AGENDA

Environment and Planning Committee

Monday, 10 November 2025

7:00 PM

Dragon Room
Georges River Civic Centre,
Hurstville

OATH OF OFFICE OR AFFIRMATION OF OFFICE

All Georges River Councillors are reminded of their Oath of Office or Affirmation of Office made at the time of their swearing into the role of Councillor.

All Councillors are to undertake the duties of the office of Councillor in the best interests of the people of the Georges River Council area and are to act faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the *Local Government Act 1993* or any other Act to the best of their ability and judgement.

DISCLOSURES OF INTEREST

All Georges River Councillors are reminded of their obligation to declare any conflict of interest (perceived or otherwise) in a matter being considered by Council or at any meeting of Council.

ENVIRONMENT AND PLANNING COMMITTEE MEETING

ORDER OF BUSINESS

OPENING

ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges the Bidjigal people of the Eora Nation, who are the Traditional Custodians of all lands, waters and sky in the Georges River area. I pay my respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples who live, work and meet on these lands.

APOLOGIES / LEAVE OF ABSENCE

Leave of absence for this meeting was previously granted to Councillor Peter Mahoney.

REQUEST TO JOIN VIA AUDIO VISUAL LINK

NOTICE OF WEBCASTING

DISCLOSURES OF INTEREST

PUBLIC FORUM

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE REPORTS

ENV036-25

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Item: **ENV036-25 Confirmation of the Minutes of the Environment and Planning Committee Meeting held on 13 October 2025**

Author: Executive Services Officer

Directorate: Office of the General Manager

Matter Type: Previous Minutes

RECOMMENDATION:

That the Minutes of the Environment and Planning Committee Meeting held on 13 October 2025, be confirmed.

ATTACHMENTS

Attachment ⇩1	Minutes of the Environment and Planning Committee Meeting held on 13 October 2025

MINUTES

Environment and Planning Committee

Monday, 13 October 2025

7:00 PM

Dragon Room
Georges River Civic Centre,
Hurstville

PRESENT

COUNCIL MEMBERS

Councillor Elise Borg (Mayor), Councillor Peter Mahoney (Chairperson), Councillor Matthew Allison, Councillor Elaina Anzellotti, Councillor Tom Arthur, Councillor Christina Jamieson, and Councillor Kathryn Landsberry.

COUNCIL STAFF

Director Environment and Planning – Joseph Hill, General Manager – David Tuxford, General Counsel – James Fan, Acting Manager Strategic Planning – Anne Qin, Manager Office of the General Manager – Vicki McKinley, Executive Services Officer –Marisa Severino, Technology Business Support Officer – Chris Stojanovski.

OPENING

The Chairperson, Councillor Mahoney, opened the meeting at 7pm.

ACKNOWLEDGEMENT OF COUNTRY

The Chairperson, Councillor Mahoney acknowledged the Bidjigal people of the Eora Nation, who are the Traditional Custodians of all lands, waters and sky in the Georges River area. I pay my respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples who live, work and meet on these lands.

APOLOGIES/LEAVE OF ABSENCE

There were no apologies or requests for leave of absence.

REQUEST TO ATTEND VIA AUDIO VISUAL LINK

There were no requests to attend via Audio Visual Link.

NOTICE OF WEBCASTING

The Chairperson, Councillor Mahoney advised staff and the public that the meeting is being recorded for minute-taking purposes and is also webcast live on Council’s website, in accordance with section 5 of Council’s Code of Meeting Practice. This recording will be made available on Council’s Website.

CODE OF MEETING PRACTICE

Council’s Code of Meeting Practice prohibits the electronic recording of meetings without the express permission of Council.

DISCLOSURES OF INTEREST

Special Interest Disclosure - Councillor Mahoney submitted a Special Disclosure of Pecuniary Interest in **ENV035-25 Withdrawal of the Additional and Diverse Housing Planning Proposal (PP2024/0004)** for the reason the Councillor’s principal place of residence is located within the existing Foreshore Scenic Protection Area. Councillor Mahoney will partake in any deliberations on this matter and will remain in the meeting and participate in the consideration and voting on this item.

Special Interest Disclosure - Councillor Jamieson submitted a Special Disclosure of Pecuniary Interest in **ENV035-25 Withdrawal of the Additional and Diverse Housing Planning Proposal (PP2024/0004)** for the reason the Councillor’s Principal place of residence is located within the 'Additional and Diverse Housing Planning Proposal' proposed to reduce the lot sizes for Dual Occupancies in R2 areas to 600sqm from 650sqm. Her principal place of residence is within the 650 and 600sqm so affected by this proposed change. The recommendation is to withdraw the Housing PP. Councillor Jamieson will partake in any deliberations on this matter and will remain in the meeting and participate in the consideration and voting on this item.

Special Interest Disclosure – Mayor Councillor Borg submitted a Special Disclosure of Pecuniary Interest in **ENV035-25 Withdrawal of the Additional and Diverse Housing Planning Proposal (PP2024/0004)** for the reason the Councillor's Principal place of residence is located within the 'Additional and Diverse Housing Planning Proposal' proposed to reduce the lot sizes for Dual Occupancies in R2 areas to 600sqm from 650sqm. Her principal place of residence and that of a close relative is within the 650 and 600sqm so affected by this proposed change. The recommendation is to withdraw the Housing PP. Councillor Jamieson will partake in any deliberations on this matter and will remain in the meeting and participate in the consideration and voting on this item.

Special Interest Disclosure - Councillor Allison submitted a Non- Significant Non - Pecuniary Interest in **ENV035-25 Withdrawal of the Additional and Diverse Housing Planning Proposal (PP2024/0004)** for the reason the Councillor's principal place of residence is located within the existing Foreshore Scenic Protection Area. Councillor Allison will partake in any deliberations on this matter and will remain in the meeting and participate in the consideration and voting on this item.

Special Interest Disclosure - Councillor Anzellotti submitted a Non- Significant Non - Pecuniary Interest in **ENV035-25 Withdrawal of the Additional and Diverse Housing Planning Proposal (PP2024/0004)** for the reason the Councillor's Principal place of residence is located within the existing Foreshore Scenic Protection Area. Councillor Anzellotti will partake in any deliberations on this matter and will remain in the meeting and participate in the consideration and voting on this item.

PUBLIC FORUM

There were no registered speakers.

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

ENV034-25 Confirmation of the Minutes of the Environment and Planning Committee Meeting held on 8 September 2025
(Report by Executive Services Officer)

COMMITTEE RECOMMENDATION: Councillor Landsberry, Councillor Jamieson

That the Minutes of the Environment and Planning Committee Meeting held on 8 September 2025, be confirmed.

Record of Voting

For the Motion: The Mayor, Councillor Borg, Councillor Mahoney, Councillor Allison, Councillor Anzellotti, Councillor Arthur, Councillor Jamieson, Councillor Landsberry

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was CARRIED.

COMMITTEE REPORTS

ENV035-25 Withdrawal of the Additional and Diverse Housing Planning Proposal (PP2024/0004)
(Report by Principal Strategic Planner)

COMMITTEE RECOMMENDATION: Councillor Allison, The Mayor, Councillor Borg

(a) That Council notes the Gateway Determination issued for the Additional and Diverse Housing Planning Proposal (PP2024/0004).

(b) That Council considers the Planning Proposal, as amended by the conditions of the Gateway Determination, now unacceptable as a replacement for the NSW Government's Low and Mid-Rise Housing (LMR) Policy.

(c) That Council not proceed with the subject Planning Proposal as it does not meet the objectives of the Planning Proposal sought by Council, in additional to the following reasons:

- (i) Council being unsuccessful in receiving an exemption from the LMR Policy,
- (ii) The LMR Policy unlocks a minimum theoretical capacity of 11,000 new dwellings compared to the capacity for 8,130 new dwellings created by the subject Planning Proposal,
- (iii) A cumulative capacity of more than 16,660 new dwellings will be created by a combination of the subject Planning Proposal and LMR Policy, which is likely to exacerbate the infrastructure demands arising from the unplanned population growth generated by the LMR Policy,
- (iv) The LMR Policy is better aligned with the principles of Transit-Oriented Development by concentrating new housing in areas serviced by existing train stations and town centres,
- (v) Council has several master plans underway that will facilitate future housing growth accompanied by the required local infrastructure, and
- (vi) There are no current or future budget allocations to complete the additional studies as required by the Gateway Determination Conditions.

Record of Voting

For the Motion: The Mayor, Councillor Borg, Councillor Mahoney, Councillor Allison, Councillor Anzellotti, Councillor Arthur, Councillor Jamieson, Councillor Landsberry

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was CARRIED.

CONCLUSION

The Meeting was closed at 7.15pm

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Chairperson

COMMITTEE REPORTS

Item: **ENV037-25 Draft Jubilee Stadium Precinct Plan of Management for Exhibition - Change to Crown Land Categorisation**

Author: Strategic Planner

Directorate: Environment and Planning

Matter Type: Committee Reports

RECOMMENDATION:

(a) That Council endorse the draft Jubilee Stadium Precinct Master Plan and revised Plan of Management for public exhibition for a period of no less than 28 days and allow submissions to be received up until 42 days in accordance with section 38 of the *Local Government Act 1993.*

(b) That Council re-notify the draft Jubilee Stadium Precinct Master Plan and Plan of Management to the NSW Department of Planning, Housing and Infrastructure, as the representative landowner of part of the land under section 39 of the *Local Government Act 1993*, to obtain owner's consent prior to public exhibition.

(c) That Council seek written consent from the NSW Department of Planning, Housing and Infrastructure to adopt the draft Plan of Management, in accordance with section 3.23(6) of the *Crown Land Management Act 2016*.

(d) That Council delegates authority to the General Manager to make any further minor amendments to the draft Jubilee Stadium Precinct Master Plan and Plan of Management to address any points raised by the NSW Department of Planning, Housing and Infrastructure and make minor modifications to any numerical, typographical, interpretation and formatting errors if required.

(e) That Council endorse the proposed land categorisation of 'General Community Use', 'Sportsground' and 'Park' and hold a public hearing under section 40A of the *Local Government Act 1993*.

(f) That Council receive a further report on the results of the public exhibition.

EXECUTIVE SUMMARY

1. The draft Jubilee Stadium Precinct Master Plan and Plan of Management (PoM) was endorsed by Council at its meeting on 24 March 2025. Council also endorsed a 'General Community Use' categorisation for the entire Precinct, as defined under the Local Government Act 1993.

2. In accordance with Council's resolution, the draft Jubilee Stadium Precinct Master Plan and PoM were referred to Crown Lands on 4 April 2025 as the representative landowner of part of the land, to obtain owner's consent prior to public exhibition.

3. Feedback from Crown Lands was that they do not support a 'General Community Use' categorisation for the entire precinct, as endorsed by Council in the draft PoM.

4. Through discussions with Crown Lands, a revised categorisation map has been agreed upon to include a mix of 'General Community Use', 'Sportsground' and 'Park' categorisations and the draft PoM has been updated accordingly. This updated draft Pom remains aligned with the vision and intended future uses of the Jubilee Stadium Precinct.

5. Due to the change in the proposed categorisation of the land, this report seeks Council's endorsement of the updated draft PoM for public exhibition. The draft PoM will need to be re-notified to Crown Lands to seek the Minister's consent to exhibit and adopt the PoM.

BACKGROUND

6. On 10 March 2025, the Environment and Planning Committee considered the report 'Draft Jubilee Stadium Precinct Master Plan and Plan of Management for Exhibition'. The report was subsequently considered by Council at its meeting on 24 March 2025, where it was resolved:

   (a) "That Council endorse the draft Jubilee Stadium Precinct Master Plan and Plan of Management for public exhibition for a period of no less than 28 days and allow submissions to be received up until 42 days in accordance with section 38 of the *Local Government Act 1993,* subject to the following amendments prior to exhibition:

      (i) Removal of the long term actions to 'investigate, design and build a basement car park under Kogarah Park with access from English Street' and

      (ii) Removal of 'additional basement parking' from the long term action 'Reconfigured "hill" above new indoor basketball courts with amenities and additional basement parking'

   (b) That Council notify the draft Jubilee Stadium Precinct Master Plan and Plan of Management to the NSW Department of Planning, Housing and Infrastructure, as the representative landowner of part of the land under section 39 of the *Local Government Act 1993*, to obtain owner's consent prior to public exhibition.

   (c) That Council seek written consent from the NSW Department of Planning, Housing and Infrastructure to adopt the draft Plan of Management, in accordance with section 3.23(6) of the *Crown Land Management Act 2016*.

   (d) That Council delegates authority to the General Manager to make any further amendments to the draft Jubilee Stadium Precinct Master Plan and Plan of Management to address any points raised by the NSW Department of Planning, Housing and Infrastructure and make minor modifications to any numerical, typographical, interpretation and formatting errors if required.

   (e) That Council endorse the proposed 'General Community Use' categorisation for the entire precinct and hold a public hearing under section 40A of the *Local Government Act 1993*."

7. On 4 April 2025, in accordance with Council's resolution (b) and (c) above, Council forwarded the draft Jubilee Stadium Precinct Master Plan and Plan of Management to the NSW Department of Planning, Housing and Infrastructure (Crown Lands).

LAND CATEGORISATION

8. On 12 June 2025, Crown Lands responded to Council that the proposed 'General Community Use' categorisation for the entire precinct was not supported.

9. Under Section 36(4) of the *Local Government Act 1993*, a PoM must categorise community land into one of five categories:

   (a) Natural area

   (b) Sportsground

   (c) Park

   (d) Area of cultural significance, or

   (e) General community use.

10. The *Crown Land Management Act 2016* provides that this same requirement for categorisation now also applies to Crown reserves under the control of a "Council manager". This applies to Crown Reserve No. 500479 (Lot 7084 in DP93146).

11. The land must be used and managed according to the PoM and applicable core objectives for the categorisation assigned to the land.
12. The existing PoM for Kogarah Park applying to 49 English Street and the playground at 249 Princes Highway categorised the land as ‘General Community Use’.
13. The draft Jubilee Stadium Precinct PoM endorsed by Council on 24 March 2025 proposed a ‘General Community Use’ categorisation for the entire Precinct. It was the view of Council officers and consultants, GHD, that this categorisation would enable the greatest flexibility in terms of the types of uses currently utilised and planned for under the draft Master Plan and Council strategies, and aligned with Council’s vision for the Precinct being a multi-use, premium, mixed use precinct.
14. Council staff and GHD met with Crown Lands on 27 June 2025 and 8 August 2025. After detailed discussion about the future vision for the Jubilee Stadium Precinct, Crown Lands put forward a revised categorisation map as shown in **Figure 1**.
15. The revised categorisation includes:
    (a) ‘Sportsground’ category to apply to the Jubilee Stadium oval (grass playing surface);
    (b) ‘General Community Use’ category to apply to Jubilee Stadium buildings, grandstand and land surrounding the oval; and
    (c) ‘Park’ category to apply to Kogarah Park adjacent to the Princes Highway, as well as land on the corner of Park Street/English Street in the vicinity of the Kogarah War Memorial; and corner of Park Street/Jubilee Avenue.

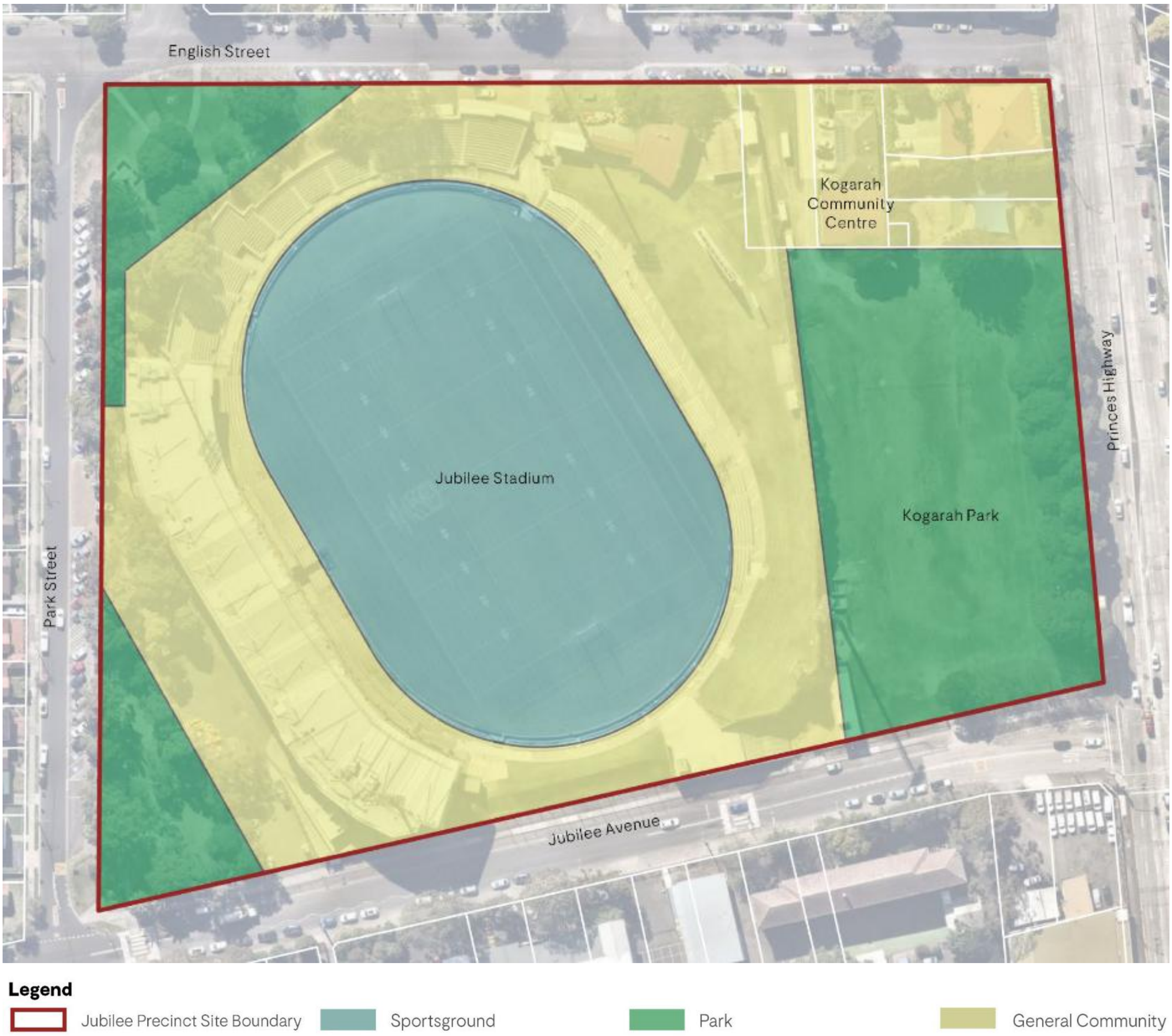


Figure 1 – Proposed Categorisation of Jubilee Stadium Precinct

16. The relevant legislative guidelines and core objectives for the three proposed categories are outlined in the table below.

Category	**Guidelines under the *Local Government (General) Regulation 2021***	**Core Objectives under the *Local Government Act 1993***
General Community Use	Land that may be made available for use for any purpose for which community land may be used, whether by the public at large or by specific sections of the public.	The core objectives for management of community land categorised as general community use are to promote, encourage and provide for the use of the land, and to provide facilities on the land, to meet the current and future needs of the local community and of the wider public— a. in relation to public recreation and the

Category	Guidelines under the *Local Government (General) Regulation 2021*	Core Objectives under the *Local Government Act 1993*
		physical, cultural, social and intellectual welfare or development of individual members of the public, and b. in relation to purposes for which a lease, licence or other estate may be granted in respect of the land (other than the provision of public utilities and works associated with or ancillary to public utilities).
Sportsground	Land should be categorised as a sportsground under section 36(4) of the Act if the land is used or proposed to be used **primarily** for active recreation involving organised sports or the playing of outdoor games.	The core objectives for management of community land categorised as a sportsground are— a. to encourage, promote and facilitate recreational pursuits in the community involving organised and informal sporting activities and games, and b. to ensure that such activities are managed having regard to any adverse impact on nearby residences.
Park	Land should be categorised as a park under section 36(4) of the Act if the land is, or is proposed to be, improved by landscaping, gardens or the provision of non-sporting equipment and facilities, for use **mainly** for passive or active recreational, social, educational and cultural pursuits that do not unduly intrude on the peaceful enjoyment of the land by others.	The core objectives for management of community land categorised as a park are— a. to encourage, promote and facilitate recreational, cultural, social and educational pastimes and activities, and b. to provide for passive recreational activities or pastimes and for the casual playing of games, and c. to improve the land in such a way as to promote and facilitate its use to achieve the other core objectives for its management.

17. Initially, Council officers raised concerns to Crown Lands that the Sportsground and Park categories may restrict the types of uses planned for under the draft Master Plan and Plan of Management, in comparison to a 'General Community Use' categorisation which allows the widest range of uses. However, as noted in the above table, the wording of the guidelines is such that the land is **primarily** or **mainly** used for the respective sporting or active recreational uses. Crown Lands advised that other uses could still be undertaken within a Sportsground or Park category, as long as they are specified by the PoM.

18. Consequently, the vision for the Jubilee Precinct, including specific future uses, remain aligned with the revised draft PoM following consultation with Crown Lands.

19. Based on the comments from Crown Lands, the draft PoM has been updated and is provided in **Attachment 1**. The changes to the draft PoM include:
    (a) Updated categorisations to ‘Park’, ‘Sportsground’ and ‘General Community Use’.
    (b) Updated Part 3 Planning Context and Categorisation Framework.
    (c) 5.6 Use agreements – New section ‘Express authorisation of tenure’.
    (d) Additional explanation that the Pom provides the legal basis for
        (i) Categorising land under the LG Act, and
        (ii) Expressly authorising leases, licences and other estates over the land, as required under Section 46 of the LG Act.
    (e) Additional text under Background, Change and review – to be reviewed within 10 years of adoption.
20. The content of the draft Master Plan has not changed since Council endorsed it at its meeting on 24 March 2025, and is contained as Appendix A within the draft PoM.
21. The proposed Staging Plan has been updated to reflect the amended land categorisation and is provided in **Attachment 2**.
22. It is recommended that Council endorse the revised categorisation supported by Crown Lands. The draft PoM will need to be re-notified to Crown Lands to seek the Minister’s consent to exhibit and adopt the PoM.

FINANCIAL IMPLICATIONS

23. Within budget allocation.

RISK IMPLICATIONS

24. Strategic Risk 3 – Assets and Infrastructure. The preparation of a Master Plan and Plan of Management for the Jubilee Stadium Precinct will mitigate this risk, by planning for and facilitating infrastructure that is reflective of the ongoing needs and/or expectations of our community and the infrastructure required to provide high quality of service demanded by the community.
25. Strategic Risk 7 – Ineffective governance. A Plan of Management (PoM) is a legislative requirement for Council owned community land, and Crown Land where Council is the appointed Crown Land manager. The PoM is intended to ensure Council’s compliance with the *Crown Land Management Act 2016* and *Local Government Act 1993*.

COMMUNITY ENGAGEMENT

26. Extensive preliminary community engagement was undertaken from 12 June–12 July 2024 to raise awareness of the preparation of the draft Jubilee Stadium Precinct PoM and Master Plan and provide opportunities for input.
27. Following endorsement from Council to place the Plans on exhibition and landowner’s consent has been obtained from Crown Lands, the draft PoM and Master Plan will be placed on public exhibition for a period of no less than 28 days and allow submissions to be received up until 42 days in accordance with section 38 of the *Local Government Act 1993*.
28. It is intended to make the draft PoM and Master Plan available for viewing at:
    - Council’s Your Say website;

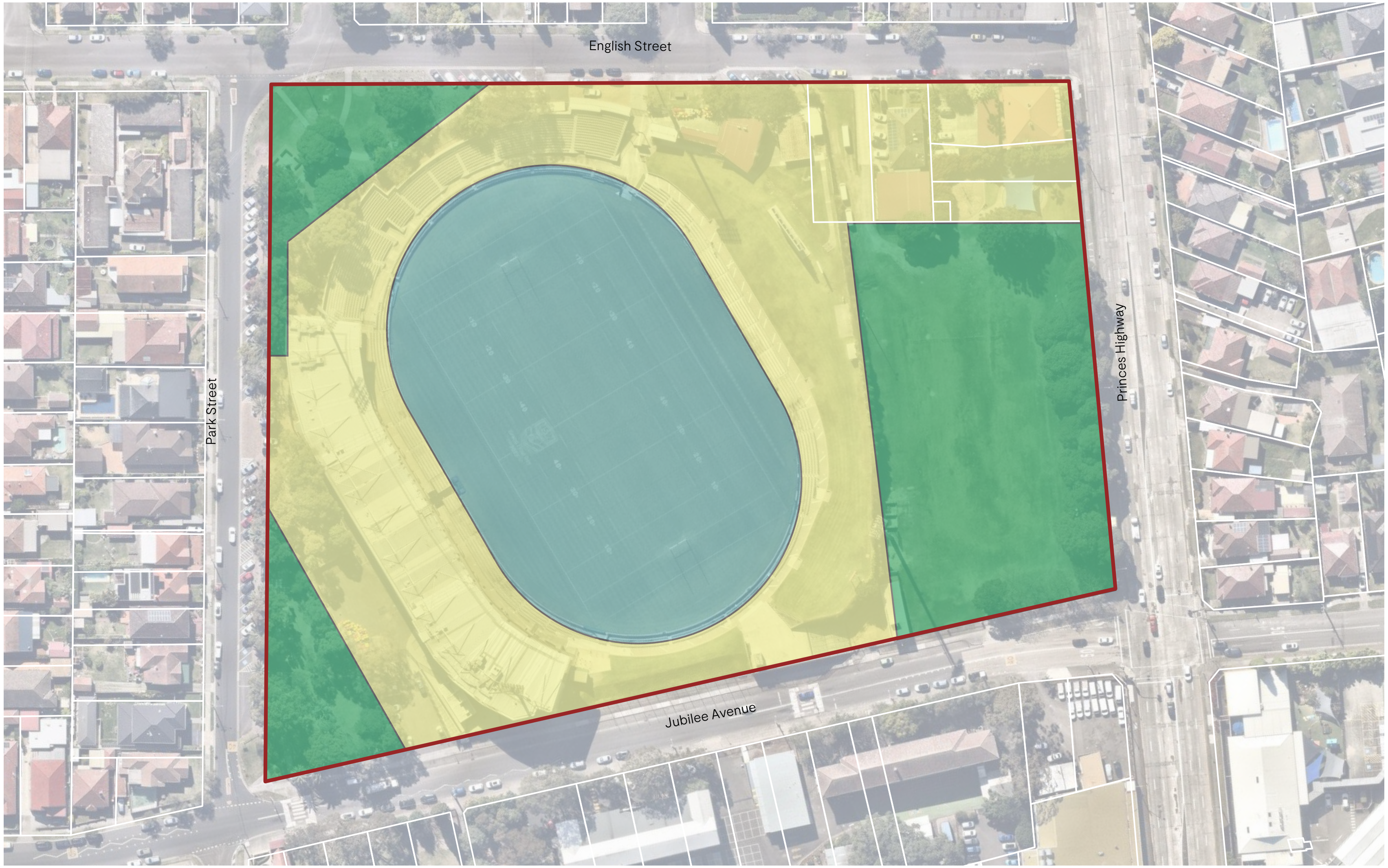
- Georges River Civic Centre, MacMahon Street, Hurstville, between 8.30am and 5.00pm, Monday to Friday;
- Clive James (Kogarah) Library and Service Centre, during library hours;
- Hurstville Library, during library hours; and
- Community drop-in sessions.

29. Notification of the public exhibition and exhibition methods will comprise:
    - Direct letterboxing or email to participants involved in the community consultation undertaken to inform the preparation of the draft PoM and Master Plan;
    - Direct letterboxing to all properties within a 150m radius of Jubilee Stadium Precinct;
    - Direct letter and/or email contact with known stakeholders or user groups;
    - Council's Your Say website;
    - Newspaper advertisement in The Leader; and
    - Corflute signs installed on-site.

30. A public hearing for the draft PoM will be held in accordance with the provisions of section 40A of the *Local Government Act 1993,* as the PoM categorises community land not previously included in a PoM, being 247 Princes Highway, which was compulsorily acquired by Council on 19 June 2023.

FILE REFERENCE
D25/281392
ATTACHMENTS

Attachment 1	Jubilee Stadium Precinct - Final Draft Plan of Management - *published in separate document*
Attachment ⇩2	Jubilee Stadium Precinct Staging Plan

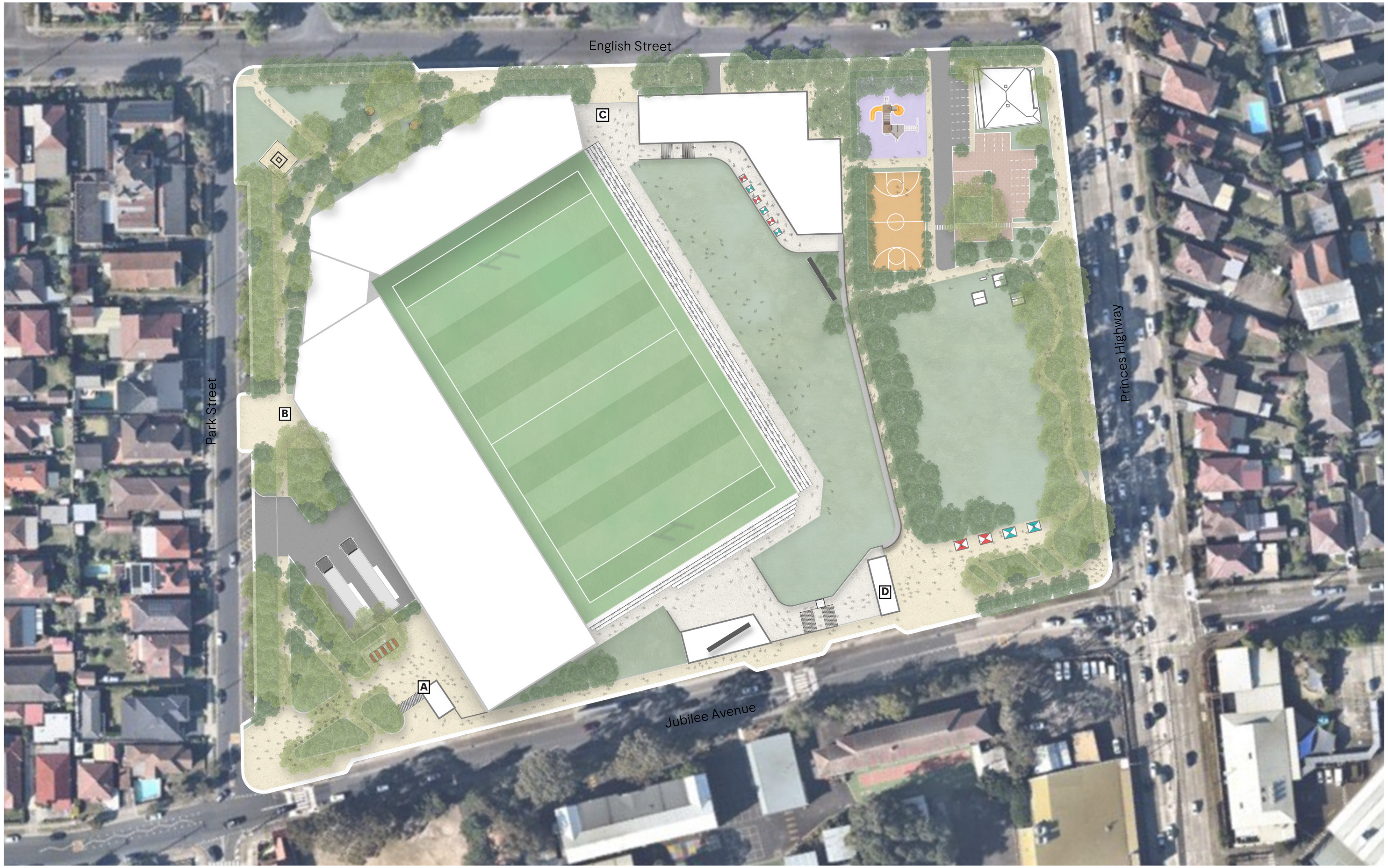


Client:
Georges River Council
Project:
Jubilee Stadium Precinct

Legend
- Jubilee Precinct Site Boundary
- Sportsground
- General Community Use
- Park

Drawing:
Plan of Management - Categorisation Plan
Indicative sketch only

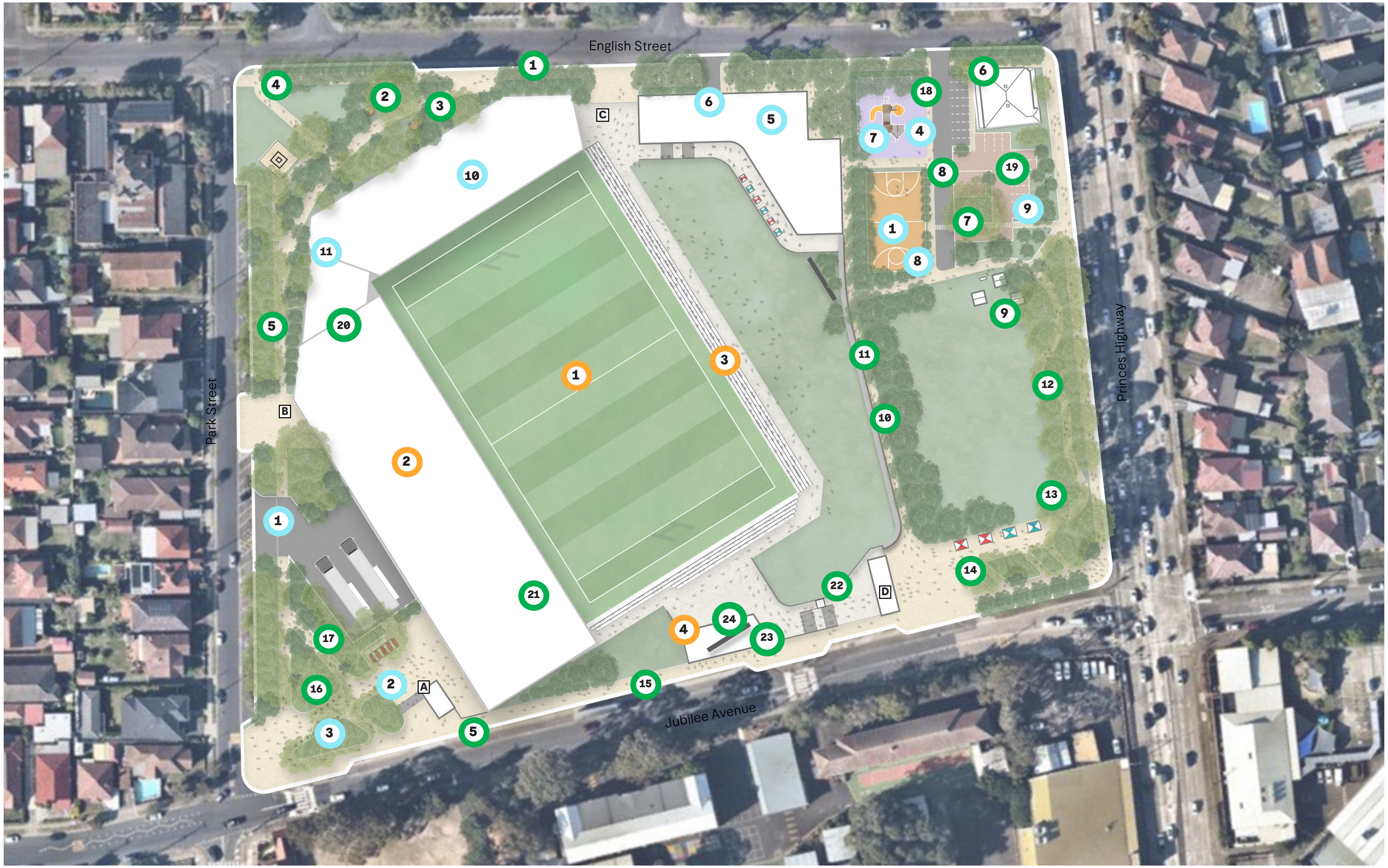
Drawing no: 3
Issue: A
Date: 30/09/2025



Client: **Georges River Council**
Project: **Jubilee Stadium Precinct**

Drawing: **Master Plan**
Indicative sketch only

Drawing no: 2
Issue: C
Date: 30/09/2025



Client: **Georges River Council**

Project: **Jubilee Stadium Precinct**

Legend

- Short Term Priority (0-5 years)
- Medium Term Priority (5-15 years)
- Long Term Priority (15+ years)

Drawing: **Staging Plan**

Indicative sketch only

Drawing no: 3

Issue: C

Date: 30/09/2025

Short Term Priority (0-5 years)

Precinct

1. Widened continuous footpath on English Street
2. Outdoor gymnasium equipment
3. Park benches, bubblers and rubbish bins throughout green spaces and park
4. Widened paths through north corner of Precinct (near War Memorial)
5. Improved lighting along all footpaths and around perimeter of Precinct
6. Retain former Kogarah Hotel building with reconfigured parking (9 spots)
7. Relocate and upgrade playground to be accessible and visible from English Street
8. Maintain vehicle access for event parking on Kogarah Park when required
9. Roofed picnic tables and community BBQ
10. New trees along western edge of Kogarah Park and retain significant trees on eastern edge along Princes Highway
11. New footpath connecting Stadium Gates D and C
12. New path loop within Kogarah Park
13. Partially fenced dog park
14. Paved Entry Plaza at Gate D to improve sense of arrival
15. Widened footpath along Jubilee Avenue to 3.5m
16. Upgrade green space at Gate A
17. Upgraded Legends Walk for increased passive surveillance and safety.
18. Freestanding public toilet block and new path adjacent existing Community Centre.
19. Provide dedicated community service parking for vans/mini uses and staff.

Stadium

20. Relocate game day production suite for better orientation
21. Improve and refurbish existing stadium and beverage offer and amenities
22. Install lift at Gate D for accessible access
23. Upgrade Gate D food and beverage offer at stadium level with potential for Jubilee Avenue active frontage at street level
24. Install second game screen at southern end of field

Medium Term Priority (5-15 years)

Precinct

1. Relocate stadium service parking access to Park Street to remove existing pedestrian/vehicle movement path clash at Gate A - retain as many existing trees as possible. New parking configuration to allow two parking spaces and turning circle for pantech broadcast truck access.
2. New accessible access and Entry Plaza at Gate A including food and beverage offer with outdoor seating and handstand area for merchandise pop-ups etc.
3. Relocate Legends Walk to Gate A Entry Plaza.
4. Remove existing community services buildings.
5. New community building on eastern corner of stadium fronting English Street including café with indoor and outdoor seating and public amenities at park level, community services, public indoor recreational facilities and new food and beverage offer at Gate C and upper level to hill.
6. New community building will include basement parking for staff, vans and mini buses and wash down bay for park maintenance.
7. New upgraded playground for all abilities on English Street.
8. Provision of a multi sport basketball court adjacent to the new playground.
9. Previous community service parking area becomes flexible paved outdoor space for over flow parking, weekend markets or additional hard stands as required.

Stadium

10. New northern grandstand with covered seating and additional floor space for new food and beverage offerings and amenities and other RE1 uses as determined.
11. New north-west stadium entry.

Long Term Priority (15+ years)

Stadium

1. New rectangular field configuration, dependent on maintaining or increasing current seating capacity. It is intended no new stadium configuration will facilitate less seating than currently available.
2. New western grandstand with increased seating capacity due to rectangular configuration.
3. Hill and eastern seating reconfigured to rectangular configuration resulting in larger hill area.
4. Expanded Gate D stadium level food and beverage plaza area.

GHD	Client: **Georges River Council** Project: **Jubilee Stadium Precinct**	Drawing: **Staging Priorities Table**	Drawing no: 4 Issue: C Date: 30/09/2025

ENV037-25 Attachment 2

Item: **ENV038-25 Repurpose of Moomba to Sydney Ethane Pipeline Hazard Analysis**

Author: Strategic Planner

Directorate: Environment and Planning

Matter Type: Committee Reports

RECOMMENDATION:

(a) That Council notes:

(i) the revised Moomba to Sydney Ethane Pipeline Hazard Analysis Report.

(ii) the revised Hazard Analysis Report will inform land use planning on land adjacent to the MSP, including the preparation of the Beverly Hills and Riverwood Master Plans.

(b) That Council endorse the preparation of a Planning Proposal to amend the Georges River Local Environmental Plan 2021 to include properties within 200m of the MSP in the Activity Hazard Risk Map and update *clause 6.16 Development in areas of activity hazard* risk to restrict development containing sensitive land uses.

(c) That Council endorse removing notations from the Section 10.7(5) Planning Certificates for properties affected by the LSIR 5E-07 and LSIR 1E-06 contours as identified by the superseded MSE Pipeline Hazard Analysis report.

EXECUTIVE SUMMARY

1. In February 2025, the Moomba to Sydney Pipeline (MSP) was repurposed to transport Natural Gas from Ethane. Council has reappointed Arriscar to revise the societal risk and the pipeline risk profile based on the use of transporting Natural Gas.
2. The revised hazard analysis conducted by Arriscar indicates that the Location Specific Individual Risk (LSIR), injury risk, and societal risk associated with Natural Gas are all below the thresholds outlined in the Hazardous Industry Planning Advisory Paper No. 10 - Land Use Safety Planning (HIPAP No. 10). In summary, the revised analysis provided the following recommendations:
   - Recommendation 1: consider restricting sensitive use developments on properties within the measurement length of 200 m from the pipeline
   - Recommendation 2: limit the future population density within the measurement length of 200 m from the pipeline to an average density of 65,000 persons/km^2.
   - Recommendation 3: any changes to land zoning, should be done in consultation with APA (the pipeline owner).
   - Recommendation 4: allow development applications with population densities less than those specified in Recommendation 2 to rely upon MSE Hazard Analysis report.
   - Recommendation 5: future developments within 200 m of both the pipeline and the development exceeding the limit will need to independently demonstrate compliance with the risk criteria in HIPAP 4 and 10.
3. It is recommended that Council note the Moomba to Sydney Ethane Pipeline Hazard Analysis (**Attachment 1**) as a strategic planning document that will inform the population intensification of land adjacent to the MSP pipeline in the Georges River Local

Government Area (LGA), specifically for the preparation of the Beverly Hills and Riverwood Master Plans which are currently underway.

4. In response to Recommendation 1, a Planning Proposal is required to restrict sensitive use developments within 200m of the pipeline by amending the existing Activity Hazard Risk Map and *clause 6.16 Development in areas of activity hazard* risk in the Georges River Local Environmental Plan (GRLEP) 2021.

5. In light of the revised Hazard Analysis report, it is also recommended to remove notations that have been previously placed on Section 10.7 certificates as result of the superseded report (refer **ENV010-25**).

BACKGROUND

6. In 2023, Council appointed Arriscar to undertake a comprehensive risk assessment of the Moomba to Sydney Ethane (MSE) Pipeline within the Georges River LGA.

7. The MSE Pipeline Hazard Analysis Report assesses the extent to which population intensification can occur on land adjacent to the MSE pipeline, while remaining compliant with the NSW Department of Planning, Housing and Infrastructure (DPHI) risk criteria outlined in *Hazardous Industry Planning Advisory Paper No. 10 (HIPAP No. 10).*

8. This assessment was completed in August 2024 and provided a detailed assessment of the pipeline’s risk profile based on its then current use for transporting Ethane.

9. At its meeting on 24 March 2025 (**ENV010-25)** Council noted the MSE Pipeline Hazard Analysis Report.

10. In February 2025, the Minister for Planning approved the repurposing of the MSP from Ethane to Natural Gas service.

11. The change in the transported substance has altered the risk profile of the pipeline, which required the modelling previously undertaken to be revised.

12. In response, Council reappointed Arriscar to revise the societal risk, LSIR and injury risk based on the pipeline transporting Natural Gas.

13. The objectives of the Report were to:

    - *“Identify and assess the hazards and risks associated with the MSE pipeline with respect to the risk criteria outlined in HIPAP No. 10;*
    - *Identify graphically on a map, the maximum future proposed additional dwellings the area can accommodate without exceeding the NSW DPHI’s risk criteria; and*
    - *Make recommendations for mitigation measures that may be required to reduce the risk on the population due to future development.”*

14. The methodology used for the study involved the following main steps:

    - *“System definition, in which information on the facility is collected and assimilated.*
    - *Hazard identification, in which site events and external events are identified which may lead to potential adverse effects beyond the boundary of the site.*
    - *Consequence modelling, in which all the possible consequences of each event are estimated.*
    - *Frequency and likelihood estimation, in which the frequency (i.e. likelihood per year of occurrence) of each of the hazardous events is estimated, based on historical failure data.*

- *Risk estimation, in which the frequencies and consequences of each event are combined to determine levels of risk.*
- *Risk assessment, in which the calculated risks are assessed against relevant risk criteria."*

FINDINGS AND RECOMMENDATIONS

15. The LSIR of fatality for the MSP carrying Natural Gas is below the NSW Department of Planning, Housing and Infrastructure (DPHI) risk criteria.
16. There is no impediment to sensitive, residential, commercial, active open space, or industrial development based on LSIR. Such developments, however, are still subject to the limitation of population to ensure societal risk criteria is satisfied.
17. The injury, property damage and accident propagation risks are below the relevant NSW DPHI risk criteria.
18. The maximum societal risk is within the Negligible zone of the NSW DPHI criteria (HIPAP 6 and HIPAP 10).
19. Based on the societal risk area map, any location within 200m of the pipeline can be considered for population intensification.
20. The maximum uniform population density that can be accommodated without exceeding societal risk criteria is 65,000 persons/km² (average). This is above the expected density for the centres along the pipeline. For reference, the Hurstville City Centre's estimated population density is 22,746 persons/km2 (source .id).
21. The revised MSE pipeline recommendations will therefore not inhibit the consideration of upzonings that may or may not occur with both the Beverly Hills and Riverwood Master Plans. Other factors such as infrastructure provision, built form and scale, and community sentiment will restrict densities to a level far below those set by the societal risk criteria.
22. The following recommendations have been made by Arriscar:

Recommendation 1 – Sensitive Use Development

Consider restricting sensitive use developments on properties within the measurement length of 200 m from the pipeline.

Sensitive use developments are those for use by sectors of the community who may be unable to protect themselves from the consequences of a pipeline failure event, and include the following land uses as per Standard Instrument—Principal Local Environmental Plan (2006 EPI 155a) – NSW Legislation:

- School
- Hospital
- Seniors housing
- Respite day care centre
- Early education and care facility
- Correctional centre

Although the DPHI's individual risk criterion for sensitive use development (0.5 × 10⁻⁶ fatalities per annum) was not exceeded, this recommendation is based upon the first of the qualitative criteria in HIPAP 10, "All 'avoidable' risks should be avoided". Placing vulnerable individuals in close proximity to the pipeline could be avoided and warrant precautionary land use controls.

Recommendation 2 – Population Intensification

Limit the future population density within the measurement length of 200 m from the pipeline to an average density of 65,000 persons/km², with the peak density not exceeding 135,000 persons/km², to ensure compliance with societal risk criteria.

Recommendation 3 – Consultation with Pipeline Operator

Following any changes to land zoning, participate in required land use change safety management studies in consultation with APA.

Recommendation 4 – Future Developments Meeting Societal Risk Criteria

Allow development applications with population densities less than those specified in Recommendation 2 to rely upon this report as evidence that the proposal complies with Hazardous Industry Planning Advisory Paper No. 4 – Risk Criteria for Land Use Safety Planning (refer Planning Circular PS 24-005).

Recommendation 5 – Future Developments where Societal Risk is Unknown

Should a development exceed the population density limits specified in Recommendation 2, the basis of recommendation 4 will be undermined, and all future developments within 200 m of both the pipeline and the development exceeding the limit will need to independently demonstrate compliance with the risk criteria in HIPAP 4 and 10.

23. The Moomba to Sydney Ethane Pipeline Hazard Analysis was sent to Hazards Team within DPHI in September 2025 and was endorsed, deeming its findings and approach suitable for strategic planning purposes.

PLANNING PROPOSAL TO AMEND CLAUSE 6.16 OF THE GRLEP

24. In response to Recommendation 1, a Planning Proposal is required to restrict sensitive use developments within 200m of the pipeline by amending the existing Activity Hazard Risk Map and clause 6.16 Development in areas of activity hazard risk in the (GRLEP) 2021.

25. The properties 200m of the pipeline are proposed to be affected by Clause 6.16 and to be included on the Activity Hazard Risk Map to the Georges River LEP 2021.

26. Clause 6.16 will be amended, in line with Recommendation 1, to include 'Respite Day Care Centre' and 'Correctional Centre' as sensitive land uses. These uses will be added to the clause as they are permissible within the relevant land use zones and are considered as sensitive uses. See proposed wording (in green) for the existing Clause 6.16 below:

(1) The objective of this clause is to minimise risk to life and property in the event of an emergency arising near a high-pressure gas pipeline.

(2) This clause applies to development for one or more of the following purposes on land identified as “High Pressure Gas Pipeline Risk Area” on the Activity Hazard Risk Map—

(a) centre-based childcare facilities,

(b) early education and care facilities,

(c) educational establishments,

(d) health services facilities,

(e) seniors housing,

(f) Respite Day Care Centre,

(g) Correctional Centre.

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(3) The consent authority must not determine a development application for development to which this clause applies, unless, in accordance with subclause (4), the consent authority has—

(a) consulted the Planning Secretary on the application, and

(b) taken into consideration the Planning Secretary's submissions, if any.

(4) The consent authority must—

(a) forward a copy of the application and the accompanying documents to the Planning Secretary within 7 days of receiving the application, and

(b) consider the Planning Secretary's submissions within 28 days of forwarding the documents.

S10.7 PLANNING CERTIFICATES

27. The repurposing of the MSP for the transportation of Natural Gas has resulted in a significantly lower risk profile compared to its previous use.
28. Accordingly, the findings support the removal of the following notations previously placed on Section 10.7 Planning Certificates, as the pipeline's repurposing to Natural Gas no longer warrants the same level of land use restriction.
29. It is proposed that for properties within the LSIR1E-06 contour, the following notation will be removed.

Moomba to Sydney Ethane Pipeline Hazard Risk - The land is identified within the LSIR 1E-06 per year contour and is subject to no residential population intensification restriction due to hazard risk.

30. Properties within the LSIR5E-07 the following additional attribute will be removed.

Moomba to Sydney Ethane Pipeline Hazard Risk - The land is identified within the LSIR 5E-07 per year contour and is subject to a sensitive use development restriction due to hazard risk. Sensitive use developments are those for use by sectors of the community who may be unable to protect themselves from the consequences of a pipeline failure event and include the following land uses as per Standard Instrument - Principal Local Environmental Plan (2006 EPI 155a) – NSW Legislation:

- *School*
- *Hospital*
- *Senior's housing*
- *Respite day care centre*
- *Early education and care facility*
- *Correctional centre*

Note: Development applications, planning proposals, and rezoning requests within these contours will be referred to the APA Group for review and comments. For further details, please contact APA Group at planningnsw@apa.com.au.

For development applications, the consent authority must:

a) consult the Planning Secretary on the application, and
b) take into consideration the Planning Secretary's submissions.

Next Steps

31. If the recommendations of the Moomba to Sydney Ethane Pipeline Hazard Analysis are endorsed a Planning Proposal will be prepared to support the findings and recommendations of the Hazard Analysis Report.

32. The properties within 200m of the MSP will be included in the Activity Hazard Risk Map and update *clause 6.16 Development in areas of activity hazard* risk to include *Correctional Centre* and *Respite Day Care Centre* in the GRLEP 2021. Council will receive a draft Planning Proposal prior to submission to DPHI for a Gateway determination.

33. Council will remove the above notations from the s10.7(5) Planning Certificates.

34. The revised Hazard Analysis will be used as a strategic planning document that will inform land use planning on land adjacent to the MSP, including the preparation of the Beverly Hills and Riverwood Master Plans.

FINANCIAL IMPLICATIONS

35. Within budget allocation.

RISK IMPLICATIONS

36. Strategic Risk 9: Housing Infrastructure – The Hazard Analysis will guide the population intensification of land adjacent to the MSP in the LGA. It aims to reduce the risk of harm to human health and the environment by considering the high-pressure dangerous goods pipelines.

FILE REFERENCE
D25/308956

ATTACHMENTS

Attachment 1 Repurpose of MSE - Hazard Analysis w Appendices - *published in separate document*

Item: **ENV039-25 Draft Affordable Housing Contribution Scheme**

Author: Strategic Planner

Directorate: Environment and Planning

Matter Type: Committee Reports

RECOMMENDATION:

(a) That Council endorse the Draft Affordable Housing Contribution Scheme (AHCS) for the Georges River Local Government Area.

(b) That Council endorse the preparation of a Planning Proposal to implement the AHCS.

(c) That Council notes a future report will be presented to Council seeking endorsement for the Planning Proposal to be forwarded to the Department of Planning, Housing and Infrastructure for a Gateway Determination.

(d) That Council notes the public exhibition of the draft AHCS will occur concurrently with the Planning Proposal subject to the receipt of a Gateway Determination.

EXECUTIVE SUMMARY

1. Council at its meeting held 28 November 2022 resolved to prepare an Affordable Housing Contribution Scheme (AHCS).
2. Council notified the Department of Planning, Housing and Infrastructure (DPHI) of the intent to develop an AHCS for the whole Georges River Local Government Area in November 2023.
3. A draft AHCS and Evidence Base (**Attachment 1 & 2**) has been prepared in accordance with the DPHI's *Guideline for Developing an Affordable Housing Contribution Scheme* (February 2019).
4. Council engaged Hill PDA to investigate the viability of introducing an affordable housing contribution charge for all new residential flat and shop-top housing developments across the LGA (**Attachment 3**). This has been used to inform the draft AHCS.
5. The draft AHCS proposed the following contribution rates:
    - A 2% affordable housing contribution for all new residential flat buildings and shoptop housing.
    - A two-year implementation delay from gazettal is recommended. This allows developers to adjust feasibilities and acquisition strategies.
6. The report seeks Council endorsement of the draft AHCS so a Planning Proposal can be prepared to include the AHCS in the Georges River Local Environmental Plan 2021 (GRLEP).
7. A future report will be presented to Council seeking endorsement for the Planning Proposal to be forwarded to the DPHI for a Gateway Determination.

BACKGROUND

8. In February 2019, State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes) ("SEPP 70") was amended to apply to all municipalities within NSW. The SEPP provides a mechanism for Councils to develop schemes and levy developer contributions for affordable housing via conditions of consent. More recently, SEPP 70 was replaced by the State Environmental Planning Policy (Housing) 2021 ("Housing SEPP").

9. One of the objectives of the Environmental Planning and Assessment Act 1979 (EP&A Act) is the delivery and maintenance of affordable housing. The metropolitan plan for Sydney – The Greater Sydney Region Plan and the South District Plan supports this objective.
10. Objective 11 (housing is more diverse and affordable) of the Region Plan and Planning Priority S5 (providing housing supply, choice and affordability, with access to jobs, services and public transport) of the South District Plan specifically support the provision of affordable housing in our local government area (LGA).
11. The Georges River Community Strategic Plan and Delivery Program includes the following goal and strategy:
    - Create local policies and initiatives to encourage a greater supply of housing diversity, quality design and sustainability principles.
    - 4.2A: Develop and implement an Affordable Rental Housing Contribution Scheme.
    - 4.2B: Explore opportunities for affordable housing in Council redevelopments.
    - 4.2C: Develop policies to encourage diversity of housing that ensures quality design and sustainability principles
12. The Georges River Local Strategic Planning Statement (LSPS) specifies measures to deliver an increased proportion of affordable housing provision in all new development. This includes planning priorities and actions to deliver:
    - P9. A mix of well-designed housing for all life stages caters for a range of needs and incomes
    - A47. Complete a Local Housing Strategy that includes planning for District Plan housing targets, a hierarchy of residential zones, providing targets for inclusive housing and addressing housing diversity
    - A51. Utilise the provisions for planning agreements in the EP&A Act for affordable housing, drawing from the outcomes of the Inclusive Housing Strategy.
13. Council also prepared an Inclusive Housing Strategy and Delivery Plan which has informed the Local Housing Strategy. It ensures that the Local Housing Strategy reflects and promotes the inclusion of affordable/inclusive housing for the whole Georges River Community. The Delivery Plan in the Strategy provides a number of mechanisms that encourage and support Inclusive Housing.
14. Action 2.1.1 of the Delivery Plan states:
    - Prepare an Affordable Housing Contributions Scheme (AHCS)
        - An affordable housing contributions scheme would be prepared to comply with the Department of Planning, Industry and Environment's Guideline
        - Inclusion of the scheme into Council's LEP 2022 is subject review by DPIE and public exhibition.
15. Council has prepared an Affordable Housing Policy; the policy outlines our position and high-level approach to providing affordable housing in our LGA.
16. The Policy in Section 3 outlines Council's commitment to prepare an AHCS:
    - 3.1 Council will prepare an AHCS which will be compliant with the DPHI's Guideline for Developing an Affordable Housing Contribution Scheme.
    - 3.2 An Affordable Housing Contribution rate under the AHCS will be applied by Council for new residential flat buildings, independent living units, multi-dwelling

housing and shop top housing developments in the Georges River LGA. Council will also seek an Affordable Housing Contribution towards affordable housing for sites that receive planning uplift through planning controls.

Difference between social and affordable rental housing

17. Social housing is rental housing provided for people on low incomes who are unable to access or sustain suitable accommodation in the private rental market. It includes properties owned or managed by Homes NSW, Community housing providers and The Aboriginal Housing Office. Council is not responsible for the provision and management of social housing.

18. Affordable rental housing refers to dwellings that meet the needs of very low to moderate income households, ensuring they can also afford essential living expenses such as food, clothing, transport, healthcare, and education. As a general guideline, housing is considered affordable when rental costs are less than 30% of a household's gross income.

19. Affordable rental housing is an essential component of the 'affordable housing continuum' – the range of housing sectors required to meet the needs of society including crisis and transitional housing (e.g., homeless shelters), social housing, affordable housing and market (private) housing. This housing continuum within the NSW context is outlined in **Figure 1** below.

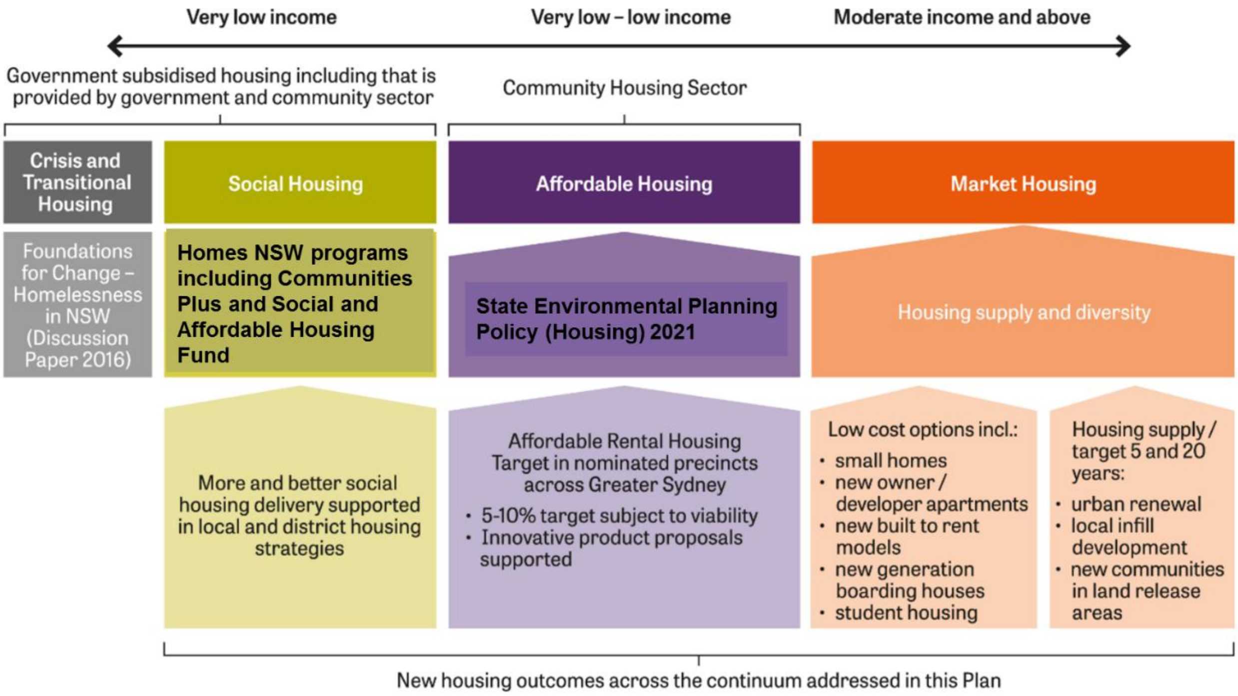

Figure 1 The Housing Continuum *(Source Greater Sydney Commission 2018)*

20. The Ministerial Affordable Housing Guidelines 2023/24 list the key differences between affordable and social housing, including:

    i. *Affordable housing is open to a broader range of household incomes than social housing, so households can earn higher levels of income and still be eligible. Applications for affordable housing properties are made to, and assessed by, the property manager. Applications for affordable housing cannot be made through Housing Pathways*

    ii. *Households do not have to be eligible for social housing to apply for affordable housing, although social housing eligible households may also be eligible for affordable housing Allocations policy for affordable housing is different to social housing and may prioritise different target groups*

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iii. *From time to time, community housing providers may invite social housing eligible households on the NSW Housing Register to apply for affordable housing properties.*

iv. *Rents for affordable housing may be calculated differently to social housing and there are different tenancy arrangements*.

Need for Affordable Housing

21. Houses and medium and high-density dwellings are largely unaffordable for most lower income households in Georges River. This issue is particularly severe for very low- and low-income households who would find it near impossible to enter the housing market.

22. Over the 12 months to December 2024, there were 2,536 property sales in Georges River. Of these, 26.4% were considered affordable for households on moderate incomes while only 2.3% and 0.7% were within reach for low and very low-income households, respectively.

23. Renting in Georges River is somewhat more affordable for lower income households. However, those with very low incomes ($349 per week) would struggle to find affordable housing in the private market as the median rental cost for a unit in the area is 1.8 times what they could afford.

24. It is estimated that 3,825 households have an unmet need for affordable housing in Georges River. This represents 7.3% of all households.

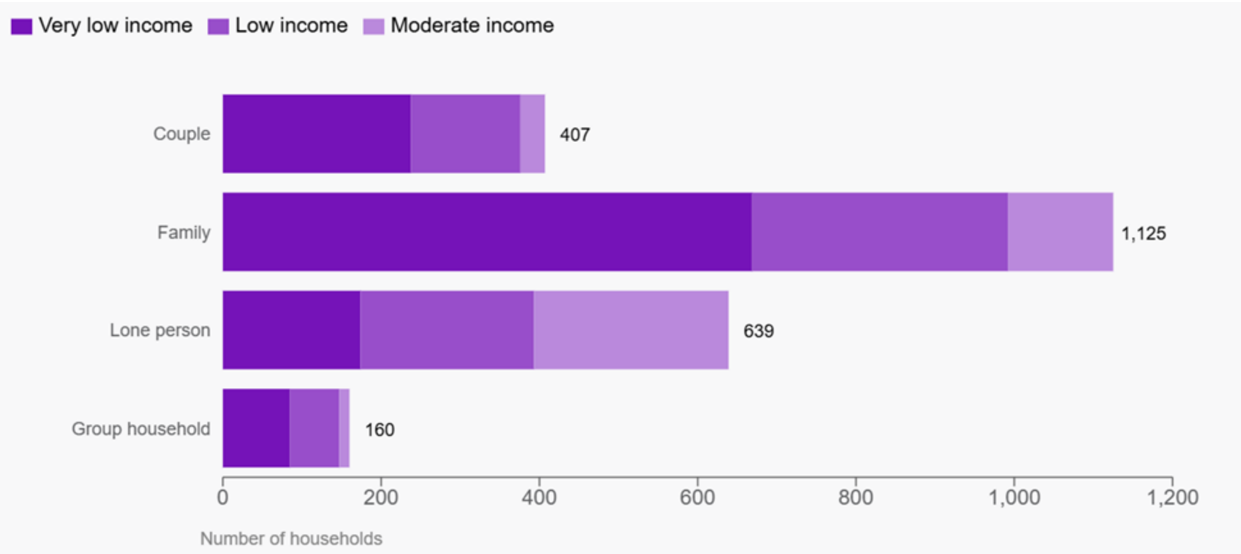


Figure 2 – Households in need of affordable housing *(Source: ABS census of Population and Housing 2021. Complied and presented by .id (informed decisions)*

What is an AHCS

25. An AHCS sets out how, where and at what rate contributions are collected for affordable rental housing in the Georges River LGA.

26. AHCS's provide developers certainty and transparency about how affordable rental housing contributions will be determined, and the contribution rate that will be applied in a condition of consent.

27. This Scheme has been prepared in accordance with the EP&A Act, State Environmental Planning Policy (Housing) 2021 and DPHI's Guideline for Developing an Affordable Housing Contribution Scheme.

28. The development of an affordable housing contribution scheme involves the following:

<u>Establish an evidence base:</u>

(a) The evidence base for an AHCS for Georges River LGA is established in the policy documents - Georges River Local Housing Strategy and the Georges River Inclusive Housing Strategy and Delivery Program and in Affordable Housing Contribution Scheme evidence base (**Attachment 2**).

Identify areas Affordable housing contribution schemes applies:

(b) Georges River AHCS will cover the whole LGA for any new residential flat buildings or shop top housing.

Establish an affordable housing contribution rate:

(c) Council engaged HillPDA to investigate the viability of introducing an affordable housing contribution charge for all new residential flat and shop-top housing developments across the LGA (**Attachment 3**).

(d) This feasibility report provides evidence-based advice on the following:

- Identify an appropriate flat rate to implement across the LGA.
- A monetary equivalent rate to affordable housing dedication.
- Establish an adequate transition period for introducing a flat rate if it is not currently viable.

(e) The key recommendations in the report are:

- A 2% affordable housing contribution (based on gross sales revenue or GFA) is viable across the Georges River LGA.
- Tested on four recent developments (Carlton, Kogarah Bay, Kogarah, Mortdale), the 2% rate did not compromise project viability.
- Higher rates (3–4%) were tested but found to reduce development margins below acceptable thresholds.
- A two-year implementation delay from gazettal is recommended. This allows developers to adjust feasibilities and acquisition strategies.
- Allow voluntary planning agreements (VPAs) to exceed 2% in rezoning proposals.

Draft AHCS

29. A draft AHCS has been completed using the DPHI template and is provided at **Attachment 1**.

30. The scheme covers:

- Where does the affordable housing contribution scheme apply?
- What types of development does the affordable housing contribution scheme apply to?
- Overview – Affordable Housing Need
- Definitions
- Contribution rates
- Dedication of dwellings
- Equivalent monetary contribution
- Indexing of payments
- Registered community housing provider and delivery program

31. The draft AHCS proposed the following contribution rates:
    - A 2% affordable housing contribution for all new residential flat buildings and shoptop housing.
    - A two-year implementation delay from gazettal is recommended. This allows developers to adjust feasibilities and acquisition strategies.

Managing Affordable Housing Contributions

32. To complete the implementation of the AHCS, Council must establish the mechanisms for the collection of contributions and the subsequent acquisition and management of affordable dwellings. This includes detailing the processes for receiving and then managing both in-kind and monetary contributions.
33. Once the GRLEP is amended, Council can begin collecting contributions from eligible developments. This could either be monetary or in-kind contributions.
34. All monetary contributions received under the scheme will be paid directly to Council.
35. Council will transfer the contributions to a nominated Community Housing Provider (CHP) and all contributions collected will be used for the purpose of providing, improving or replacing affordable housing within Georges River LGA.
36. When dwellings are provided for affordable rental housing, the title will be transferred to Council nominated CHP.
37. The CHP will be engaged and appointed in accordance with Council's adopted tender process. The CHP will be required to provide Council with regular reports on how the money has been spent under the scheme and dwellings acquired.
38. When engaging a CHP, the following items will be explored and locked in the contract to ensure funds are used appropriately and to Councils preference.
    - Location of dwellings being in the LGA and if there are any priority areas within the LGA.
    - Tenant eligibility - Tenants must be from very low-, low-, or moderate-income households.
    - Housing must be retained as affordable housing in perpetuity.
    - Rent must be capped (typically at 30% of household income).
    - The agreement may define tenancy models (e.g. long-term, transitional) and minimum/maximum durations.
    - Reporting requirements:
        - Number and type of dwellings delivered;
        - Tenant demographics and income level, including essential workers; and
        - Rent levels and affordability metrics.
39. Affordable rental housing in Georges River LGA will be managed by a CHP nominated by Council for the following reasons:
    - CHPs are experienced in the delivery and long-term management of affordable housing. They bring specialist knowledge in tenancy management, rent setting, and compliance with government guidelines.
    - Council can avoid the need to establish and staff their own affordable housing team.

- CHPs operate under the NSW Affordable Housing Ministerial Guidelines, which ensure consistent standards for eligibility, rent setting, and tenant support. This helps Councils meet their obligations without directly managing housing stock.
- CHPs can often access additional funding streams (e.g. federal or state grants, philanthropic investment) that Councils cannot, thereby increasing the value and impact of the contributions collected. CHPs also have various tax concessions that improve the viability of various projects.

AHCS Planning Proposal

40. To implement the AHCS an amendment to the GRLEP will be required. A new clause will be added to Part 6 of the GRLEP to enable Council to begin collecting contributions towards affordable rental housing.
41. The intended outcomes of the Planning Proposal are to:
    - Implement Georges River AHCS
    - Enable Affordable Housing Contributions
    - Align with Strategic Planning Objectives
    - Respond to Local Housing Needs
42. The additional clause will set out the requirements under which affordable housing contributions will be required for developers.

Next Steps

43. If Council endorses the Draft AHCS, the next steps will be as follows:
    i. Council will prepare a Planning Proposal (PP), including consultation with the Georges River Local Planning Panel.
    ii. Both the draft AHCS and draft PP will be reported to Council for endorsement to be sent to DPHI for a Gateway determination;
    iii. Should a favourable Gateway determination be issued, commence public exhibition for the draft AHCS and draft PP concurrently in accordance with conditions of the Gateway determination; and
    iv. Report back to Council for final endorsement of both the AHCS and PP following public exhibition, subject to potential amendments as result of community consultation outcomes.

FINANCIAL IMPLICATIONS

44. The draft AHCS will create a restricted revenue stream to Council for the exclusive purpose of facilitating affordable rental housing within the LGA. The Affordable Housing Contribution Assessment (**Attachment 3**) provides a recommendation on an appropriate levy on development to achieve this purpose that will not adversely impact the viability of development.
45. The recommendation of this report to procure a CHP to deliver and manager affordable rental housing is the most financially sustainable and efficient in maximising returns on contributions collected for this purpose. To develop and/or manage affordable rental housing, Council would be required to create and staff a new team to deliver this service.

RISK IMPLICATIONS

46. Strategic Risk 8: Social Cohesion identified - directly addressed by the AHCS, which aims to reduce socio-economic disparities by increasing access to secure, affordable rental housing for very low to moderate income households.

    Strategic Risk 9: Housing Infrastructure identified - Council's failure to implement the AHCS could result in a failure to deliver housing that responds to the evolving needs of the Georges River community. The AHCS is a key mechanism ensure that new developments contribute to a sustainable supply of affordable rental housing, aligned with planning regulations and broader strategic goals for social equity.

COMMUNITY ENGAGEMENT

47. Community engagement will be conducted in accordance with *the Environment Planning and Assessment Regulation 2021* and Council's Community Engagement Strategy when a Gateway determination is issued.

FILE REFERENCE
D25/308959
ATTACHMENTS

Attachment ⇩1	Draft Affordable Housing Contribution Scheme
Attachment ⇩2	Draft Affordable Housing Contributions Scheme Evidence Base
Attachment ⇩3	Affordable Housing Contribution Assessment

ENV039-25 Attachment 1

Affordable Housing Contribution Scheme

July 2025

Contents

Acknowledgement of country

Georges River Council acknowledges the Bidjigal people of the Eora Nation, who are the Traditional Custodians of all lands, waters and sky in the Georges River area. Council recognises Aboriginal and Torres Strait Islander peoples as an integral part of the Georges River community and values their social and cultural contributions. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples who live work and meet on these lands.

Introduction

The Georges River Affordable Housing Contribution Scheme (AHCS) has been developed to address the growing need for affordable rental housing within the Georges River Local Government Area (LGA). As housing costs continue to rise across Greater Sydney, many individuals and families, particularly those on very low to moderate incomes, are experiencing increasing difficulty in securing suitable accommodation close to where they work and live.

This Scheme provides a clear and transparent framework for collecting contributions from new residential developments to support the delivery of affordable rental housing. It outlines where and how contributions will be applied, the types of development subject to the scheme, and the mechanisms for administering and managing funds and dwellings.

By implementing this Scheme, Georges River Council aims to foster a socially inclusive community, support local economic resilience, and ensure that housing remains accessible to key workers and vulnerable populations. The AHCS is a critical step toward achieving a balanced and equitable housing market that reflects the diverse needs of the Georges River community.

Section 1 – Strategic context and background

This Affordable Housing Contribution Scheme (this Scheme) sets out how, where and at what rate contributions are collected for affordable rental housing in the Georges River Local Government Area (LGA). This Scheme has been prepared in accordance with the Environmental Planning and Assessment Act 1979, State Environmental Planning Policy (Housing) 2021 and the Department of Planning, Industry and Environment's *Guideline for Developing an Affordable Housing Contribution Scheme.*

1.1 Objectives of the affordable housing contribution scheme

The objectives of the Georges River AHCS are too:

- To recognise the provision of affordable rental housing as critical infrastructure to support sustainable growth and social outcomes for the Georges River LGA;
- To contribute to meeting the needs of very low to moderate income households for affordable rental housing in Georges River LGA;
- To contribute towards enabling individuals earning very low to moderate incomes to live directly within the communities where they work, fostering a stronger connection between employment and residence within the Georges River LGA.
- To provide certainty around the requirements for affordable rental housing in the Georges River LGA, including the rate for contributions and how contributions will be collected; and
- To ensure that contribution rates for affordable housing are viable, evidence based, and ultimately result in an increase in affordable rental housing.

1.2 Where does the affordable housing contribution scheme apply?

The scheme applies to the whole of the Georges River LGA.

1.3 What types of development does the scheme apply

The scheme applies to all new residential flat buildings, independent living units and mixed-use development (shop top housing).

1.4 Overview – Affordable housing need

Housing is critical to basic human needs for shelter, security and connection within communities. The availability of a suitable range of housing is vital to the efficient, equitable, prosperous and sustainable functioning of the area.

Offering more housing choices, including housing that is affordable for very low to moderate income households, is needed to support a socially diverse and inclusive community. Additionally, it is needed to help the local economy function, for example by ensuring sufficient workers are available for local businesses.

In recent years, continued escalation in house prices and rents across the Sydney Greater Metropolitan Region has made it difficult for very low to moderate income households to find housing that is affordable, resulting in increased levels of households in housing stress.

Key indicators demonstrating need in Georges River LGA for affordable housing:

- a significant proportion of very low to moderate income households are in housing stress
- very low to moderate income households cannot afford to purchase or rent housing in the area

- it is difficult for key workers to meet their housing needs within the LGA that they work.
- the amount of affordably priced housing is declining as older stock is replaced by new developments.

Specific interventions are therefore needed to ensure that a diversity of housing, including affordable rental housing is provided.

1.5 Legislative basis for affordable housing contributions

Section 7.32 of the Environmental Planning and Assessment Act (EP&A Act) allows Council to levy contributions for affordable housing if a State Environmental Planning Policy (SEPP) identifies a need for affordable housing in the LGA.

In February 2019, State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes) was amended to apply to all municipalities within NSW. The SEPP provides a mechanism for Councils to develop schemes and levy developer contributions for affordable housing via conditions of consent. SEPP 70 was replaced by the State Environmental Planning Policy (Housing) 2021 ("Housing SEPP").

Under Section 7.32(3)(b) of the EP&A Act, any condition imposed on a development consent must be authorised by a Local Environmental Plan (LEP) and be in accordance with an affordable housing contribution scheme for dedications or contributions set out in, or adopted by, the LEP.

1.6 Relationship to other affordable housing provisions in the LGA

Georges River Local Strategic Planning Statement 2040

The Georges River Local Strategic Planning Statement 2040 (LSPS 2040) sets out the following affordable housing actions, as summarised below:

- Action 47 requires the completion of a Local Housing Strategy and Inclusive Housing Strategy to provide a framework to address housing diversity;
- Action A50 identifies the need to establish a planning framework to provide housing for people from very low to moderate income households including key workers; and
- Action A51 aims to utilise the provisions of the EP&A Act for affordable housing, drawing from the outcomes of the Inclusive Housing Strategy.

Georges River Local Housing Strategy

The Strategy identifies "the need to prioritise the provision of housing options that are affordable and responsive to the needs of the Georges River community" and that "measures need to be put in place to address housing affordability; in particular, reducing rental and mortgage stress for very low to moderate income households.

A core objective of the Georges River Local Housing Strategy (LHS) is the provision of affordable and inclusive housing. Key actions of relevance include:

- HA12: Prepare an Inclusive Housing Strategy;
- HA13: Include provisions in the LEP for affordable and inclusive housing (note: includes aims, implementation of the AHCS and dual key dwellings);
- HA14: Prepare an Affordable Housing Contributions Scheme (note: includes identifying areas);
- HA15: Facilitate the use of VPAs as a means of providing affordable and inclusive housing (note: includes amending the VPA policy); and
- HA17: Preparation of a policy and procedures via collaborating with community housing providers to support the ongoing delivery and management of affordable housing.

Georges River Affordable Housing Policy

The Georges River Affordable Housing Policy (the Policy) provides a set of principles and policy statements which provide the framework for Georges River Council to support the supply of affordable housing. The Policy intends on increasing the supply of inclusive housing to accommodate a range of households, including very low to moderate income households, singles, families, couples, seniors, people with a disability, students, key workers and the broader residential market, including first home buyers.

The core principles of the Policy include:

- Establishing clear targets for the provision of affordable housing in the Georges River;
- Prepare an Affordable Housing Contributions Scheme (AHCS);
- Embedding affordable housing in Council's strategies, plans and policies;
- Partnering with the State and Commonwealth Government, other local councils, industry experts, the private sector, stakeholders and community housing providers to deliver affordable rental housing; and
- Advocating for change to support affordable housing in the Georges River.

Georges River Policy on Planning Agreements

The Georges River Policy on Planning Agreements (2016) provides Council's policy and procedures on the use of planning agreements. The legal and procedural framework for planning agreements is set by the EP&A Act, the Practice Note on Planning Agreements, and the Ministerial Direction Environmental Planning and Assessment (Planning Agreements) 2019.

Where Council is negotiating the terms of a proposed planning agreement that includes provision for affordable housing in connection with a development application or proposed development application, it will follow the requirements set out in Environmental Planning and Assessment (Planning Agreements) Ministerial Direction 2019.

For the purposes of the Direction and in relation to planning proposals (to which the Direction does not apply), the Council may seek to negotiate planning agreements providing for affordable housing contributions where the relevant development application, modification application or planning proposal proposes an increase to the maximum building height or floor space ratio applying to the land. For planning proposals, Council will also consider other matters as set out in the policy.

1.7 Affordable housing principles

The Georges River AHCS will be administered and managed in accordance with the following principles:

- Affordable housing should be provided and managed in the Georges River LGA so that a socially diverse residential population representative of all income groups is created and maintained.
- Affordable housing that is provided is to be made available to a mix on households on very low, low to moderate incomes.
- Affordable housing that is provided is to be rented to eligible households at an appropriate rate of gross household income.
- Dwellings provided for affordable housing are to be managed so as to maintain their continued use for affordable housing in perpetuity, or if sold, the funds raised reinvested to improve the offering of affordable housing within the LGA.

- Affordable rental housing is to consist of dwellings constructed to a standard which, in the opinion of Georges River Council, is consistent with other dwellings in the Georges River LGA.

The Georges River AHCS forms part of the broader Georges River Inclusive Housing Strategy and Delivery Program which outlines the framework for encouraging and delivering a greater mix of housing, including affordable rental housing, in the Georges River LGA.

1.8 Definitions

Affordable housing has the same meaning as in the *Environmental Planning and Assessment Act 1979*, which means housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.

Contribution rate means the contribution rate that is used in the calculation of the monetary contribution for a relevant development and is adjusted quarterly to take into account indexation.

Community Housing Provider (CHP) Includes any organisation or entity registered under the National Regulatory System for Community Housing (NRSCH). Contributions received under this plan must be managed by a Tier 1 provider.

Very low to moderate income households As referenced in State Environmental Planning Policy (Housing) 2021, very low to moderate income households are those households whose gross incomes fall within the following ranges of percentages of the median household income for Greater Sydney or the Rest of NSW:

- Very low-income household < 50%
- Low income household 50% to 80%
- Moderate income household 80% to 120%.

NSW Affordable Housing Ministerial Guidelines provide the details of these income thresholds.

Section 2 Affordable housing contributions

2.1 Contribution Rates

Affordable housing contributions are in addition to other contributions including local infrastructure contributions (s7.11 or s7.12) and special infrastructure contributions (Subdivision 4 of the Act).

The rates of affordable housing contributions for new residential flat buildings and mixed use developments (shop top housing) required under this Scheme are listed below:

- Year 1 and Year 2 – no increase
- Year 3 and beyond – 2% increase of residential GFA

Planning proposals seeking additional residential floorspace may offer affordable housing contributions over the 2.0% flat rate as part of their voluntary planning agreement. The base rate of 2.0% will remain part of the contribution under the Council's LEP. The contribution will be payable to the new residential gross floor area.

2.2 Dedication of Dwellings

Council's preference is for monetary contributions because they can be pooled to provide units in buildings that have low ongoing costs.

However, where the monetary contribution is equal to that of a whole unit (at least 50 square metres), one or more units may be dedicated, free of cost to Council's nominated registered Community Housing Provider.

Affordable housing resulting from a contribution is to be provided in the development in accordance with the following requirements:

- affordable housing dwellings are to align with the Affordable Housing Principles set out in Section 1.7 of this Scheme;
- affordable housing is to be provided in Georges River Council in perpetuity;
- affordable housing is rented to very low, low and moderate income households;
- affordable housing dwellings are to meet the minimum size requirements as outlined;
- in the Apartment Design Guide (ADG) (i.e. one bedroom apartment equates to no less than 50 square metres) and be incorporated within the proposed development;
- affordable housing dwellings are designed and constructed to a standard which, in the opinion of Council, is generally consistent with other dwellings in the LGA, that is, they are not differentiated as affordable housing compared with the design of other housing;
- where multiple affordable rental dwellings are provided within a larger development, the amenity benchmarks established by the Apartment Design Guideline (or any subsequent Guideline are to be achieved; and
- the location, size and quality of affordable housing dwellings are to be designed to the satisfaction of Council. If they are not satisfactory, Council may require changes to the development application, or require that the contribution is be made by way of an equivalent monetary contribution.

2.3 Equivalent monetary contribution

Where a monetary contribution is to be made in lieu of the dedication of completed dwellings on site, an equivalent monetary contribution will be made and indexed quarterly and the contribution rate will be reviewed periodically.

2.4 Development that is exempt from affordable housing contribution scheme

Residential development not specified in section 1.5, employment generating only developments, Social and Affordable Housing; Aged Housing; Townhouses (up to 3 storeys); Dual Occupancies; Detached Dwelling, Heritage Development and Refurbishments.

2.5 Conditions of consent for affordable housing

The provision of affordable housing contributions is to be a condition of development consent for applicable development within the Contribution Area.

The condition of consent must include the following information:

- The total residential gross floor area of the development that was used to calculate the contribution or the monetary contribution required.
- The relevant contribution rates.
- The indexation period at time of determination (for any monetary contributions).
- A requirement to demonstrate that the title of any dwellings will be transferred to Council prior to the granting an Occupancy Certificate.
- A requirement to make any monetary payment at a Construction Certificate (CC) stage in the development application process.
- A requirement that any dwellings that will be dedicated are shown on approved plans in the same development application and referenced in the affordable housing condition.

- The dedicated affordable housing is to be constructed to a standard which in the opinion of Council is consistent with other dwellings in the development.

Section 3 – Administration and implementation

3.1 Making a Contribution

Payment of affordable housing contribution will be paid to council prior to the issue of any Construction Certificate.

In circumstances where the contribution is dwellings, the title of any affordable housing units is to be transferred to Council's nominated registered Community Housing Provider prior to the issue of any Occupation Certificate.

3.2 Indexing of Payments

Where a monetary contribution is agreed upon instead of an apartment dedication, a fixed cash rate, adjusted annually, is proposed for the LGA.

The monetary equivalent rate for the scheme's introduction is proposed to be $199 per sqm of residential GFA. It will be adjusted annually by CPI and reviewed every three years to ensure the rate has kept pace with apartment prices in the Georges River LGA.

$$\text{AH Contribution Rate (\$/sqmGFA)} = \frac{\text{DCJ Third Quartile Strata Price}}{\text{Average dwelling size non – house}} \times 0.02$$

Contribution Rate

$$= \frac{\$896{,}000 \times 0.02}{90} = \$199 \ (\$/\text{sqmGFA})$$

Note: The DCJ Third Quartile Strata Price (December 2024) was $896,000

3.3 Adjustment of a monetary contribution amount

The monetary contribution rate in this plan will be indexed for inflation quarterly from the commencement of the plan.

Contribution at the time of consent

The monetary contribution value specified in this scheme will be indexed at the time development consent is granted. The indexation of contributions at the time of consent will be conducted according to the below formula:

Monetary Contribution (Consent) = Monetary Contribution (Base) x Index (Consent) ÷ Index (Base)

Where:

Monetary Contribution (Consent) is the required payment amount at the time of the consent being issued.

Monetary Contribution (Base) is the required payment amount specified in this scheme.

Index (Consent) is the increased current rate for the DCJ Third Quartile Strata Price.

Index (Base) is the DCJ Third Quartile Strata Price for March 2024

Note: The contribution required as a condition of development consent will not be less than the contribution that would have been required for the previous quarter, notwithstanding any indexation calculation.

Contribution at the time of payment

Indexation of the amount payable of a monetary contribution that has been imposed between the date of the granted development consent and the date of payment will be undertaken by Council. The indexation of contributions at the time of payment will be conducted according to the below formula:

Monetary Contribution (Payment) = Monetary Contribution (Base) x Index (Payment) ÷ Index (Base)

Where:

Monetary Contribution (Payment) is the required contribution at the time of payment.

Monetary Contribution (Base) is the required payment amount specified in this scheme.

Index (Payment) is the increased rate for the DCJ Third Quartile Strata Price at the time of payment

Index (Base) is the DCJ Third Quartile Strata Price for March 2024

Note: The contribution payable will not be less than the contribution that would have been payable for the previous quarter, notwithstanding any indexation calculation.

The indexed contribution rates can be viewed on Council's website.

3.4 Distribution and Management of Funds

All contributions, including both dedicated affordable housing and monetary contribution funds, collected for the purpose of providing affordable housing units are to be used in accordance with the Georges River Affordable Housing Contributions Scheme.

All monetary contributions received under this scheme will be paid directly to council. Council will transfer the balance to it's nominated Community Housing Provider every six months. Any monetary contribution received under this scheme must be used for the purpose of providing, improving or replacing affordable housing in Georges River Local Government Area.

The title of all dwellings dedicated for affordable housing are to be transferred to Council's nominated Community Housing Provider.

3.4 Management of Affordable Housing

Affordable housing properties acquired or achieved under this AHCS or by any other means, are to be transferred in property title to Georges River Council. Affordable housing dwellings are to be held and maintained in perpetuity.

Council will outsource the management of the affordable housing contributions and dwellings to a Community Housing Provider (CHP) with demonstrated experience and expertise in the management of affordable housing.

Council will also provide a delivery program that outlines how funds raised or dwelling provided under the scheme will be used and requirements for reporting and transparency.

3.5 Monitoring and Review

Council will review and report on the Affordable Housing Contributions Scheme annually. The following key performance indicators will be included:

- amount of unspent funds being held by council and the Community Housing Provider,
- the expenditure of any funding received under this scheme,
- the number of in-kind dwellings received under this scheme,
- the geographical spread of affordable housing provided via this scheme or funded through this Scheme, and
- evidence that all rental income received after the deduction of management and maintenance costs has only been used for the purpose for improving, replacing, maintaining or providing additional affordable rental housing.

GEORGES RIVER COUNCIL

Affordable Housing Contribution Scheme Evidence Base

July 2025

ENV039-25 Attachment 2

ContentsAffordable Housing Contribution Scheme Evidence Base.1

Acknowledgement of country

Georges River Council acknowledges the Bidjigal people of the Eora Nation, who are the Traditional Custodians of all lands, waters and sky in the Georges River area. Council recognises Aboriginal and Torres Strait Islander peoples as an integral part of the Georges River community and values their social and cultural contributions. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples who live work and meet on these lands.

Introduction

Georges River is a diverse and growing community located in southern Sydney, with a population of over 150,000 residents. The Local Government Area (LGA) has experienced steady population growth over the past two decades, and projections indicate continued growth through to 2046. This demographic change is accompanied by evolving household structures, an ageing population, and increasing demand for varied housing types.

Housing affordability has emerged as a significant issue across the LGA, mirroring broader trends seen throughout Greater Sydney. Rising property prices and rental costs have placed considerable pressure on very low, low, and moderate income households, many of whom are now experiencing housing stress. Essential workers, young adults, seniors, and single-parent families are particularly vulnerable, with limited access to affordable housing options.

This document investigates housing affordability, its need and availability within Georges River, and highlights the importance of implementing an Affordable Housing Contribution Scheme (AHCS) to support inclusive and sustainable growth

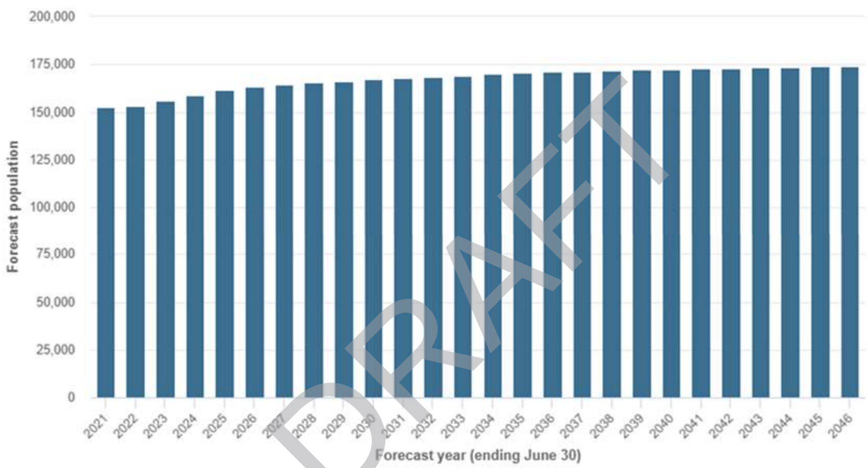
Demographic analysis

Population Growth

The LGA has a current (2021 Census) population of 152,703 people and has experienced significant population growth over the last twenty years. Over the past ten years, population growth has been around 0.7% p.a. This rate of growth is slower than the Greater Sydney average, which experienced a growth rate of 1.3% p.a. over the past decade.

The population of the LGA is forecast to reach approximately 174,000 by 2046. Between 2021 and 2046, the population for Georges River Council is forecast to increase by 21,454 persons (14.05% growth), at an average annual change of 0.53%.

Figure 1 – Population Projections



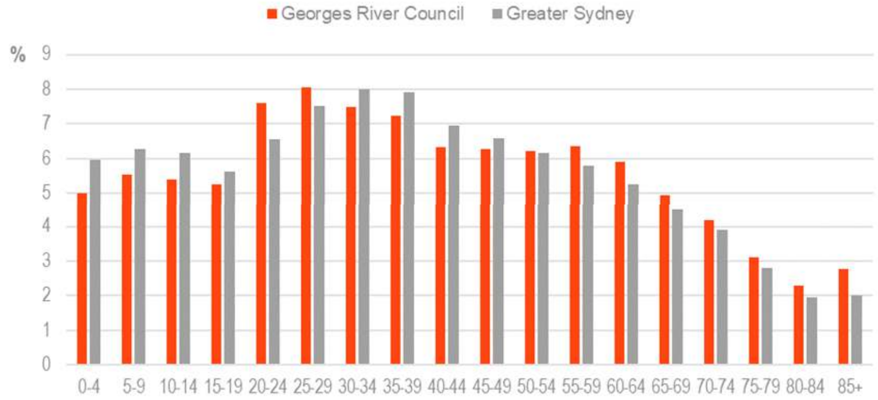
Source: Population and household forecasts, 2021 to 2046 .id (informed decisions), February 2025

Age Structure

Georges River's age structure in 2021 shows that it is fairly similar to that of Greater Sydney. However, there are slightly higher proportions of young adults (20-29 years) and older adults aged over 55 years.

Pre-retirement and Retirement age adults: There was a large increase (5,822) in adults aged 55 years and older observed between 2016 and 2021, those who moved to the area in the 1980s and 1990s.

Figure 2 –Age Structure, Georges River and Greater Sydney – 2021



Source: ABS, Census of Population and Housing (2021). Data based on place of usual residence.(.id informed decisions)

Household composition

The household and family composition of Georges River has evolved over the past decade as a result of demographic and social changes. Key changes observed over the past decade include:

- The average household size declining to 2.75 in 2021 from 2.84 in 2016.
- Couples with children make up 36.2% of total households, reflecting growth of 2% between 2016 and 2021.
- Couples without children households make up approximately 23% of total households. This household type has increased significantly in the area, by 11% in the past five years.
- There was significant growth in couples with older children between 2016 and 2021, through ageing in place. There was also considerable growth in single parent families.
- Over the past five years, there has been significant growth in households without children– both couples and lone persons (13%) when compared to the growth of households with children (3.2% between 2016 and 2021).

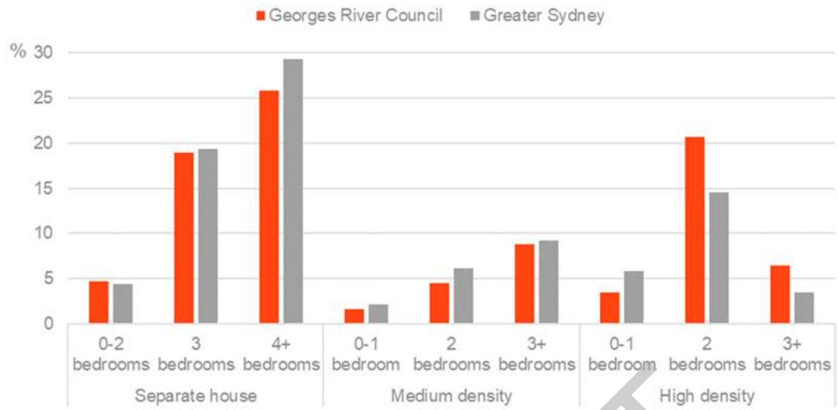
Dwelling Profile

In 2021, there were more multi-dwelling residences than separate houses in Georges River. There were 49.7% separate houses, 16% medium density dwellings and 33.4% high density dwellings.

Based on the number of bedrooms, separate houses with four or more bedrooms are the most common (25.8%, compared with 29.2% in Greater Sydney), followed by high-density dwellings with two bedrooms (20.7%, compared with 14.6% in Greater Sydney).

Compared to Greater Sydney, Georges River has a very similar mix of dwelling structures. Where it differs is in the number of bedrooms. High-density developments in the area are larger, with a higher proportion with two or more bedrooms.

Figure 3 - Dwellings by type, Georges River – 2021



Source: ABS, Census of Population and Housing (2021). (.id informed decisions)

Household Income

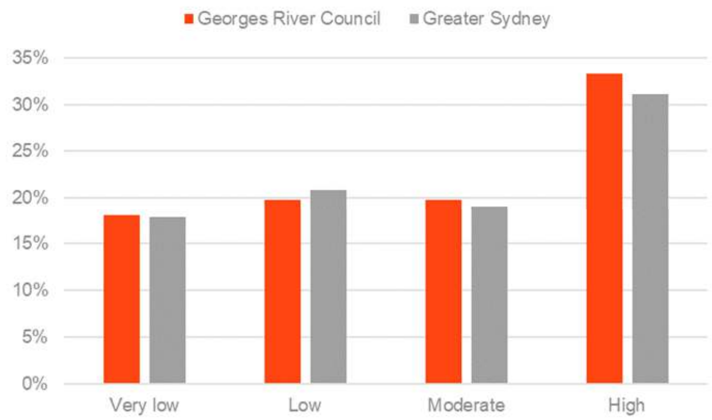
Income is a key indicator of socio-economic status. As at 2021 residents of Georges River recorded a median household income of $1,968 per week – slightly lower than the Greater Sydney median of $2,099 per week. Household incomes in Georges River have been increasing with the median increasing by circa $300 over the five years.

Affordable housing is provided for households on Very Low, Low and Moderate incomes. These are defined as:

- Very Low: households with incomes less than 50% of the Greater Sydney median household income.
- Low: households with incomes between 50% and 80% of the Greater Sydney median household income.
- Moderate: households with incomes between 80% and 120% of the Greater Sydney median household income.

The proportion of households in the Georges River LGA with very low, low and moderate incomes is relatively high and broadly aligns with the Greater Sydney average. Notably, there is a slightly higher proportion of households on very low to low incomes compared to Greater Sydney.

Figure 4 – Proportion of households in Family and Community Services income brackets 2021



Source: ABS, Census of Population and Housing (2021) (compiled.id informed decisions)

Household Tenure

There is currently significant diversity in tenure types across Georges River, which assists in creating a sustainable community. There are almost equal shares of people fully owning their homes, people with a mortgage and those who are renting.

In comparison to Greater Sydney, having a mortgage is slightly less common in Georges River. This is influenced by several factors, including the number of young couples in the area who are most likely renting, and a high proportion of older households who own their own homes.

Figure 5 -Tenure types 2021

Source: ABS, Census of Population and Housing (2021) (.id informed decisions)

Growth in renting has been evident across the LGA, but some areas have had more significant change than others. The number of households renting in the Hurstville City Centre has increased by just over 900 households in the past decade.

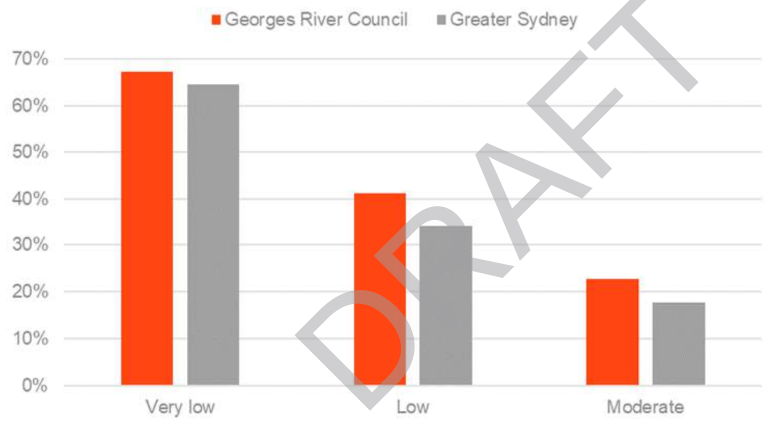
Affordable Housing Demand

Mortgage Stress

Housing stress is defined as households in the very low, low and moderate income brackets spending more than 30% of their income on housing costs.

At the time of the 2021 Census, there were 3,049 (18.7%) households with a mortgage spending more than 30% of their income on housing costs. The chart below shows the proportion of mortgaged households in each income bracket in housing stress, in comparison to Greater Sydney. The level of mortgage stress experienced in Georges River is marginally higher than the Greater Sydney average, especially for low and moderate income households.

Figure 6 – Proportion of households with a mortgage in stress 2021

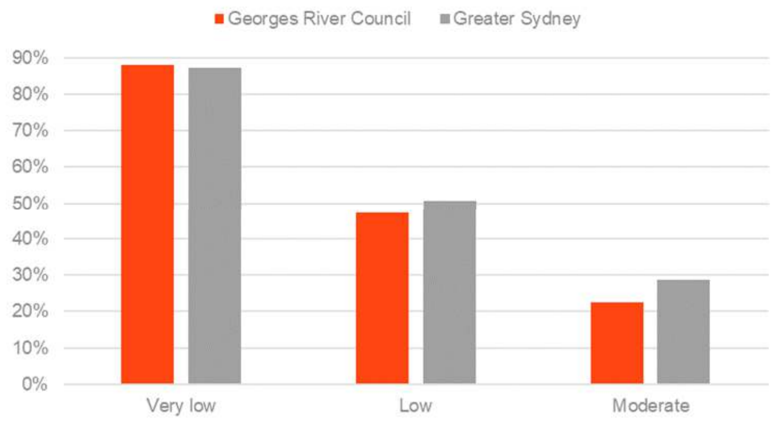


Source: ABS, Census of Population and Housing (2021) (.id informed decisions)

Rental stress

At the time of the 2021 Census, 4,743 (29.7%) households that were renting their dwelling were spending more than 30% of their income on housing costs. The chart below shows the proportion of rental households in each income bracket in rental stress, in comparison to Greater Sydney. The level of overall rental stress experienced in Georges River is marginally higher than the Greater Sydney average. However, when looking at an income breakdown, the rate of rental stress in Georges River is only higher for very low income households. The reason for the overall rate being higher than average is due to a lower number of high income renters in Georges River than is seen across Greater Sydney.

Figure 7- Proportion of renting households in stress 2021

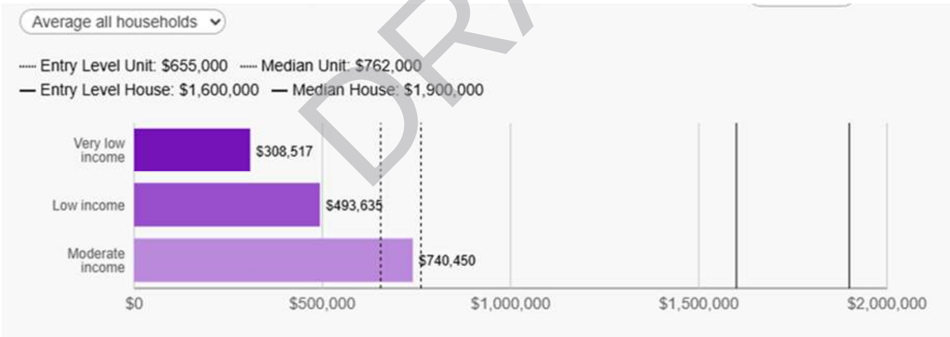


Source: ABS, Census of Population and Housing (2021) (.id informed decisions)

Affordable Housing Supply

Houses and medium and high-density dwellings are largely unaffordable for most lower income households in Georges River. This issue is particularly severe for very low and low income households who would find it near impossible to enter the housing market. For instance, in 2024, the median price for medium and high-density housing was 2.1 times higher than what a very low income lone person household could afford ($308,517).

Figure 8 – Housing Affordability



Source: Compiled and presented by .id (informed decisions using data from PropTrack Pty Ltd. Updated December 2024

Over the 12 months to December 2024, there were 2,536 property sales in Georges River. Of these, 26.4% were considered affordable for households on moderate incomes while only 2.3% and 0.7% were within reach for low and very low income households, respectively. A large share of these affordable properties was concentrated in the suburbs of Penshurst and Kogarah.

Similar analysis can be undertaken for rental costs. Renting in Georges River is somewhat more affordable for lower income households. However, those with very low incomes would struggle to find affordable housing in the private market as the median rental cost for a unit in the area is 1.8 times what they could afford ($349 per week).

Figure 9 – Renting Affordability

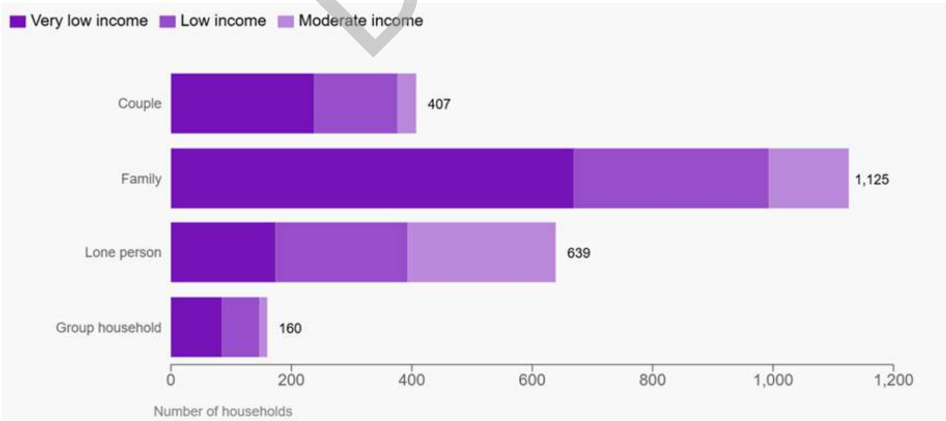
Source: Compiled and presented by .id (informed decisions using data from PropTrack Pty Ltd. Updated December 2024

Affordable Housing need

It is estimated that 3,825 households have an unmet need for affordable housing in Georges River. This represents 7.3% of all households compared to 7.2% for Greater Sydney.

Families are the most affected, with 1,125 households in need of affordable rental housing—highlighting the growing challenge for working families to secure stable accommodation while managing the costs of raising children. Lone person households follow closely behind, often comprising seniors or young adults who face unique vulnerabilities in the housing market.

Figure 10 – Households in need of affordable housing

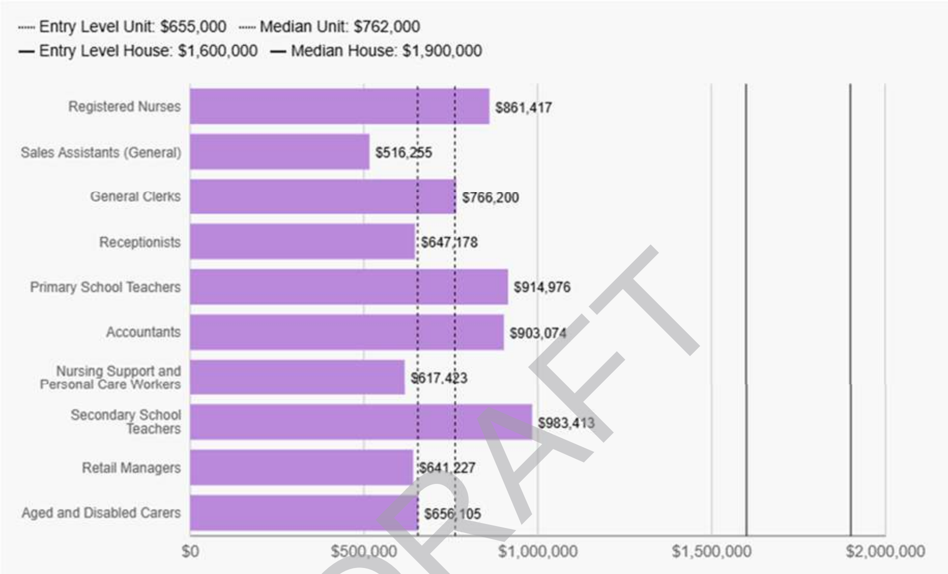


Source: ABS census of Population and Housing 2021. Complied and presented by .id (informed decisions)

Key workers

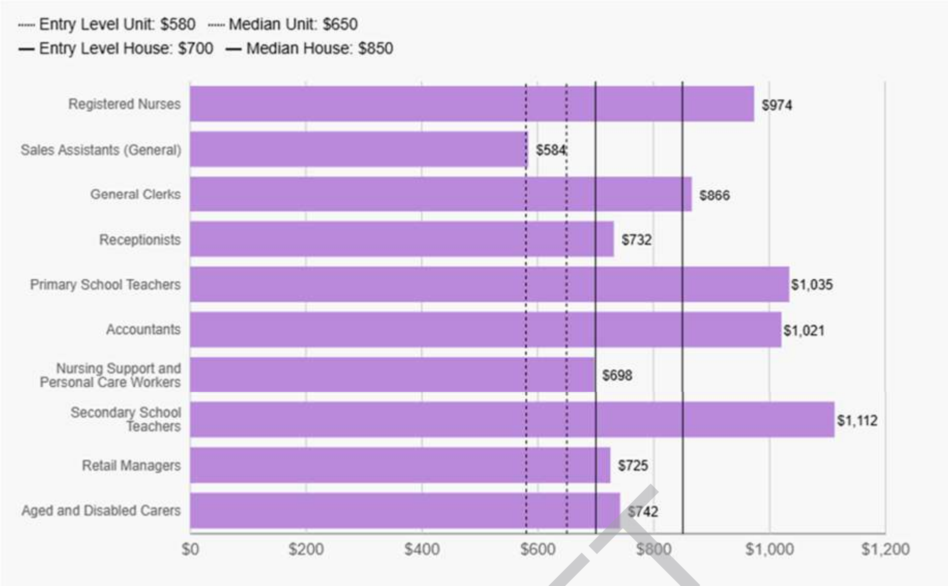
There is a significant gap between property prices in Georges River and the purchasing capacity of local workers based on their median household incomes. In the 12 months to December 2024, even the most affordable housing options—entry-level units priced at $655,000—were beyond reach for most key occupations, including nurses, teachers, and retail workers. Entry-level houses ($1.6 million) and median houses ($1.9 million) were entirely unaffordable for all listed professions.

Figure 11- How affordable is buying a home for local workers



Source: Complied and presented by .id (informed decisions) using data from PropTrack Pty Ltd Updated December 2024

Figure 12 - How affordable is renting for local workers



Source: Complied and presented by .id (informed decisions) using data from PropTrack Pty Ltd Updated December 2024

Conclusion

Similar to the broader Greater Sydney region, the Georges River LGA is facing mounting challenges in housing affordability, particularly for very low-, low-, and moderate-income households. The evidence presented highlights a growing disparity between income levels and housing costs, with both rental and mortgage stress affecting a significant proportion of the population.

The demographic trends—such as an increasing number of lone-person households, ageing residents, and young couples migrating to the area—underscore the urgent need for diverse and affordable housing options. The data reveals that only a small fraction of property sales and rental listings are accessible to those on lower incomes, including key workers who are essential to the functioning of the community but often priced out of the local housing market.

With 3,825 households currently experiencing unmet affordable housing needs, and a notable proportion of families and lone-person households who are at increasing risk of housing stress or exclusion from the housing market altogether.

All data has been sourced from .id (informed decisions) Georges River community profile, population forecast and housing monitor modules https://profile.id.com.au/georges-river

GEORGES RIVER COUNCIL

Affordable Housing Contribution Assessment

Prepared for:

GEORGES RIVER COUNCIL

3 May 2024

HillPDA CONSULTING

Acknowledgment of Country

HillPDA acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, waters, culture, and community.

We acknowledge the Gadigal people of the Eora Nation and Wurundjeri Woi-wurrung and Bunurong / Boon Wurrung peoples of the Kulin Nation, the traditional owners of the land on which this report is prepared, and we show our respect for elders' past and present.

Disclaimer

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Quality control

This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

Reviewer

Signature		Dated	02/05/24

Report details

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Date issued	May 2024

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CONTENTS

DEFINITION OF TERMS

- **Existing Land Value ('As-Is' Value)—This value refers** to the property's current value in its current state and use. It does not take into consideration future uplift in planning controls.
- **Development Margin-** is the net profit expressed as a percentage of the development costs.
- **Gross Floor Area** refers to the gross lettable area, including communal areas (such as amenities) and plant rooms.
- **Market Value -** The definition adopted by the professional property bodies (API & RICS) is: '*Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*
- **Net Saleable Area** is usually used for residential property. It includes all floor areas, including internal walls, mezzanines, hallways, and bathrooms, but it excludes common spaces, patios, and balconies.
- **The Project's Internal Rate of Return (IRR)** is the annual return on the investment, expressed as a percentage. This approach considers the cost of time in its calculation within the cash flow and indicates average returns over a period.
- **Residual Land Value, or Development Value, is the maximum price a hypothetical developer would pay for the land to achieve an acceptable hurdle rate, such as an Internal Rate of Return (IRR),** based on the highest and best use or optimal development option.

LIST OF ABBREVIATIONS

AH	Affordable Housing
DCP	Development Control Plan
DPHI	Department of Planning, Housing & Infrastructure
DM	Development Margin
FSR	Floor Space Ratio
GFA	Gross Floor Area
GLA	Gross Lettable Area
IRR	Project Internal Rate of Return
LEP	Local Environmental Plan
LGA	Local Government Area
NLA	Net Lettable Area
NSA	Net Saleable Area
RFB	Residential Flat Building
RLV	Residual Land Vale
Sqm	Square metre

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EXECUTIVE SUMMARY

Georges River Council (Council) is committed to increasing the supply of Affordable Housing in Georges River LGA. Council Affordable Housing Policy (2024) seeks to achieve this by:

a. Establishing clear targets for providing affordable housing in the Georges River
b. Leading change by example
c. Embedding affordable housing in the Council's strategies, plans and policies
d. Partnering with State and Commonwealth Governments, other local councils, industry experts, the private sector, stakeholders and community housing providers to deliver affordable rental housing
e. Advocating for change to support affordable housing in the Georges River.

Council commissioned HillPDA to investigate the viability of introducing an affordable housing contribution charge for all new residential flat and shop-top housing developments. The Affordable Housing Contribution Scheme (AHCS) would be incorporated into the statutory planning scheme as a developer contribution to support the supply of affordable housing.

This report provides the Council with evidence-based advice on the following:

1. Identify an appropriate flat rate to implement across the LGA.
2. A monetary equivalent rate to affordable housing dedication.
3. Establish an adequate transition period for introducing a flat rate if it is not currently viable.

The key findings for each point above are as follows:

Identify an appropriate flat rate to implement across the LGA

HillPDA conducted feasibility testing on four recently completed residential developments within the Georges River Local Government Area. The approach follows the DPHI *Guideline for Developing an Affordable Housing Contribution Scheme.* The locations and completion dates are as follows:

- **Development 1:** Carlton, shop-top housing development completed in 2023.
- **Development 2:** Kogarah Bay, residential flat building, completed in 2023
- **Development 3:** Kogarah: residential flat building completed in 2024
- **Development 4**: Mortdale, mixed-use development completed in 2024.

Using recently completed development with known land costs and sales allows our feasibility testing to set a base case for project viability. We can then test varying rates of AH contributions to see how that might impact viability.

Financial results

We tested these feasibility options with varying affordable housing contribution rates, ranging from 1% to 4%. For the flat-rate contributions, we assumed the contribution paid to be a percentage of the gross sales revenue, including GST. The contribution was modelled as a cash payment at the commencement of construction.[1].

[1] We modelled a cash contribution based on a percentage of the known sales specific to each development. We recommend for future cash contributions; it is a fixed rate set per square metre of GFA for all development in the LGA.

We have utilised information from the development applications, including construction costs, developer contributions, and actual property acquisition and sale prices. For these case study feasibility studies, we have also added 10% construction contingencies, an allowance for escalation, additional costs for consultants, holding costs, and finance costs (including interest and fees). We consider the feasibility allowances a fair reflection of total development costs. We used a target rate of 18% for the Development Margin as a benchmark for project viability.

The before-and-after modelling demonstrated that a **2%** affordable housing contribution rate is an appropriate charge that would not undermine project viability, as this rate is within the 10% contingency allowance applied in each feasibility study.

A higher affordable housing contribution rate might be feasible for some projects; however, based on broader financial modelling completed in this Study, we recommend that the rate be capped at 2% for precautionary planning purposes and that its introduction be phased in with advance notice to the public.

Key findings: The feasibility results suggest that a 2% affordable housing contribution rate would not adversely impact project viability and would have a limited effect on the housing supply if implemented gradually.

Determine if a higher rate could be feasible in study areas earmarked for uplift due to the proposed low-to-mid-rise development under the State Environmental Planning Policy (SEPP).

Following the above analysis, we have reviewed and undertaken a feasibility assessment on the appropriate transport-oriented development and low-to-mid-rise density zoning codes for the identified centres. This involved examining each centre to determine whether the new above-mentioned policy controls or the existing LEP controls resulted in viable residential development with affordable housing contributions, including financial modelling, assuming the nominated FSR can be achieved based on a certain height (storeys).

In consultation with the Council, we have adopted the following FSR for the number of storeys permitted:

Table 1: Identified Density for testing.

Housing Types	Density (Floor Space Ratio)	Base Case AH Flat Rate	Option 2
Option 1: 4 storeys	1.8:1	0%	2%
Option 2: 6 Storeys	2:1	0%	2%
Option 3: 8 Storeys	2.2:1	0%	2%
Option 4: Townhouses	0.9:1	0%	0%

Source: Georges River Council 2024.

Based on industry standards, we have adopted a development margin of 20% for residential flat buildings and 16% for townhouses to account for a developer's profit and risk.

Observations of the availability of development sites

There are limited freehold development sites available for redevelopment. The R3 and R4 zones comprise many older strata-titled residential flat buildings (RFB). A developer wanting to acquire an existing strata-title RFB must purchase all the units in the building. They will likely need to pay a premium price to each owner to encourage them to sell and amalgamate the block. This can result in selling sites for 20% to 30% above the cumulative market value of the apartments. The limited availability of freehold sites means that, in many cases, the existing land value was higher than the redevelopment value, which suggested that development was not financially viable.

Financial results

Our financial modelling has revealed that:

- The R3 and R4 zones throughout the LGA resulted in varying levels of viability.
- An obstacle to developing and revitalising urban areas is the high land cost, existing improvements, and fragmented property ownership. Many functional buildings with solid economic potential are too valuable to be combined for low—or medium-rise development. As a result, there needs to be a significant uplift from 0.5 to 1:1. The above modelling reveals that at an FSR of 2.2:1, 7 of the 13 areas in the LGA could absorb the 2% affordable housing contribution. If not introduced before rezoning, the residual land value will increase to a level where an AH contribution is not feasible.
- The redevelopment of R2 zones into townhouses was not viable in all scenarios, regardless of whether an AH contribution was made. The existing use value of single dwellings was too high for this type of development.

Key Findings: The results revealed that a rate higher than the LGA-wide flat rate of 2% is not supportable on viability grounds. A higher AH contribution rate might be feasible for some development cases, but it will likely lower the housing supply overall.

A Monetary equivalent rate for affordable housing dedication

The affordable housing contribution rate is based on the residential gross floor area defined in the LEP. The contribution can be made in kind (dedicated floor space) or the form of an equivalent cash payment instead of dedication. Where a monetary contribution is agreed upon instead of an apartment dedication, a fixed cash rate, adjusted annually, is proposed for the LGA.

The monetary equivalent rate for the scheme's introduction is proposed to be $191 per sqm of residential GFA. It will be adjusted annually by CPI and reviewed every three years to ensure the rate has kept pace with apartment prices in the Georges River LGA.

Identifying an average apartment rate ($/sqm of GFA) is problematic as values vary by location, unit size, product type, and building level. To avoid selection bias, we have externally referenced our analysis to:

1. Department of Communities and Justice (DCJ) Rent and Sales Report for Strat Unit Sales in the Georges River LGA. The rate selected was $861,000 (March 2024) in the 3rd quartile of sales. Based on our market research, this third quarter, compared to the median, better reflects new sale values.
2. The DCJ Strata sales include townhouses, but analysis of completed DAs over the last 5 years in the LGA confirms apartment sales as the dominant product.
3. The $861,000 was converted to a $/sqm rate by dividing it by the average unit size in sqm of GFA. The Council validated this rate by analysing DA data over the last five years.
4. The average GFA sale rate of $9,566 ($861,000/90/sqm) was compared to sample sale evidence in the local LGA. Our evidence suggests the rate could be higher, but we have chosen this rate as a conservative rate for the scheme's introduction.

The formula and inputs are below. For further details, see Section 3:

$$AH\ Contribution\ Rate\ (\$/sqmGFA) = \frac{DCJ\ Third\ Quartile\ Strata\ Price}{ABS\ Average\ size\ non - house} \times 0.02$$

$$\frac{\$861{,}000}{90} = \$9{,}566\ \times 0.02 = \ \$191\ (\$/sqmGFA)$$

An adequate transition period for introducing a flat rate

The Study recommends that the Council implement a phased-in approach for affordable housing contributions, like the one adopted by the City of Sydney and the Randwick Local Government Area. More specifically, we **recommend a two-year delay from gazettal**. This allows for a transition period that accounts for all escalations to support the project's viability, enabling developers to incorporate these added costs into their feasibility and pricing for site acquisition.

The communication to the public should provide information on:

- The timeline for implementing the affordable housing scheme (we suggest 2 years from gazettal)
- The rate to be levied (2% of residential gross floor space)
- What types of development will apply (RFB and shop top housing)
- What development is exempted (social and affordable housing development, refurbishments, townhouses, dual occupancies and detached dwellings)
- The monetary equivalent of a cash contribution (instead of dedicating space).

The Proposed Affordable Housing Contribution Scheme for the Georges River LGA

This study recommends the following:

Table 2: Recommendations for contributions to the Georges River LGA

Recommendations	Proposed LGA Flat Rate
Location rate applies to:	Goerges River LGA wide
Affordable Housing Contribution Flat Rate (%)	Residential Flat & Shop Top Housing Development GFA
Floor Space Flat rate (%) applies to:	2%
Monetary Contributions:	$191/sqm of residential GFA
Recommendation for implementation:	Two years from the date of its gazettal
Exemptions:	Social and Affordable Housing; Aged Housing; Townhouses (up to 3 storeys); Dual Occupancies; Detached Dwelling, Heritage Development and Refurbishments
Planning Proposal:	Planning proposals seeking additional residential floorspace may offer affordable housing contributions over the 2.0% flat rate as part of their voluntary planning agreement. The base rate of 2.0% will remain part of the contribution under the Council's LEP.

INTRODUCTION

1.0 INTRODUCTION

The council commissioned HillPDA to investigate the viability of introducing an affordable housing contribution charge for all new residential flat and shop-top housing developments. This AH contribution would be incorporated into the Council's strategies, plans, and policies as a developer contribution. The Council's brief was to investigate a flat rate across the LGA and a potentially higher rate in areas subject to planning upzoning.

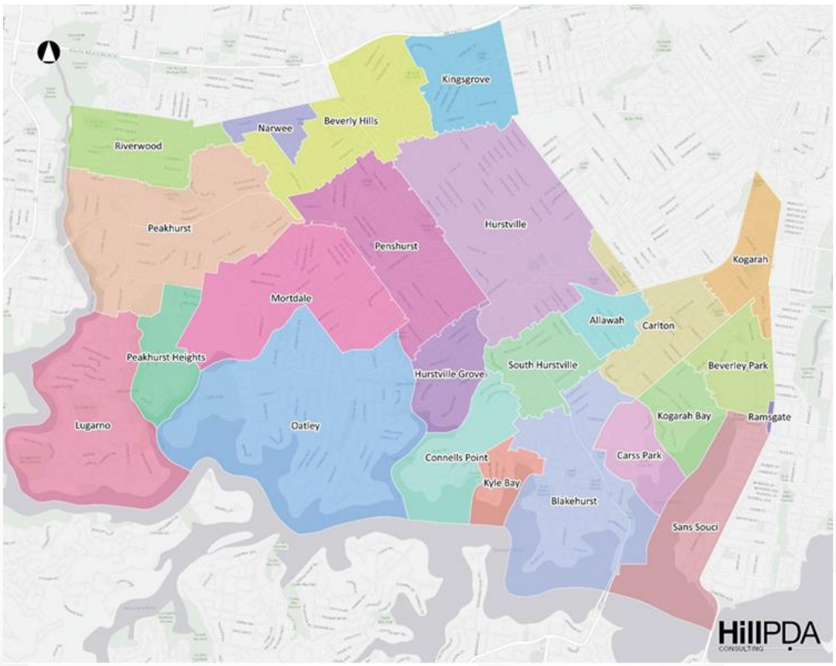
The Department of Planning, Housing, and Infrastructure (DPHI) requires the Council to test that the suggested affordable housing contribution charge does not comprise development viability and housing supply as a condition for introducing such a new developer contribution charge.

This report provides the Council with advice on:

1. Identify an appropriate flat rate to implement across the LGA.
2. A monetary equivalent rate to affordable housing dedication.
3. Establish an adequate transition period for introducing a flat rate if it is not currently viable.

We have adopted a case study approach to evaluating the viability of a "flat-rate" affordable housing contribution, examining four areas within the LGA that represent recently completed mid-priced market developments.

Figure 1: Map of Georges River LGA and constituent suburbs



1.1 Our approach

To undertake this Study, we have undertaken the following steps:

Step 1: Research and development activity

HillPDA has undertaken research and investigated the development activities in each centre, as identified in the brief. Further discussions with local agents are needed to confirm the feasibility of residential end-sale prices. We have also reviewed development applications, construction costs, and recent sales for each recently completed development. This information has led to testing the assessment of affordable housing contribution rates.

Step 2: Case study approach and market research

HillPDA could not test the flat rate of affordable housing contribution for every Local Government Area (LGA) site in this Study. Consequently, it selected four case study examples of recently completed developments to assess the impact of a flat-rate affordable housing contribution on their viability. HillPDA has reviewed and analysed all development assumptions, including purchase price, development application fees, construction costs, professional fees, and sale values, to ensure an accurate feasibility assessment.

Step 3: Case study feasibility assessment

HillPDA conducted a development feasibility study using Estate Master to assess whether these recently completed developments would be viable with a development margin of 18% per annum. Further sensitivity analyses were also performed to examine the effects of varying construction rates.

Step 4: Affordable housing scheme implementation and review

HillPDA reviewed other councils and their affordable housing schemes. Coupled with the findings of this Study, this led to the following recommendations:

- An appropriate, affordable housing contribution flat rate to implement across the LGA that would not impact the delivery of viable developments and
- An adequate transition period should be provided for introducing a flat rate if it is not currently viable.

1.2 Report structure

The report structure is as follows:

- **Chapter 1| Introduction -** This Chapter introduces the purposes and context of this Study
- **Chapter 2| LGA Wide Contribution Rate—**This Chapter outlines the financial feasibility assessment of three completed developments. The evaluation investigated a 2% affordable housing contribution in recently completed developments
- **Chapter 3 | Recommendations for Implementing an Affordable Housing Scheme—This Chapter outlines how an affordable housing levy could be applied to the Local Government Area (LGA)**
- **Chapter 4|Monterary Contribution** —This Chapter outlines the methodology used to determine the monetary equivalent rate for residential Development
- **Appendix A: State Legislative and Local Planning Context:** This Chapter provides an overview of the current planning regulations at the state and local levels
- **Appendix B: Previous work undertaken on the Low to Medium Density Controls:** This Chapter overviews the LGA centres proposed for uplift controls under the LMR controls. Since this work was undertaken and the study completed, the controls changed; therefore, this work is not applicable.

LGA FLAT RATE AFFORDABLE HOUSING CONTRIBUTION

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2.0 LGA-WIDE CONTRIBUTION ASSESSMENT

This Chapter assesses a range of affordable housing contribution rates to all residential floor space under the existing controls. The objective is to identify an appropriate flat rate to implement across the LGA that does not undermine a project's viability and impact future housing supply.

2.1 Recently completed developments

From the development applications, HillPDA has tested four recently completed developments in the Georges River Council LGA. Due to privacy concerns, we have not included the website addresses in this report. For the reference point in this section, we have reference developments located in the following:

Table 3: Study areas

Development site	Development site sold	Residential development completed
Carlton	2020	2024
Kogarah Bay	2013	2024
Kogarah	2021	2024
Mortdale	2016	2024

We first tested their feasibility per the development application approval and then with varying rates of affordable housing contributions. The benchmark we used was a development margin of 18% for all projects. We also referred to the IRR and RLV to assess impacts.

2.2 Feasibility methodology and assumptions

We have prepared these feasibility reports sourcing data from the Development Approval for Construction costs and development charges. We have added allowances for known price escalation and contingencies for construction costs. We have sourced site purchase(s) and apartment/townhouse sales from the property sales records. We have also added allowances for professional fees, landholding costs, sales marketing and commissions, legal fees, finance charges, and interest. We consider the feasibility a fair representation of the actual costs and returns to the developer. We used both an IRR and a Development Margin to test project viability.

Table 4: Feasibility assumptions

Assumptions	Source of information
Proposed development concept plan	As per the Development Application
Property Acquisition	Actual sale of the development site
Construction costs	As per the Development Application
Construction Contingency	10% of the proposed DA construction costs
Cost Escalation	A 7-10% allowance development approval to project completion
Sales Revenue	HillPDA spoke with the three development sales agents and used actual apartment and townhouse sales data.
Development Margin Target for RFB	The industry benchmark for viable Development is 18%
Development Margin Target for TH	The industry benchmark for viable Development is 18%

2.3 Development options and results

HillPDA assessed two options for the completed developments:

- **Option 1:** Proposed development as per DA with 0% affordable housing contribution

- **Option 2:** Proposed development as per DA with 2% affordable housing contribution.

2.3.1 Key findings

The results revealed that all recently completed projects achieved their target development margin of 18%. The additional contribution for affordable housing did not affect the overall viability of completed developments. Option two, which includes a 2% contribution to affordable housing, slightly impacts the overall project viability. However, this impact is minimal enough that it does not make a viable project unviable.

2.3.2 Detailed financial inputs and results

This section outlines the detailed feasibility modelling results:

2.3.2.1 Development 1: Carlton

This shop-top housing-style development comprises 45 residential units and retail premises on the ground floor. Based on the existing assumptions, the results revealed that the completed development could tolerate 2% affordable housing construction. The results are displayed in Table 5 below.

Table 5: Development 1: Carlton

	Option 1: As per DA No Affordable Housing	Option 2: DA Scheme with AH Contribution at 2% of sales
Revenues		
Gross Sales Revenue	$38,218,350	$38,218,350
Less Selling Costs	($868,360)	($868,360)
Net Sales Revenue	$37,349,990	$37,349,990
Costs		
Land Purchase Cost	$7,200,000	$7,200,000
Land Acquisition Costs	$908,640	$908,640
Construction (inc. Construct. Contingency)	$20,858,028	$20,858,028
Professional Fees	$1,288,810	$1,288,810
Statutory Fees	$985,741	$985,741
Affordable Housing	$0	$821,000
Marketing	$410,950	$410,950
Land Holding Costs	$1,140,275	$1,140,275
Interest Expense	$905,578	$983,100
Total Costs (after GST reclaimed)	$31,666,574	$ 32,573,468
Performance Indicators		
Net Development Profit	$5,746,612	$4,839,717
Development Margin (Profit/Risk Margin)	18%	14%
Target Development Margin	18%	18%

The results indicate that the development is viable with an 18% development margin without a 2% affordable housing contribution. However, with the introduction of this 2% affordable housing contribution, the development margin decreases to 14%, which is slightly below the target rate of 18%. Despite this reduction, the affordable housing contribution rate would not compromise project viability, as it falls within the 10% contingency allowance applied in each feasibility study. In addition, the project would achieve a net profit of $4.8 million, which would incentivise a developer to proceed.

2.3.2.2 Development 2: Kogarah Bay

This development is a residential flat with 22 units, including 1, 2, and 3 bedroom apartments. Based on the existing assumptions, the results revealed that the completed development could tolerate 2% affordable housing construction. The results are displayed in Table 6 below.

Table 6: Development 1: Residential Flat Building Kogarah Bay

	Option 1: As per DA, No Affordable Housing	Option 2: DA Scheme with AH Contribution at 2% of sales
Revenues		
Gross Sales Revenue	$20,627,400	$20,627,400
Less Selling Costs	($536,756)	($536,756)
Net Sales Revenue	$20,090,644	$20,090,644
Construction Costs		
Land Purchase Cost	$4,671,165	$4,671,165
Land Acquisition Costs	$304,872	$304,872
Construction (inc. Construct. Contingency)	$8,227,500	$8,227,500
Professional Fees	$586,146	$586,146
Statutory Fees	$475,902	$475,902
Affordable Housing	$0	$487,960
Marketing	$243,980	$243,980
Land Holding Costs	$475,486	$475,486
Interest Expense	$384,327	$421,831
Total Costs (after GST reclaimed)	$14,493,815	$14,979,355
Performance Indicators		
Net Development Profit	**$5,760,338**	**$5,274,798**
Development Margin (Profit/Risk Margin)	**40%**	**35%**
Target Development Margin	18%	18%
Viability at 18%	**Viable**	**Viable**

The results indicate that the development would remain viable if a 2% affordable housing contribution were applied to its feasibility.

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2.3.2.3 Development 3: Kogarah

This development is a residential flat building with 95 units, including 1, 2, and 3-bedroom apartments. Based on the existing assumptions, the results revealed that the completed development could tolerate a 2% affordable housing construction. The results are displayed in Table 8 below.

Table 7: Development 2: Residential Flat Building

	Option 1: As per DA No Affordable Housing	Option 2: DA Scheme with AH Contribution at 2% of sales
Revenues		
Gross Sales Revenue	$69,991,670	$69,991,670
Less Selling Costs	($1,821,289)	($1,821,289)
Net Sales Revenue	$68,170,381	$68,170,381
Construction Costs		
Land Purchase Cost	$16,160,000	$16,160,000
Land Acquisition Costs	$1,109,090	$1,109,090
Construction (inc. Construct. Contingency)	38,039,060	$37,083,585
Professional Fees	$2,642,809	$2,576,687
Statutory Fees	$2,067,440	$2,067,440
Affordable Housing	$0	$1,655,717
Marketing	$827,858	$827,858
Land Holding Costs	$2,223,082	$1,686,476
Interest Expense	$1,923,262	$747,208
Total Costs (after GST reclaimed)	$61,050,019	$62,722,099
Performance Indicators		
Net Development Profit	$7,015,838	$5,343,758
Target Development Margin 18%	12%	9%
Viability at 16%	Did not reach the benchmark but proceeded.	This development will not reach the target benchmark, but HillPDA suggest it would still likely proceed.

The feasibility study suggests that the development would not have met its development hurdle targets, but we note that it still proceeded to building completion and returned a profit.

The likely primary factor contributing to this lower development margin was the pre-sale of all the apartments before construction commenced. Project costs likely escalated by 20% to 30% during construction, significantly higher than the forecast. With sale prices fixed through the pre-sales process, the development profit is reduced due to increased costs not compensated by increased sales.

The development still proceeded with an estimated net profit of $7.0 million. Option 2 suggests that the net profit would be reduced to $5.3 million. However, given the developer's commitment to the pre-sales, the project would have proceeded. The added 2% AH charge impacts project profitability but not its viability in terms of starting and being completed.

Therefore, project viability is defined as whether a project proceeds to completion. Project profitability measures the degree of project viability from low to high. The housing supply will not be affected if the subject project is built and completed in accordance with its DA.

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2.3.2.4 Development 4: Mortdale

This development comprises a mixed-use development comprising 37 residential apartments.

Table 8: Development 3: Mixed-Use Development

	Option 1: As per DA No Affordable Housing	Option 2: DA Scheme with AH Contribution at 2% of sales
Revenues		
Gross Sales Revenue	$35,027,650	$35,027,650
Less Selling Costs	($881,553)	($881,553)
Net Sales Revenue	$34,146,097	$34,146,097
Costs		
Land Purchase Cost	$7,000,000	$7,000,000
Land Acquisition Costs	$888,130	$888,130
Construction (inc. Construct. Contingency)	$16,293,121	$16,293,121
Professional Fees	$1,130,018	$1,130,018
Statutory Fees	$811,556	$811,556
Affordable Housing	$0	$824,747
Marketing	$412,374	$412,374
Land Holding Costs	$305,519	$305,519
Interest Expense	$724,826	$724,826
Total Costs (after GST reclaimed)	$25,860,592	$26,694,384
Performance Indicators		
Net Development Profit	$8,147,198	$7,313,407
Development Margin (Profit/Risk Margin)	31%	27%
Target Development Margin	18%	18%
Viability AT 18%	Viable	Viable

The results indicate that the development would remain viable if a 2% affordable housing contribution were applied to its feasibility.

2.4 Could a higher contribution rate be absorbed?

We have conducted sensitivity testing on the feasibility model to inform the adoption of the 2% affordable housing contribution. HillPDA have conducted sensitivity testing on Development 4: Mortdale, using a target internal rate of return (IRR) of 16% (before interest). The results are as follows:

Affordable Housing %	Project IRR
0%	17.82%
1%	16.95%
2%	16.09%
3%	15.24%
4%	14.40%

The green cell is the scenario with a 2% affordable housing contribution. This is the maximum recommended level for project viability; any higher rates could compromise development supply.

2.5 Key Insights and recommendations

We tested the above feasibility with varying affordable housing contribution rates, ranging from 1% to 4%. For the flat rate contributions, we assumed the contribution paid to be a percentage of the recorded gross sales revenue (including GST). The cash contribution was made prior to the commencement of construction.[2].

The before-and-after modelling demonstrated that a 2% affordable housing contribution rate would uphold the project viability of each case study.

A higher affordable housing contribution rate could be feasible for the tested case studies. However, based on sensitivity tests conducted later in this Study, we recommend capping the rate at 2% for precautionary planning purposes to ensure the housing supply is not adversely impacted.

[2] We modelled a cash contribution based on a percentage of the known sales specific to each development. We recommend for future cash contributions; it is a fixed rate set per square metre of GFA for all development in the LGA.

MONETARY CONTRIBUTIONS

3.0 MONETARY EQUIVALENT RATES

The Georges River Council requested that HillPDA calculate the monetary equivalent rate for residential development. The following Chapter details how this rate might be determined and indexed annually.

3.1 The principle of a monetary equivalent rate

In principle, a 2% dedication to affordable housing is directly proportionate to revenue. Where a developer seeks to build 100 apartments, two must be dedicated at no cost; therefore, the developer forgoes the revenue from these two properties.

Many developments have fewer than 50 dwellings, so in-kind contributions are impossible. Defining the revenue for each development in the LGA is time-consuming and complex.

Therefore, a fundamental principle is setting a monetary equivalent rate that is easy to use for both councils and developers. This ensures the rate is transparent and correctly reflects the 2% contribution sought by the scheme.

3.2 Monetary equivalent for residential rates

The affordable housing contribution rate is based on the residential gross floor area defined in the LEP. The contribution can be made in kind (dedicated floor space) or in the form of an equivalent cash payment instead of dedication. Where a monetary contribution is agreed upon instead of an apartment dedication, a fixed cash rate, adjusted annually, is proposed for the LGA.

The monetary equivalent rate for the scheme's introduction is proposed to be $191 per sqm of residential GFA. It will be adjusted annually by CPI and reviewed every three years to ensure the rate has kept pace with apartment prices in the Georges River LGA.

Identifying an average apartment rate ($/sqm of GFA) is problematic as values vary by location, unit size, product type, and building level. To avoid selection bias, we have externally referenced our analysis to:

1. Department of Communities and Justice (DCJ) Rent and Sales Report for Strat Unit Sales in the Georges River LGA. The rate selected was $861,000 (March 2024) in the 3rd quartile of sales. Based on our market research, this third quarter, compared to the median, better reflects new sale values.
2. The DCJ Strata sales include townhouses, but analysis of completed DAs over the last 5 years in the LGA confirms apartment sales as the dominant product.
3. The $861,000 was converted to a $/sqm rate by dividing it by the average unit size in sqm of GFA. The Council validated this rate by analysing DA data over the last five years.
4. The average GFA sale rate of $9,566 ($861,000/90/sqm) was compared to sample sale evidence in the local LGA. Our evidence suggests the rate could be higher, but we have chosen this rate as a conservative rate for the scheme’s introduction.

The formula and inputs are below. For further details, see Section 3:

$$AH\ Contribution\ Rate\ (\$/sqmGFA) = \frac{DCJ\ Third\ Quartile\ Strata\ Price}{ABS\ Average\ size\ non-house} \times 0.02$$

$$\frac{\$861{,}000}{90} = \$9{,}566\ \times 0.02 = \ \$191\ (\$/sqmGFA)$$

3.3 Other monetary contribution

3.3.1 City of Sydney Council

Effective from March 1, 2025, to February 28, 2026, the equivalent monetary contribution amount is **$11,646.80**. The equivalent monetary contribution is indexed to ensure it reflects the costs of providing affordable rental housing.

Say we equate this to align with the Georges River proposal, the following calculations:

$11,176 @2% =$224/sqm

3.3.1.1 New affordable housing proposal

"The City's proposal for a phased approach to new monetary contribution rates also acknowledges market realities and will give developers time to adapt,". Key elements of the City's proposed changes in the review include:

- Retaining current LGA-wide contributions (3% for residential, 1% for non-residential developments) while requiring monetary contributions only to streamline processes.
- Simplifying residential rezoning contributions to 20% of uplift, with non-residential uplift contributions increased to 2%.
- Phasing increased monetary contribution rates over four years, reflecting actual delivery costs and tailored to precinct-specific housing markets.

The planning proposal has now been submitted to the Department of Planning, Housing and Infrastructure with a request for gateway determination.

3.3.2 Canterbury Bankstown Council

This Scheme applies to development in the Bankstown City Centre. The council proposes an affordable housing contribution of just 3% of the total dwellings in a development (or monetary contributions).

The contribution rate (CR) to be used is:

Contribution rate (% RATE)	Business Zone Contribution rate /sqm GFA (CR) – based on September 2020 NSW FACs Sales and Rent Report	Residential Zone Contribution rate /sqm GFA (CR) – based on September 2020 NSW FACs Sales and Rent Report
First year of this Scheme: 1%	$66 per sqm	$66 per sqm
Second year of this Scheme: 2%	$132 per sqm	$165 per sqm
Third year of this Scheme and thereafter: 3%	$198 per sqm	$264 per sqm

3.3.3 Waverley Council

The Waverly Council has a dollar-per-square-metre rate per suburb in the LGA. HillPDA have calculated the range of $/sqm to compare to the proposed GRC monetary contribution.

Table 9Waverley Council contribution

Suburb	Rate/sqm	Internal size	$/sqm
Rose Bay	$22,000	90sqm	$244
Bronte	$25,000	90sqm	$278
Waverley	$22,500	90sqm	$250
Dover Heights	$22,000	90sqm	$244
Bondi	$24,000	90sqm	$267
Vaucluse	$25,000	90sqm	$278
Bondi Beach	$22,000	90sqm	$244
Bondi Junction	$21,000	90sqm	$233
Tamarama	$23,000	90sqm	$256
North Bondi	$21,600	90sqm	$240
Queens Park	$22,500	90sqm	$250

AFFORDABLE HOUSING SCHEME

4.0 AFFORDABLE HOUSING SCHEME

This Chapter presents an implementation and review of the proposed affordable housing scheme.

4.1 Key findings

HillPDA tested the feasibility of a 2% affordable housing contribution on:

- The LGA, more broadly, where a rezoning has not occurred and
- Selected study areas are flagged for growth and up-zoning through a SEPP.

Using four case study areas of recently completed developments in the Georges River Council, HillPDA has shown that a 2% affordable housing contribution would not significantly impact project viability.

Where there has been a proposed rezoning through the controls assumed to apply in the low-mid-rise SEPP, feasibility analysis for three case study precincts has identified:

- The proposed controls would be insufficient in development uplift to enable development on a broad scale
- The existing improvements and prices are generally too high to justify development unless this further increase in FSR is proposed in the SEPP
- R2 and R3 zones are unlikely to absorb an affordable housing contribution unless FSRs are increased above the proposed SEPP allowances.

4.2 What is an adequate timeframe to introduce a flat rate?

Australia has faced four once-in-a-century events between 2019 and 2021: a global pandemic, bushfires, severe drought and major floods. Economic volatility, supply chain disruptions, labour shortages, and rising costs have impacted the post-pandemic development landscape, leading to numerous projects experiencing financial strain. Compared to the office market, however, the working-from-home policy has had the opposite effect on the residential-detached housing market. Extremely low mortgage rates and the expectation of continued low rates enabled homebuyers to feel confident in their mortgage repayments, driving a surge in the residential market in Australia, particularly in Sydney. The boom peaked from 2021 to 2022, with detached dwellings in Sydney selling for 20% to 30% over the asking price due to a lack of supply, high demand and low interest rates.

From 2022 to 2023, Australia began to return to a more normal way of life. Additional lockdowns were not expected; further vaccinations were made available, and international borders remained open, with no likelihood of closure. This marked a shift in attitudes, recognising that we can coexist with the virus and return to our pre-pandemic lives. Sydney has returned to its pre-COVID-19 pandemic life in 2024. However, significant uncertainties, such as interest rates and decreasing inflation, remain. The residential housing market experienced slight sales price increases, and low rental property vacancy rates led to higher rents for houses and apartments in Sydney.

Our experience in the construction and development industry has shown that, even where developments may be theoretically viable, difficulties associated with financing often mean that they are not pursued. This has resulted in fewer development applications and more projects abandoned, hastening the supply and demand gap. The development industry has expressed this downturn ominously as the 'Perfect Storm'. The development viability challenge stated by the industry itself is related to the following three main risks:

1. Building risk – construction costs and certainty in delivery
2. Liquidity risk – It is becoming harder to finance development and proceed.
3. Sales risk – demand for off-the-plan sales remains subdued.

In addition to the above risks, the NSW Government Council League Table shows that the Georges River Council's average assessment time is 213 days.

Considering the above, we believe a minimum of a two-year stage-in would allow developers who already own site(s) to lodge their development applications and secure a Development Application (DA) to proceed with development if their projects are currently viable. For developers seeking to purchase sites, the advance notice enables them to factor in the added costs according to their feasibility and adjust the land purchase price accordingly.

As noted by the Productivity Commissioner, forward developer charges should not affect project viability. We suggest implementing a consistent levy across areas in the LGA that have not yet been subject to a planning proposal. While some areas might be able to contribute more, a consistent rate is a fairer and more straightforward approach for simplicity.

4.3 Key recommendations

This study recommends the following:

Table 10Recommendations for contributions to the Georges River LGA

Recommendations	Proposed LGA Flat Rate
Locations rate applies to:	Goerges River LGA wide
Affordable Housing Contribution Flat Rate (%):	Residential Flat & Shop Top Housing Development GFA
Floor Space Flat rate (%) applies to:	2%
Monetary Contributions:	$191/sqm of residential GFA
Recommendation for implementation:	Two years from the date of its gazettal
Exemptions:	Social and Affordable Housing; Aged Housing; Townhouses (up to 3 storeys); Dual Occupancies; Detached Dwelling, Heritage Development and Refurbishments
Planning Proposal:	Planning proposals seeking additional residential floorspace may offer affordable housing contributions exceeding the 2.0% flat rate as part of their voluntary planning agreement. The base rate of 2.0% will remain part of the contribution under the Council's LEP.

APPENDIX A : STATE LEGISLATIVE AND POLICY CONTEXT

This chapter provides an overview of the LGA's local planning regulations and policies and the new reforms. We have methodically reviewed and applied the relevant controls and policies to the Study Areas. Understanding the importance of housing affordability and affordable housing to Metropolitan Sydney and NSW, a significant legislative framework surrounds the issue. This framework is made up of the following items:

- *Environmental Planning and Assessment Act 1979* (**EP&A Act**).
- *Environmental Planning Assessment (Planning Agreements) Directions 2019*.
- *State Environmental Planning Policy (Housing) 2021* (**Housing SEPP**).
- *Planning Agreements Practice Note (2021)*.
- *State Environmental Planning Policy (Housing) 2021*.
  - Chapter 2 – Affordable housing.
  - Chapter 3 – Diverse housing.
  - Chapter 5 – Transport-oriented development.
- *State Environmental Planning Policy (Low- and Mid-Rise Housing) 2024* (not released).
- *Greater Sydney Region Plan (2017)* and *Six Cities Discussion Paper (2021)*.
- Affordable housing planning reforms, practice notes and planning circulars.
- *NSW Affordable Housing Ministerial Guidelines 2023/24 (2023)*; and
- Southern Sydney Regional Organisation of Councils (**SSROC**).

A.1 Environmental Planning and Assessment Act 1979

Affordable housing plays a key role in the EP&A Act, the overarching legislation covering urban planning in NSW. One of the Act's ten key objectives is to promote the delivery and maintenance of affordable housing. Under the Act, local councils:

- May introduce provisions into their local environmental plans to provide, maintain, retain, and regulate any matter relating to affordable housing;[3]
- Must consider certain matters when determining development applications, including the likely social impacts of the development and the public interest;[4]
- May enter into a planning agreement with a developer as part of a planning proposal or development application[5] Requiring the dedication of land free of cost, a monetary contribution, or the provision of any other material public benefit, or any combination thereof, to be used for or applied towards a public purpose (which can include the provision of affordable housing).[6]

[3] Environmental Planning and Assessment Act (1979), Clause 3.14(d)
[4] Environmental Planning and Assessment Act (1979), Clause 4.15(b) and (e)
[5] Environmental Planning and Assessment Act (1979), Clause 7.32(3)(b)
[6] Environmental Planning and Assessment Act (1979), Clause 7.4(2)(b)

Part 7, Infrastructure Contributions and Finance, Division 7.2, Affordable Housing Contributions, outlines the conditions that require land or contributions for affordable housing and the requirements for affordable housing. This division lays the groundwork for AHCS, which is further developed within the Housing SEPP.

A.2 Environmental Planning Assessment (Planning Agreements) Directions 2019

The direction states that under the NSW contributions system, a council may only impose a condition of development consent requiring contributions towards affordable housing if it has an AHCS in place and the scheme is authorised by its local environmental plan.

A.3 Planning Agreements Practice Note (2021)

Under the current NSW contributions framework, affordable housing can be secured through a voluntary planning agreement (VPA) as part of the rezoning process, which involves a proposal that includes residential uplift. DPHI's Planning Agreements Guideline promotes VPA as a flexible and innovative mechanism to fund growth infrastructure, including affordable housing.

However, VPA has its challenges. Firstly, it is common for developers to refuse to enter a VPA because delivering affordable housing on-site would render their development unfeasible. Similarly, many claim that they need more cash flow to make a monetary contribution towards affordable housing off-site (cash contributions are commonly required before the issue of a construction certificate). Since VPAs are voluntary, a council cannot refuse to progress a proposal because the developer refused to enter a VPA. Another shortcoming of VPA is that it can be time-consuming and costly to negotiate, prepare, and manage in the long term. Protracted negotiations often delay decision-making, increasing uncertainty and risk for developers and creating an administrative burden for councils.

A.4 State Environmental Planning Policy (Housing) 2021

Part 1 of Chapter 2 of the Housing SEPP identifies the need for affordable housing across NSW and outlines the requirements that a local council, as a consent authority, must consider when imposing an affordable housing condition on a development consent under Clause 7.32 of the EP&A Act. The Council may only impose a condition of development consent requiring affordable housing contributions if it has an affordable housing scheme authorised by its local environmental plan.

Chapter 2 of the Housing SEPP contains planning provisions to promote the delivery of diverse and affordable housing options across the state, including affordable infill housing (such as attached dwellings, dual occupancies, dwelling houses, manor houses, multi-dwelling housing, residential flat buildings, semi-detached homes, and shop-top housing) and boarding houses.

Part 2, Division 1 of Chapter 2 of the Housing SEPP provides voluntary inclusionary zoning incentives as a separate and distinct mechanism to facilitate the delivery of affordable housing. That is a floor space ratio (FSR) bonus and other non-discretionary development standards to offset affordable infill housing on-site delivery. The bonus FSR provisions are voluntary and currently only apply to developments that propose to use a minimum of 20% of the total floor space as affordable housing. More significant floor space bonuses are available as the percentage of affordable floor space increases, with bonuses capped for developments that include at least 50 per cent of gross floor area (GFA) as affordable housing. The nominated affordable housing dwellings must be used for affordable housing and managed by a registered CHP for at least 15 years.

Implemented in December 2023, the NSW Government announced that the Housing SEPP bonus provisions would be revised to provide further incentives for developers to provide affordable housing on-site. This will likely include height and density bonuses of up to 30 percent for developments that propose at least 15 percent affordable and social housing to be used for that purpose for a minimum of ten years. Developments with a capital investment value of at least $75 million may also be determined as State Significant Developments.

In New South Wales, there has been a low uptake of the Housing SEPP's voluntary inclusionary zoning provisions, which is expected to continue in certain areas, even with the proposed additional incentives. This is especially true for areas with relatively low land values. Key obstacles include:

- Difficulties in accommodating the total FSR bonus while complying with development standards and other local council controls, such as those relating to the height of the building, setbacks, landscaping, and uncertainty around applying Clause 4.6 to vary development.
- The availability of other local environmental plan bonuses (for example, design excellence provisions) that offer better incentives, which allow for additional FSR without the requirement to deliver affordable housing, and
- Financing limitations due to the requirement that affordable housing floor space must be used for that purpose for a minimum of 15 years and managed by a CHP.

In general, there is a range of barriers to delivering infill development,[7] Including:

- Higher construction costs for medium and high-density dwellings than for detached houses, including land acquisition and demolition costs for infill.
- Difficulties aggregating and preparing land for construction.
- Delays in securing development finance.
- Lengthy and sometimes uncertain planning and development assessment processes.
- Securing legal title for high-density residential projects and
- Community opposition to infill and medium to high-density dwellings.

Chapter 5 of the Housing SEPP covers the first stage of the NSW Government's transport-oriented development (TOD) reforms. The controls apply within 400m of 37 stations to deliver more affordable, well-designed, and well-located homes. The new planning controls introduced include permissibility, building height, FSR, lot size and width, street frontages, heritage, and apartment design. In addition to these controls, there is a 2% mandatory affordable housing contribution, delivered onsite and in perpetuity for developments with a minimum GFA of 2,000 sqm. A registered CHP must manage affordable housing. The percentage of the affordable housing contribution is expected to increase over time. The controls are as follows:

Permissibility – Allowing residential flat buildings in residential and local centre zones and shop top housing in local and commercial zones. Floor space ratio (FSR)—A maximum FSR of 2.5:1 has been set. This allows for buildings of up to 6 storeys while meeting landscaping, setback, privacy, and open space standards. Building Height – A 22m height for residential flat buildings to maintain design standards and a maximum of 24m for buildings containing shop top housing to accommodate commercial ceiling height.

5 *Lot size and width – Introduction of a minimum lot width of 21m and no minimum lot size.*
6 *Street frontages—This includes a clause that applies to local and commercial centres to consider active street frontages of buildings on the ground floor.*
7 *Heritage—Applications involving heritage considerations will continue to be lodged with and assessed by councils. Councils are well placed to determine applications that might include the removal of a non-contributory building to the area's heritage value. Any new development needs to improve and enhance the heritage values of those locations.*
8 *Affordable Housing – At least 2% mandatory affordable housing contribution, delivered onsite and in perpetuity for developments with a minimum Gross Floor Area of 2000 sqm, managed by a community Housing Provider. The rate will increase over time and will*

[7] National Housing Supply Council

reflect market conditions.

9 *Apartment Design Guide (ADG) – The ADG will continue to be the principal guiding document for apartment development, including TOD developments. As part of this consultation, 27 briefings were conducted with all councils proposed to be included in the amending SEPP areas.*

A.5 State Environmental Planning Policy (Low and Mid-Rise Housing) 2024 (not released)

In parallel with the TOD changes, the NSW Government has been investigating potential changes to the planning system to encourage the delivery of a range of low- and mid-rise housing. The reforms explore opportunities to unlock low-rise housing supply, including terraces, dual occupancies, and mid-rise housing of up to 6 storeys in well-located areas. Reforms will enhance housing diversity and affordability, fostering thriving local communities. The proposed reforms seek to:

- Allow dual occupancy (two separate homes on a single lot), such as duplexes, in all R2 low-density residential zones across NSW, effective 1 July 2024.
- Allow terraces, townhouses, and 2-storey apartment blocks near train stations and key town centres in R2 low-density residential zones across the Greater Sydney, Hunter, Central Coast, and Illawarra Shoalhaven (Six Cities Region).
- Allow mid-rise apartment blocks near train stations and critical town centres in R3 medium-density zones across the Six Cities Region.
- Introduce new planning controls, such as floor space and height allowances, that encourage low- and mid-rise housing in well-located areas.

Table 11Low to mid-rise density

Permissible zoning	R2 Low density	R3 Medium density
Permissible zoning and Land use	Allow terraces, townhouses and 2-storey apartment blocks near train stations and key town centres in R2 low-density residential zones across the Greater Sydney region, Hunter, Central Coast, and Illawarra Shoalhaven (Six Cities Region.	Allow mid-rise apartment blocks near train stations and key town centres in R3 medium-density zones across the Six Cities Region.
Floor space ratio (FSR)	0.7:1 Multi Dwelling housing 0.8:1 Manor Housing	3:1 within 400m 2:1 -400-800m
Building height	9.5m (2 Storeys)	21m within 400m 16m 400 to 800m

Source: NSW government

The changes' intended effect was explained in a public exhibition from December 15, 2023, to February 23, 2024. Stage 1 of the reforms associated with low-rise housing for dual occupancy became operational on 1 July 2024. DPHI is considering all other feedback, and the reforms were to be finalised later in 2024.

A.6 Greater Sydney Region Plan (2017) and Six Cities Discussion Paper (2021)

In 2017, the Greater Cities Commission released the Greater Sydney Region Plan, which proposed a 5-10% affordable housing contribution to the housing uplift, provided it doesn't remove development viability. Four years later, in 2021, the Greater Cities Commission released the Six Cities Discussion Paper, which proposed a 10%

affordable housing contribution to housing uplift (without considering viability) and that 30% of dwellings delivered on Government land should be social and affordable housing.

The Greater Cities Commission was dissolved on 1 January 2024, and most of its functions and policies were integrated into DPHI.

However, it remains to be seen what impact these policies will have on the State Government's strategic direction for Affordable Housing. In particular, the NSW Government has been clear about the importance of viability in affordable housing contributions, which contradicts the Six Cities Discussion Paper's unconditional 10% charge.

A.7 Guideline for developing an Affordable Housing Contributions Scheme (2019)

The *Guideline for Developing an Affordable Housing Contributions Scheme* was released in 2019 to guide local councils in preparing AHCSs that fulfil relevant legislative requirements. Within the guideline, an "uplift-based" approach is identified where contributions are levied on development applications in areas subject to rezoning for higher densities, capturing some of the increased value experienced by landowners and developers. The guideline also identifies "special infrastructure contributions" and "voluntary planning agreements" as alternative methods of levying affordable housing contributions. Not captured within the guideline is an "inclusionary-based" AHCS approach where development in a specified area pays development contributions (typically lower than uplift-based contributions) regardless of whether the area is upzoned. The guidance outlines four key steps in preparing an AHCS: establishing an evidence base, identifying areas for rezoning, determining an affordable housing contributions rate, and developing the scheme.

A.8 Local controls

A.8.1 Zoning

The study areas within the 400-metre radius we investigated have a variety of zoning, including E1, E2, MU1, R2, R3, and R4. The zones allow the following land uses as per the LEP:

Table 12: Zoning

	Permitted with consent	Prohibited without consent
E1	Amusement centres; Bed and breakfast accommodation; Boarding houses; Centre-based child care facilities; Commercial premises; Community facilities; Entertainment facilities; Function centres; Group homes; Home industries; Hostels; Hotel or motel accommodation; Information and education facilities; Local distribution premises; Medical centres; Oyster aquaculture; Places of public worship; Public administration buildings; Recreation facilities (indoor); Respite day care centres; Service stations; Shop top housing; Tank-based aquaculture; Veterinary hospitals; Waste or resource transfer stations; Any other development not specified in item 2 or 4	Advertising structures; Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Biosolids treatment facilities; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Exhibition villages; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Heavy industrial storage establishments; Helipads; Highway service centres; Home occupations (sex services); Industrial retail outlets; Industrial training facilities; Industries; Jetties; Marinas; Moorings; Mooring pens; Open cut mining; Port facilities; Recreation facilities (major); Registered clubs; Research stations; Residential accommodation; Restricted premises; Rural industries; Sewage treatment plants; Sex services premises; Storage premises; Tourist and visitor accommodation; Transport depots; Truck depots; Vehicle body repair workshops; Vehicle repair stations; Warehouse or distribution

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	Permitted with consent	Prohibited without consent
		centres; Waste or resource management facilities; Water recreation structures; Wharf or boating facilities; Wholesale supplies
E2	Amusement centres; Artisan food and drink industries; Backpackers' accommodation; Centre-based child care facilities; Commercial premises; Community facilities; Entertainment facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Local distribution premises; Medical centres; Mortuaries; Oyster aquaculture; Passenger transport facilities; Places of public worship; Recreation areas; Recreation facilities (indoor); Recreation facilities (outdoor); Registered clubs; Respite day care centres; Restricted premises; Tank-based aquaculture; Vehicle repair stations; Veterinary hospitals; Any other development not specified in item 2 or 4.	Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Bed and breakfast accommodation; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Farm stay accommodation; Forestry; Freight transport facilities; General industries; Heavy industrial storage establishments; Heavy industries; Helipads; Highway services centres; Home-based child care; Home occupations (sex services); Industrial retail outlets; Industrial training facilities; Jetties; Marinas; Mooring pens; Moorings; Open cut mining; Port facilities; Recreation facilities (major); Research stations; Residential accommodation; Rural industries; Serviced apartments; Sewerage systems; Sex services premises; Storage premises; Transport depots; Truck depots; Vehicle body repair workshops; Warehouse or distribution centres; Waste or resource management facilities; Water recreation structures; Water supply systems; Wharf or boating facilities; Wholesale suppliers.
R2	Attached dwellings; Bed and breakfast accommodation; Building identification signs; Business identification signs; Centre-based child care facilities; Community facilities; Dual occupancies; Dwelling houses; Educational establishments; Environmental protection works; Exhibition homes; Flood mitigation works; Group homes; Health consulting rooms; Home businesses; Home industries; Hostels; Neighbourhood shops; Oyster aquaculture; Places of public worship; Pond-based aquaculture; Recreation areas; Respite day care centres; Roads; Secondary dwellings; Semi-detached dwellings; Seniors housing; Tank-based aquaculture; Water supply systems.	Any development not specified in items 2 or 3
R3	Attached dwellings; Bed and breakfast accommodation; Boarding houses; Business identification signs; Car parks; Centre-based child care facilities; Community facilities; Dual occupancies; Dwelling houses; Early education and care facilities; Educational establishments; Emergency services facilities; Environmental facilities; Environmental protection works; Group homes; Health services facilities; Home businesses; Home industries; Jetties; Multi dwelling housing; Neighbourhood shops; Oyster aquaculture; Places of public worship; Public administration buildings; Recreation areas; Respite day care centres; Roads;	Home occupations

	Permitted with consent	Prohibited without consent
	Secondary dwellings; Semi-detached dwellings; Seniors housing; Tank-based aquaculture	
R4	Attached dwellings; Bed and breakfast accommodation; Boarding houses; Business identification signs; Car parks; Centre-based child care facilities; Community facilities; Dual occupancies; Dwelling houses; Early education and care facilities; Educational establishments; Emergency services facilities; Environmental facilities; Environmental protection works; Group homes; Health services facilities; Home businesses; Hostels; Hotel or motel accommodation; Jetties; Local distribution premises; Multi dwelling housing; Neighbourhood shops; Oyster aquaculture; Places of public worship; Public administration buildings; Recreation areas; Residential flat buildings; Respite day care centres; Restaurants or cafes; Roads; Secondary dwellings; Semi-detached dwellings; Seniors housing; Serviced apartments; Shops; Shop top housing; Small bars.	Home occupations
MU1	Amusement centres; Boarding houses; Car parks; Centre-based child care facilities; Commercial premises; Community facilities; Entertainment facilities; Function centres; Group homes; Hostels; Information and education facilities; Light industries; Local distribution premises; Medical centres; Oyster aquaculture; Passenger transport facilities; Places of public worship; Recreation areas; Recreation facilities (indoor); Registered clubs; Residential flat buildings; Respite day care centres; Restricted premises; Shop top housing; Tank-based aquaculture; Tourist and visitor accommodation; Waste or resource transfer stations; Vehicle repair stations; Any other development not specified in item 2 or 4	Advertising structures; Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Biosolids treatment facilities; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Correctional centres; Crematoria; Depots; Eco-tourist facilities; Exhibition villages; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Heavy industrial storage establishments; Highway service centres; Home occupations (sex services); Industrial training facilities; Industries; Jetties; Marinas; Moorings; Mooring Pens; Open cut mining; Port facilities; Recreation facilities (major); Research stations; Residential accommodation; Rural industries; Sewage treatment plants; Sex services premises; Storage premises; Transport depots; Truck depots; Vehicle body repair workshops; Warehouse or distribution centres; Waste or resource management facilities; Wharf or boating facilities; Wholesale supplies.

Source: Georges River Council LEP

A.8.2 Floor space ratio and heights

The existing floor space ratios (FSRs) and height controls vary by zone. They are as follows:

Table 13: Existing FSRs and Height Controls

Description	E1	E2	MU1	R2	R3	R4
Floor Space Ratio	1.5:1 to 2.5:1	4.5:1	5:1	0.55:1	0.7:1	1:1
Heights (metres)			40m	9m	9m	12m

Source: Georges River Council LEP

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Item: **ENV040-25 Annual Update - Progress Towards Net Zero Carbon Emissions Target**

Author: Coordinator Environmental, Sustainability and Waste

Directorate: Environment and Planning

Matter Type: Committee Reports

RECOMMENDATION:

(a) That Council note:

(i) the 1% progress made in financial year FY 2024/25 toward meeting the target of net zero carbon emissions in Council's operations by 2025

(ii) the 44% decrease in street light energy usage due to the successful implementation of the accelerated LED street light replacement program

(iii) the grant application before the Community Energy Upgrades Fund (CEUF) and support future budget bids to undertake gas boiler replacements in Council aquatic centres in the event the CEUF grant application is not successful

(iv) the effect of procurement on Council's operational emissions and therefore ensure compulsory sustainability requirements within future reviews of the Sustainable Procurement Policy.

(b) That Council:

(i) defer the target of Net Zero Carbon Neutral by 2025 to 2036, with a review in 2030.

(ii) note a carbon offsetting budget allocation of $100,000 has been approved for FY2025/26, with an annual budget bid required each subsequent year until the review in FY2029/30, to support mitigation and decarbonisation projects aimed at reducing operational emissions ahead of the 2036 target.

EXECUTIVE SUMMARY

1. This report provides the financial year (FY) 2024/25 annual update on the progress of Council toward achieving its net zero emissions target by July 2025.

2. In the financial year 2024/25 Council produced approximately 2,719 tonnes Co2-e of scope 1, 2 and limited scope 3 emissions. Overall, Georges River Council's annual carbon emissions have decreased by approximately 1% since last FY and reduced 79% between the baseline financial year 2016/17 and the current financial year 2024/25.

3. Council's largest source of emissions remained fleet (35%), followed by gas (23%), refrigerants (22%), staff commute (16%), waste (4%), and corporate travel (0.01%).

4. Council's emission reduction activities in FY 2024/25 included the following key projects and initiatives:

   - Roll out of 14 new hybrid vehicles as part of Council's passenger vehicle fleet
   - Purchasing of 18 hybrid vehicles to replace passenger fleet vehicles which will enter circulation in FY 2025/26.
   - Feasibility assessments for Sans Souci Leisure Centre and Hurstville Aquatic Leisure Centre to replace gas boilers with electric heat pumps removing up to 1,005 Co2-e/year of Council and Community emissions. The assessments were used to support Councils' grant application submission to the Federal Governments

Community Energy Upgrades Fund, seeking matched funding for Councils energy upgrades.

- Carbon Emissions Assessment and Certification project, with focus on hard-to-quantify Scope 3 emissions and Net Zero guidance. The project recommends changes to the net zero emissions target to 2036, with review in 2030. The assessment found that in FY2023/24, Georges River Council's Climate Active-compliant footprint was 7,797t CO_2-e. The majority of emissions come from Scope 3 sources which comprises of 78% of the total footprint. Scope 3 sources are indirect emissions that are a consequence of Council activities, which occur at sources owned or controlled by other entities These include emissions from professional services engaged by Council, employee commute and electrical equipment.

5. Council adopted Net Zero by 2025 in 2020. Net Zero was adopted under the assumption that Council's emissions profile included scope 1, 2 and limited scope 3 emissions sources such as waste, water and staff commute. With the continuous development of carbon accounting and reporting, including the release of the Science Based Target initiative, the definition of Net Zero and Net Zero Carbon has altered since Council's initial targets were set. The inclusion of hard-to-quantify scope 3 sources has increased Council's emission source liability, including the requirement of deep decarbonisation of 90% of all emissions before offsets can be procured.

6. Due to the price volatility of the climate offset market, and lack of oversight over international offset projects, Council is exposed to extensive financial and reputational risks when purchasing carbon offsets, which would be required for Council to meet its current target in year 2025. It is also difficult to accurately project annual costs to achieve Net Zero Carbon emissions targets for July 2025, presently they range between $91,172 - $578,202.

7. This report therefore recommends that Council defer the target of Net Zero Carbon Neutral by 2025 to 2036, with a review in 2030. The revised target, to be achieved, would benefit from Council's support of an ongoing annual budget bid of $100,000 every year from FY2025/26 until the review in FY2029/30 for mitigation and decarbonisation projects to reduce operational emissions ahead of the 2036 target.

BACKGROUND

8. At its 26 October 2020 meeting, Council resolved that:

   "(a) Council endorse its commitment of achieving net zero emissions by July 2025 through a combination of implementing mitigation initiatives and purchasing carbon offsets.

   (b) That an annual report be provided to Council to present relevant industry initiatives and provide an update of Councils progress towards achieving the net zero emissions by 2025 target.

   (c) That Council's determination of the use of national and/or international carbon offsets be confirmed by September 2024."

9. In addressing part (b) of the 26 October 2020 resolution, this report provides the financial year (FY) 2024/25 annual update on progress toward achieving Council's net zero emissions target by 2025.

10. Georges River Council's baseline emissions were calculated in FY 2016/17 at 12,851 tonnes Co_2-e. As previously reported to Council in October 2020, this figure represents the baseline for which all future emissions will be measured against.

11. At its 16 December 2024 Meeting, Council resolved that:

"b) That Council's determination of the use of national and/or international carbon offsets be deferred until December 2025 after:

i. Council has undertaken an independent assessment of its emissions scope by July 2025 and sought confirmation of the emissions data used to date in Council's energy and emissions reporting; and

ii. A market assessment has been completed to compare the costs of purchasing internal or national offsets and presented to council in a further report, expected prior to December 2025."

12. In addressing part (b) of the 16 December 2024 resolution, the recommendations of Council's use of national and/or international carbon offsets are provided in this report. In January 2025, Council undertook an independent quality assurance review of Council's emissions reporting to confirm the scope of emissions prior to the net zero carbon emissions from Council's operations 2025 target decision. The independent Carbon Emissions Assessment and Certification review is attached in Appendix A.

13. In 2021, Council participated in the 'Program for Energy and Environmental Risk Solutions' (PEERS 3), a regional tender process led by the Southern Sydney Regional Organisation of Councils (SSROC) for the supply of electricity to small and large market sites.

14. Zen Energy commenced supply of 100% renewable energy from 1 July 2022 within operational budget allocation.

15. With the procurement of 100% renewable energy three years early in FY 2022/23, Council's operations will have little to no emissions associated with electricity in future years. This FY is the second-year electricity emissions are zero (0%).

16. To limit the growth of emissions associated with gas, gas is no longer installed in new Council built, owned and/or managed assets or facilities, unless no suitable alternative can be found as identified through a Business Case (detailing investigations of all energy sources considered prior to recommending gas and outlining the environmental impacts), as per Council's resolution (ENV045-23) dated 27 November 2023.

REPORT

17. At the time of compiling this report, Council's emissions for FY 2024/25 were approximately 2,719 tonnes Co2-e. This represents an overall reduction of 79% from the baseline year, and a reduction of 1% since the last reporting year FY2023/24.

18. Figure 1 below demonstrates Council's source of emissions are as follows: fleet (35%), followed by gas (23%), refrigerants (22%), staff commute (16%), waste (4%), and corporate travel (0.01%).

19. The largest source of emissions in FY 2025/26 is expected to be produced by fleet, followed by gas.

20. It is recommended that Council note the 1% progress made in financial year FY 2024/25 toward meeting the target of net zero carbon emissions in Council's operations by 2025.

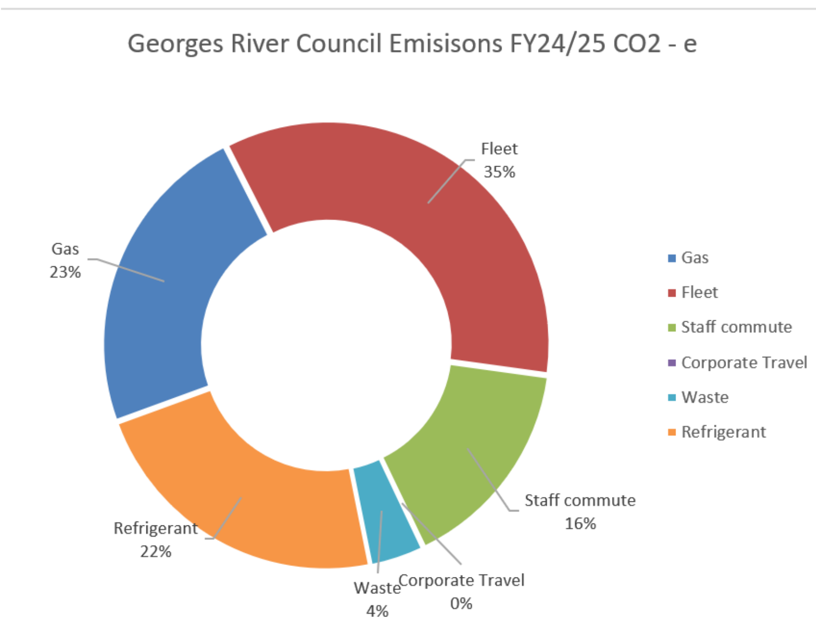

Figure 1. Georges River Council's FY 2024/25 corporate emissions profile by emissions category.

<u>Emission Reduction Actions: Fleet</u>

21. Council's fleet, including equipment, diesel, petrol and hybrid vehicles represents the largest segment of Council's emissions profile, accounting for 35% of emissions. Emissions associated with fleet have reduced by 4.5% since FY2023/24 and 24% since the baseline FY 2016/17.
22. In order to reduce future carbon offset requirements, a transition of the passenger fleet to hybrid and electric vehicles has been in progress since 2019.
23. Only hybrid vehicles (and not conventional petrol vehicles) are purchased at leaseback vehicle changeover with 35.6% of the passenger fleet being hybrid vehicles and 2 branded electric pool vehicles.
24. Council saw a reduction of 45.9t Co2-e in fleet emissions since FY2023/24, which can be directly attributed to the roll out of hybrid fleet vehicles throughout the year.
25. The financial savings made by hybrid and electric vehicles, due to reduced fuel consumption, have been approved for transfer into the Sustainable Passenger Fleet Reserve. Funds in the reserve will contribute to the purchase of additional electric vehicles once the fleet transition plan has been finalised by Council's Executive Team.
26. Upon the recent appointment of the new Team Leader Fleet Operations, the expedition of the Fleet Transition Plan with the goal to reduce fleet related emissions is an organisational priority. The extended recruitment time of 9 months to appoint the new Team Leader Fleet Operations resulted in significant delays in Council fleet emission reduction activities in FY2024/25.

<u>Emission Reduction Actions: Gas</u>

27. Gas consumption represents 23% of Council's emissions profile. In FY 2024/25 Council consumed 9,638,849 MJ of gas. Emissions associated with gas have reduced by 7% from FY2023/24 and by 1% on baseline emissions.
28. Hurstville Aquatic Leisure Centre consumed 7,213,960MJ of gas, being the largest gas user in Council assets.
29. Funding via the Net Zero Emissions Fund has been used to support a feasibility assessment to investigate the transition of gas assets to electric in Hurstville Aquatic Leisure Centre and Sans Souci Leisure Centre. The feasibility assessment was used to support a Department of Climate Change, Energy, the Environment and Water Community Energy Upgrades Fund grant application, with the gas replacement project having the potential to reduce gas emissions by 1,005t CO2-e/year. The outcome of the application is

expected to be in early 2026. In the event the grant application is not successful, budget bids to undertake the gas boiler replacements will be submitted.

30. It is recommended that Council note the grant application before the Community Energy Upgrades Fund (CEUF) and support future budget bids to undertake gas boiler replacements in Council aquatic centres in the event the CEUF grant application is not successful.

Emission Reduction Actions: Refrigerant

31. Refrigerants are a compound in gas or liquid state that, in conjunction with compressors and evaporators, provide the cooling function of refrigerators and air conditioners.

32. Refrigerants account for 22% of Councils operational emissions. Council saw no change in refrigerant use in FY2024/25, and refrigerants were reported under the umbrella of 'other emissions' in the baseline year. A specific set of refrigerant types are included in Council's emission profile should they reach a particular volume and require replacement during the financial year.

33. Replacing current in-use refrigerants with those lower in Global Warming Potential will be prioritised where possible and at the time of asset replacement in line with Council's Sustainable Procurement Policy. When no alternative is available, refrigerant emissions will require offset.

Emission Reduction Actions: Electricity

34. Council's operational electricity consumption totalled 8,611,642 kWh in FY 2024/25, which is a 0.2% increase from FY2023/24. Due to Council's 100% renewable energy contract, Council electricity emissions total 0t Co2-e or 0% of Council's total operational footprint. This figure includes the emissions associated with street lighting.

35. In FY 2024/25, emissions associated with Council's electricity purchase reduced by 100% compared to the baseline year.

Street Light Replacement Program

36. Council joined the accelerated LED street light replacement program in 2019 with SSROC and Ausgrid for both residential and main roads. The program aimed to replace 40% of residential road streetlights with LED's for reduced energy consumption. SSROC assisted Council by reviewing lighting selection for main roads, using a GIS-based methodology to improve uniformity of lighting type, service and confirm regulatory compliance.

37. Ausgrid commenced the residential road portion of LED upgrades in July 2022. Deployments of LED's with smart controls on main roads commenced in Q1 of the 2023/24 financial year, with practical completion in June 2024. The outstanding 22 luminaires are subject to minor maintenance tasks and are limited by accessibility, with expected resolution by December 2025.

38. Council's streetlight energy consumption in FY 2024/25 was 2,580,161 kWh compared to project commencement in FY2020/21 of 4,614,603 kWh, which reflects a 44% reduction in energy use.

39. It is recommended that Council note the 44% decrease in street light energy usage due to the successful implementation of the accelerated LED street light replacement program.

Utilise the Revolving Energy Fund and Net Zero Emissions Fund

40. The Revolving Energy Fund (REF) and Net Zero Emissions Reserve (NZER) are internal funding sources governed by the Environmental Resilience Funding Guidelines. The NZER was created in 2022 for the exclusive purpose of supporting projects achieving net zero emissions and related projects. The REF was created to implement energy efficiency and renewable energy projects, successfully operating for over four years with projects

returning cost savings, largely through reduced energy consumption, for continual reinvestment into future projects.

41. The REF/NZER funded projects are outlined in Table 1 along with the savings from each project to be reinvested into the REF/NZER in FY 2024/25.

REF Project	**Savings Reinvested into the REF in FY 2024/25**
Kogarah library solar panels	$12,504
Ken Rosewall Tennis court LED lighting upgrade	$17,041
Oatley Park (new building) solar panels	$6,852

42. In FY 2024/25 the internal Environmental Resilience Committee approved a funding application for the Gas Boiler Replacement Feasibility Assessment. The $50,000 application sought to engage external consultants to assess Hurstville Aquatic Leisure Centre and Sans Souci Leisure Centre to electrify the gas boilers, potentially reducing emissions by 1,005t CO_2-e/year of Council and Community emissions.

43. The resulting feasibility assessment supported a grant application for the Federal Governments Community Energy Upgrades Fund (CEUF), seeking 50% Capital expenditure support for the replacement of the gas boilers. The grant outcome is expected to be announced in early 2026.

44. The REF and NZER funds have accrued to $177,863.80 and $101,586 respectively as of 30 June 2025. This represents part of the balance to support the implementation of gas boiler replacements if the CEUF grant application is successful.

<u>Solar panels on Council buildings</u>

45. To date, solar panels have been installed on 15 Council owned buildings, including:

1. Jack High Childcare Centre
2. Penshurst Long Day Care
3. Narani Childcare Centre in Carss Park
4. Oatley West Early Learning Centre
5. Ocean Street Kindergarten
6. South Hurstville Kindergarten
7. Oatley Park Oval Sporting Amenities Building
8. Clive James Library in Kogarah
9. Norm O'Neil Cricket Centre
10. South Hurstville Library
11. Kogarah Civic Centre
12. Carlton Depot
13. Penshurst Park Youth Centre
14 Oatley Community Hall
15. Hurstville Oval, Booth Saunder Pavilion.

46. Council has a total installed capacity of 306.8kW which produces approximately 300,300kWh annually.

47. The installation of new solar systems at additional Council facilities is no longer a project priority due to the commencement of the 100% renewable energy contracts and resulting

nil emissions produced by Council assets. Focus has shifted to gas and fleet projects to align with emissions targets and government grants being released.

Emission Reduction Actions: Staff Commute

48. Staff commute forms 16% of Council's emission profile. Staff commute biannual survey data indicates approximately 55% of staff drive personal vehicles on their commute to work. The remaining staff drive a Council vehicle (approximately 11%), take public transport (approximately 16%), walk (approximately 3%), cycle (approximately 0%), ride a motorcycle (approximately 0.2%), selected 'other', or didn't indicate (approximately 15%).

49. The largest proportion of staff (approximately 22%) travel between 6-10 km to work, followed by those who travel more than 20 km to work (approximately 19%).

50. Council offers initiatives encouraging staff to change their behaviour and reduce emissions associated with their commute. Initiatives include promoting public transport through sustainable transport allowances; trialling a four-day working week; and offering the option to work from home under Council's Flex-Fit Policy.

51. Eligible staff may seek approval to work from home, reducing each participating staff members commute emissions from the baseline 2016/17 data. 37.7% of full-time staff have approved working from home arrangements. On average, full time staff members are working from home 2.8 days a fortnight, which provides benefit to Council's emissions profile through avoided emissions from staff commutes.

Emission Reduction Actions: Waste

52. The emissions from waste produced by staff at Council's workplaces accounts for approximately 4% of Councils emissions profile. Data quality associated with corporate waste continues to improve.

Emission Reduction Actions: Corporate Travel

53. Corporate travel accounts for less than 1% of Councils emissions profile. Councils work on the Carbon Emissions Assessment and Certification highlighted the ability to utilise more detailed data to calculate Corporate Travel.

Net Zero Target and Carbon Emission Assessment

Carbon Emissions Assessment of Council Operations FY2023/2024

54. Under the guidance of Consultants, Council established a comprehensive emissions boundary, or carbon footprint, by identifying relevant and significant emissions sources. The emissions boundary assessment considered the significance of each emissions source, key stakeholder perception of emission relevance, the availability of activity data, and applicable emission factors. Councils' emissions boundary assessment revealed previously unreported Scope 3 emissions, that is indirect emissions that are a consequence of Council activities, which occur at sources owned or controlled by other entities. Councils initial Net Zero by 2025 was adopted under the assumption that our emissions profile included scope 1, 2 and limited scope 3 emissions sources such as waste, water and staff commute.

55. Council adopted Net Zero by 2025 in 2020. Net Zero was adopted under the assumption that our emissions profile included scope 1, 2 and limited scope 3 emissions sources such as waste, water and staff commute. With the continuous development of carbon accounting and reporting, including the release of the Science Based Target initiative, the definition of Net Zero and Net Zero Carbon has altered from Councils original intent. The inclusion of hard to quantify scope 3 sources has increased Council emission source liability, includes the requirement of deep decarbonisation of 90% of all emissions before offsets can be procured.

56. In FY 2023/24, Georges River Council's Climate Active-compliant footprint was 7,797t CO2-e. The majority of emissions come from hard to quantify Scope 3 sources which comprises of 78% of the total footprint. Council was unable to calculate these Scope 3 emissions without the budget (provided through successful budget bid) enabling the engagement of consultants due to data availability and resourcing

57. Specifically, the most significant emission sources in the reporting period were fuel use for contracted waste collection trucks (40%), professional services (17%), fleet fuel (16%) and natural gas (10%).

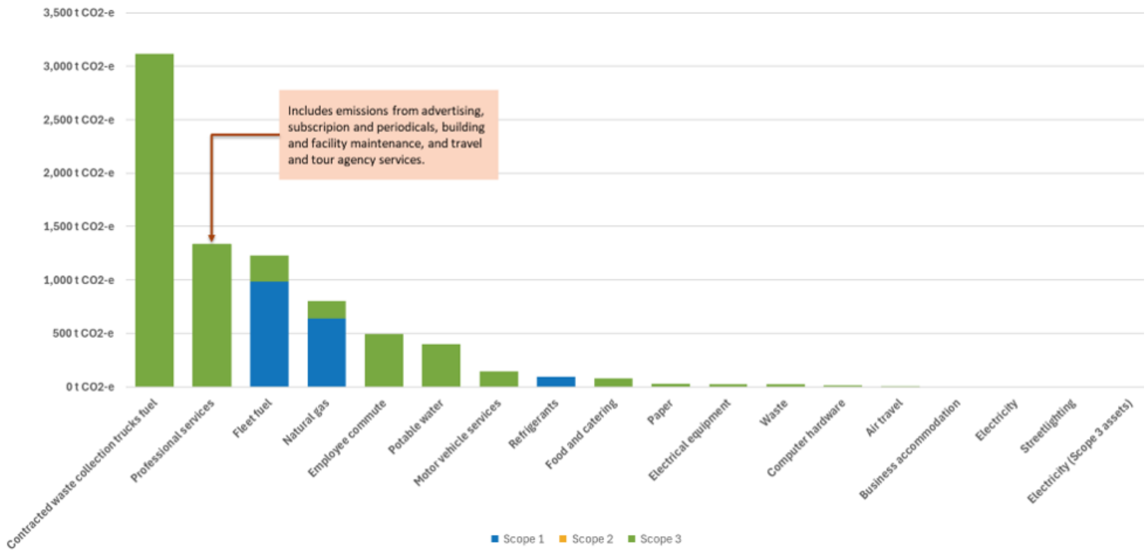

Figure 2. Georges River Council's FY 2023/24 corporate emissions by source using Climate Active Methodology. Extract from *100% Renewables FY2024 Emissions Inventory, Carbon Neutral Certification and Net Zero Guidance.*

58. The projection of future emissions considers a 1% year-on-year growth in BAU emissions to reflect operational and population expansion, with grid decarbonisation integrated into the model. It is expected, with no decarbonisation projects, annual emissions will surpass 9,000t CO2-e by 2050.

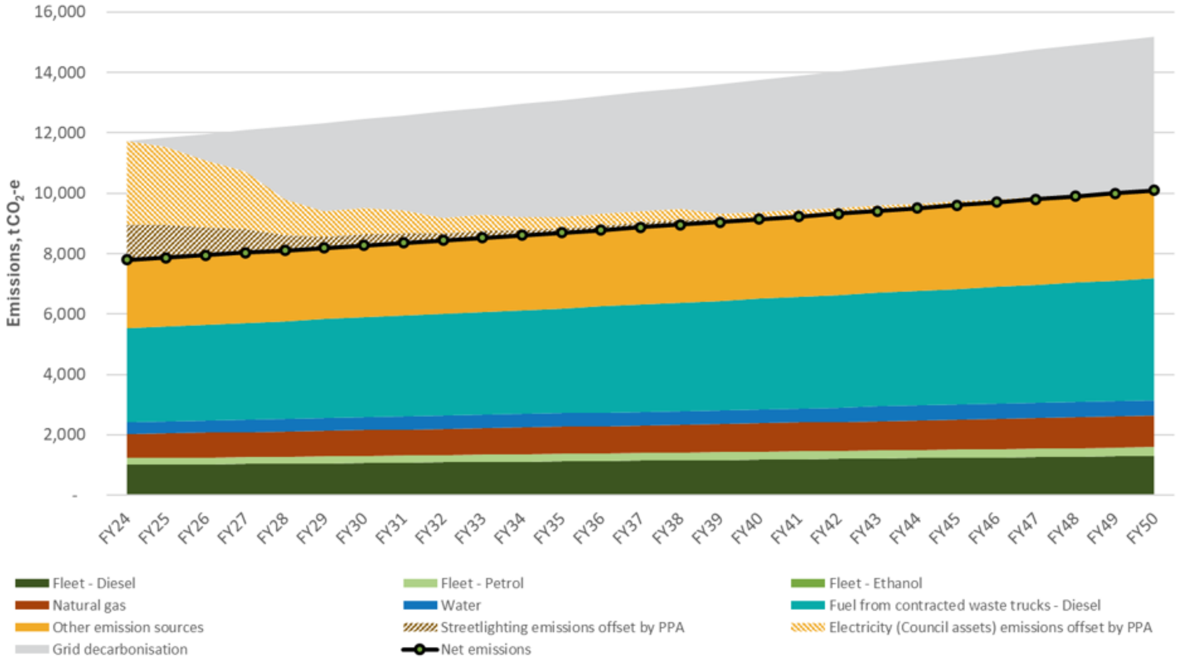

Figure 3. Georges River Council's BAU projection using Climate Active Methodology. Extract from *100% Renewables FY2024 Emissions Inventory, Carbon Neutral Certification and Net Zero Guidance.*

59. Councils largest source of emissions, fuel use for contracted waste collection trucks, consists solely of scope 3 emissions, which occur from sources out of Councils operational control. The current waste vehicle technology, which will be in use until 2030, does not support reduced or zero emissions fleet as such fleet has been determined by the waste industry to not be comparable yet to conventional vehicles, and unable to meet waste collection demands serviceable by conventional vehicles. The fleet is reviewed in 2030 under the waste contract and may be subject to new vehicle technology with reduced emissions. Any such improvements will be outlined in future reports to Council. Additionally, the future waste contract RFQ will be tendered around 2036, by which a market assessment of viable reduced emissions waste fleets will be investigated again prior to a new contract being executed.

60. Councils second largest source of emissions, Professional Services, consists solely of scope 3 emissions, which occur from sources out of Councils operational control. Professional Services emissions rely on providers commitments to emissions reductions. By introducing compulsory sustainability requirements through the Sustainable Procurement Policy review process in August 2026, associated emissions may decrease.

61. The following two largest sources of emissions, Fleet and Natural Gas, are predominately scope 1, and have been addressed above.

62. It is recommended that Council note the effect of procurement on Council's operational emissions and therefore ensure compulsory sustainability requirements within future reviews of the Sustainable Procurement Policy.

<u>Councils Carbon Offsets Options and Forecasts</u>

63. On the 19th of May 2025, Council staff presented a Carbon Emissions Briefing to Councillors, whereby Councils' carbon emissions, targets and offset options were discussed.

64. Council was presented with 2 options:

- Option 1 – Start purchasing offsets in line with the date of the current Net Zero 2025 target.

- Option 2 - Push out the Net Zero 2025 target date to 2036 with review in 2030.

65. The carbon offset market is heavily fluctuating due to its immaturity and reliance on continually increasing legislative requirements and community expectations stoking demand. Australian Carbon Credit Units (ACCU's) are issued by the Australian government for projects that sequester carbon and reduce emissions. As of January 9, 2025, the ACCU spot price was AUD$36.50 per carbon credit. Analysts predict that by 2030, the ACCU spot price will reach approximately $60, increasing by 71%.

66. Other carbon credits can be distributed using domestic and international standards such as Clean Development Mechanism (CDM), Verified Carbon Standard (VCS) and Gold Standard (GS), though these standards carry a higher risk due to varying quality of verification and monitoring.

67. International offsets from standards such as the CDM can start as low as AUD$0.50, though come with significant increased risk of being sourced from outdated or low-quality projects which often face criticism for being ineffective or irrelevant in addressing current climate challenges. Higher quality international offsets from standards such as the VCS are traded through reputable carbon offset brokers such as Tasman Environmental, with the average spot price of AUD$8 for vetted projects.

68. One option to reduce the reputational and financial risk to Council, carbon offset purchases could consist of 20% National Carbon offsets and 80% International carbon offsets.

69. Councils financial modelling as supported by the external consultant's review, projects 5 Climate Active certification options using carbon offsets:

    1. Purchasing 100% international carbon credits
    2. Purchasing 100% national carbon credits
    3. Purchasing 20% national carbon credits and 80% international carbon credits
    4. Purchasing 80% national carbon credits and 20% international carbon credits
    5. Purchasing 50% national carbon credits and 50% international carbon credits.

70. The financial projections (Figure 4) consider BAU expected operational emissions to 2036, annual verification fee ($10,000), annual Climate Active licensing fee ($8,000) and CPI (3%).

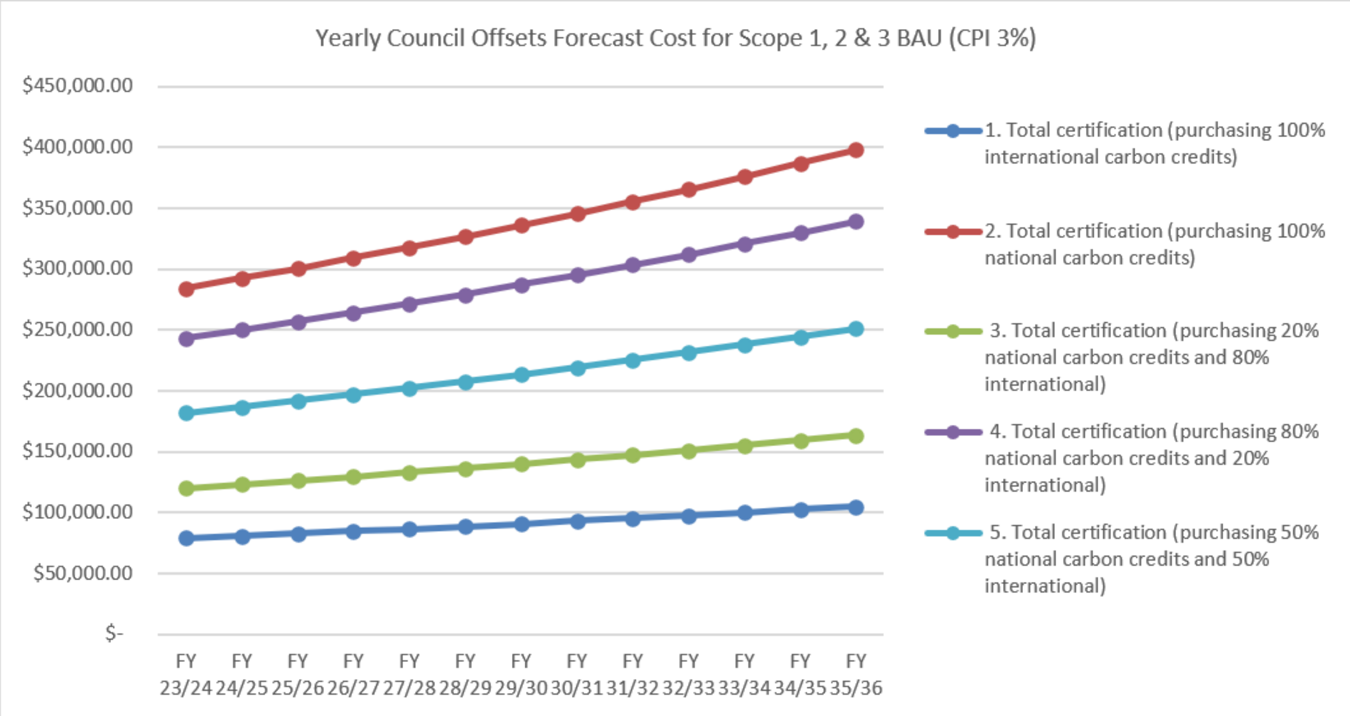

Figure 4. Climate Active Certification cost forecast covering Scope 1, 2 & 3 emissions for Business-as-Usual operations per offset ratio option from FY24 to FY 36.

71. Annualised cost projections of Climate Active certification to 2036 include the expected 71% increase in ACCU prices by 2030 (Table 3). Each option's reputational risk to Council has been assessed, with 100% international offsets posing the highest risk.

72. Option 2, 100% national offsets, poses the lowest reputational risk, however this brings the largest price volatility and uncertainty due to increasing market demand (AUD$338,130 - $578,202).

73. Option 3, 20% National and 80% International offsets, provides a high reputational risk to Council, however, provides a mid-range financial annualised risk range ($140,564 - $160,524) to 2036. Option 3 presents the most balanced risk considering financial sustainability and reputation of the presented options, if Council decides to purchase offsets in the future.

Table 3. Annualised cost projections of Climate Active Certificate to 2036

	1. Total certification (purchasing 100% international carbon credits)	2. Total certification (purchasing 100% national carbon credits)	3. Total certification (purchasing 20% national carbon credits and 80% international)	4. Total certification (purchasing 80% national carbon credits and 20% international)	5. Total certification (purchasing 50% national carbon credits and 50% international)
Annualised Cost to 2036	$91,172	$338,130	$140,564	$288,738	$214,651
Annualised cost range with 0% - 71% ACCU increase	NA	$338,130 - $578,202	$140,564 - $160,524	$288,738 - $452,742	$214,651 - $290,852
Reputational Risk	Highest - 10	Lowest - 1	High - 8	Low - 2	Medium - 5

74. Once Climate Active Certification is achieved, Council is required to undertake yearly independent assessments, certification and carbon offset purchasing. The Climate Active certification does not reduce Councils material operational emissions, which will continue to increase as per BAU 2050 projections.

75. Due to the increased scope of emissions considered in Climate Active, extensive emission mitigation measures will need to be funded to reduce the financial burden of offset purchasing into the future.

76. Council's decision to avoid carbon offset purchases commencing in 2025 will create an annual cost saving of $140,564 - $160,524/year. These cost savings are best diverted to projects focused on reducing operational emissions through mitigation and decarbonisation from FY2025/25 until FY2035/36 to reduce the financial burden of future offset purchases and Council's overall emissions.

77. The largest contributors to Councils emissions are Scope 3, with 57% of emissions generated by contracted waste collections truck fuel and professional services. The decarbonisation of this service relies on available technology, with minimal ability to mitigate the emissions sources until new vehicle technology becomes available. Councils effect on these emissions sources are limited until 2030 at the earliest, but most likely 2036, in line with Councils future waste contract implementation timing and Sustainable Procurement Policy review process.

78. It is therefore recommended that:

    - Council adjusts the Net Zero Carbon Neutral target to 2036, with review in 2030.
    - Council supports an ongoing annual budget bid of $100,000 every year from FY2025/26 until the review in FY2029/30 for mitigation and decarbonisation projects to reduce operational emissions ahead of the 2036 target.

Conclusion

79. In the financial year 2024/25 Council reported approximately 2,719 tonnes Co2-e. Overall, Georges River Council's annual carbon emissions have reduced 1% since FY2024/25 and 79% between the baseline financial year 2016/17 and the current financial year.

80. Emissions associated with Councils fleet have reduced by 24% since the baseline FY 2016/17. Councils' passenger fleet consists of 35.6% of hybrid vehicles and 2 branded electric vehicles, with a reduction of 45.9t CO2-e emissions since FY 2023/24.

81. The balances available within the Net Zero Emissions Reserve and Revolving Energy Fund will be used to support the Community Energy Upgrades Fund grant application if successful by way of addressing gas emissions as a priority.

82. Council undertook a comprehensive Carbon Emissions Assessment and Climate Active accreditation. The Climate Active-compliant footprint was 7,797t CO2-e, with a majority of emissions coming from Scope 3 sources which were until the independent review, unable to be quantified by Council due to resourcing.

83. Due to Councils lack of operational control over Scope 3 emissions totalling 78% of emissions, it is recommended Council adjust the Net Zero Carbon Neutral target to 2036, with review in 2030, in line with Councils future waste contract implementation and Sustainable Procurement Policy review.

84. Due to the price volatility of the climate offset market, and lack of oversight over international offset projects, Council is exposed to extensive financial and reputational risk when purchasing carbon offsets. The increased risks associated with carbon offset purchasing means Council will not purchase offsets, alternatively supporting $100,000 annually to FY 2035/36 to deliver carbon mitigation and decarbonisation projects.

85. In-line with the Council resolution dated 26 October 2020, an annual report will be provided to Council each year to report on the progress towards achieving these goals. The next update report will be provided in late 2026.

FINANCIAL IMPLICATIONS

86. The activities already completed to date and as outlined within this report have been funded through a combination of internal funding sources including, in-kind contributions, operational and capital budgets, the Revolving Energy Fund, Net Zero Emissions Reserve, Sustainable Passenger Fleet Reserve, in addition to successful budget bids and grant funding applications.

87. The report has been prepared under the guidance of industry professionals using trends to reduce future financial implications for Council. This report emphasises Council's focus on emissions reduction and mitigation efforts prior to offset purchases, at great cost to Council.

88. Upon the determination (expected in early 2026) of a successful Community Energy Upgrades Fund application for $1,640,550, a further $279 450 will be diverted from the Environmental Resilience Funds to support the transition to gas in Aquatic Centres. Similarly, the additional capital budget of $1,640,550 will be sought through a capital project proposal form.

89. The determination to support an ongoing annual budget bid of $100,000 every year from FY2025/26 until the review in FY2029/20 for mitigation and decarbonisation projects to reduce operational emissions ahead of the 2036 target, in line with the recommendations of this report.

RISK IMPLICATIONS

Strategic Risk 1: Financial Sustainability:

90. Councils' failure to include the cost of offsets into long term financial plans will limit the ability to deliver on future Net Zero targets by 2026. Councils' inability to fund emission mitigation projects will lead to unsustainable financial position due to the volatile and increasing carbon offset market.

Strategic Risk 2: Assets and Infrastructure:

91. Councils' failure to upgrade gas infrastructure to electric will reduce the quality, reliability and resilience of large-scale gas using assets such as Aquatic Centres.

Strategic Risk 3: Climate Change:

92. Climate Change represents a significant risk to Council's operations and assets longevity, as well as contribute to the failure to protect and maintain the natural environment. Consistent emissions directly contribute to Climate change.

Strategic Risk 4: Reputation:

93. Council's adjustment of the Net Zero target poses the reputational risk of Councils commitment to the addressing climate change, including loss of confidence from the community.

94. The cumulative risks to Council are mitigated by the engagement of external emissions experts to assess Councils' operations and provide advice on net zero targets. Considering external advice, the deep decarbonisation of Council operations through mitigation and decarbonisation projects and the adjustment of the target to the year 2036 reduces Councils future financial risk, supports Councils climate resilience across assets and increases community perception of Councils climate action initiatives.

COMMUNITY ENGAGEMENT

95. Community engagement will be conducted using established communication channels such as social media, newsletters, Council's website, the Councillor Information Bulletin and media releases where applicable. Council will communicate with the community using clear and transparent messaging on Council's emissions reductions projects and Council's decision to avoid expending funds on offsets.

FILE REFERENCE
D25/328450
ATTACHMENTS
Attachment ⇩1 FY24 Carbon Emissions Assessment Final Report - 100 Percent Renewables

100% renewables

FY2024 EMISSIONS INVENTORY, CARBON NEUTRAL CERTIFICATION AND NET ZERO GUIDANCE

GEORGES RIVER COUNCIL

Final Report

27 June 2025

100% renewables

FY2024 Emissions Inventory, Carbon Neutral Certification and Net Zero Guidance - Georges River Council

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Table summary

1 Executive summary

Georges River Council engaged 100% Renewables to complete a carbon footprint for the 2023–24 financial year (FY2024) and provide strategic guidance towards achieving carbon neutrality under the Commonwealth Government's Climate Active program. This report presents the Council's current greenhouse gas (GHG) emissions profile, a possible pathway for emissions reduction, and considerations for carbon offsetting and certification.

FY2024 Emissions summary

Council's Climate Active-aligned carbon footprint was 7,797 tonnes of carbon dioxide equivalent (t CO_2-e), encompassing Scopes 1, 2 and relevant Scope 3 emissions. This includes:

- Scope 1 (direct emissions): 22% – primarily from fleet fuel use and refrigerants
- Scope 2 (electricity): 0% – emissions are fully offset through a renewable energy Power Purchase Agreement
- Scope 3 (indirect value chain emissions): 78% – driven by contracted waste services, professional services, and natural gas for 3rd party operated aquatic centres

The largest single contributor to Council's emissions was contracted waste collection fuel use, representing 40% of total emissions.

Capital works and associated embodied emissions

Assessed to be outside of the certification boundary, Council's FY2024 capital works were estimated to generate a further 8,027 t CO_2-e from construction activities. This highlights the carbon intensity of construction materials and services and supports their consideration in future emissions inventories.

Progress since 2017

Compared to Council's 2017 GHG baseline, operational emissions, particularly Scope 2 emissions from electricity use, have declined significantly due to renewable electricity procurement and improved data coverage. The FY2024 footprint expands on prior years by capturing a wider range of Scope 3 emissions categories selected through a rigorous process aligned with the Climate Active Program.

Pathway for emissions reduction

100% Renewables has modelled a generalised pathway that could see Council's emissions reduce by 84% by 2040, with net zero emissions by 2050 aligned with Commonwealth and State legislation. Actions that can help Council to drive towards these emissions reductions include:

- Maintaining 100% renewable electricity supply
- Phasing out natural gas by 2030
- Transitioning Council's fleet and contractor waste trucks to electric vehicles
- Reducing emissions from other key Scope 3 emissions sources such as water supply and professional services
- Residual emissions after 2040 can be managed through strategic use of carbon offsets.

Cost of becoming carbon neutral through Climate Active

To achieve Climate Active carbon neutral certification, Council would have to purchase and retire eligible carbon offsets equivalent to its emissions in any year of certification. Based on March 2025 spot market prices, the estimated cost to offset FY2024 emissions ranges from $30,000 to $413,000 including offset, certification and verification costs, depending on the type and source of offsets selected.

- Australian offsets with co-benefits attract higher prices but may offer reputational benefits and align with Council's values
- A mix of Australian and international offsets can optimise cost while maintaining credibility and values-alignment

Offset strategy and managing risk

Not all offsets are equal. Poorly chosen offsets can pose reputational risks. Should Council pursue a carbon neutral pathway this report recommends Council:

- Prioritise high-integrity offsets aligned with Climate Active eligibility
- Avoid controversial or low-quality offset types
- Consider forward purchasing or banking offsets to manage price volatility
- Develop and suitably resource processes and procedures to manage annual Climate Active reporting, third-party verification, license renewal and offset retirement.

Funding and support

Council can draw on State and Commonwealth grants, including those supporting vehicle electrification, gas transition, low carbon materials, energy efficiency upgrades, and waste reduction. Internally, the Environmental Resilience Committee Fund (ERCF) can be used to reinvest savings from sustainability projects, which will help fund future emissions reduction initiatives.

Certification pathway

Georges River Council has already completed key prerequisites for Climate Active certification, including determining its organisational emissions boundary and developing a Climate Active compliant carbon footprint. Remaining steps towards formal certification include:

- Third-party validation
- Offset procurement
- Submission of a Public Disclosure Statement
- Certification and licence registration
- Annual recertification that reinforces Council's leadership on climate action.

2 Background

2.1 Scope of work

Georges River Council engaged 100% Renewables to develop its operational carbon footprint, including Scope 1, 2 and 3 emission sources, for the period from 1 July 2023 to 30 June 2024 (FY2024). The scope of work for this project is as described and illustrated below.

FIGURE 1: SCOPE OF WORK FOR THIS PROJECT

1. Prepare emissions inventory and baseline
    - Work with Georges River Council to define the baseline year, to be the **most recent year for which greenhouse gas emissions data that is able to be validated** is available, and **within two years** of the first year of certification.
    - Carry out a preliminary assessment of Council's carbon footprint and boundary followed by a boundary and relevance test workshop.
    - Detailed data collection to gather and assess all relevant data on Scope 1, 2, and 3 emissions. The assessment is consistent with international standards, such as the Green House Gas (GHG) protocol, and national guidelines, including the National Greenhouse and Energy Reporting (NGER) Scheme and the Climate Active standard encompassing value chain emissions.

2. Carbon reduction and offsetting recommendations
    - Highlight to Council a generalised pathway for emissions reduction in its Scope 1, 2 and 3 emissions sources that is aligned with potential pathways given advances in heating and fleet technology, and with possible advances in value chain

emissions reduction considering the relative contribution of 'easy' and 'hard to abate' emissions in Council's footprint (e.g. construction materials).
- Liaise with Council to gain an understanding of its key needs, values and risk profile in relation to carbon offset purchases, and draft strategic considerations for engaging with, documenting, specifying and evaluating carbon offsets for Council as and when it decides to develop its offset strategy.
- Outline the potential cost of offsets to Council considering a range of potential preferences (e.g. international offsets, Australian Carbon Credit Units (ACCUs), offsets with social co-benefits, vintage, bio-only or energy / renewables, etc) by drawing on offset spot market pricing at the time of publication and use this to provide an indicative 5-year cost to Council inclusive of license fees and third - party costs.

3. Financial analysis and budgeting
    - Provide generalised guidance on potential funding sources for Council's abatement efforts through grants, revolving funds and the like.

4. Capacity building
    - Based on the carbon footprint development and considering potential future reporting, document data improvement recommendations and progression on the following areas:
        i. Improvement on Council's current reporting systems for Scope 3 inputs to better align with Climate Active categories, and more effectively recognise carbon neutral products and services from suppliers,
        ii. Identify which emissions sources could feasibly transition to activity-based data reporting to support a more accurate scope 3 carbon footprint
        iii. Recommend changes to align with the Australian Sustainability Reporting Standards (ASRS), along with identification of emerging software or SaaS solutions that can support Scope 3 emissions accounting in a scalable and forward-looking way.

5. Climate Active certification pathway[1]
    - Develop a timetable and schedule of activities based on Climate Active requirements and our experience in supporting multiple Councils go through accreditation.
    - Provide a clear timeframe for certification in the following years aligned with Climate Active program requirements inclusive of all submission deadlines and periodic validation requirements.

[1] Note that this scope does not include helping Council to become carbon neutral through Climate Active. Advice here simply sets out pathway options and steps that Council can undertake, and assistance in this process would be carried out as a variation.

2.2 Definition of carbon neutrality

Carbon neutral means reducing emissions where possible and compensating for the remainder by investing in carbon offset projects to achieve net-zero overall emissions. Offsets are generated from an activity that prevents, reduces or removes greenhouse gas emissions from being released into the atmosphere.

2.3 About Climate Active

Climate Active used to be called the 'National Carbon Offset Standard', or NCOS. The National Carbon Offset Standard and Carbon Neutral Program were launched by the Australian Government in 2010 to provide a credible framework for managing emissions and achieving carbon neutrality. Initially, the Standard was designed for organisations, products and services and was expanded to events, buildings and precincts in 2017.

The Climate Active Carbon Neutral Standard for Organisations (Organisation Standard) is a voluntary standard to manage greenhouse gas emissions and achieve carbon neutrality. It provides best-practice guidance on how to measure, reduce, offset, validate and report emissions that occur as a result of the operations of an organisation.

Further information is available at www.climateactive.org.au.

2.4 Carbon accounting scopes

To help differentiate between different emissions sources, emissions are classified into the following scopes according to the GHG Protocol – Corporate Standard. This classification is also being followed by the Climate Active Standard.

- Scope 1 emissions include all direct greenhouse gas emissions from sources that are within the organisation's control boundary. These include emissions from fuel use for stationary and mobile equipment, and fugitive refrigerants.
- Scope 2 emissions include purchased electricity, heat, cooling and steam (i.e. energy produced outside the organisation's control boundary but used within the organisation).
- Scope 3 emissions are all indirect emissions that occur as a result of the activities of the organisation but occur from sources outside the organisation's control boundary.

These emissions scopes are illustrated below.

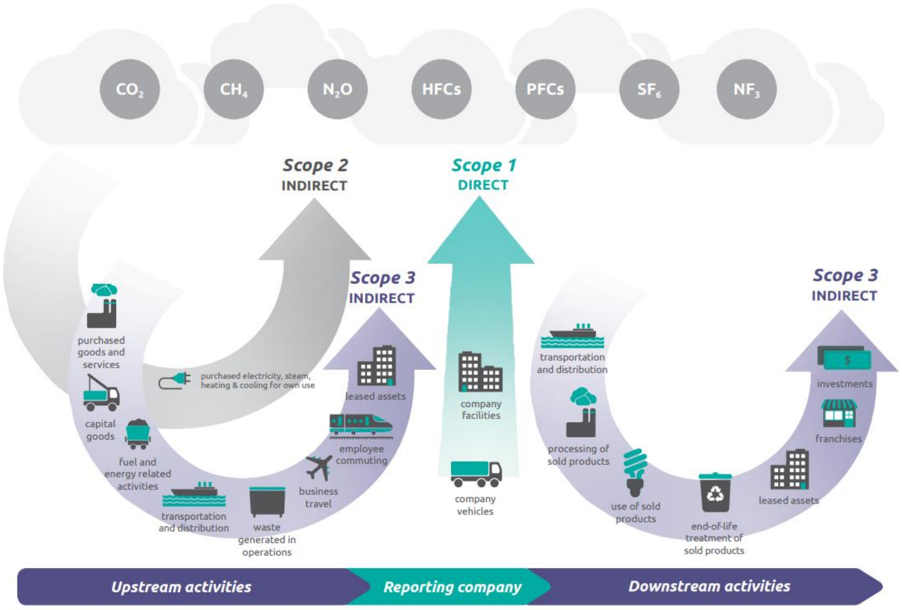

FIGURE 2: DIRECT AND INDIRECT EMISSIONS – SCOPES

3 Determining the organisational and operational boundary

To establish a clear and comprehensive emissions boundary, Georges River Council underwent a Relevance Test workshop and has identified relevant emission sources based on the 15 upstream and downstream Scope 3 categories.

This assessment considered the significance of each emissions source, the availability of activity data, and applicable emission factors. Figure 3 (Section 4) provides an overview of the included and excluded emission sources, ensuring alignment with potential future certification requirements while maintaining a focus on material emissions.

Georges River Council examined the emissions boundary of Climate Active certified Councils (Appendix A) to ensure sector alignment and to demonstrate best practice.

3.1 Non-quantified emissions

Under Climate Active, emission sources are either quantified, not quantified, or excluded. A relevant emissions source can be non-quantified for any of the reasons below:

- Immaterial: Less than 1% for individual items and no more than 5% collectively
- Cost effective: Quantification is not cost effective relative to the size of the emission but uplift[2] applied.
- Data unavailable: Data is unavailable but an uplift is applied. A data management plan must be put in place to provide data within 5 years.
- Maintenance: Initial emissions non-quantified but repairs and replacements quantified.

For FY2024, Council has no non-quantified emission sources.

3.2 Excluded emissions

Climate Active sets five relevance criteria to help organisations determine the relevance of its emission sources. If an emission source fails to meet at least two of the criteria listed below, it can be excluded from the organisation's boundary;

- The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.
- The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
- Key stakeholders deem the emissions from a particular source are relevant.
- The responsible entity has the potential to influence the reduction of emissions from a particular source.
- The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

[2] An uplift factor is an amount (set kg CO2-e or % of carbon footprint) added to the total carbon inventory which are used to reduce the risk of emissions being underestimated in the carbon account for material, relevant or attributable emissions, when emissions cannot be reasonably quantified or estimated.

The table below shows the Council's excluded emission sources with the responses to its relevance test. An emission source is considered relevant if it receives two 'Yes' responses.

TABLE 1: GEORGES RIVER COUNCIL'S RELEVANCE TEST FOR EXCLUDED EMISSION SOURCES

Excluded emission sources	The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions.	The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.	Key stakeholders deem the emissions from a particular source as relevant.	The responsible entity has the potential to influence the reduction of emissions from a particular source.	The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.
Taxis and hire cars	No	No	Yes	No	No
Postage and courier	No	No	No	No	No
Work-from-home emissions	No	No	No	No	No
Computer software and services	No	No	No	No	Yes
Telecommunications	No	No	No	No	No
Outsourced printing	No	No	No	Yes	No
Stationery	No	No	Yes	No	No
Clothing	No	No	Yes	No	No
Construction materials and services	Yes	No	No	No	No
Cleaning services	No	No	No	No	No
Cleaning materials	No	No	No	Yes	No
Education	No	No	Yes	No	No
Accounting services	No	No	No	No	Yes
Legal services	No	No	No	No	Yes
Banking services	No	No	No	No	Yes
Business services	No	No	No	No	No
Insurance	No	No	No	No	No
Membership	No	No	No	No	No
Technical services	Yes	No	No	No	No
Security and personal safety	No	No	No	No	No
Surveying services	No	No	Yes	No	No
Surgical and medical	No	No	No	No	No

4 Emissions inventory and baseline

4.1 Georges River Council's emissions boundary

Defining the emissions boundary is the first step in the carbon accounting process. The emissions boundary refers to the coverage and extent to which emission sources will be included in the organisation's carbon account (or footprint). The boundary is determined using criteria to identify emission sources and assess which of the sources are to be included or excluded.

Georges River Council is owned and operated by one legal entity, and the organisational boundary encompasses assets under the operational control of Council. Facilities owned by Council but not under its operational control fall outside this organisational boundary. For instance, if Council owns an asset but it is operated by another entity, responsibility for accounting for the direct emissions lies with this entity, despite Council maintaining financial control over the asset.

An example of this at Council involves the two aquatic centres: Sans Souci Leisure Centre (SSLC) and Hurstville Aquatic Leisure Centre (HALC). Both centres are operated by the contractor BlueFit. For HALC, Council pays the gas bills and is later reimbursed by BlueFit. As a result, HALC's gas emissions are counted as Council's Scope 1 emissions. In contrast, BlueFit pays the gas bills directly for SSLC, meaning those emissions are accounted for under BlueFit's carbon reporting obligations.

Under the Climate Active Standard, it is recommended to follow the **operational control approach** for consolidating GHG emissions. This makes sure that emission sources that can be addressed through carbon management strategies can be categorised as Scope 1 or 2, and that those GHG emission sources over which there is limited control can be categorised as Scope 3.

Figure 3 shows the boundary considered for Council's carbon footprint. As shown, Council has identified several Scope 1, 2 and 3 emission sources relevant to Council, while excluding a number of supply chain emissions.

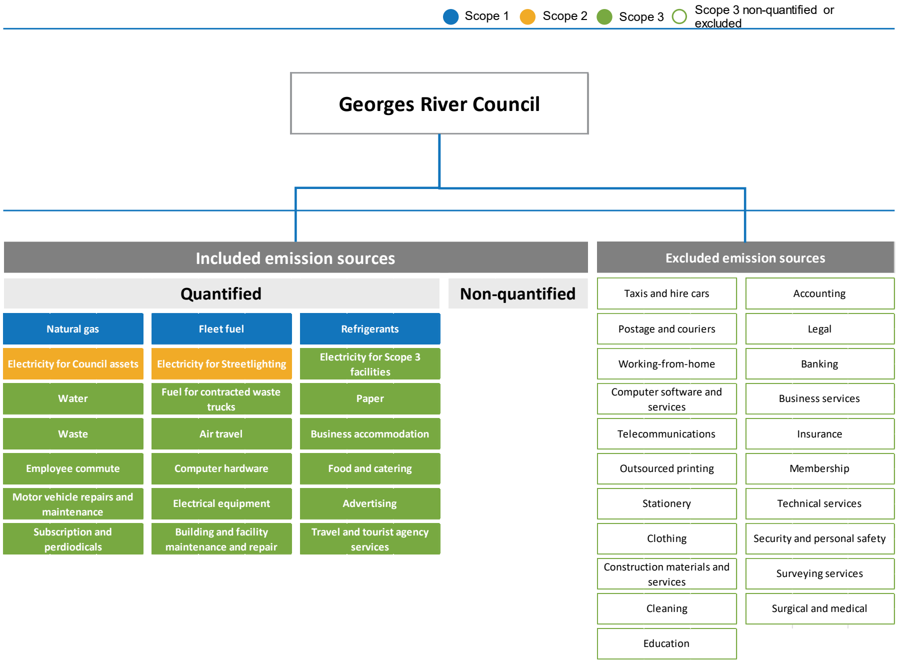

FIGURE 3: CLIMATE ACTIVE-ALIGNED BOUNDARY FOR GEORGES RIVER COUNCIL

4.2 FY2024 emissions inventory for Georges River Council

This inventory has been prepared based on the Climate Active Standard and was developed in accordance with the general principles of:

- The **Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard** developed by the World Business Council for Sustainable Development (GHG Protocol);
- **GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard**.

This inventory measures greenhouse gases in carbon dioxide equivalence (CO_2-e) and includes all seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF_6), nitrogen trifluoride (NF_3), as well as hydrochlorofluorocarbons (HCFCs) covered by the Montreal Protocol (where applicable).

In FY2024, Georges River Council's Climate Active-compliant footprint was 7,797 tonnes of greenhouse gas (GHG) emissions. The majority of its emissions come from its Scope 3 sources which comprises 81% of the total footprint as shown in Figure 4.

The breakdown of Council's emissions is illustrated in Table 2 and is also shown graphically in Figure 4, Figure 5, and Figure 6.

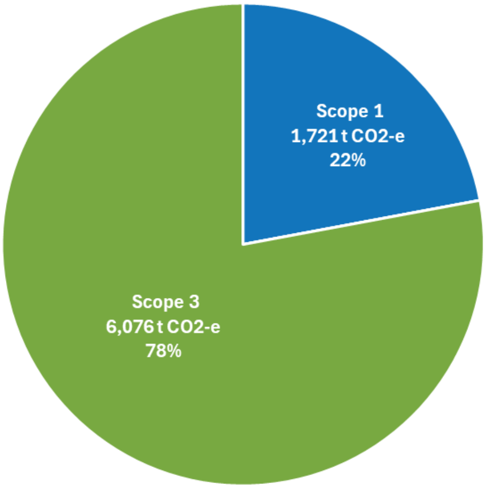

FIGURE 4: GEORGES RIVER COUNCIL'S FY2024 GHG EMISSIONS BY SCOPE

Specifically, the most significant emission sources are fuel use for contracted waste collection trucks (40%), professional services (17%), fleet fuel (16%) and natural gas (10%) as shown in Figure 5 and Figure 6.

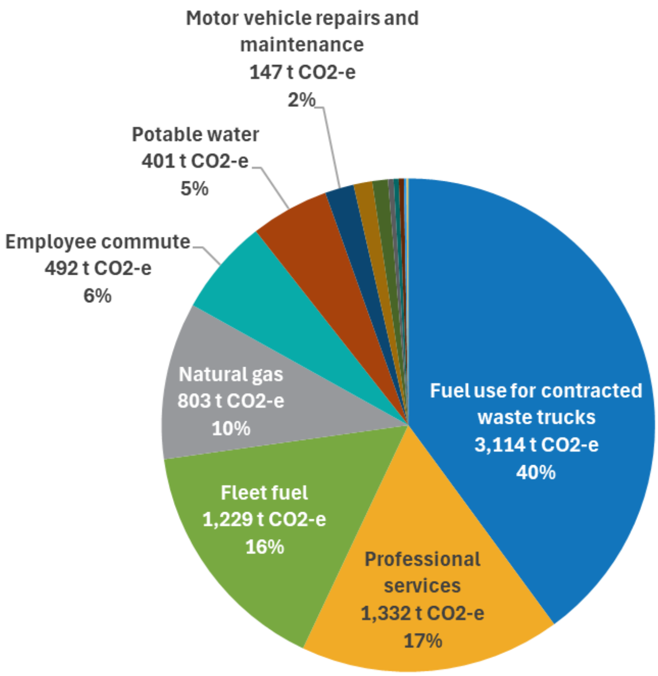

FIGURE 5: GEORGES RIVER COUNCIL'S FY2024 GHG EMISSIONS BY SOURCE

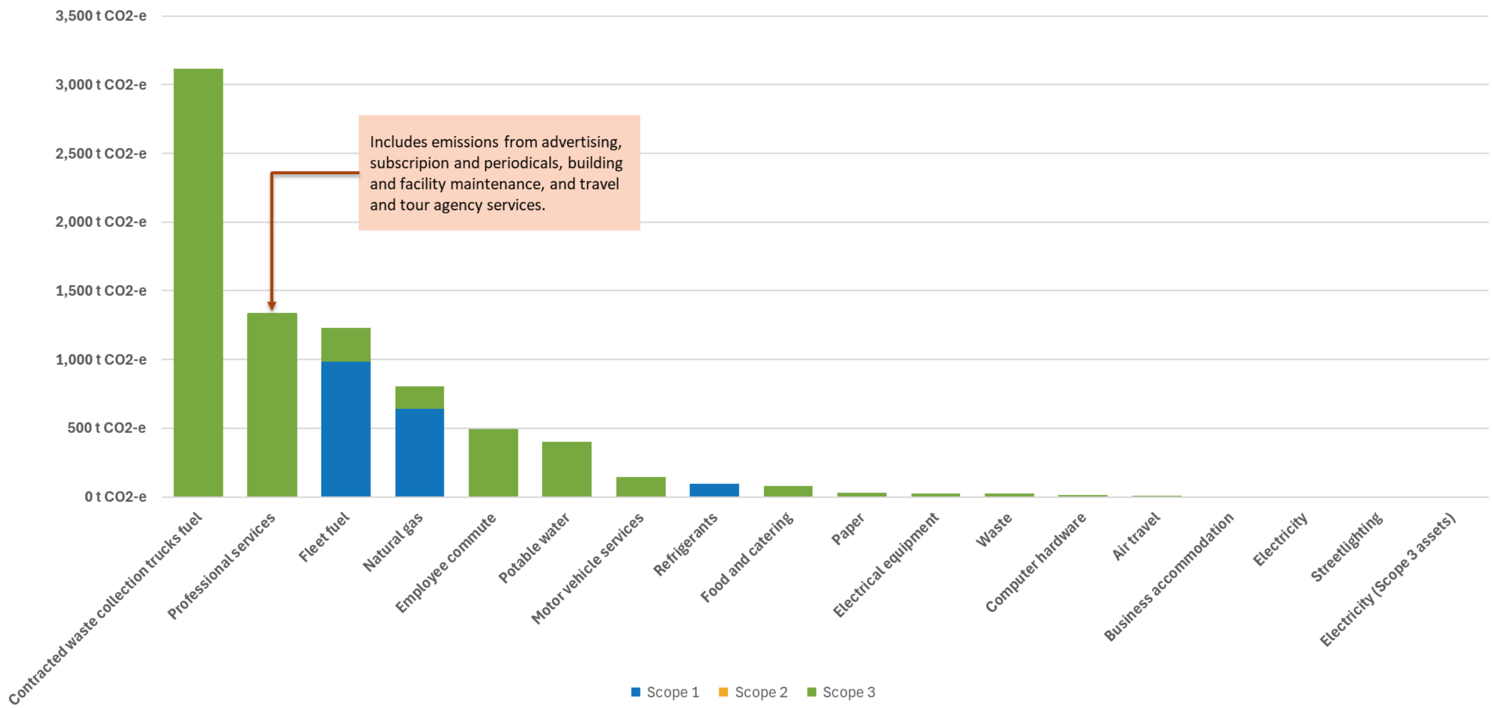

FIGURE 6: GEORGES RIVER COUNCIL'S FY2024 GHG EMISSIONS BY SOURCE

The comprehensive summary of Georges River Council's FY24 emissions inventory is shown below.

TABLE 2: GEORGES RIVER COUNCIL'S FY2024 EMISSIONS INVENTORY (AS PER CLIMATE ACTIVE STANDARD)

Emission source	Activity data	Unit	Scope 1	Scope 2	Scope 3	Total t CO_2-e	%
Natural gas	**12,419**	**GJ**	**640 t CO2-e**		**163 t CO2-e**	**803 t CO2-e**	**10.29%**
Fleet fuel	**377**	**kL**	**985 t CO2-e**		**244 t CO2-e**	**1,229 t CO2-e**	**15.77%**
Fleet - Diesel	297	kL	808 t CO2-e		199 t CO2-e	1,007 t CO2-e	12.91%
Fleet - Petrol	77	kL	177 t CO2-e		45 t CO2-e	223 t CO2-e	2.85%
Fleet - Ethanol	3	kL	0.03 t CO2-e		0.2 t CO2-e	0.3 t CO2-e	0.003%
Refrigerants	**95,353**	**kg CO2-e**	**95 t CO2-e**			**95 t CO2-e**	**1.22%**
Electricity	**5,443,456**	**kWh**		**0 t CO2-e**	**0 t CO2-e**	**0 t CO2-e**	**0.00%**
Streetlighting	**2,273,914**	**kWh**			**0 t CO2-e**	**0 t CO2-e**	**0.00%**
Electricity (Scope 3 assets)	**642,391**	**kWh**			**0 t CO2-e**	**0 t CO2-e**	**0.00%**
Potable water	**213,983**	**kL**			**401 t CO2-e**	**401 t CO2-e**	**5.15%**
Fuel use for contracted waste trucks	**920**	**kL**			**3,114 t CO2-e**	**3,114 t CO2-e**	**39.93%**
Diesel	920	kL			3,113 t CO2-e	3,113 t CO2-e	39.93%
Petrol	0.1	kL			0.4 t CO2-e	0.4 t CO2-e	0.01%
Paper	**111,882**	**$**			**28 t CO2-e**	**28 t CO2-e**	**0.36%**
Waste	**60**	**t**			**26 t CO2-e**	**26 t CO2-e**	**0.33%**
C&I waste to landfill	20	t			26 t CO2-e	26 t CO2-e	0.33%
Recycled waste	20	t				0 t CO2-e	0.00%
Inert waste	21	t				0 t CO2-e	0.00%
Air travel	**31,934**	**pax-km**			**7 t CO2-e**	**7 t CO2-e**	**0.09%**
Short haul, economy	4,179	pax-km			1 t CO2-e	1 t CO2-e	0.01%
Long haul, economy	27,755	pax-km			6 t CO2-e	6 t CO2-e	0.08%
Business accommodation	**59**	**nights**			**2 t CO2-e**	**2 t CO2-e**	**0.03%**
Domestic (3-star)	4	nights			0.1 t CO2-e	0.1 t CO2-e	0.002%
Domestic (4-star)	33	nights			1 t CO2-e	1 t CO2-e	0.01%
Domestic (5-star)	19	nights			1 t CO2-e	1 t CO2-e	0.01%
International : China	3	nights			0.2 t CO2-e	0.2 t CO2-e	0.002%

Emission source	Activity data	Unit	Scope 1	Scope 2	Scope 3	Total t CO_2-e	%
Employee commute	**2,687,670**	**km**			**492 t CO2-e**	**492 t CO2-e**	**6.31%**
Walk	85,549	km				0 t CO2-e	0.00%
Motorcycle	7,129	km			1 t CO2-e	1 t CO2-e	0.01%
Public transport - train	368,931	km			16 t CO2-e	16 t CO2-e	0.21%
Public transport - bus	122,977	km			17 t CO2-e	17 t CO2-e	0.21%
Medium car (unknown fuel)	2,103,084	km			458 t CO2-e	458 t CO2-e	5.87%
Computer hardware	**103,096**	**$**			**13 t CO2-e**	**13 t CO2-e**	**0.17%**
Food and catering	**403,137**	**$**			**80 t CO2-e**	**80 t CO2-e**	**1.03%**
Motor vehicle repairs and maintenance	**1,018,839**	**$**			**147 t CO2-e**	**147 t CO2-e**	**1.89%**
Electrical equipment, lighting fixtures, batteries and generators	**132,124**	**$**			**26 t CO2-e**	**26 t CO2-e**	**0.34%**
Professional services	**34,265,594**	**$**			**1,332 t CO2-e**	**1,332 t CO2-e**	**17.09%**
Advertising	411,034	$			44 t CO2-e	44 t CO2-e	0.57%
Subscription and perdiodicals	620,364	$			85 t CO2-e	85 t CO2-e	1.09%
Building and facility maintenance and repair services (incl. trades, body	6,691,864	$			1,203 t CO2-e	1,203 t CO2-e	15.43%
Travel and tourist agency services	1,687	$			0.2 t CO2-e	0.2 t CO2-e	0.002%
TOTAL:			**1,721 t CO2-e**	**0 t CO2-e**	**6,076 t CO2-e**	**7,797 t CO2-e**	**100.00%**

4.3 Emissions from capital works (including construction materials and services)

Although capital works (including construction materials and services) were excluded from Georges River Council's emissions boundary for FY2024, 100% Renewables estimated the associated emissions to support Council's consideration of their inclusion in future emissions reporting.

The table below presents the estimated emissions from capital works expenditure, mostly for the purchase of construction materials and services. It is important to note that this estimate excludes staff salaries and land acquisitions. Based on the analysis, emissions from this source are approximately 8,027 t CO_2-e, nearly equivalent to Council's total reported carbon footprint. This reflects the inherently high embodied emissions intensity of construction activities and materials.

TABLE 3: GEORGES RIVER COUNCIL'S EMISSIONS FROM FY2024 GENERAL LEDGER EXPENDITURE ON CAPITAL WORKS

Emission source	Expenditure (GST inc), $	Scope 3 emissions, t CO_2-e
Roads and bridge construction	13,162,035	2,834
Non-building construction	4,144,668	2,203
Construction materials (pebbles, stone, rock)	6,620,310	1,507
Non-residential building construction and interior finishing	4,102,787	1,076
Motor vehicles	496,413	130
Electrical equipment, lighting fixtures, batteries and generators	648,740	129

Emission source	Expenditure (GST inc), $	Scope 3 emissions, t CO_2-e
Security and personal safety	249,102	58
Computer and technical services	361,470	37
Technical services	175,178	29
Education	412,838	25
TOTAL	**30,373,541**	**8,027**

4.4 Historical trend of Council's emissions

This section compares Georges River Council's greenhouse gas emissions in FY2024 with those reported in FY2017 (baseline year for Council's reporting to date), highlighting key trends, reductions, and areas of increased activity over time. It is important to note that while both years represent complete carbon footprints, the boundaries and scope of what was assessed differ between the two reporting periods. FY2017 included a narrower set of emissions sources using alternative calculation methods, whereas FY2024 reflects an expanded assessment aligned with current best practice in Scope 3 emissions reporting.

Table 4 below summarises the emissions trends for sources common to both years, followed by additional sources introduced in the FY2024 footprint. These additions reflect improved data availability and broader accounting of Council's operations.

TABLE 4: GEORGES RIVER COUNCIL'S EMISSIONS TREND BETWEEN FY2017 AND FY2024

Emission source	FY2017 emissions, t CO_2-e	FY2024 emissions, t CO_2-e
Electricity	10,580	-
Fleet fuel	1,239	1,229
Natural gas	632	803
Waste	200	26
Refrigerants	100	95
Air travel	100	7
Subtotal (similar boundary)	**12,851**	**2,161**
Electricity (Scope 3 assets)	Not assessed in FY17	-
Potable water		401
Fuel use for waste trucks		3,114
Paper		28
Business accommodation		2
Employee commute		492
Computer hardware		13
Food and catering		80
Motor vehicle repairs and maintenance		147
Electrical equipment, lighting fixtures, batteries and generators		26
Professional services		1,332
Subtotal (included Scope 3 emissions)	**-**	**5,636**

4.5 Data management plan

In collaboration with Council, 100% Renewables compiled the necessary data to develop Council's carbon footprint for FY24. This section outlines the data collection process, identifies any gaps encountered, and provides recommendations for improving data quality in future reporting. These improvements aim to enhance the accuracy and transparency of Council's carbon reporting while building internal capacity and capability.

TABLE 5: SUMMARY OF DATA COLLECTION AND DATA IMPROVEMENT FOR GEORGES RIVER COUNCIL'S ACTIVITY DATA

Emission source	Source of activity data	Suggested data improvement
Electricity	Trellis extract	Incomplete data for a few of the sites (~2.2% data gap). Make sure data corresponds to full 365 days' worth by standardising incomplete data. Regularly update ownership allocation of sites within Council to properly account Scope 2 and Scope 3 emissions, respectively. Incorporate quarterly review process with Sustainability and Assets and Infrastructure.
Fleet fuel	Fleet fuel report	Properly identify fuel type of purchased fleet fuel products. Ensure proper apportioning of fuel blends e.g. apportioning E10 into 10% ethanol and 90% petrol.
Natural gas	Trellis extract	Make sure data corresponds to full 365 days' worth. Standardise data if data covers less than full year.
Waste	Estimated based on state-wide waste bin composition	Request for waste collection data such as waste streams available, weight for each waste stream, and waste treatment for each, and consider waste audits.
Refrigerants	Refrigerant top-up report	Continue current practice.
Air travel	Flights report	Continue current practice. If possible, request to add information on no. of pax involved for each flight transaction.
Potable water	Trellis extract	Continue current practice.
Fuel for contracted waste collection trucks	Monthly report of fuel use from waste collection contractors	Engage with suppliers to regularly report fuel use of all contracted waste collection trucks. In case contracts end part-way through a FY, make sure to request for the fuel use for the months covered.
Business accommodation	Business accommodation summary report	Continue current practice. Make sure star ratings and country location are properly identified. Regular maintenance of data collection system is advised.
Employee commute	Staff commute survey	Public transport is assumed to be composed of 75% train and 25% bus. Personal vehicles are also assumed to be medium car (unknown fuel). For next survey, integrate questions related to the assumptions above to clarify these details, including additional modes of transport e.g. light rail or metro.

Emission source	Source of activity data	Suggested data improvement
Paper	Finance extract	If possible, request for the paper invoice from supplier(s) with details on paper product type, weight in kg or number of reams, and paper specification.
Food and catering		If possible, request for the specific type of food purchased (such as alcoholic drink, non-alcoholic drink, coffee, bread, cheese, meat, fish, etc) and separate the expenditure on catering services for more accurate emissions accounting.
Motor vehicle repairs and maintenance		Request for the weight of each product purchased and if possible, emissions intensity for each of the product and service acquired from supplier.
Electrical equipment, lighting fixtures, batteries and generators		
Professional services		Work with third-party service providers to request for their emissions report, if available, to provide a more accurate emissions profile for Council's supply chain.

5 Generalised pathway for emissions reduction

To understand the scale of the task involved in achieving net zero emissions, it is important to establish both Council's current carbon footprint and a projection of future emissions. This forecast considers possible changes in Council operations as well as external influences, such as grid decarbonisation. A high-level 'business-as-usual' (BAU) scenario has been developed, based on a 1% year-on-year growth in BAU emissions to reflect operational / population expansion. The impacts of grid decarbonisation are also integrated into the model.

This BAU scenario is illustrated in Figure 7, which presents possible Georges River Council's emissions trajectory through to FY2050. The impact of the already-negotiated renewable energy PPA is built in and demonstrates the significant impact of this agreement on Council's emissions profile.

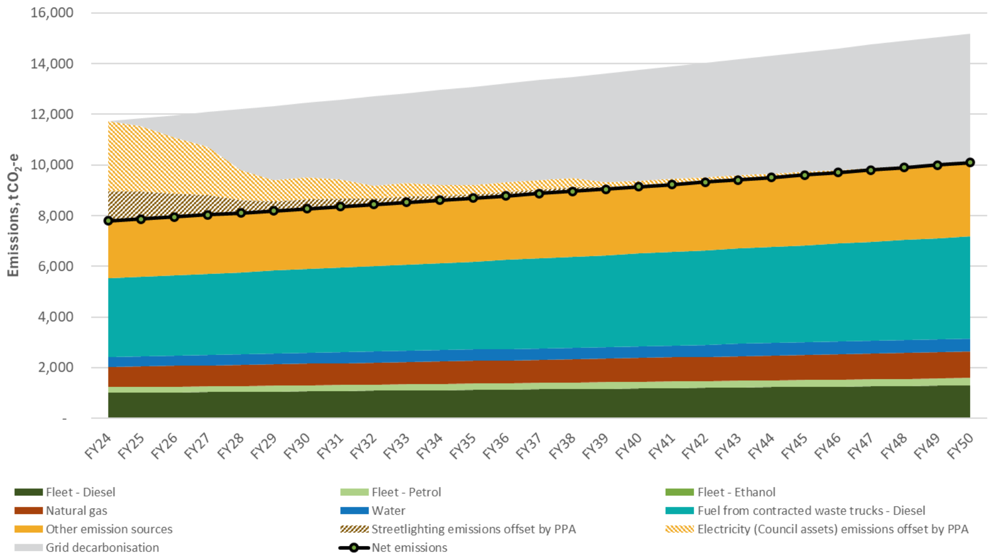

FIGURE 7: BUSINESS-AS-USUAL PROJECTION FOR GEORGES RIVER COUNCIL'S EMISSIONS

Building on this BAU projection, 100% Renewables has developed one possible emissions reduction pathway that outlines how Council could reduce its carbon footprint to align with its net zero target. This pathway incorporates a combination of the BAU assumptions described above, continuation of in-place initiatives such as renewable electricity procurement, and possible abatement measures across key emissions sources such as electricity, gas, transport, and water.

It is important to note that the feasibility, timing, and scale of these actions may evolve over time. As such, the pathway presented here represents one possible scenario for achieving net zero emissions.

TABLE 6: GENERALISED EMISSIONS REDUCTION PATHWAY MODEL FOR GEORGES RIVER COUNCIL

Emissions reduction opportunity	Description	100% Renewables suggested target timeline
Renewable electricity power purchasing	Continue current engagement with electricity retailer through a Power Purchase Agreement (PPA) to procure certified renewable electricity, retiring LGCs.	100% by FY2024, continuing to FY2050
Gas-to-electric transition	Progressively replace gas-powered equipment with electric alternatives across facilities, aligned with Council's gas transition plan.	80% by FY2027 and 100% by FY2030
Fleet transition to electric and hybrid vehicles	Progressively transition Council fleet and contracted waste collection trucks to zero-emissions vehicles. Consult industry through procurement processes regarding availability.	**Fleet vehicles:** 5% by FY2030, 100% by FY2040 **Contracted waste collection trucks:** review transition plans and contract in 2030, and again in 2036
Potable water	Align with Sydney Water's net zero commitment for potable water supply emissions.	100% by FY2030
General emissions reduction for the remaining sources	Apply a general linear emissions reduction pathway across remaining emissions sources.	90% by FY2050, residual to highlight possible long-term role of offsets

These assumptions are reflected in Figure 8, which presents a visual roadmap of the generalised emissions reduction pathway. 100% Renewables has also aligned this pathway with the science-based trajectory outlined by the Science-Based Targets Initiative (SBTi). As shown, Council is on track to achieve net emissions consistent with the science-based target pathway by FY2036.

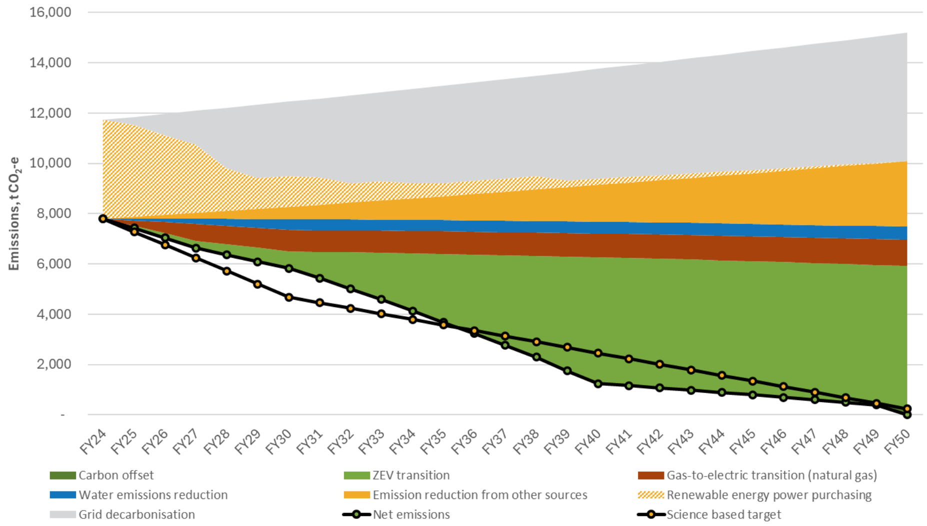

FIGURE 8: GENERALISED EMISSIONS REDUCTION PATHWAY FOR GEORGES RIVER COUNCIL

6 Carbon offsetting issues and discussion

6.1 Range of carbon offset costs to Council

To achieve carbon neutrality (e.g. in the short term while it continues to decarbonise), Council would need to purchase carbon offsets and match the quantity of offsets with its carbon emissions (1 carbon offset is equivalent to 1 t CO_2-e). Carbon offsets need to be retired to claim the emissions reduction benefits.

A primary consideration for any organisation evaluating the case for becoming carbon neutral is the potential cost of this route.

Climate Active is the Australian Government's official carbon neutral certifying body. Getting accredited under Climate Active incurs costs, including the purchase of carbon offsets, third-party verification and program membership fees. There may also be fees associated with engaging a consultant to develop the Climate Active inventory.

The most significant determinant of the overall cost will be the carbon offset price.

Table 7 shows a range of current costs to obtain carbon neutral status under Climate Active, based on the full carbon footprint for FY2024 of 7,797 t CO_2-e as calculated in this report (see Table 2 for Council's carbon footprint summary).

Many different offset projects are available in the market, resulting in a range of costs, which is reflected in the four options shown in Table 7. The cost of offsets differs in particular between the price of Australian Carbon Credit Units (ACCUs) and international offsets, and choices around the mix off offsets that meets Council's requirements. The costs per offset used in estimating options 1 to 4 are based on March 2025 carbon market prices. Based on these prices, Council would most likely incur costs between $30,000 and $413,000 to become carbon neutral for FY2024, inclusive of license, third-party verification and carbon offset costs depending on the offset mix Council decides to purchase. Actions to reduce the carbon footprint through emissions reductions initiatives and activities such as those suggested in Table 6 will lower future offset purchase requirements.

When trading Australian Carbon Credit Units (ACCUs), the spot price represents the current market value for immediate settlement. As of January 9, 2025, the ACCU spot price was $36.50. Brokers and service providers typically charge fees or commissions for facilitating carbon credit transactions in addition to the ACCU purchase price. These fees can vary based on factors such as the broker's expertise, the specific project, and the services provided. Generally, broker fees range from 5% to 20% of the transaction value.

In addition to financial resources, there will also be human resources required to manage Climate Active requirements. Coordination with relevant departments or groups within Council, and delivery of certain inputs to Climate Active requirements such as an emissions reduction strategy and targets will be essential. Adjustments to Council's data management systems will also need to be made particularly to address emission sources where gaps have been identified.

TABLE 7: HOW OFFSET PROJECT PREFERENCES AFFECT THE COST TO GO CARBON NEUTRAL UNDER CLIMATE ACTIVE

Fee summary

OPTION 1
Purchasing the cheapest offsets available

Licence Fee (ex GST)	Verification Fee (ex GST)		Carbon offset Cost (ex GST) – International	
	Min	Max	Min	Max
$8,011.82	$2,900	$15,000	$19,493	$77,970

OPTION 1

TOTAL ESTIMATED FEES (ex GST)	
Min	Max
$30,404	**$100,982**

OPTION 2
Purchasing international offsets with social benefits

Licence Fee (ex GST)	Verification Fee (ex GST)		Carbon offset Cost (ex GST) – International - REDD	
	Min	Max	Min	Max
$8,011.82	$2,900	$15,000	$101,361	$194,925

OPTION 2

TOTAL ESTIMATED FEES (ex GST)	
Min	Max
$112,273	**$209,925**

OPTION 3
Purchasing Australian offsets

Licence Fee (ex GST)	Verification Fee (ex GST)		Carbon offset Cost (ex GST) – Australia	
	Min	Max	Min	Max
$8,011.82	$2,900	$15,000	$311,880	$389,850

OPTION 3

TOTAL ESTIMATED FEES (ex GST)	
Min	Max
$322,792	**$412,862**

OPTION 4
Purchasing 20% Australian and 80% international offsets

OPTION 4

Licence Fee (ex GST)	Verification Fee (ex GST)		Carbon offset Cost (ex GST)				TOTAL ESTIMATED FEES (ex GST)	
			Australia		International			
	Min	Max	Min	Max	Min	Max	Min	Max
$8,011.82	$2,900	$15,000	$62,376	$77,970	$15,594	$62,376	**$88,882**	**$163,358**

Australia + International		
Min	Max	Average
$77,970	$140,346	$109,158

**Total estimated fees (ex GST) include Climate Active licence fees, external verification fees, and carbon offset price*

6.2 Carbon offset pricing and strategic considerations

6.2.1 Price disparity amongst international units

The pricing of international carbon offset units varies significantly due to various factors. High-quality projects with rigorous oversight and additional co-benefits often lead to higher prices, while less stringent or oversupplied markets offer lower costs. This section examines these key drivers of price disparity, providing insights into the complex valuation of carbon offsets. Listed below are several factors which can influence the range of prices for international offsets.

1. **Project type and quality**: Different offset projects, such as renewable energy, reforestation, or methane capture, vary in their costs and perceived benefits. High-quality offsets with co-benefits like biodiversity conservation or community development often command premium prices. Verified units from projects with rigorous monitoring, reporting, and verification (MRV) standards are typically more expensive.
2. **Certification standards**: Carbon offset projects certified under internationally recognised standards such as the Gold Standard or Verified Carbon Standard (VCS) are usually more expensive due to the rigorous requirements for validation and monitoring. Conversely, offsets with less stringent oversight or from less credible standards are cheaper but may carry higher risks of issues like double-counting or lack of additionality.
3. **Geographic location**: The cost of implementing and maintaining offset projects varies by region due to differences in land costs, labour, regulatory environments, and access to resources. Projects in developing countries may have lower operational costs but could face challenges like political instability, affecting price stability.
4. **Market demand and supply**: Some carbon markets are oversupplied, leading to lower prices for units from less popular or older project types, such as large-scale renewable energy projects in regions where such projects are already common. Meanwhile, demand for offsets with specific attributes, like removal-based offsets (e.g., reforestation or direct air capture), drives up their prices.
5. **Vintage year**: Older offsets (with earlier "vintages") may be less expensive because they are perceived as less relevant or impactful in addressing current emissions, whereas newer vintages align with contemporary climate goals and are thus more valuable.
6. **Buyer preferences**: Corporations and organisations increasingly favour offsets that align with their sustainability narratives, such as those contributing to specific Sustainable Development Goals (SDGs). This preference can create a price premium for offsets that offer co-benefits beyond carbon reduction.
7. **Market structure**: Some offsets are traded in compliance markets, such as the European Union Emissions Trading System (EU ETS), where supply is tightly regulated, driving up prices. Voluntary markets, on the other hand, have fewer restrictions and often feature a broader range of prices depending on the project's perceived credibility and impact.
8. **Additionality and permanence**: Projects with strong additionality (emissions reductions that would not otherwise have occurred) and permanence (durability of carbon storage or emissions reductions) are seen as more credible and often command higher prices.

These factors create significant variability in the pricing of international carbon offset units, reflecting the diversity in their quality, impact, and alignment with buyer objectives.

6.2.2 Integrity principles under the ACCU scheme

The Australian Carbon Credit Unit (ACCU) scheme is underpinned by key principles designed to ensure integrity, additionality, and environmental credibility. These principles can also serve as a useful guide when purchasing international carbon offset units.

The key integrity principles of the ACCU scheme, and how they can be applied more generally, including to international units, are:

1. **Additionality**
    a. Projects must demonstrate that the emissions reductions or carbon sequestration would not have occurred under "business-as-usual" conditions. This includes compliance with regulatory requirements and financial additionality, ensuring that the project relies on carbon finance to proceed.
    b. **Application to international units**: Verify that the project meets stringent additionality criteria, ensuring emissions reductions are truly a result of the project and not pre-existing or mandatory actions.
2. **Credible and robust methodologies**
    a. ACCU projects follow approved methods that define eligible activities, how to measure emissions reductions, and how to avoid leakage (unintended emissions elsewhere). These methods are science-based, transparent, and independently verified.
    b. **Application to international units**: Seek units generated through robust methodologies and frameworks, such as the Gold Standard or Verified Carbon Standard (VCS), that clearly define the project boundaries, monitoring, and reporting processes.
3. **Permanence**
    a. Projects must ensure long-term storage of carbon, particularly for sequestration projects (e.g., reforestation). The ACCU scheme requires mechanisms like permanence periods (25 or 100 years) and risk buffers to manage reversal risks.
    b. **Application to international units**: Assess the project's permanence strategy, ensuring measures are in place to manage risks of carbon loss (e.g., fire, land use change) over a meaningful timescale.
4. **Avoidance of double counting**
    a. Emissions reductions credited under the ACCU scheme cannot be claimed under multiple schemes or by multiple entities.
    b. **Application to international units**: Confirm the unit's retirement in a reputable registry and ensure there is no risk of double-counting at the national or project level, particularly in jurisdictions with weak governance.
5. **Environmental and social safeguards**
    a. Projects must not cause adverse environmental or social outcomes. Co-benefits, like biodiversity conservation or community development, are often included to enhance the integrity of projects.
    b. **Application to international units**: Consider units with clear safeguards and co-benefits. Evaluate the project's alignment with global sustainability goals (e.g., UN SDGs).

6. **Independent verification**:
    a. Emissions reductions must be verified by an independent auditor to ensure they meet ACCU scheme requirements.
    b. **Application to international units**: Choose projects with third-party verification from established bodies like TÜV, SGS, or others accredited under recognised standards.
7. **Transparency**:
    a. ACCU projects are publicly listed, including project details, methodologies used, and issuance data, to build confidence in their integrity.
    b. **Application to international units**: Look for projects that provide transparent documentation on methodologies, monitoring data, and offset issuance.

6.2.3 Caution in carbon offset purchasing: Lessons from controversies

Carbon offsets are an important tool in achieving emissions reduction goals, particularly for emissions that cannot be eliminated in the short term. However, not all carbon offsets are created equal, and poorly chosen offsets can attract negative attention and undermine an organisation's climate credentials. This section identifies the main 'red flags' to be aware of when selecting carbon offsets, drawing lessons from public controversies and bad press associated with certain types of offsets. By avoiding these pitfalls, organisations can ensure their offsets maintain integrity, credibility, and alignment with stakeholder expectations.

1. Lack of additionality

Offsets that fail to demonstrate additionality have been widely criticised. Additionality means that the emissions reductions would not have occurred without the offset project. High-profile cases have revealed offsets issued for projects that were already planned or would have occurred without the carbon finance, such as large-scale renewable energy projects in regions where such developments are already economically viable.

Red flags:

- Projects in countries where renewable energy or infrastructure upgrades are mandated by policy or economically competitive.
- Lack of transparent documentation demonstrating that carbon finance was critical to the project's success.

Example: Criticism of certain renewable energy offsets in India and China for failing to prove additionality, as these projects would have proceeded regardless of carbon credit revenue.

2. Double Counting

Double counting occurs when the same emissions reduction is claimed by multiple entities or jurisdictions. This issue undermines the integrity of the offset and has been a focal point of bad press for international offsets in particular.

Red flags:

- Offsets from jurisdictions without clear mechanisms to prevent double counting, especially in countries where emissions reductions may also be claimed under national commitments (e.g., Nationally Determined Contributions under the Paris Agreement).

- Absence of clear retirement mechanisms for offsets in a public registry.

Example: Criticism of certain forestry projects where both the project developer and the host country claimed the same emissions reductions, leading to questions about the offset's validity.

3. Permanence risks

Projects like reforestation and soil carbon sequestration are vulnerable to reversals, such as fires, land-use changes, or other environmental events. The risk of impermanence has been a recurring issue in the media, particularly for forestry offsets that fail to ensure long-term carbon storage.

Red flags:

- Lack of robust risk management strategies, such as insurance buffers or legal protections against land-use changes.
- Forestry projects in regions prone to wildfires, deforestation, or unstable governance.

Example: Bad press surrounding Californian forestry offsets, where wildfires released stored carbon, raising questions about the permanence of these projects.

4. Social and environmental harm

Offsets that lead to negative social or environmental consequences have faced significant backlash. Poorly implemented projects, especially in developing countries, can displace communities, harm biodiversity, or exacerbate local conflicts.

Red flags:

- Projects that do not demonstrate strong community engagement and consent.
- Large-scale monoculture plantations that harm local ecosystems or displace indigenous communities.

Example: Criticism of certain afforestation projects in Africa that displaced local communities and degraded natural ecosystems, drawing widespread media condemnation.

5. Lack of Transparency

Offsets lacking clear documentation or independent verification are often met with scepticism. The absence of publicly accessible information on the methodology, project boundaries, or monitoring can raise red flags about the offset's credibility.

Red Flags:

- Projects not certified by established standards such as the Gold Standard, Verified Carbon Standard (VCS), or Climate Action Reserve.
- Limited or no public reporting on the project's progress, monitoring results, or carbon credit issuance.

Example: Media scrutiny of offsets sold under uncertified or proprietary standards, which failed to provide sufficient evidence of their environmental impact.

6. Over-reliance on old or low-quality projects

Offsets generated by outdated or low-quality projects often face criticism for being ineffective or irrelevant in addressing current climate challenges. For example, credits from older projects with early vintage years may no longer represent meaningful emissions reductions.

Red flags:

- Credits from projects with vintage years far in the past, particularly before modern standards were introduced.
- Projects that no longer align with current best practices or climate priorities.

Example: Public backlash against certain hydroelectric projects registered under outdated Clean Development Mechanism (CDM) methodologies, which failed to meet modern additionality criteria.

7. Questionable claims of carbon neutrality

Organisations relying heavily on offsets without addressing their own emissions have been accused of greenwashing. Bad press often arises when offsets are used to claim carbon neutrality without a credible plan for internal emissions reductions.

Red flags:

- Organisations using offsets as a substitute for internal emissions reductions rather than as a supplementary measure.
- Marketing claims that overstate the impact of offsets or fail to disclose limitations.

Example: Negative media coverage of airlines claiming carbon neutrality through low-cost offsets while continuing to expand their high-emissions operations.

6.2.4 Strategic considerations

For Councils seeking to maximise benefits of climate action, selecting offsets should balance cost-effectiveness, integrity, and local leadership.

Listed below are advice for offset selection;

1. **Prioritise high-quality standards**
    a. Ensure offsets adhere to recognised standards such as the **Gold Standard**, **Verified Carbon Standard (VCS)**, or **ACCUs**. These frameworks ensure additionality, permanence, and avoidance of double-counting.
2. **Diversify the portfolio**
    a. A mix of international and Australian units helps balance cost-effectiveness and local impact. International units typically provide lower-cost options while supporting global climate action, whereas Australian units demonstrate leadership and tangible local benefits.
3. **Align with co-benefits**
    a. Choose projects that align with Council values, such as renewable energy, reforestation, or waste-to-energy projects, and prioritise those with environmental or social co-benefits, like biodiversity conservation or job creation.

4. **Transparency and accountability**
    a. Clearly communicate the criteria for offset selection to stakeholders, emphasising integrity, alignment with community values, and cost considerations.

6.2.5 Achieving value for money in carbon offset purchases: Enabling local emissions reductions and climate leadership

Carbon offsets play an important role in achieving climate neutrality for organisations and Councils. However, the strategic allocation of resources toward carbon offset purchases can also serve as a catalyst for more impactful, long-term emissions reductions through local actions. By achieving value for money in offsetting strategies, organisations can free-up resources to invest in initiatives such as energy efficiency upgrades or emissions reductions initiatives. These direct actions not only provide superior outcomes in addressing climate change risk but also deliver lasting economic and social benefits to local communities.

The case for direct local action

While carbon offsets address emissions that cannot be immediately reduced, direct local action is a more effective approach to mitigating climate change risks in the long term.

While achieving carbon neutrality requires organisations to signal their intent to reduce emissions directly, the standard can, in practice, be met primarily through the purchase of carbon offsets. In contrast, the net zero philosophy has been significantly tightened in recent years to emphasise the importance of a sustained, long-term program of direct emissions reductions. This approach not only aligns with evolving stakeholder expectations but also delivers tangible local benefits, such as reduced energy bills, improved amenity, and enhanced service delivery.

By adopting a balanced, cost-effective approach to offset portfolio purchases—combining high-quality offsets with investments in direct action—organisations can better support the direct-action net zero philosophy. This strategy ensures emissions reductions are prioritised while maintaining affordability and credibility in meeting climate goals.

6.2.6 Role of brokers in mitigating risks in carbon management and climate certification

Third-party brokers play a critical role in ensuring the integrity, transparency, and credibility of carbon management strategies and certification processes, such as Climate Active certification. Their expertise helps mitigate risks associated with carbon offset procurement, compliance, and reporting, ensuring alignment with recognised standards and frameworks. The following recommendations are suggested for Council's consideration:

1. **Select reputable third parties**:
    a. Choose brokers and auditors with established track records and accreditation under recognised schemes.
2. **Regular review**:
    a. Periodically review the performance of brokers and auditors to ensure ongoing alignment with organisational goals and standards.

3. **Integration into climate strategy**:
   a. Incorporate the expertise of brokers and auditors into a broader climate action plan, ensuring offsets complement direct emissions reduction efforts.
4. **Transparent communication**:
   a. Disclose the use of third-party services in public-facing reports to enhance stakeholder confidence.

6.2.7 Managing carbon offset price risk – using technical price analysis to identify opportunities for cost-effective carbon offset procurement

The price of carbon offset units in voluntary and compliance markets fluctuates due to supply-demand dynamics, regulatory changes, and macroeconomic factors. Organisations can use technical price analysis to identify periods when offsets are relatively inexpensive and strategically purchase additional units for future use. Banking offsets during low-price periods offers a cost-effective way to manage carbon liabilities and ensures a buffer against future price volatility or increases.

6.2.8 Projected carbon offset cost

With the rapidly evolving carbon market, significant fluctuations in carbon offset costs are expected over time.

This figure below illustrates the volume-weighted average of the generic ACCU spot price over time. Analysts predict that by 2030, the price will reach approximately $60[3], which aligns with our analysis of price trends suggesting a budget range of $52 to $58 for 2029. The risk is capped at $75 plus an annual increase of about 4%, beyond which the government is expected to intervene to stabilise prices.

FIGURE 9: GENERIC AUSTRALIAN CARBON CREDIT UNIT (ACCU) VOLUME WEIGHTED AVERAGE SPOT PRICE[4] AND ESTIMATED PROJECTION TO JUNE 2029

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[3] Sourced from DCCEEW's Australia's emissions projection 2023 (November 2023)
[4] Captured from Clean Energy Regulator

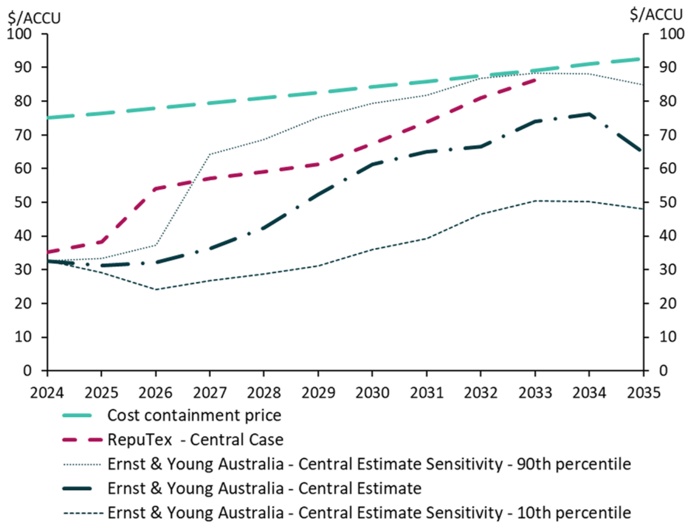


FIGURE 10: FORECAST ACCU PRICES BY MARKET ANALYSTS, 2024 TO 2035, REAL 2024 $ PER ACCU[5]

Organisations can manage the risk of increases in carbon prices by conducting regular reviews of market trends, project analyses, and price trajectories. By identifying periods of relatively lower prices, organisations can strategically time their carbon credit purchases to secure larger volumes when prices are more favourable. This approach enables them to 'bank' credits for future use, reducing exposure to potential price spikes and ensuring compliance with their sustainability goals at a lower cost. Proactive price analysis and strategic purchasing not only provide cost savings but also enhance financial predictability and resilience in the face of market volatility.

6.3 Carbon offset approaches allowed under Climate Active

Two approaches to offsetting are allowed under the Climate Active Organisation Standard:

1. **Forward offsetting**: this involves estimating emissions for the coming reporting year and retiring that number of eligible offset units at the start of the year. This must be followed by an annual true-up process to ensure that the number of cancelled eligible offset units is at least equal to actual emissions.

2. **Offsetting in arrears**: this involves retiring offset units for the claim period after it has finished.

[5] Sourced from DCCEEW's Australia's emissions projection 2023 (November 2023)

6.4 Allowable offsets under Climate Active

Under Climate Active, only high-quality carbon offsets are allowed for reaching carbon neutrality, as shown in Figure 11.

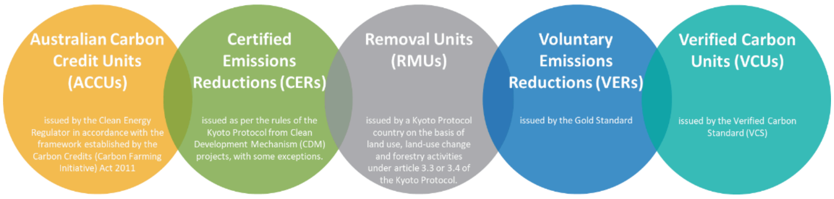


FIGURE 11: ALLOWABLE OFFSETS UNDER CLIMATE ACTIVE

Offset units are eligible under the Climate Active Carbon Neutral Standard and are considered high quality if they are:

- **Australian Carbon Credit Units (ACCUs)** issued by the Clean Energy Regulator in accordance with the framework established by the Carbon Credits (Carbon Farming Initiative) Act 2011 which has now been amended to establish the Emissions Reduction Fund (ERF).
- **Certified Emissions Reductions (CERs)** issued as per the rules of the Kyoto Protocol from Clean Development Mechanism (CDM) projects, with some exceptions.
- **Removal Units (RMUs)** issued by a Kyoto Protocol country on the basis of land use, land-use change and forestry activities under article 3.3 or 3.4 of the Kyoto Protocol.
- **Voluntary Emissions Reductions (VERs)** issued by the Gold Standard.
- **Verified Carbon Units (VCUs)** issued by the Verified Carbon Standard (VCS).

Additionally, all offset units used in a carbon-neutral claim must:

- Meet eligibility and vintage requirements as per Appendix A of the Climate Active Standard (e.g. vintage year greater than 2012)
- Be retired at or before the time of the claim
- Be clearly attributed and recorded in a public registry
- Be reported transparently in a public document (e.g Climate Active's Public Disclosure Statement).

6.4.1 Co-benefits of carbon offsets

Above sections make mention in several areas of 'co-benefits' of carbon offsets.

Carbon offsets may come with beneficial non-carbon outcomes, such as positive outcomes for biodiversity, water or air quality or United Nations Sustainable Development Goals. These benefits are also known as co-benefits, or additional benefits, and may influence Council's carbon offset purchase strategy. Offsets with co-benefits are a great way to align an organisation's values with the carbon offset purchase, and the additional positive outcomes can be described as part of the public report.

ENV040-25 Attachment 1

6.4.2 Examples of carbon offset projects[6]

Listed below are some examples of carbon offset projects offered by Tasman Environmental Markets (TEM)[7] together with their corresponding indicative unit price:

TABLE 8: SAMPLE CARBON OFFSET PROJECTS OFFERED BY TEM

Project name	Project description	Location	Indicative price per unit
Katingan Peatland Conservation	The ecologically significant tropical peatlands within the project area store approximately 20 times more carbon below ground than in above-ground vegetation, highlighting their important role as a carbon sink. The Katingan Mentaya REDD [8] project finances the conservation of these peatlands by appropriately valuing the natural capital and the ecosystem services they provide, thus preventing significant volumes of carbon dioxide from being released into the atmosphere.	Central Kalimantan, Indonesia	$14.00
World Vision Clean Cookstoves	The majority of households in rural Ethiopia rely on heavily polluting open fires to cook, which can have severe consequences for the health of women and children who are responsible for preparing meals. Since 2011, World Vision has been working alongside local communities and government agencies in Ethiopia to implement and distribute low cost, highly efficient cookstoves. Two types of cookstoves are disseminated to households: the 'Tikikil' stove which is a metal rocket stove designed for general cooking and a 'Mirt' stove, which is a large cement stove designed for cooking 'Injera', the staple food in Ethopia. In addition to health benefits, these cookstove use considerably less wood than open fires. The increasing energy needs of growing populations in Ethiopia has contributed to advanced forest loss. Forests that originally covered 90 percent of the highlands have been reduced to less than 3 percent; reinforcing the need for more sustainable energy solutions to prevent further forest loss and degradation.	Ethiopia	$15.00
TEM-Managed: Native Forest Regeneration	Located in the Mulga lands bioregion of southwest Queensland, TEM's human-induced regeneration (HIR) projects are located on properties comprising state, local or regional biodiversity significance. These projects involve the regeneration of native vegetation through changes in land management practices. This includes ending vegetation clearing, sustainably managing grazing and controlling pest animals such as feral goats and pigs. Land	Mulga lands bioregion in southwest Queensland	$57.00

[6] Please note that in the examples provided, prices for offsets were at the time of purchase and may not reflect current or future carbon offset market prices

[7] Carbon offset projects offered through TEM online portal (https://online.tasmanenvironmental.com.au/)

[8] REDD, which stands for 'Reducing emissions from deforestation and forest degradation in developing countries', is a carbon offset that results from a project to reduce emissions from deforestation and forest degradation

Project name	Project description	Location	Indicative price per unit
	clearing and grazing by livestock impacts vegetation by stunting growth, causing direct tree death, preventing the recruitment of trees and shrubs, as well as removing ground cover such as native grasses. These impacts significantly reduce the capacity of vegetation to store carbon.		
April Salumei Rainforest Conservation: 2013-2015 vintage	The April Salumei REDD+[9] project is located in Papua New Guinea, a country which contains ~7% of the world's biodiversity in less than 1% of the world's total land area. As a result of the project, 603,712ha of virgin tropical rainforest is being conserved against planned deforestation, preventing ~22.8 million tonnes of GHG emissions from being released into the atmosphere. The project also protects vital habitat for many endangered species including the palm cockatoo, the bird of paradise and the southern crowned pigeon.	Papua New Guinea	$4.50

6.5 Carbon offset banking

Climate Active allows banking of carbon offsets for up to three years from the date of retirement as long as the carbon offsets are compliant with the requirements during the time of retirement. Carbon offsets requirements are discussed in Section 6.4.

Given the volatility of the carbon offset market, a good strategy could be to forward purchase carbon offsets and to bank them for future use, especially if Council has budget to buy excess carbon offsets. However, Council should be aware of the following risks involved:

- Carbon offsets prices are fluctuating and could increase or decrease in future
- There is opportunity cost of money invested in excess carbon offsets
- Council could decide not to proceed with carbon neutrality in future years

[9] REDD, which stands for 'Reducing emissions from deforestation and forest degradation in developing countries', is a carbon offset that results from a project to reduce emissions from deforestation and forest degradation. The '+' stands for additional forest-related activities that protect the climate, namely sustainable management of forests and the conservation and enhancement of forest carbon stocks.

7 Financial analysis and budgeting

7.1 Grant funding information

Funding from State and Commonwealth grants is often key to securing funds and approval to develop emissions reduction projects in local Government. The scope, funding and timing of grant funding changes frequently as new initiatives are introduced. In the current environment, there are numerous opportunities for funding for regional communities and grants that are focused on energy resilience/security, distributed energy, electric vehicle charging, community batteries, as well as incentives that reduce the upfront cost of electric and fuel cell vehicles.

Key starting points for the identification of grants that can support emissions reductions initiatives/projects may include:

- Commonwealth Government grants portal at https://www.energy.gov.au/business/grants-and-funding links through to grants at Commonwealth and State levels, including to Australian Government financing via https://business.gov.au/grants-and-programs. As of May 2025, this links to the following grant opportunities, for example:
    - Zero Emission Vehicle (ZEV) Rebate: provides financial incentives to purchase zero emission vehicles
    - Electric Vehicle Fleets Incentive: Competitive Bid Funding NSW: provides incentives for NSW businesses with larger fleets that are beyond the pilot phase of their transition to EVs
    - Community Energy Upgrades Fund Round 2: co-funds energy efficiency and electrification upgrades for local governments to deliver reduced energy bills and emissions from local government owned and/or operated facilities
- NSW State Government funds via https://www.nsw.gov.au/grants-and-funding and https://www.energy.nsw.gov.au/business-and-industry/programs-grants-and-schemes:
    - EV fleets incentive: $105 million Drive electric NSW EV fleets incentive to help NSW organisations including Councils shift to EVs.
    - Helping highest emitting industries shift to net zero: $305 million of grant funding to help high emitters significantly reduce their emissions and strengthen their resilience into the future.
    - Community Building Partnership 2025; between $10,000 and $100,000 per project to support capital works initiatives that deliver positive social, environmental, and recreational outcomes, while also promoting community participation, inclusion, and cohesion
- Funding linked to the NSW Sustainable Waste and Materials Strategy via https://www.dpie.nsw.gov.au/our-work/environment-energy-and-science/waste-and-sustainable-materials-strategy, including
    - $65 million over five years, starting from July 2022 to help with the implementation of FOGO services across NSW.

These are some of the sources of grant funding that may help local Councils reduce emissions, increase resilience and lower the cost of energy. The Australian Renewable Energy Agency

(ARENA) and the Clean Energy Finance Corporation (CEFC) are also potential sources of funding for Council initiatives.

7.2 Environmental Resilience Committee Funds (ERCF)

Georges River Council has established the Environmental Resilience Committee Fund (ERCF) as a self-sustaining mechanism to finance emissions reduction and renewable energy initiatives.

The ERCF works by reinvesting savings from implemented sustainability projects—such as energy efficiency upgrades or renewable energy installations—into future initiatives. This revolving model enables continuous investment in climate action without depleting the original capital.

Success factors for an ERCF include:

- Clearly defined project eligibility aligned with Council's strategic goals
- A mix of seed funding, reinvested savings, and external grants
- A transparent implementation plan and auditable model for tracking project performance and financial returns

By designing the ERCF with these elements in place, Councils can create a sustainable cycle of investment that delivers long-term environmental and economic benefits.

8 Climate Active certification pathway

In Australia, it is considered best practice to become carbon neutral under the Climate Active Standard. The Climate Active Carbon Neutral Program is managed by the Australian Government and allows organisations to get their carbon neutral status accredited and to use the highly regarded Climate Active logo in their communication material.

The following diagram shows the steps which an organisation needs to take to become certified under Climate Active. Each of these steps needs to be completed annually. It is important to note that Council has already accomplished the first two steps in this process:

FIGURE 12: STEPS TO TAKE TO BECOME CARBON NEUTRAL UNDER CLIMATE ACTIVE

Under Climate Active, Council has the following responsibilities:

- Sign Licence Agreement
- Pay annual fee
- Engage auditor/verifier
- Complete report or provide all data to Registered Consultant (please note that 100% Renewables is a Registered Consultant)
- Purchase offsets
- Prepare, sign and submit Public Disclosure Statement (PDS) report
- Submit web profile
- Use trademark correctly

The following sections go into the details of each individual step.

1. Review operational boundary

At the time Council seeks carbon neutral certification, the organisational and operational boundary needs to be re-evaluated and updated if changes have occurred.

2. Gather emissions data

Collate Council emissions data as outlined in Section 4.2 and renewable energy used or generated.

3. Describe emissions reduction strategy

Describe Council's emissions reduction strategy in its Public Disclosure Statement (PDS). It should be compliant with the latest Climate Active requirements.

4. Complete the registration

Visit the Climate Active Portal (*https://portal.climateactive.org.au/*) to register a business account. Please note that to access the Climate Active portal, a digital identity (myGovID) will be required to log in.

Once logged in to the Climate Active portal, access can be given to third-party consultants to assist Council on Climate Active registration.

A list of Registered Consultants is available here. Please note that 100% Renewables is a Registered Consultant.

Allow up to four weeks for the Climate Active team to process your registration

5. Sign the licence agreement

Once the Climate Active team has approved a business registration, a copy of the Licence Agreement will be emailed for signature. The Licence Agreement is available on the Climate Active website.

6. Prepare the report

A Registered Consultant can assist Council to prepare the carbon account, which is recommended if there is a lack of in-house expertise in carbon accounting.

Climate Active provides several spreadsheets which contains several hundred common emission sources and helps estimate activity data for some emission sources. Carbon inventories should use the provided emission factors in the spreadsheet whenever a relevant and suitably accurate emission factor is available.

7. Third-party validation

Independent third-party validation ensures the accuracy and completeness of carbon calculations, including the appropriateness of emissions boundaries, methodologies and calculations.

The first review (of the base year) must include an assessment of the adequacy and appropriateness of the emissions boundary setting, emissions methodologies and emission factors.

Under Climate Active, Georges River Council is considered a *medium organisation (i.e. carbon footprint between 1,000 and 25,000 t CO_2-e)*. As such, Council needs to undertake a Type 1 third-party validation and a technical assessment.

Type 1 validations can be prepared by:

- A Registered Greenhouse and Energy Auditor (register available at www.cleanenergyregulator.gov.au/Infohub/Audits/register-of-auditors); or
- An auditor accredited to the international standard ISO 14065:2013.

Since 100% Renewables is a registered consultant and prepared Council's carbon account, 100% Renewables shall conduct a *Technical Assessment*. However, a Type 1 third-party validation (*independent data audit)* must not be performed by the same consultant that prepared the carbon account hence will require Council to engage with a third party validator.

8. Purchase offsets

After successful validation, carbon offsets need to be purchased. Council will need to purchase carbon offset units either to offset the base year or forward offset the first year of certification. 100% Renewables can assist with Council's carbon offset strategy.

Council will also need to complete and sign a Public Disclosure Statement. Please note that 100% Renewables can populate the PDS on Council's behalf.

Council will then need to submit the carbon account, third party validation and Public Disclosure Statement (including proof of offsets) to the Climate Active team. Allow up to six weeks for the Climate Active team to undertake an initial assessment.

9. Payment to Climate Active, certification and use of the Climate Active trademark

On receiving Council's initial reports, the Climate Active team will issue an invoice for certification fees. Fees are due within 30 days of receiving the invoice. Once the report has been approved, Council will receive a notice of initial certification. Once Council has received this, it can use the certification trademark in accordance with the Licence Agreement. The estimated total cost of offsetting, verifications and license for Council, as a medium organisation, would range from $30,000 to $413,000 (rounded from Table 7), depending on the type of offset Council decides to purchase for its emissions.

100% renewables

Appendix A: Boundary comparison with other Councils

Emission Category	Blacktown City Council	City of Sydney	Woollahra Council	City of Parramatta Council	Bayside City Council	City of Melbourne	City of Yarra	City of Darebin	Moonee Valley Council	Maroondah Valley Council	Merri-bek City Council Council	City of Subiaco
	NSW	NSW	NSW	NSW	VIC	VIC	VIC	VIC	VIC	VIC	VIC	WA
PDS Year	2022-23	2022-23	2023-24	2022-23	2023-24	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
SCOPE 1												
Stationary energy (gaseous fuels) - Stationary combustion	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Stationary energy (liquid fuels) - Stationary combustion	Non-quantified	Mandatory		Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Stationary energy (solid fuels) - Stationary combustion												
Transport (land and sea) - Mobile combustion (including company-owned or leased	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Transport (air) - Mobile combustion incl company-owner or leased vehicles (aircraft)												
Climate Active carbon neutral fuel products												
Refrigerants	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Non-quantified	Quantified	Non-quantified	Quantified	Quantified
SCOPE 2												
Electricity - location based or market based method	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Climate Active carbon neutral electricity product		Quantified	Quantified				Quantified				Quantified	Quantified
SCOPE 3												
Accommodation and facilities	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Non-quantified	Quantified	Quantified	Quantified	Quantified
Cleaning and chemicals	Quantified		Quantified	Quantified	Quantified	Quantified	Non-quantified	Non-quantified		Quantified	Quantified	Quantified
Construction materials and services			Quantified	Quantified	Quantified			Non-quantified	Quantified	Non-quantified	Quantified	Quantified
Electricity - incl. upstream emissions of purchased electricity and T& D losses	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified		Quantified	Quantified	Quantified	Quantified	Quantified
Food	Quantified	Quantified	Quantified	Quantified	Non-quantified	Non-quantified	Non-quantified	Quantified		Quantified		Excluded
Horticulture and agriculture					Quantified	Excluded	Excluded	Quantified				
ICT services and equipment	Quantified	Non-quantified	Quantified	Quantified	Quantified					Quantified	Quantified	Quantified
Machinery and vehicles					Non-quantified		Excluded		Quantified			Quantified
Office equipment and supplies	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified		Quantified	Quantified	Quantified	Quantified	Quantified
Postage, courier and freight	Quantified	Quantified	Quantified	Quantified	Quantified		Non-quantified	Quantified	Quantified	Quantified	Quantified	Quantified
Products			Quantified	Quantified	Non-quantified							Quantified
Professional services	Quantified	Quantified	Quantified	Quantified	Quantified	Non-quantified	Non-quantified	Quantified	Quantified	Quantified	Quantified	Quantified
Roads and landscape				Quantified								Quantified
Stationary energy (gaseous fuels) - Upstream emissions of purchased fuels	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified
Stationary energy (liquid fuels) - Upstream emissions of purchased fuels	Quantified	Quantified		Quantified		Quantified		Quantified	Quantified	Quantified	Quantified	Quantified
Stationary energy (solid fuels) - Upstream emissions of purchased fuels												
Employee commute		Quantified		Quantified		Quantified		Quantified	Excluded	Quantified		
Taxi and hire car	Non-quantified	Quantified		Quantified		Quantified		Quantified		Quantified		
Transport (air)	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified		Non-quantified	Quantified	Quantified	Quantified	Quantified
Transport (land and sea)	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified
Waste	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified		Quantified	Quantified
Water	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified
Working from home	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified	Quantified		Quantified
Capital works/Capital investment	Excluded			Excluded		Excluded	Excluded					
Oudoor/City Events (other than NYE)		Non-quantified						Excluded	Excluded		Non-quantified	
NYE Event		Quantified										
Third party events at City of Sydney facilities		Excluded										
Sites outside Council's control	Excluded			Excluded		Excluded					Excluded	
Council-owned buildings leased to commercial or community groups							Excluded		Excluded		Non-quantified	Excluded
Embodied energy of road and building materials		Excluded										

Legend

Mandatory	Scope 1 and 2 energy-related emissions
Quantified	Included emissions based on the relevance test
Non-quantified	Non-quantified based on the non-quantification test
Excluded	Excluded emissions based on the relevance test
N/A	Emission sources that are not considered / not applicable to their operations

ABOUT

100% RENEWABLES

OUR STORY AND VALUE PROPOSITION

100% Renewables is a consulting firm that partners with all levels of government, businesses and industry associations to help them decarbonise and prepare for mandatory reporting. Recognising the powerful intersection of business success and climate ambition, we launched the company in 2015 to help organisations Drive Net Profit with Zero Emissions.

We solve customer challenges with innovative, whole-of-business decarbonisation solutions. Our nimble, senior-led team sets us apart from larger firms, bringing simplicity and personal commitment to every project. Driven by our values, we innovate, share knowledge, and develop solutions that are impactful, ensuring that business success aligns with a sustainable future.

We provide analytical expertise and capacity building to help governments develop and evaluate policies and programs, train industry, and create and execute their own decarbonisation frameworks and plans, delivering measurable outcomes.

OUR VISION

We believe in a future when all organisations are 100% renewable and have zero emissions

OUR MISSION

Driving Net Profit with Zero Emissions

OUR VALUES

Aim high
Always be curious
Act now

OUR DECARBONISED APPROACH

We help organisations decarbonise by building carbon footprints and internal capacity, addressing climate risks and opportunities, developing transition plans, setting targets and preparing our clients for reporting. We also help reduce our customers' value chain emissions by engaging with their suppliers.

Our goal is to be a full-service partner to clients across the spectrum of decarbonisation services and to meet and work with them where they are on that journey.

Whether aiming to lead in sustainability, meet regulatory demands, or embark on their first steps, we empower our clients to achieve their decarbonisation goals, supporting them every step of the way.

WHAT SETS US APART

TRUSTED GOVERNMENT PARTNER
Preferred supplier to numerous Government panels

KNOWLEDGE HUB
Go-to resource for net zero learning via multimedia content

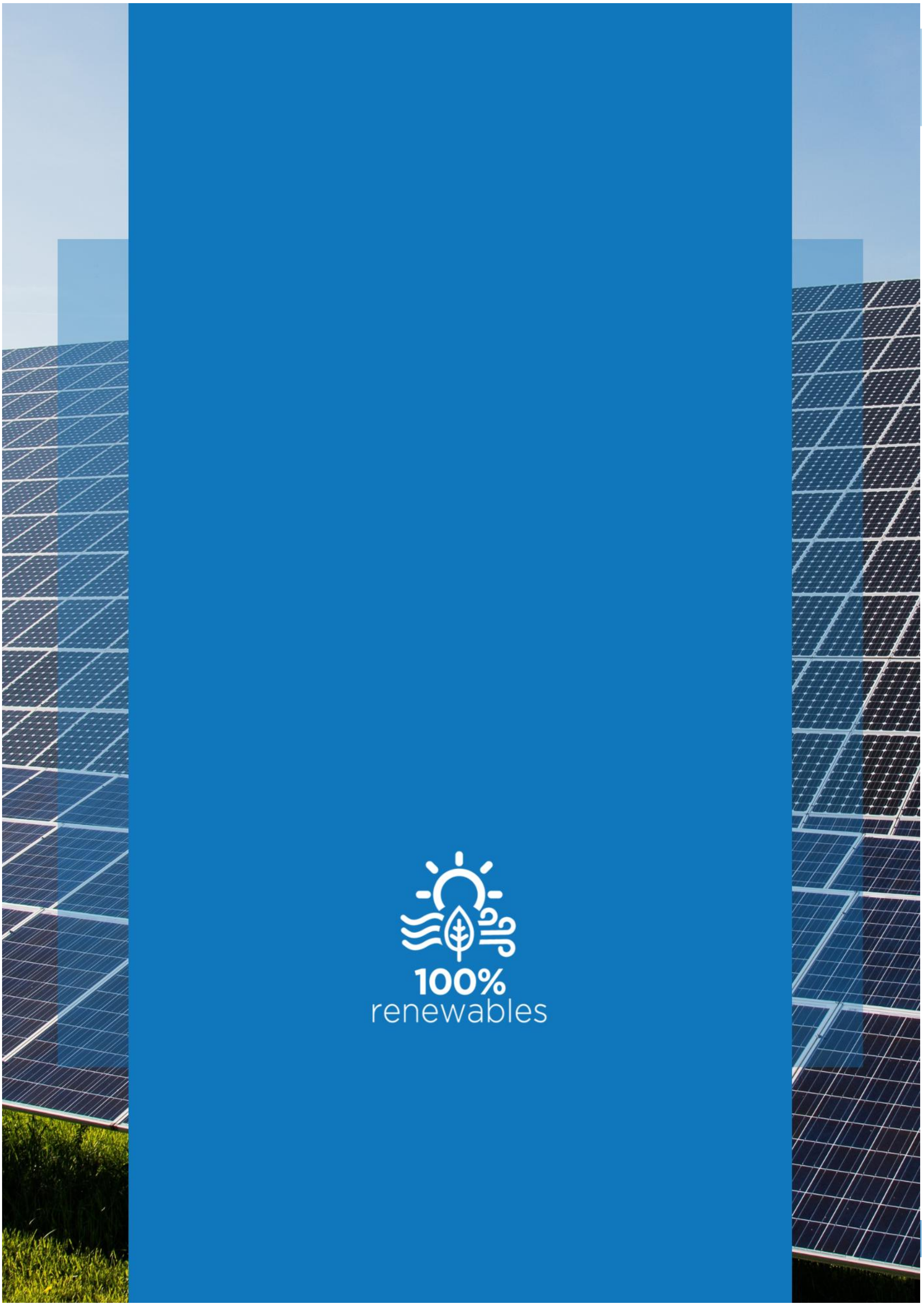
EXCEPTIONAL CLIENT SATISFACTION
With an NPS of over 75, our clients trust and recommend us

EXPERT NET ZERO TEAM
Multi-disciplinary specialists designing innovative solutions

Carbon Neutral Climate Active ORGANISATION

CARBON NEUTRAL FIRM
Climate Active carbon neutral certified

CONTACT US 1300 102 195 info@100percentrenewables.com.au 100percentrenewables.com.au 100percentrenewables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Item: **ENV041-25 Collection of Food Organics Garden Organics (FOGO) from Businesses and Institutions**

Author: Coordinator Environmental, Sustainability and Waste

Directorate: Environment and Planning

Matter Type: Committee Reports

RECOMMENDATION:

(a) That the information contained within the Report be noted, and as a result, no further action be taken by Council in considering FOGO collections from businesses and institutions.

(b) That preparations continue ahead of Council's implementation of a domestic FOGO collection service in 2030 in line with the State Government's mandate, and Council's waste collection contract.

EXECUTIVE SUMMARY

1. This report addresses a Council resolution dated 24 March 2025 regarding the introduction by Council of a new collection of Food Organics and Garden Organics (FOGO) service from businesses and institutions from July 2026.

2. The report contains details of Council's current waste collection contract and has been informed by legal advice, as such the report has been categorised as confidential.

3. There are a number of risks associated with Council taking action to satisfy the resolution dated 24 March 2025, and for the reasons as outlined within the attached confidential report, it is recommended that the resolution be noted, with no further action taken by Council in considering FOGO collections from businesses and institutions.

4. Instead, it is recommended Council continue with its implementation of the waste collection contract, and specifically continue its preparations for implementing a domestic FOGO service in 2030 in line with the State's Government's mandate, and Council's waste collection contract.

BACKGROUND

5. At its meeting on 24 March 2025, Council resolved:

   "That the General Manager provide a report to Council on the feasibility of Council developing and implementing an accelerated FOGO Action Plan for Businesses and Institutions which includes as a minimum:

   (i) Communication and Education: Provision of accessible information on the FOGO mandate and its local implications. The report is to consider the best options for dissemination of this information including via Council's website, social media channels, and direct outreach to local businesses and institutions.

   (ii) Funding: Allocate appropriate funding within Council's operational waste budget to support local FOGO initiatives. This may include new sustainable waste initiatives and subsidising existing projects (e.g., local composting, worm farming, bokashi bins, Bin Trim).

   (iii) Management: Consider the need for a committee or task force to oversee the implementation of the FOGO Action Plan. Where a committee is considered necessary the report is to include recommended representatives from Council, local

businesses, and community organisations, including partners like Ethnic Communities' Council of NSW.

(iv) Timeline: Formulate a detailed timeline for meeting the FOGO mandate for businesses and institutions starting from July 2026. The report should outline milestones for infrastructure upgrades, community engagement initiatives, and performance monitoring mechanisms.

(v) Legislation: Liaison with the NSW EPA to obtain updates on the regulatory framework, enforcement measures, and infrastructure planning for FOGO. This will ensure that local efforts are aligned with state requirements and that the work done by the Council is recognized as a model for sustainable, local waste management solutions.

(vi) Development: Develop and execute a comprehensive plan to introduce FOGO collection services in all council-managed buildings, venues, facilities, and childcare centres ahead of the July 2026 deadline. This action is to inspire and encourage broader community participation in effective organic waste management practices.

(vii) Review: Provide a timeframe for regular updates to Council on the progress of the FOGO Action Plan, including key performance indicators and financial outcomes. These reports should be made publicly available to ensure transparency and accountability."

REPORT

6. A confidential report addressing the above resolution is contained in Attachment 1

FINANCIAL IMPLICATIONS

7. Please see confidential report in Attachment 1 for a complete assessment of financial implications.

8. Funds have been committed within the Waste Reserve of enable delivery of FOGO services to domestic properties in line with Council's Waste Strategy 2021-2040 and the Waste Collection Contract, in 2030 in line with the State mandate.

RISK IMPLICATIONS

9. Strategic Risk 1: Financial Sustainability - Council's failure to implement appropriate financial strategies and controls to ensure financial sustainability. This requirement may be impacted by Council's failure to deliver the Long-Term Financial Plan (i.e., Maintain the financial health of Council) and inability to meet emerging risks and delivery of Council's Community Strategic Plan as well as absorbing additional financial obligations without adequate resourcing.

10. Strategic Risk 6: Reputation - The risk of Council's identity, brand and standing being negatively impacted, reducing Council's ability to engage in sound decision-making and being able to take strategic action whilst maintaining essential services and support for the community.

11. Strategic Risk 7: Ineffective governance – Failure of Council's Governance and Compliance Frameworks to ensure compliance with relevant legislative, statutory, regulatory and policies and procedures and which are not being monitored across the organisation.

12. Strategic Risk 10: Waste Management - Failure to create sustainable practices relating to sustainable management of waste including no consideration given to environmental, financial and legal considerations, as well as failing to plan for and prevent environmental contamination.

COMMUNITY ENGAGEMENT

13. Community engagement was conducted prior to the development of Council's Waste Strategy 2021-2040 and the waste collection contract tender specifications, supported by extensive engagement with the Environment and Planning Committee through briefings and meetings, in finalising the tender, and proceeding the execution of the waste collection contract.
14. Council will deliver a comprehensive community education and communications campaign prior to implementing the FOGO collection service in 2030. Council will also continue to engage with the waste industry in monitoring market capacity and availability for FOGO processing facilities in line with Council's Sustainable Procurement Policy, ahead of the necessary tenders for waste processing services, prior to 2030 FOGO collections commencing.
15. It is anticipated that as a State-wide project, the NSW Environment Protection Authority will produce and maintain best practice guides to support Council's implementing the FOGO service in their communities, along with a community education campaign for local use. Council will advocate for the delivery of education that caters to the various household types, and diversity with culturally and linguistically diverse education relevant for the Georges River LGA for consistent community engagement, education and communications throughout the State.

FILE REFERENCE
D25/338245
ATTACHMENTS

Attachment 1 Collection of Food Organics Garden Organics FOGO from Businesses and Institutions - *published in separate document* (Confidential)

CONFIDENTIAL ITEMS (CLOSED MEETING)

Council's Code of Meeting Practice allows members of the public present to indicate whether they wish to make representations to the meeting, before it is closed to the public, as to whether that part of the meeting dealing with any or all of the matters listed should or should not be considered in closed session.

RECOMMENDATION

That in accordance with the provisions of Part 1 of Chapter 4 of the Local Government Act 1993, the following matters be considered in closed Meeting at which the press and public are excluded.

That in accordance with the provisions of Section 11(2) of the Act, the reports and correspondence relating to these matters be withheld from the press and public.