

Explanatory Document

SOUTH NOWRA EMPLOYMENT PRECINCT UPDATE ON PLANNING INVESTIGATIONS

Subject Land

Land within the South Nowra Employment Precinct shown shaded red in **Figure 1**.

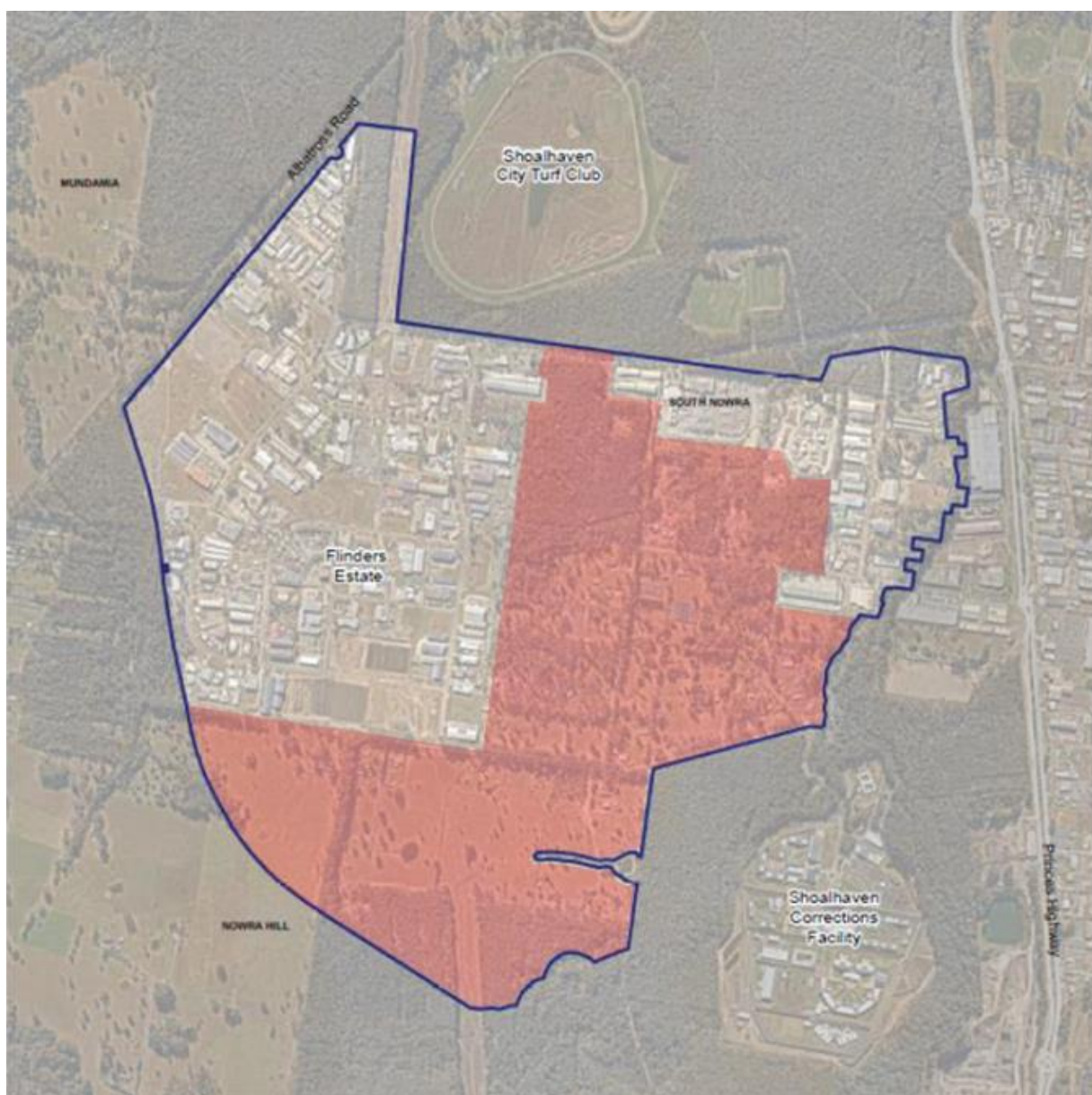


Figure 1: South Nowra Employment Precinct

Overview

Council has recently been progressing investigations to help “unlock” the employment generating and economic development opportunities of the undeveloped, industrial zoned land in the Regionally significant South Nowra Employment Precinct (area shaded red in **Figure 1**). This has included:

- the identification and mapping of ecological constraints and the estimation of biodiversity offset costs for potential development scenarios (refer to the Ecological Constraints Review and Biodiversity Offset Estimation report accompanying this Explanatory Document); and
- investigations into biodiversity offset opportunities in the broader area that could help enable development within the employment precinct.

This early work seeks to identify a pathway to resolve the precinct’s biodiversity constraints, for example Biodiversity Certification under the NSW Biodiversity Conservation Act 2016 (the BC Act). The work is ongoing and further investigation will be required if Biodiversity Certification is found to be a feasible option.

This Explanatory Document provides a summary of the Ecological Constraints Review and Biodiversity Offset Estimation report and an update on the ongoing investigations into biodiversity offset opportunities.

Council will continue investigating/pursuing a Biodiversity Certification outcome to enable development and conservation in the broader South Nowra area, including through continuing discussions with landowners to progress potential biodiversity offset opportunities.

Background

The South Nowra Employment Precinct is identified as a Regionally Significant Employment Precinct in the Illawarra-Shoalhaven Regional Plan 2041 (released May 2021).

The precinct has significant strengths and economic development opportunities, however, work is required to unlock its full potential. The first step towards this outcome will be to determine an approach to resolving the precinct’s biodiversity constraints.

In August 2021 Council made representations to the NSW Government to ‘exempt’ employment zoned land from the BC Act. The response from the NSW Minister for the Environment and Heritage in August 2022 advised that there are no provisions in the BC Act that allow for this but identified an opportunity for a ‘whole of Government’ approach to enable development and conservation outcomes in the broader South Nowra area.

In March 2023 Council considered the Minister’s response and resolved to work with relevant NSW Government Agencies on a possible strategic approach to enable development and

conservation outcomes in the broader South Nowra Area, including possible Biodiversity Certification as per the BC Act. The Council report is accessible [here](#) (item CL23.69) and the Council resolution [here](#).

Ecological Constraints Review & Biodiversity Offset Opportunities Report

In December 2023, consultants Lodge Environmental completed a preliminary ecological constraints review of the undeveloped part of the employment precinct for Council.

The first part of the review identified areas of low, moderate and high biodiversity constraints to help inform the consideration of potential development and conservation areas. In accordance with the BC Act hierarchy, the design and planning for future development must follow the approach of first avoiding, minimising and then offsetting impacts to areas of ecological constraints.

The analysis was informed by field surveys on a number of properties where landowners granted permission for access. Based on the identified constraints, the report estimates the number of ecosystem and species credits needed to offset any clearing under the BC Act Biodiversity Offset Scheme (BOS).

The overall ecological constraints and opportunities map is **Figure 2** and the key findings were:

1. Despite historical clearing/disturbance, the study area has good ecological viability with large areas of intact and well-connected native vegetation, as well as potential occurrence of several threatened species.
2. The study area is representative of the presence of Illawarra Lowlands Grassy Woodland Threatened Ecological Community.
3. The large vegetation patches adjoining the northern and southern boundaries are of high ecological value and have potential to form biodiversity stewardship sites. The biodiversity credits generated would provide a portion of offset credits required for future development within the remainder of the Study Area.
4. Field surveys confirmed the existence of a Category 2 watercourse and associated riparian zone in the northern part of the Study Area. No other watercourses were confirmed. The riparian zone should be considered for restoration in any future planning and development.
5. A number of existing farm dams are associated with potential habitat for the Green and Golden Bell Frog (threatened species).

Ecological Constraints



Legend

- Study Area
- Riparian Land (Core Riparian Zone and Vegetated Buffer)
- Habitat Corridors of the Study Area

Ecological Constraints and Opportunities

- High - Clearance of native vegetation exceeding BOS entrance thresholds, impacts to threatened flora and fauna habitat, impacts to connectivity
- Moderate - Impacts to native flora or fauna habitat, impact to riparian land, impact to isolated or fragmented native vegetation
- Low - Cleared, exotic and pasture grasses, existing artificial structures

Incidental Recorded Habitat Features

- Habitat Bearing Tree
- Large Tree
- Moss Garden
- Termite Mound

0 500 m



Figure 2: Ecological constraints within the study area

The following **Table 1** is the estimated biodiversity offset costs for four potential development scenarios ranging from low to high environmental impact. They are regarded as ‘conservative’ as they assume that all Threatened species that could be present are present. This is however not likely to be the case in reality and further survey work would be needed to confirm. Purchasing credits on the market is also generally more expensive compared to alternatives (e.g. generating credits from stewardship sites as part of a biodiversity certification scheme). However, the numbers indicate that the cost to development of offsetting clearing is likely to be substantial, even for the low impact scenario.

Table 1: Biodiversity Offset Estimates

Development Scenario	Credits required	Biodiversity Offset Cost Estimate (\$)	Cost/ha
Low impact (85ha) <i>Development mainly within areas of low ecological constraints</i>	8533	\$45,070,986	\$530,246
Moderate impact (103ha) <i>Development mainly within areas of low & moderate ecological constraints</i>	15724	\$80,699,641	\$783,491
High impact (112ha) <i>Development of all areas except riparian buffers & large high constraint vegetation patches adjoining northern & southern boundaries</i>	20988	\$101,469,134	\$905,974
Highest impact (145ha) <i>Development of all areas</i>	37313	\$189,539,014	\$1,307,165

Strategic investigations across the broader area

In mid-2023 investigations commenced into biodiversity offset opportunities in the broader area that could help enable development within the employment precinct, possibly as part of a biodiversity certification scheme.

Biodiversity certification addresses the environmental impacts of development early on in the planning for large areas of land. It aims to facilitate better biodiversity outcomes than site by site assessments and upfront certainty for developers and landowners about the development and conservation outcomes. Where land is biodiversity certified, development may proceed without site by site biodiversity assessments. Sites used as offsets in a biodiversity certification scheme generate income from the sale of credits to developers.

There are a range of sites in the broader South Nowra area that may be suitable to use as offsets. Council has approached landowners to do initial feasibility assessments including site surveys. This work is funded by a separate grant from the then NSW Department of Planning and Environment.

Landowners approached so far include:

- NSW Crown Lands – *Owns several large sites with good offset potential. Crown Lands has advised that the sites are subject to Native Title and/or Aboriginal Land Claims and cannot be considered for biodiversity certification at this time.*
- South Coast Correctional Centre (NSW Crown Land) – *as above. Council had positive discussions with corrections staff in October 2023.*
- Nowra Local Aboriginal Land Council – *Owns several sites with good offset potential. The LALC has expressed some interest however further consideration/discussion is needed. Council Staff briefed the LALC in November 2023 and are arranging a further briefing in June 2024.*
- NSW State Forests – *Has expressed some interest however further consideration/discussion is needed.*
- 12 private landowners – *feasibility assessments are underway on two sites. Discussion is continuing with other landowners.*
- Council owns three sites in South Nowra which are also potentially suitable.

The discussions will continue with landowners to progress potential biodiversity offset opportunities. The Crown Land sites could also be key to a future biodiversity outcome and it would be worth pursuing these options further. If one or more of those sites could ultimately be secured as offsets they could provide a large number of the credits needed to offset development within the precinct.

Next steps

Council will continue investigating/pursuing a strategic outcome to enable development and conservation outcomes in the broader South Nowra area, as resolved by Council in March 2023. Further work is needed to determine whether there is a way forward in this regard, including:

- continuing discussions with landowners to progress potential biodiversity offset opportunities; and
- advocating with the NSW Government for support and commitment to realising development in the precinct.

Council will continue to update landowners on this work as it progresses.

Enquiries

Enquiries about the Ecological Constraints Review & Biodiversity Offset Estimation report and/or the Nowra Employment Precinct generally should be directed to Melissa Halloran (02) 4429 3557 quoting Council's reference 49270e.

Council staff are available to discuss the findings of the report with landowners and the implications for future use/development of land in the precinct.

Placeholder for Logos.