CP 1993 & CP 2010.
- Currently 93 projects:
  - 46 road
  - 4 drainage
  - 10 car parking
  - 10 passive recreation
  - 9 active recreation
  - 11 community facilities
  - 2 fire
  - 1 project management



## Need for Change



- GLN Planning ‘Resourcing Framework Review’ confirmed:
  - *The Contributions Plan and works schedule needs to be reviewed.*
  - *Expenditure is less than contributions received.*
- AEC Financial Sustainability Review:
  - *Need an updated Contributions Plan, including an updated schedule of works.*
  - *There is a **high risk** to the cash position of the General Fund until the Contributions Plan is updated.*
- Best practice to review contributions plans at least every 3-5 years.



## Need for Change cont.



- Contributions income is low.
- 7.11 expenditure is low for a high growth regional area – averaging 3% of capital works.
- Unreasonably long timeframes for expenditure.
- High financial risk to Council with under costed projects.
- Some projects no longer consistent with strategy or community aspirations.
- Plan is unnecessarily complicated.
- *Resolution to prepare new contributions plan (MIN23.621).*



## The Review

- Key goals:
  - Simplified plan and processes.
  - Cross Organisational efficiency.
  - Reduce key person risk.
  - Better integration to existing and emerging systems.
  - Reduce financial liability and risk.
  - Appropriate resourcing.
  - Greater income generation.
  - Corporate ownership.



## Intended Key Deliverables – Plan



- A hybrid plan.
- Contemporary infrastructure project list that has been properly costed.
- Reduction in acquisition.
- Identify and resolve any funding gaps (e.g., Council apportionment).
- Plain English and user-friendly plan content.
- Contemporary provision and assumptions.
- PDF based plan/s – not web based.
- Regular review schedule.
- Develop contemporary contributions conditions.



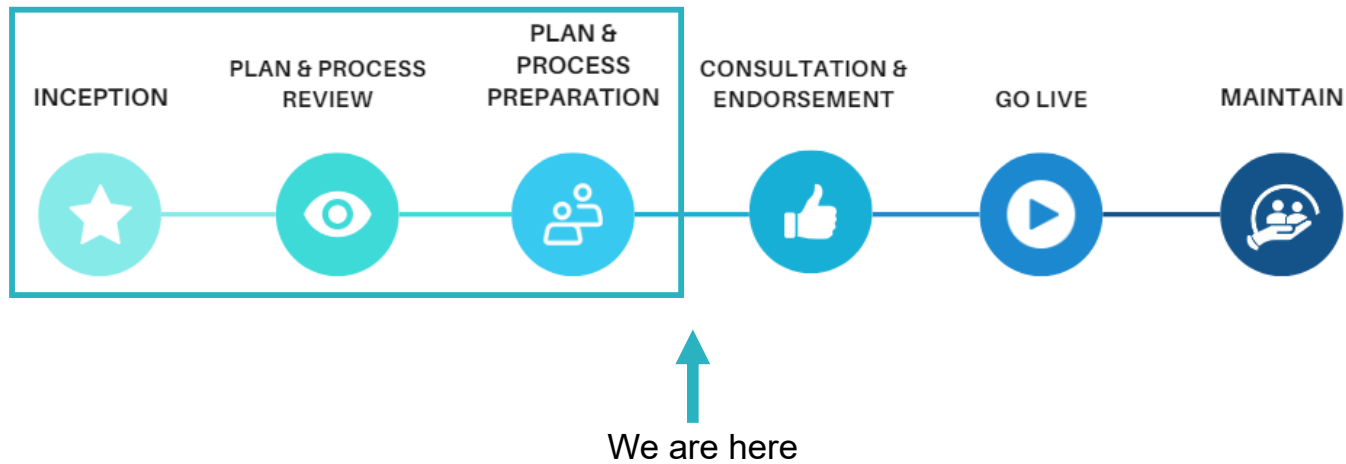
## Intended Key Deliverables – Processes



- Appropriate management software integration.
- Streamlined financial and integrated reporting systems/processes.
- Establish risk framework.
- Plain English website and communications messaging.
- Prepare contemporary suite of policies, procedures and manuals.
- Resolve complying development administration and certifier auditing.
- Establish new peer review and referral processes.
- Prepare training module/s.
- Identify ongoing resourcing needs.



# New Plan Journey

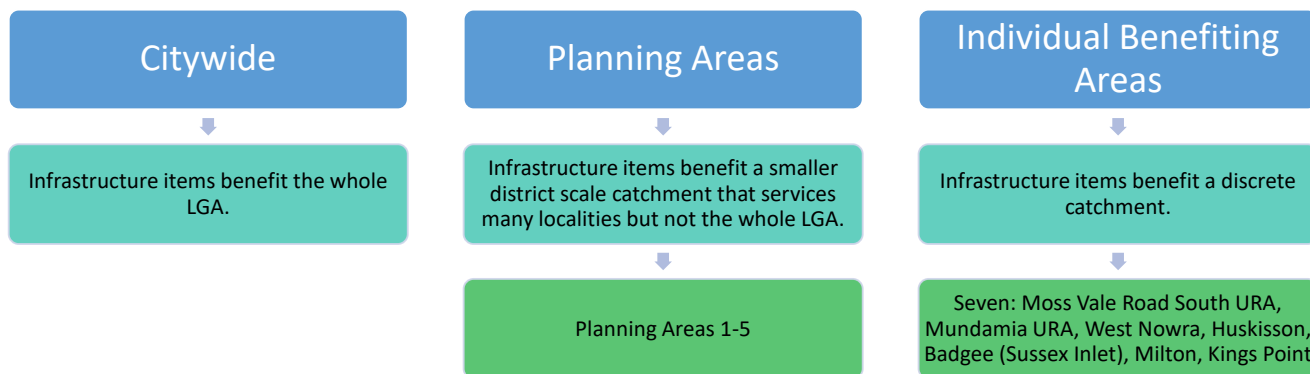


## About the proposed draft Plan

- A hybrid plan - allows for collection of 7.11 contributions and 7.12 levies:
  - Modern industry approach.
  - Greater opportunity to collect funds (not wholly constrained by nexus).
  - 7.12 funds can be used towards 7.11 infrastructure as well as 7.12.
- Conservative plan reflecting:
  - Current strategic infrastructure project goals.
  - Council's **financial circumstances and ability to fund infrastructure**.
  - High focus on recoupment rather than new projects.
- Includes 40 projects:
  - Future amendments will reflect emerging projects.
  - 66 current projects not carried across into draft Plan.

## Basis of the draft s7.11 Plan

- Household size/occupancy forecasting identifies:
  - Average household size remains consistent to 2041.
  - Anticipated residential growth through new housing rather than an increase in dwelling occupants.
- Draft s7.11 built upon new 'net' residential dwellings/lots.
- 12 catchments:



## Basis of draft 7.12 Plan

- Percentage levy based on cost of works:
  - \$0 to \$100,000 = Nil
  - \$100,001 to \$200,000 = 0.5%
  - Over \$200,000 = 1%
- Draft s7.12 built upon:
  - All non-residential development.
  - Other residential development (e.g., boarding houses, co-living housing, group homes, hostels, residential care facilities).
  - Residential/subdivision without net increase in dwellings/lots.

## Plan value

- 7.11 Works Schedule (32 projects)
  - Council contribution \$113.5 million (43%).



- 7.12 Works Schedule (8 projects): total value \$19.5 million.
  - Council contribution \$0.

## Supporting policies and processes



- New planning agreement (VPA) policy, template and conditions.
- New works in kind agreement (WIKa) policy and template.
- Required associated adjustment to Shoalhaven DCP 2014.
- New content on Council website.



## Next Steps



- Internal staff consultation: November 2025.
- Proposed future:
  - Council report: February 2025 (timing dependent).
  - Public exhibition: March & April 2026.
  - Council report: May/June 2026.
  - Go live (commencement): 1 July 2026.



## Questions/Comments

