

7.3 LMM 28/02/2023 - NSW GOVERNMENT TO CONFIRM ALLOCATION OF FUNDING AND RESPONSIBILITIES FOR THE DRAFT ACTIONS WITHIN THE EXTENDED STOCKTON COASTAL MANAGEMENT PROGRAM (CMP) RELATING TO THE ON-GROUND DELIVERY OF MASS SAND NOURISHMENT

MOTION:

That City of Newcastle:

- 1) Commends the NSW Deputy Premier's announcement on 30 January 2023 that NSW Public Works would manage the delivery of the NSW Government's successful \$6.2 million grant through the Coastal and Estuarine Risk Mitigation Program, which includes the delivery of initial amenity nourishment for Stockton Beach, studies into possible sources of mass sand from the North Arm of the Hunter River and offshore sources, and the environmental approvals required for mass sand nourishment.
- 2) Commends the announcement by the Leader of the Opposition, Chris Minns MP, on 8 February 2023, that NSW Labor will commit the \$21 million needed from the State Government for mass sand nourishment at Stockton Beach if it wins the upcoming March election.
- 3) Writes to the NSW Premier, the Hon. Dominic Perrottet MP; Deputy Premier, the Hon. Paul Toole MP; Minister for Local Government, the Hon. Wendy Tuckerman MP; the Leader of the Opposition, Chris Minn MP Shadow Minister for Local Government, Greg Warren MP and the State Member for Newcastle, Tim Crakanthorp MP, requesting that the allocation of funding and responsibilities within the NSW Government, for the actions in the Extended Stockton CMP relating to the on-ground delivery of mass sand nourishment, (Attachment 1) will be determined and assigned to a NSW Government agency, to offset the impact of the NSW Government owned infrastructure on Stockton Beach, by the end of April 2023.

BACKGROUND

City of Newcastle (CN) is currently in the final stages of preparing the Extended Stockton Coastal Management Program (CMP). The draft Extended Stockton Coastal Management Program (CMP) steps out an expanded list of management actions that support the long-term strategy of mass sand nourishment outlined in the 2020 Stockton CMP, and broadens the geographical area covered to include the northern end of Stockton Beach from Meredith Street to the Port Stephens Local Government Area boundary.

Based on technical expertise and consultation with key stakeholders, government agencies and the Stockton Community Liaison Group (SCLG), CMP actions have been drafted under the themes of beach nourishment, coastal assets, coastal use, coastal environment, cultural heritage and complementary hazard management.

Beach nourishment actions capture all actions to plan for, deliver, maintain and monitor sand nourishment.

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This includes actions to deliver the NSW Government's successful grant application through the Coastal and Estuarine Risk Mitigation Program.

Draft CMP actions were issued for review to all stakeholders on Wednesday 18 January 2023, with comments provided by Wednesday 15 February 2023. The goal of this consultation was to confirm action wording, cost estimates, responsibilities, and funding sources prior to formal public consultation. A summary of feedback will be provided on Thursday 2 March 2023 to the Stockton Community Liaison Group.

Feedback provided from the NSW Department of Planning & Environment – Biodiversity and Conservation Division indicated the following provisions of the *Coastal Management Act 2016* must be met before the Extended Stockton CMP can be considered for certification:

Section 15 (4) (b): A CMP must not include proposed actions or activities to be carried out by any public authority or relating to any land or other assets owned or managed by a public authority, unless the public authority has agreed to the inclusion of those proposed actions or activities in the program.

Section 15(1)(d): A coastal management program must identify the costs of those actions and proposed cost-sharing arrangements and other viable funding mechanisms for those actions to ensure the delivery of those actions is consistent with the timing for their implementation under the coastal management program.

For the Extended Stockton CMP to be certifiable, a delivery agent and viable funding source for the mass sand nourishment actions must be identified. Actions cannot be assigned to the Deputy Premier's Stockton Beach Taskforce or the NSW Government as a whole.

In recognition that Stockton's erosion is primarily caused by NSW Government infrastructure, namely the breakwater and deep-water navigation channel at the Port of Newcastle, Council's Notice of Motion (NOM), dated 22 November 2022, states that the delivery of mass sand nourishment should be led and funded by the NSW Government, as these works will directly offset the impacts of its infrastructure.

On 3 February 2023, CN formally requested a meeting of the Deputy Premier's Stockton Beach Taskforce to confirm the allocation of funding and responsibilities within the NSW Government for the actions relating to the on-ground delivery of mass sand nourishment. This is in accordance with the Stockton Beach Taskforce's role to provide advice and recommendations, and to secure priority capital and operational funding for the implementation of the Stockton CMP. No response has been received.

ATTACHMENTS

1. Extended Stockton CMP beach nourishment draft actions that required allocation and funding from within the NSW Government.
2. Letter to Deputy Premier's Stockton Beach Taskforce – 3 February 2023

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ATTACHMENT 1

Action ID	Extended CMP Action	Estimated capital cost of actions (subject to available funding)	Estimated operational costs of actions (subject to available funding)	Timeframe (subject to available funding and resources)	Primary responsibility	Secondary responsibility (supporting partners)	Potential funding sources
BN1E	Seek funding commitment(s) for the delivery of mass nourishment subject to project approvals and final investment decision.	Nil		Short	Action submitted to the Taskforce for allocation within NSW Government.		NSW Government to confirm
BN1F	Establish a framework for funding regular sand top-ups equivalent to the net long term sand loss rate.	Nil		Short	Action submitted to the Taskforce for allocation within NSW Government.	CN	NSW Government to confirm
BN3D	Seek environmental approvals and licences for offshore borrow areas for the supply of mass and/or sand top-up nourishment quantities.	\$800,000	-	Medium	Action submitted to the Taskforce for allocation within NSW Government.		NSW Government to confirm
BN5B	Tender, procure and implement the delivery of mass nourishment, or an equivalent series of smaller nourishment exercises, sufficient to meet coastal protection and amenity objectives.	\$21,000,000	-	Medium	Action submitted to the Taskforce for allocation within NSW Government.	CN	NSW Government to confirm
BN5D	Subject to establishment of funding (see BN1F), implement regular sand top-ups in line with sand volume needs and monitoring.	-	\$548,000/yr	Long	Action submitted to the Taskforce for allocation within NSW Government.	CN	NSW Government to confirm
BN5E	If a suitable alternative sand source becomes available (may be identified by CN, Taskforce or other), facilitate delivery of sand nourishment from opportunistic suitable source.	\$150,000	-	Medium	Action submitted to the Taskforce for allocation within NSW Government.		NSW Government to confirm

Planning and Environment.MBisson/MKikken
Phone: 4974 2793

3 February 2023

Alison McGaffin
Director Regional Development
Hunter and Central Coast
Department of Regional NSW
Level 5, 26 Honeysuckle Drive
NEWCASTLE NSW 2300

By email: alison.mcgaffin@regional.nsw.gov.au

Dear Alison

AGENDA ITEMS FOR STOCKTON BEACH TASKFORCE

City of Newcastle (CN) is currently in the final stages of preparing the Extended Stockton Coastal Management Program (CMP). Based on technical expertise and consultation with key stakeholders, government agencies and the Stockton Community Liaison Group (SCLG), CMP actions have been drafted under the themes of beach nourishment, coastal asset, coastal use, coastal environment, cultural heritage and complementary hazard management.

Beach nourishment actions capture all actions to plan, deliver, maintain and monitor sand nourishment. This includes actions to deliver the NSW Government's Coastal and Estuarine Risk Mitigation Program (CERMP) successful grant application.

Draft CMP actions were issued for review to all stakeholders on Wednesday 18 January 2023, with comments due by Wednesday 15 February 2023. The goal of this consultation point is to confirm action wording, cost estimates, responsibilities, and funding sources prior to formal public consultation.

In accordance with the mandated CMP process, CN has already undertaken significant work to understand the cause of erosion and beach recession at Stockton, and gain community support for an evidence-based solution. More than \$9.5 million has been invested since the adoption of the CMP from the total CN commitment of \$27.5 million made in 2020.

In recognition that Stockton's erosion is primarily caused by NSW Government infrastructure, namely the breakwater and deep-water navigation channel at the Port of Newcastle, Newcastle Council's Notice of Motion (NOM), dated 22 November 2022, states that the delivery of mass sand nourishment should be led and funded by the NSW Government, as these works will directly offset the impacts of its infrastructure.

In accordance with the announcement on Monday 30 January 2023 by the NSW Deputy Premier, Paul Toole, it is CN's expectation that NSW Public Works will act as the project manager for all grant deliverables associated with the NSW Government's successful \$6.2 million funding application through the CERMP, which includes \$4.7 million from the Federal Government and \$1.5 million from CN.

The spreadsheet that was circulated on 18 January 2023 outlining all CMP draft action items is attached. The responsibility of actions that refer to (1) the implementation of the CERMP grant have been identified within the action table as "*CERMP deliverables for allocation within NSW Government.*" (Actions BN2A, 2B, 3A, 3B, 3C, 5A) and (2) on-ground delivery of mass sand nourishment has been identified within the action table as "*Action to be submitted to the Taskforce for allocation within NSW Government*" (Action BN1E, 1F, 3D, 5B, 5D, 5E).

In accordance with the Stockton Beach Taskforce's role to provide advice and recommendations, and to secure priority capital and operational funding for the implementation of the Stockton CMP, CN requests a meeting of the Taskforce to confirm the allocation of funding and responsibilities for the actions relating to the CERMP and the on-ground delivery of mass sand nourishment.

Please be advised that in line with CN's new organisational structure, representation on the Stockton Beach Taskforce now sits with my role as Interim Executive Director, Planning and Environment.

In addition, a meeting with the SCLG and all government stakeholders, to discuss comments on the draft actions in the Extended Stockton CMP, has been scheduled for Thursday 2 March 2023.

Should you require any further information, please contact me on 4974 2793 or email mbisson@ncc.nsw.gov.au.

Yours faithfully



Michelle Bisson
INTERIM EXECUTIVE DIRECTOR PLANNING AND ENVIRONMENT

Attachment 1: Notice of Motion (NOM) dated 22 November 2022

Attachment 2: Extended Stockton CMP - Draft Action Table - D3.0

ACTION ITEM

Ordinary Council Meeting
Tuesday, 22 November 2022

SUBJECT: NOM 22/11/22 - STOCKTON EROSION

RESOLVED: (Councillors Mackenzie / Barrie)

PART A

That Council:

- 1 Reiterates the urgency of addressing erosion at Stockton which is threatening public and private property. Erosion at Stockton is unique and is caused primarily by the NSW Government's breakwall which ensures the safe operation of the Port of Newcastle.
- 2 Notes that Stockton Beach is Crown Land, owned by the NSW Government.
- 3 Notes that significant work has been undertaken to understand the cause of erosion and beach recession, and gain community support for an evidence-based solution. The NSW Government certified the Stockton Coastal Management Plan in August 2020, which recommends mass sand nourishment via offshore sand extraction (2.4 million cubic metres of sand) as the long-term solution, with a cost estimate of \$21m for the initial sand nourishment, and \$12m in maintenance each decade following.
- 4 Notes that the City of Newcastle (CN) has already invested more than \$4.6m since the adoption of the Coastal Management Plan, towards the total CN commitment of \$27.5 million made in 2020. This covers CN's on-shore works which complement mass nourishment such as buried protection structures and emergency works.
- 5 Supports the successful application to the Federal Government's Coastal and Risk Mitigation Program, which will enable the Commonwealth and Council to co-fund \$6.2million to immediately source 300,000 cubic metres of sand from the entrance of the harbour to provide short-term relief to the current shoreline recession, ahead of mass sand nourishment. The jointly funded project will fund investigations and approvals for sand sources from the north arm of the Hunter River, as well as three suitable bodies of sand in the Stockton Bight, which were identified in the NSW Government's 2021 Stockton Offshore Sand Exploration Project.
- 6 Supports the application for this Federal fund that was submitted by the NSW Government, which identified that the Hunter Central Coast Development Corporation (HCCDC) would project manage the delivery of the grants.

- 7 Acknowledges that mining and offshore sand extraction is not the core business of local government, and is outside our expertise. It is unreasonable that Council would now be required to own a mining licence in order to ensure the survival of a state government asset at risk due to another state government asset (the break wall) that ensures the safe operation of the Port of Newcastle.
- 8 Calls on the NSW Government, which currently holds an Exploration Licence at Stockton, to use its expertise to ensure a planning pathway is secured for offshore extraction as per the NSW Government adopted Stockton CMP.
- 9 Notes that the Mining Licence is just one of the approvals required to extract sand from offshore. Offshore extraction has never before been undertaken in NSW, and there remains uncertainty on the planning pathway.
- 10 Resolves that a mass offshore sand nourishment delivery program must be led by the NSW Government. This will result in significant efficiencies and economies of scale. All extraction approval and licences should sit with this body as per current practise.
- 11 Calls on the NSW Government to honour the commitment it made in the Commonwealth Grant application by directing HCCDC to complete the nominated work to secure the mining licence and planning approvals, noting that funding has been secured from the Commonwealth and City of Newcastle.
- 12 Calls on the NSW Government to fund mass sand nourishment consistent with the Stockton Coastal Management Plan which it endorsed in 2020.

RESOLVED: (Councillors Mackenzie Clausen)

PART B

That Council

Notes the multiple funding paths available to the State Government to address Stockton Erosion including:

- 1 The significant underspend in the State Government's \$73 million coastal grant program, with \$34 million in funding reportedly left unallocated.
- 2 The record mining royalties from exports due to the high Newcastle thermal coal price, forecast to earn the State Government an additional \$810.1 million in 2021-22 and \$3.8 billion over the four years to 2025-26, relative to expectations at the 2021-22 half year Budget review, and
- 3 Supports community calls for the Government to consider establishing an environmental levy on tonnages from the Port of Newcastle to support coastal and estuary climate change adaptation, mitigation and address coastal erosion in NSW. A levy as low as \$1 per tonne would provide a guaranteed funding stream to address erosion caused by the Port infrastructure.