



13.7 Quarterly Project Update - North Cronulla Surf Life Saving Club Redevelopment - June 2026

RESPONSIBLE Michelle Whitehurst, Director Infrastructure

MANAGER:

FILE NUMBER: 2024/489496

ATTACHMENTS: 1. Legal Advice Summary
2. Legal Advice Detail

In accordance with Section 10A(1) of Local Government Act 1993, the attachments will be considered in Closed Session as the matters relate to:

Section 10A(2)(g) Advice Concerning Litigation, or Advice that would Otherwise be Privileged from Production in Legal Proceedings on the Grounds of Legal Professional Privilege.

The receipt and consideration of legal advice concerning litigation; or which would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege. On balance, the public interest in preserving the confidentiality of information relating to legal privileged information outweighs the public interest in maintaining openness and transparency in council decision-making because the disclosure of this information may result in council waiving its right to claim legal professional privilege in any relevant legal action which may lead to loss or damage by council.

PURPOSE

This report is presented to Council to provide a quarterly update on the planning, design, progress of delivery, and legal recovery process for the North Cronulla Surf Life Saving Club Redevelopment.

EXECUTIVE SUMMARY

- The North Cronulla Surf Life Saving Club redevelopment project stalled after the builder left the site in January 2024; Council subsequently assumed responsibility and commissioned extensive engineering and heritage assessments to determine next steps.

- Expert investigations revealed significant structural and construction deficiencies in both the new and heritage buildings, including inadequate foundations, non-compliant construction and major corrosion, making remediation economically unviable.
- Based on these findings, the recommended pathway for the demolition and reconstruction of both buildings was approved by Council in December 2025 via [CCL068-25](#).
- Council formally requested the Department of Planning, Housing and Infrastructure to make an amendment to the Sutherland Shire Local Environmental Plan 2015 under section 3.22 of the Environmental Planning and Assessment Act 1979 to remove the heritage listing of the North Cronulla Surf Life Saving Club. This request was approved and the amendment made by the Department effective 1 May 2026.
- This quarterly report gives an update on the planning, design, progress of delivery, and legal recovery process for the North Cronulla Surf Life Saving Club Redevelopment.

REPORT RECOMMENDATION

THAT:

1. The report 'Quarterly Project Update – North Cronulla Surf Life Saving Club Redevelopment – June 2026' be received and noted.
2. Council authorises the Chief Executive Officer to take all steps outlined in the confidential report (which is subject to legal professional privilege) as necessary to advance, preserve and enforce Council's rights in relation to cost recovery pathways.

BACKGROUND

A Project Update Report on the North Cronulla Surf Life Saving Club Redevelopment was brought to Council in December 2025, to provide an update on extensive investigation works, following Council assuming control of the site in December 2024.

At its meeting on 15 December 2025, Council considered report [CCL068-25](#) Project Update – North Cronulla Surf Life Saving Club Redevelopment where it resolved:

[Minute No: 420](#)

THAT:

1. *The report 'Project Update – North Cronulla Surf Life Saving Club Redevelopment' be received and noted.*
2. *In accordance with the information received, Council Officers progress with the development of comprehensive project documentation and the preparation of formal planning submissions, and the formulation of estimated programme schedules for the initiatives outlined below:*
 - a. *Initiating a Planning Proposal to amend the Sutherland Shire Local Environmental Plan 2015 to remove North Cronulla Surf Life Saving Club (item 1044) from Schedule 5 – Environmental Heritage.*
 - b. *Demolition of the New Building, as it has been confirmed that the piles supporting the New Building are seriously defective and the structure is unsound.*
 - c. *Demolition of the existing heritage building, as it has been assessed to have significant structural deficiencies and is at the end of its useful life.*
 - d. *Demolition of the existing pool, as it has been assessed that the pool structure has significant defects, and the hydraulic systems are insufficient.*
 - e. *Demolition of the masonry wall, to facilitate works associated with the other structures and to remediate minor structural deficiencies.*
3. *Council initiates a process to appoint a qualified and experienced Architect for the design of a new North Cronulla Surf Life Saving Club, adhering to the parameters specified in the "medium" option presented within the report.*
4. *A quarterly project update be provided to Council to guarantee oversight and transparency over this significant infrastructure project.*
5. *Council includes in its Draft 2025-2029 Delivery Program and 2026/27 Operational Plan and Budget:*
 - a. *The redevelopment of the North Cronulla Surf Life Saving Facility with a construction value of \$25,000,000.*

- b. Funding for the construction comprised of \$8,500,000 of external loan borrowings, \$10,500,000 from the Strategic Priorities Reserve, and \$6,000,000 of general revenue from the capital program.*
 - c. An additional allocation be made up to \$5,000,000 from unrestricted cash to fund the demolition, cleanup and other approval pathway costs.*
 - d. As part of the preparation of the Draft 2025-2029 Delivery Program and 2026/27 Operational Plan and Budget, and aligning with the funding strategy, any changes to the capital program for funding the redevelopment project must be clearly identified and reported to Council.*
- 6. Any revenue generated from commercial operations of the facility be applied to servicing any external loan borrowings.*
- 7. In accordance with the Office of Local Government's Capital Expenditure Guidelines, a business case / capital expenditure review be prepared based on the above recommendations.*
- 8. For the avoidance of doubt, the operation of any previous Council resolutions which are inconsistent with this resolution are superseded.*
- 9. Council authorises Council's Chief Executive Officer to:*
 - a. take reasonable ongoing steps to preserve Council's financial position with a view to ensuring that any continuation of the project is, as far as possible, at no ultimate net cost to ratepayers, and*
 - b. commence proceedings seeking compensation from relevant persons in relation to the North Cronulla Surf Life Saving Club project, if determined to be reasonable and prudent.*
- 10. In accordance with the Power of Attorney dated 15 July 2024 (Registered 10 October 2024, Book 4830 No. 875), Council's Chief Executive Officer execute any necessary documentation to give effect to these resolutions, with such documentation being to the satisfaction of Council's Chief Executive Officer.*

STRATEGIC ALIGNMENT

This report contributes to the delivery of Our Community Plan Priorities. It specifically relates to:

Community Plan Towards 2035	Active and Vibrant AV2 Spaces and Places
Delivery Program (2025-2029)	Leisure and Aquatic Services
Operational Plan (2025/26)	The implementation of this report forms part of the Core Activities of Leisure and Aquatic Services
Supporting Document	Sports Strategy Safer Communities Strategy
Legislative Requirements	• <i>NSW Heritage Act 1977</i> • <i>Environmental Planning and Assessment Act 1979</i> • <i>Local Government Act 1993</i> • National Construction Code and Australian Standards • Oversight by the Office of Local Government (NSW)

DISCUSSION

In accordance with Council resolutions, the following actions were undertaken by Council and serve as a quarterly status update.

CCL068-25 - 15 December 2025 Council Resolution		
No.	Item	Details
1.	Resolution	The report 'Project Update – North Cronulla Surf Life Saving Club Redevelopment' be received and noted.
	Update	Noted.
2.	Resolution	In accordance with the information received, Council Officers progress with the development of comprehensive project documentation and the preparation of formal planning

		submissions, and the formulation of estimated programme schedules for the initiatives outlined below: - Initiating a Planning Proposal to amend the Sutherland Shire Local Environmental Plan 2015 to remove North Cronulla Surf Life Saving Club (item 1044) from Schedule 5 – Environmental Heritage. - Demolition of the New Building, as it has been confirmed that the piles supporting the New Building are seriously defective and the structure is unsound. - Demolition of the existing heritage building, as it has been assessed to have significant structural deficiencies and is at the end of its useful life. - Demolition of the existing pool, as it has been assessed that the pool structure has significant defects, and the hydraulic systems are insufficient. - Demolition of the masonry wall, to facilitate works associated with the other structures and to remediate minor structural deficiencies.
	Update	Pursuant to CCL009-26, Council submitted a request the Department of Planning, Housing and Infrastructure to amend the Sutherland Shire Local Environmental Plan 2015 under section 3.22 of the Environmental Planning and Assessment Act 1979 to remove the heritage listing of the North Cronulla Surf Life Saving Club (item 1044) from Schedule 5 – Environmental Heritage, to facilitate the redevelopment of the facility. Council’s application under section 3.22 of the Environmental Planning and Assessment Act 1979 (the Act) seeking to amend the Sutherland Shire Local Environmental Plan 2015 to remove the heritage listing for North Cronulla Surf Life Saving Club was approved by the Department effective 1 May 2026.

		Council Officers have adopted an accelerated programme for demolition. This includes partnering with NSW Public Works, who can assist with the following activities: • Preparation of documentation required for planning pathway approvals (Part 5 review of Environmental Factors) • Selection and procurement of a demolition contractor • Management of the demolition phase of the project Section 55, 3(b) of the Local Government Act (1993) allows Council to directly engage NSW Public Works.
3.	Resolution	Council initiates a process to appoint a qualified and experienced Architect for the design of a new North Cronulla Surf Life Saving Club, adhering to the parameters specified in the "medium" option presented within the report.
	Update	A Request for Tender for a Lead Design Consultant was advertised via Vendor Panel with tender submissions closing 1 May 2026. 26 submissions were received with a tender evaluation panel currently reviewing and evaluating all submissions, with oversight via an external probity advisor. The Lead Design Consultant will execute the design of the North Cronulla Surf Life Saving Club, from concept stage through approval, construction and to occupational certificate. The Tender for the Lead Design Consultant will be tabled at a future Council Meeting, once a robust tender evaluation process is undertaken.
4.	Resolution	A quarterly project update be provided to Council to guarantee oversight and transparency over this significant infrastructure project.

	Update	Reports will be presented in March, June, September, and December each year to give a project update.
5.	Resolution	Council includes in its Draft 2025-2029 Delivery Program and 2026/27 Operational Plan and Budget: a. The redevelopment of the North Cronulla Surf Life Saving Facility with a construction value of \$25,000,000. b. Funding for the construction comprised of \$8,500,000 of external loan borrowings, \$10,500,000 from the Strategic Priorities Reserve, and \$6,000,000 of general revenue from the capital program. c. An additional allocation be made up to \$5,000,000 from unrestricted cash to fund the demolition, cleanup and other approval pathway costs. d. As part of the preparation of the Draft 2025-2029 Delivery Program and 2026/27 Operational Plan and Budget, and aligning with the funding strategy, any changes to the capital program for funding the redevelopment project must be clearly identified and reported to Council.
	Update	The Council resolution has been incorporated into Draft 2025-2029 Delivery Program and 2026/27 Operational Plan and Budget.
6.	Resolution	Any revenue generated from commercial operations of the facility be applied to servicing any external loan borrowings.
	Update	Noted
7.	Resolution	In accordance with the Office of Local Government's Capital Expenditure Guidelines, a business case / capital expenditure review be prepared based on the above recommendations.

	Update	The Preliminary Capital Expenditure Review for the North Cronulla Surf Life Saving Club was completed and submitted to the Office of Local Government on 2 April 2026. It will be progressively updated at key project milestones as demolition and construction costs are finalised and resubmitted to the Office of Local Government.
8.	Resolution	For the avoidance of doubt, the operation of any previous Council resolutions which are inconsistent with this resolution are superseded.
	Update	Noted.
9.	Resolution	Council authorises Council's Chief Executive Officer to: a. take reasonable ongoing steps to preserve Council's financial position with a view to ensuring that any continuation of the project is, as far as possible, at no ultimate net cost to ratepayers, and b. commence proceedings seeking compensation from relevant persons in relation to the North Cronulla Surf Life Saving Club project, if determined to be reasonable and prudent.
	Update	A confidential update (Appendix A) is attached regarding this resolution.
10.	Resolution	In accordance with the Power of Attorney dated 15 July 2024 (Registered 10 October 2024, Book 4830 No. 875), Council's Chief Executive Officer execute any necessary documentation to give effect to these resolutions, with such documentation being to the satisfaction of Council's Chief Executive Officer.
	Update	Noted.

CCL009-26 – 26 March 2026 Council Resolution		
No.	Item	Details
1.	Resolution	The report 'Project Update – North Cronulla Surf Life Saving Club Redevelopment' be received and noted.
	Update	Noted.
2.	Resolution	Council requests the Department of Planning, Housing and Infrastructure to amend the Sutherland Shire Local Environmental Plan 2015 under section 3.22 of the Environmental Planning and Assessment Act 1979 to remove the heritage listing of the North Cronulla Surf Life Saving Club (item 1044) from Schedule 5 – Environmental Heritage, to facilitate the redevelopment of the facility.
	Update	Council's application under section 3.22 of the Environmental Planning and Assessment Act 1979 (the Act) seeking to amend the Sutherland Shire Local Environmental Plan 2015 to remove the heritage listing for North Cronulla Surf Life Saving Club was approved by the Department effective 1 May 2026.
3.	Resolution	Council notes that the Preliminary Capital Expenditure Review for the North Cronulla Surf Life Saving Club will be submitted to the Office of Local Government.
	Update	The Preliminary Capital Expenditure Review for the North Cronulla Surf Life Saving Club has been completed and was submitted to the Office of Local Government on 2 April 2026.
4.	Resolution	Council continues to actively pursue both Federal and State Government funding opportunities for the North Cronulla Surf Life Saving Club Development.

CCL009-26 – 26 March 2026 Council Resolution		
No.	Item	Details
	Update	In collaboration with North Cronulla Surf Life Saving Club, Council has been successful in obtaining a \$100,000 grant as part of the NSW Government Office of Sport Surf Club Facility Program 25/26 – Category 2. The tripartite funding agreement between Office of Sport, North Cronulla Surf Life Saving Club and Council will contribute to the planning and design of the new surf club facility. In accordance with the Council resolution, Council has also made representations to Premier of NSW - The Hon Chris Minns MP, seeking opportunities to explore ways in which Council may be able to access funding through NSW Government administered grants or programs.

RESOURCING STRATEGY IMPLICATIONS

A Funding Strategy for the construction phase of the North Cronulla Surf Life Saving facility was presented to Council in December 2025. The draft funding strategy examined the funding needs for the range of construction options and assesses all potential funding sources, including Council reserves, external grants, developer contributions, commercial revenue, and borrowing. It provides a clear, sustainable pathway to deliver a modern, fit-for-purpose surf lifesaving facility for North Cronulla, supporting both current and future community needs while maintaining Council's strong financial position.

The Funding Strategy will be continuously updated as detailed planning of the re-development progresses.

Whilst Council has approved the Funding Strategy, it recognises the importance of ongoing advocacy to secure additional resources for the community. Accordingly, Council will continue to actively pursue both Federal and State Government funding opportunities as they arise, particularly through available grant programs. By

maintaining a proactive approach to seeking external funding, Council aims to maximise financial support for key projects and initiatives, ensuring the best possible outcomes for local residents and the broader region.

COMMUNITY ENGAGEMENT

Council has continued to engage regularly with representatives of the Club to ensure they are aware of progress with the project. This engagement has included fortnightly meetings with the club and communications support.

The Club has consistently received timely updates and continued support from the Council for distribution to its members.

Additionally, signage will be installed at the site directing individuals to the project website, and an update will be provided in the next issue of the Our Shire Newsletter.

CONCLUSION

The North Cronulla Surf Life Saving Club Redevelopment project has experienced significant challenges, particularly following the builder's departure and subsequent discovery of major structural and compliance issues.

Council commissioned expert assessments, approving the demolition and reconstruction of both buildings, and implementing a robust funding strategy—demonstrating a clear commitment to delivering a safe, modern facility that will meet the needs of the community both now and into the future. Continuous collaboration with the Club and transparent updates through regular reporting will support steady progress throughout the project.

To facilitate the timely redevelopment, Council formally requested the Department of Planning, Housing and Infrastructure to make an amendment to the Sutherland Shire Local Environmental Plan 2015 under section 3.22 of the Environmental Planning and Assessment Act 1979 to remove the heritage listing of the North Cronulla Surf Life Saving Club. This request was approved and the amendment made by the Department effective 1 May 2026.

Officers are expediting the demolition planning process by collaborating with NSW Public Works, who will prepare necessary documentation, select and procure a contractor, and manage the demolition phase. Work is underway to prepare a review of Environmental Factors, necessary for the demolition planning pathway. Council is

permitted to directly engage NSW Public Works for these activities under Section 55, 3(b) of the Local Government Act (1993).

The preliminary business case, developed according to the Office of Local Government's Capital Expenditure Guidelines, is completed and was submitted to inform the Office of Local Government about the project on 2 April 2026. In actively pursuing extra funding from both Federal and State Governments to maximise financial assistance for community projects and initiatives, Council has made representations to Premier of NSW - The Hon Chris Minns MP, seeking opportunities to explore ways in which Council may be able to access funding through NSW Government administered grants or programs.