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Reference: 022-20SJ

Friday, 31 July 2020

The Hon. Shelley Hancock MP
GPO Box 5341
Sydney NSW 2001

Re: Coastal and Estuary Grants Program and coordination with the Marine Estate Management Strategy implementation.

Dear Minister,

I write to you about the NSW Government's Coast and Estuary (C&E) Grants Program review and the implementation of the Marine Estate Management Strategy (MEMS). Both greatly influence the efficient preparation of Coastal Management Programs (CMPs) under the NSW *Coastal Management Act 2016*. We seek your consideration of the issues raised in this letter and would like to arrange a meeting with you to discuss them further.

The SCCG's plays a critical role in CMP development

The Sydney Coastal Councils Group (SCCG) is a regional organisation of Councils that advances sustainable management of Sydney's urban coastal and estuarine environment. We currently comprise nine member Councils who represent approximately 1.3 million Sydneysiders. Our vision is for resilient and healthy coastal and estuarine environments that are protected, conserved and managed in a manner consistent with the principles of ecologically sustainable development.

A key role that SCCG plays is supporting its members develop CMPs through advocacy, collaboration, capacity building and research. As you are aware, the SCCG is also currently project managing the development of a Greater Sydney Harbour CMP which involves over 30 organisations including 21 Councils.

We strive for the timely and efficient delivery of CMPs in the SCCG region given the importance of setting a long-term strategy for the coordinated management of the coastal zone. A certified CMP also has specific benefits to Councils including providing statutory immunity when coastal management decisions are made in accordance with a certified plan along with access to state government funding for coastal planning and implementation.

Enhancement of the C&E Grant Program supported by further clarification required on certain elements

The SCCG would like to express its thanks to you for undertaking an independent review of the C&E Grants Program which culminated in most of the recommendations being supported by the NSW Government. We are particularly appreciative of the 2:1

funding ratio and the opening of the funding round in August each year to enable councils to better align with their budgeting and planning cycles, both of which are issues that SCCG recommended during the review.

The *Coastal and Estuary Funding Project – Agency Response* (April, 2020) identifies the NSW Government's response to the recommendations proposed by the independent review of the C&E Grants Program. The SCCG is highly supportive of most of the adopted changes but would like to raise a series of issues and recommendations which are detailed in [Attachment 1](#).

Of these issues, our member Councils have identified that the following are the highest priority to them:

R1. Confirmation of the timeframe for extending the funding package until December 2024 which is currently only supported at agency level.

The next funding round will not be announced until March 2021 (R6). Projects receiving funding in the 2021 funding round could not commence until after July 2021 to align with 2021-22 council budget allocations for matching funds.

R16. Clarification on how council contributions under multi-council CMPs are calculated, to be determined in consultation with stakeholders prior to including in the funding guidelines.

This consultation needs to occur immediately, given the timing for release of the guidelines is July/August 2020.

R19-21. Review of the threshold for cost benefit analysis (CBA) has been postponed to the longer term.

Some current CMPs have prohibitively high costings for CBAs. We request that the review of CBA requirements be undertaken in the short term.

A final issue is that no definition is given for 'short term' or 'long term' in the Agency Response. The SCCG believes that 'short-term' should be defined as delivery within 6 months of the announcement. This timing is recommended given that Councils are encouraged to complete their CMPs by the end of 2021 (as this is the current deadline for the C&E Grant Program) and those 'short term' actions are critical for CMP development. Therefore, we are hoping that all 'short term' responses will be delivered by October 2020.

Majority of Stage 1 Marine Estate Management Strategy (MEMS) Actions have not met their delivery timeframes

I met with you on 27 February 2020 and raised several issues of concern regarding the implementation of Stage 1 MEMS actions and the need for greater communication and engagement with Councils on their development, which you supported. The SCCG is appreciative that since our meeting, additional information has been provided to Councils on the status of MEMS actions but unfortunately many of the Stage 1 actions are not being delivered.

The MEMS Implementation Plan (September 2019)¹ stated that Stage 1 MEMS actions would be delivered by 30 June 2020. From the most recent status report for Initiatives 1 to 3² our analysis shows that less than 25% are complete (see [Attachment](#)

¹ https://www.marine.nsw.gov.au/_data/assets/pdf_file/0020/1139042/Marine-Estate-Management-Strategy-Implementation-Plan.PDF

² https://www.marine.nsw.gov.au/_data/assets/pdf_file/0007/1226797/MEMS-Stage-1-Status-update-report-for-local-government-Initiatives-1-to-3.pdf

2). This percentage appears to be even lower for Initiatives 4 to 8 although limited detail has been provided to quantify exact figures.

As raised with you at the February 2020 meeting, there are legislative obligations that Councils and SCCG need to meet in preparing a CMP which include:

- ensuring co-ordination of the policies and activities of government and public authorities relating to the coastal zone and to facilitate the proper integration of their management activities (CM Act (3) (j))
- supporting the objects of the *Marine Estate Management Act 2015* (CM Act (3) (m)).

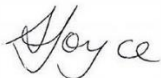
This general lack of timely delivery of Stage 1 MEMS actions therefore has consequences for Councils and the SCCG in preparing CMPs because certain information and policy settings are yet to be delivered. Our members have also questioned whether this delay will affect timely certification of their CMPs.

The status of each Stage 1 MEMS action and why each action is important to CMP development is document in Attachment 2.

The SCCG would like to create a better partnership with MEMA given the important work it is aiming to do to reduce priority threats of the marine estate and the ability for CMPs to achieve this at a local and catchment scale. As recommended to you before, the creation of a Local Government and MEMA Communications Plan, developed in consultation with SCCG and other catchment groups and Councils, would set an appropriate framework to enhance future collaborations.

If you have any queries, please contact me on M.0407 733 075 or by email at executiveofficer@sydneycoastalcouncils.com.au

Yours sincerely,



Sarah Penny Joyce
Executive Officer

Attachment 1 – Outstanding issues regarding C&E Grant Program

Recommendation from Independent Review ¹	NSW Government Response and Timeframe ²	The SCCG's Concerns and Recommendation
<p>1. Extend the timeframe for expending the funding package by at least two years.</p>	<p>Supported at the agency level to extend till December 2024 – subject to consideration by Government.</p> <p>Long term</p>	<p>We understand that the current timeframe for the funding package is December 2021. There are concerns about completing CMPs within this timeframe due to uncertainties about the availability and timing of critical information required to develop a CMP and under which of the five stages of a CMP the information is required for (see response to R4).</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1) Clarify as soon as possible whether this is supported by Government and/or provide an indicative timeframe for confirmation. 2) Clarify if extension of the timeframe for extending the funding package will align with an extension of the timeframe for transition of CZMPs to CMPs.
<p>4. Develop additional and consistent guidance and resources in partnership with stakeholders on what the new coastal management programs should include.</p>	<p>Supported – guidance is available in the Coastal Management Manual and associated toolkit. Additional information will be developed in consultation with stakeholders as required.</p> <p>Short term</p>	<p>To date, the SCCG is unaware of any stakeholder forum that has been organised to assist in identifying additional information needs. In April 2020, the SCCG requested that a webinar be held to enable its Councils to be briefed on the C&E Grants changes and to seek feedback on additional information requirements. However, the stakeholder forum has not yet been held.</p> <p>The following additional information has been identified by our member Councils:</p> <ul style="list-style-type: none"> • Alignment with the Marine Estate Management Authority to ensure CMPs have the best chance of being certified (see MEMA Issue below). • Guidelines in the Coastal Management Toolkit, currently not available for: <ul style="list-style-type: none"> ○ Coastal erosion, recession and inundation hazard assessment. ○ Management options. <p>Recommendation:</p> <ol style="list-style-type: none"> 3) Consult with SCCG members immediately to verify additional information needs.

¹ Coastal and Estuary Funding Project, Claudine Lyons Consulting, December 2019 – independent review commissioned by DPIE
<https://www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Water/Coasts/coastal-estuary-funding-project-2019.pdf>

² Coastal and Estuary Funding Project, Agency Response, DPIE 2020 – DPIE response to independent review¹
<https://www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Water/Coasts/coastal-estuary-funding-project-agency-response-200148.pdf>

Recommendation from Independent Review ¹	NSW Government Response and Timeframe ²	The SCCG's Concerns and Recommendation
		4) Make available as soon as possible the revised Coastal Management Toolkit to include Coastal erosion, recession and inundation hazard assessment and Management options guidelines or identify supported alternative information sources.
5. Provide additional clarity and consider increasing the types of projects that are eligible for funding particularly concerning upper catchment freshwater projects, marine estate management actions that are also included in a certified coastal zone management plan/coastal management program and amenity works.	Supported – upper catchment projects are allowed where they can show they will improve estuary health. The program guidelines will provide more clarity in the next funding round on marine estate and amenity projects. Short term	The timing for the availability of the updated C&E grants guidelines will impact planning timeframes for CMP projects already underway. Recommendations: 5) Advise the timeframe for availability of the revised C&E grants guidelines in consideration of upper catchment projects that could be needed to support CMPs currently under development. 6) Provide further guidance for eligibility of projects that will deliver marine estate management actions as soon as possible, also in consideration of the timeframes for CMPs currently under development.
8. Develop more efficient assessment and approval pathways for eligible projects under \$150,000 by adopting a risk-based approach and utilising appropriate delegation protocols.	Supported – alternate solutions in line with good grants governance will be examined and implemented for future funding rounds. Short term	There is no indication of the types of projects, the delegations that would apply or the timeframe for the process. Recommendation: 7) Provide more details as soon as possible about the types of projects that could be undertaken using a risk-based approach, the nature of delegations and a timeframe for when such projects could be approved.
9. Continue to identify opportunities to streamline assessment and determination processes to reduce approval timeframes and meet stakeholder expectations as part of a continuous improvement approach.	Supported. Short term	It is not clear what is being proposed under this recommendation. Recommendation: 8) Clarify what this means for CMPs and with examples of CMPs under development.

Recommendation from Independent Review ¹	NSW Government Response and Timeframe ²	The SCCG's Concerns and Recommendation
16. Provide clarity on how the local government contribution is calculated in relation to multi-council CMPs.	Supported – further clarification will be added in to the funding guidelines in consultation with stakeholders for the next funding round. Short term	Consultation with stakeholders about how the local government contribution is calculated in relation to multi-council CMPs needs to be undertaken immediately, in order to inform the funding guidelines for the next funding round which is proposed to open in July/August 2020. Recommendation: 11) Consult with SCCG members immediately about how the local government contribution is calculated in relation to multi-council CMPs; including clarification of cash and in-kind contributions.
19. Develop a cost-benefit analysis capacity building program including: • Revised guidance on technical aspects of cost-benefit analysis. • Guidance on distributional analysis. • Information, lessons learnt and other capacity building and educational activities with local government and the consulting sector on undertaking cost benefit analysis for certification.	Under further consideration. Long term	SCCG wrote to you on 9 March 2020 seeking clarification on requirements for CBAs, noting inconsistencies under the C&E Grants Program with NSW Treasury's guideline and the NSW Coastal Management Manual. We noted the threshold project value of \$1M triggering a CBA was too low and requested it be increased, consistent with the Treasury guideline of \$10M and level of risk. Your reply letter noted the upcoming release of the agency response to the independent review of the Coastal and Estuary Funding Project and that it was likely changes to the program requirements would be made before the next funding round, opening in early 2020/21. Whilst there are many proposed changes to the funding guidelines, recommendations 19, 20 and 21 pertaining to CBAs are flagged for further consideration in the long term. Several councils have prepared indicative costings for CBAs which are prohibitively high under the current guidance. Recommendation: 12) Undertake in the short term a review of CBA requirements under the C&E Grants Program to be consistent with the NSW Treasury Guideline and Coastal Management Manual with a threshold project value of \$10M and commensurate with level of risk.
20. Explore with NSW Treasury the ability to raise the cost-benefit analysis boundary analysis from the local government administration boundary to the state boundary for the Coastal and Estuary Program so that the net public benefit metric	Under further consideration. Long term	As above, for R19

Recommendation from Independent Review ¹	NSW Government Response and Timeframe ²	The SCCG's Concerns and Recommendation
(NPV, BCR) are calculated at the NSW state level.		
22. Remove the current retrospective requirement in the funding program for projects \$1 million and over in value in coastal zone management plans to have a cost-benefit analysis and ensure that the funding program does not have additional cost-benefit analysis requirements over and above the requirement for certifying new coastal management plans.	Under further consideration. Long term	As above, for R19
29. Consider funding data collection, modelling and/or scientific research on a statewide basis if it is required in coastal management program development to ensure a consistent methodological approach and quality and reduce duplication and develop a communications strategy to promote this to local government where and when it occurs.	Supported – statewide offshore mapping of sediment compartments has been undertaken and is being communicated to councils. Information can be included in the Coast Estuary and Marine Knowledge Strategy Long term	SCCG understands that limited offshore mapping has been undertaken in target areas. However, it is unclear what mapping is proposed for the coastal areas relevant to SCCG members. We note that the Coastal Estuarine and Marine Environments Knowledge Strategy 2013-17 was prepared by then OEH but are not aware of its status or aspects of implementation. Given the paucity of coastal management knowledge and the implications for CMPs under development, there is a rationale for this to be addressed in the short term. Recommendation: 13) The timeframe for developing the Coast Estuary and Marine Knowledge Strategy be revised to include both short term and long term components and include a role for SCCG in its development.
35. Develop governance advice to support the establishment of multi-council coalitions including the dissemination of case studies and lessons learnt.	Supported. Short term	SCCG is well placed to provide a forum for multi-council coalitions and considers this should be part of the Coast Estuary and Marine Knowledge Strategy proposed under R29. Recommendation: 14) Work with SCCG to facilitate multi-council coalitions as part of the Knowledge Strategy proposed under R29.

Recommendation from Independent Review ¹	NSW Government Response and Timeframe ²	The SCCG's Concerns and Recommendation
38. Identify appropriate approval and dissemination mechanisms to ensure statewide consistency in Departmental messaging regarding the funding program.	Supported. Long term	<p>Given the CMPs under development, SCCG argues this requirement should be delivered in the Short term.</p> <p>Recommendation:</p> <p>15) Revise the requirement for statewide consistency of messaging to be in the Short term.</p>

Attachment 2 – Status of MEMS Stage 1 Actions and SCCG Concerns

Stage 1 Deliverable ¹ that applies to SCCG members	Actions and sub-actions from the MEMS	Latest progress update ²	SCCG Concerns
Risk-based Framework Pilots: At the end of Stage 1, local councils in the pilot areas will have applied the Risk-Based Framework by:			
<ul style="list-style-type: none"> - consulting with their local communities and determining how they value and use their waterways - identifying local water quality objectives needed to achieve the community’s environmental values and uses - embedding the community’s environmental values and uses into their Local Strategic Planning Statements, and checking their local planning instruments to strengthen provisions on achieving the values and uses - assessing the impacts of stormwater discharges on their waterways and investigating cost-effective water sensitive - assessing optimal stormwater infrastructure solutions to help deliver healthy waterways, including protecting aquatic biodiversity - investigating the options for and feasibility of applying the Risk- 	<p>1.1 Improve water quality in agricultural and urban catchments using a pilot-based implementation of the Risk-based Framework for Considering Waterway Health</p> <p>1.1.1 Apply the Risk-based Framework in Narrabeen, Hawkesbury-Nepean, South Creek and Lake Illawarra as urban diffuse source water pollution pilots.</p>	<p>Northern Beaches Council Pilot</p> <p>COMPLETE:</p> <ul style="list-style-type: none"> - Integrated into Northern Beaches LSPS <p>TO BE COMPLETED:</p> <ul style="list-style-type: none"> - Assessment Tool and Technical Report to evaluate and compare clauses in LEP instruments - Stormwater Strategy for Northern Beaches to inform DCP - Case study to inform guidance on implementing the Risk-based Framework with a focus on establishing context for integrated land use and water cycle management 	<p>The SCCG is greatly appreciative that one of its members was chosen for the pilot. However, it is concerned that the lessons learnt from the pilot are yet to be identified and shared to other Councils.</p>

¹ Commitments made in MEMA’s 2019 Marine Estate Management Strategy Implementation Plan 2018 – 2028

https://www.marine.nsw.gov.au/_data/assets/pdf_file/0020/1139042/Marine-Estate-Management-Strategy-Implementation-Plan.PDF

² MEMS Stage 1: Status Update Report for Local Government (Initiatives 1-3), MEMA 30 April 2020 https://www.marine.nsw.gov.au/_data/assets/pdf_file/0007/1226797/MEMS-Stage-1-Status-update-report-for-local-government-Initiatives-1-to-3.pdf

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Stage 1 Deliverable ¹ that applies to SCCG members	Actions and sub-actions from the MEMS	Latest progress update ²	SCCG Concerns
based Framework in a rural setting			
Diffuse Source Water Pollution: At the end of Stage 1, agencies will have investigated options to improve the management of diffuse source water pollution. We will have:			
Clarified governance arrangements for managing diffuse source water pollution, including arrangements at the state, regional and local government scale (Action 1.2.1)	1.2 Improve the management of diffuse source water pollution by: <ul style="list-style-type: none"> - clarifying NSW Government and local government roles and responsibilities 	TO BE COMPLETED: <ul style="list-style-type: none"> - Revised roles and responsibilities statement 	Clarifying roles and responsibilities for DSWP is critical to CMP development.
Reviewed the NSW Diffuse Source Water Pollution Strategy, and recommended to government the changes needed to effectively manage diffuse source water pollution (Action 1.2.2)	<ul style="list-style-type: none"> - building capacity to implement the Risk-based Framework - using mechanisms within existing policy, planning and legislative frameworks to improve outcomes 	TO BE COMPLETED: <ul style="list-style-type: none"> - List of thematic focus areas to be developed 	SCCG members have not been engaged on the review of the DSWP Strategy. However it is an important opportunity for our members to be involved, given the key roles Councils play in management of DSWP.
Strengthened provisions in the NSW planning system for achieving the NSW Water Quality and River Flow Objectives, through the Risk-based Framework (Action 1.2.3)	<ul style="list-style-type: none"> - improve minimum requirements for industry standards and ensure compliance with regulations and best practice through social research, education campaigns and compliance programs. 	COMPLETE: <ul style="list-style-type: none"> - Incorporated into Regional and District Plans; Northern Beaches LSPS - Spatial datasets TO BE COMPLETED: <ul style="list-style-type: none"> - Technical reports for inclusion in plans 	Only one of our Councils (Northern Beaches Council) has benefited from this during development of its LSPS. We seek further advice on what information the 'Technical Reports' will provide and how they are expected to be used now that the LSPSs have been prepared.
Consulted with key stakeholders, including the stormwater industry, water utilities, peak urban development groups and local councils on their information needs to apply the Risk-based Framework and		PHASE 1 – COMPLETE: <ul style="list-style-type: none"> - Stakeholder workshops PHASE 2 - TO BE COMPLETED:	Member Councils attended the stakeholder workshops but noted the following limitations::

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Stage 1 Deliverable ¹ that applies to SCCG members	Actions and sub-actions from the MEMS	Latest progress update ²	SCCG Concerns
<p>improve stormwater management in NSW (Phase 1 – Action 1.2.4).</p> <p>Delivered key guidance material, tools and foundational datasets to support stakeholders and the community to implement the Risk-based Framework (Phase 2 - Action 1.2.4)</p>		<p>Key resources including workshop outcomes, communications strategy, industry report on effects-based assessment, guidance practice note and additional tools</p>	<ul style="list-style-type: none"> - Lack of clarify on whether MEMA was committing to fulfil the information needs - The high costs for applying the Risk-based Framework - The lack of any feedback following the workshop such as a summary of feedback received. <p>We would also ask for clarification on why the deliverable 'building capacity to implement the Risk-based Framework' is now split into Phase A and Phase B. Apart from a stakeholder workshop and a pilot in NBC, there have not been any other capacity building tools provided to SCCG members.</p>
<p>Reviewed the NSW Water Quality and River Flow Objectives for each catchment in coastal NSW to reflect contemporary values and expectations and, where appropriate, updated these objectives in consultation with the community (Action 1.2.5)</p>		<p>TO BE COMPLETED:</p> <p>All proposed outputs including guidance/method on deriving community environmental values, Aboriginal cultural heritage values, regional and site-specific objectives for freshwater ecosystems</p>	<p>This information is critical for CMP development.</p>
<p>Establish a high-level government forum including representatives from all agencies with responsibility for water quality management to initiate implementation of these water quality (Action 1.2.6)</p>		<p>NO UPDATE PROVIDED</p>	<p>It is understood that this forum has been established but its Terms of Reference and the process for how issues from our members can be raised at this forum are unclear.</p>

Attachment 2 – Status of MEMS Stage 1 Actions and SCCG Concerns

Stage 1 Deliverable ¹ that applies to SCCG members	Actions and sub-actions from the MEMS	Latest progress update ²	SCCG Concerns
<p>Increased the capacity, knowledge and minimum standards of the construction industry, including local councils, to achieve improved water quality outcomes (Action 1.2.10 and 1.2.13)</p>		<p>1.2.10 TO BE COMPLETED:</p> <ul style="list-style-type: none"> - Develop Fish Friendly Workshop resource kit <p>1.2.13 TO BE COMPLETED:</p> <ul style="list-style-type: none"> - Discussion paper which identifies draft conditions and seeks comment from local councils 	<p>The SCCG is an active member of the Get the Site Right Campaign with the EPA and other catchment groups. This initiative focusses on the construction industry and reducing impacts of construction on water quality. Therefore, SCCG is well informed on relevant issues and seeks to provide comment on the proposed discussion paper.</p>
<p>Marine Litter: At the end of Stage 1, we will deliver:</p>			
<p>Research that has identified marine litter priorities and informed the development of marine litter campaigns that raise awareness of the impact of litter on the marine estate, and change behaviours</p> <p>A targeted marine litter campaign across NSW, supported by targeted campaigns in local litter hotspots. Campaign materials are publicly available to support community and local government action (Action 1.4.1)</p>	<p>1.4 Implement a targeted marine litter campaign and establish a Marine Litter working group</p>	<p>TO BE COMPLETED:</p> <ul style="list-style-type: none"> - Delivery of campaign - Rescheduled for Nov 2020 	<p>The successful delivery of a marine litter campaign is necessary to support and leverage the broad range of programs Councils undertake to reduce litter. The SCCG suggests that its member Councils are consulted on the campaign before it is launched to ensure that it focuses on priority issues.</p>
<p>Research and information on the effects of marine debris, to inform the development of priority actions for reducing marine litter (Action 1.4.2)</p>		<p>TO BE COMPLETED:</p> <ul style="list-style-type: none"> - Development of threat and risk assessment 	<p>The SCCG also welcomes its recent invitation to join the Marine Debris Working Group. It looks forward to being involved in the development of the threat and risk assessment.</p>

Attachment 2 – Status of MEMS Stage 1 Actions and SCCG Concerns

Stage 1 Deliverable ¹ that applies to SCCG members	Actions and sub-actions from the MEMS	Latest progress update ²	SCCG Concerns
Water quality monitoring and reporting: At the end of Stage 1, we will have:			
Developed indicators for monitoring water quality and ecosystem health (Action 1.5.1)	1.5. Develop monitoring, reporting and performance indicators for water quality actions, and incorporate them and key knowledge gaps. This action is integrated into the Monitoring Program	<p>COMPLETE: Development of two indicators (algal index and water clarity index)</p> <p>TO BE COMPLETED: Knowledge gaps relating to additional indicators have been identified but further development will be subject to Stage 2 funding</p>	Identifying appropriate indicators to monitor waterway health efficiently and effectively will be important for the majority of CMPs being developed by SCCG and its members.
Commenced research and monitoring of water quality and ecosystem health in estuaries and focus catchments (Action 1.5.1)		<p>TO BE COMPLETED: Monitoring across 184 estuaries still in progress</p>	Water quality monitoring data is critical to CMP development. The SCCG requests that the date of release for this monitoring data be identified.
Commenced reporting on water quality and estuary health results is occurring using a report card system (Action 1.5.1)		<p>TO BE COMPLETED: Report cards are yet to be provided on EES website</p>	