

Understanding Sylvania Waterways ~ A Guide for Waterfront Property Owners

A plain-English guide for waterfront property owners and members

Owning a waterfront property in Sylvania Waters is something special. The canals, seawalls and shared waterways are central to the lifestyle we enjoy and to the long-term value of our homes.

Sylvania Waterways Limited (“SWL”) exists to protect that shared environment. The Company owns and manages the waterways and seabed and provides a governance framework that balances individual enjoyment with collective responsibility.

Your Board of Directors is made up of fellow waterfront owners who serve on a voluntary basis. We are supported by professional advisers where appropriate, but our role is ultimately one of stewardship, to act in the best interests of the Company, which benefits all members, now and into the future.

This guide has been prepared to help members better understand:

- what Sylvania Waterways Limited does and why it exists;
- how the Company is governed;
- your rights and responsibilities as a waterfront owner; and
- why compliance and consistency matter for everyone.

It is not intended to replace or modify the Corporations Act 2001 (Cth), formal documents such as the Memorandum & Articles of Association, licensing agreements or technical standards. Instead, this document seeks to explain the principles behind them.

Understanding the framework and our respective role ensures that the waterways work better for all of us.

Sincerely,

Tony Noun

Chair, for and on behalf of the Board of Sylvania Waterways Limited

1.0 Why this guide exists.

Living on the waterways at Sylvania Waters is unique. The canals, seawalls and shared waterways are central to the lifestyle, amenity and long-term value of every waterfront property.

This guide is designed to help members and waterfront property owners understand:

- What **Sylvania Waterways Limited (“SWL”)** is and why it exists
- How the company is governed
- Your role, responsibilities and rights as a waterfront owner and member
- Why compliance matters for everyone
- How seawalls, easements and fencing work

This document **does not replace** the Membership Application (Document 1014), the Regulations & Standards (Document 1016), or the New Member Introduction Video. Instead, it explains the *purpose and principles* behind them.

2.0 Understanding Ownership and Governance.

2.1 Introduction.

Ownership of Sylvania Waters Limited (SWL); What Members (Shareholders) own, together with their rights and responsibilities.

This information is intended to provide clear, plain-English guidance on these matters, by reference to SWL’s Constitution (Memorandum and Articles of Association) and the Corporations Act 2001 (Cth) as well as ASIC Regulations and the Law generally.

The Constitution sets the framework under which the Company operates. The Board is responsible for managing the affairs of the Company in accordance with the Law, and the Company’s Constitution.

2.2 Ownership and Shareholder Rights.

As decreed by Australian Laws and SWL’s Constitution, Shareholders own their shares in the Company. The rights attaching to these shares include,

1. Voting at general meetings,
2. Appointing and removing directors at general meeting,
3. Changing the Constitution (via Special Resolution), and
4. Receiving formal company reports. The level of detail provided in these reports is determined by the Accounting Standards, the Corporations Act and Regulations.

Shareholders are not entitled to access board papers, internal management reports, operational or financial documents. These form part of the board's management responsibilities and may include confidential or commercially sensitive information.

Shareholders do not own the Company's assets such as the Seabed, cash, or equipment. Shares represent membership and governance rights in the Company, they do not confer ownership of land or entitlement to Company funds

The Company itself is a separate legal entity and owns all its assets. It is an entity that can sue and be sued. This separation between the Company and its Shareholders/Members is a fundamental principle of Australian Corporate Law and applies regardless of the number of shareholders or how long they have held their shares.

2.3 Role of the Board.

The Board of Directors is responsible for managing and controlling the affairs of the Company including,

1. Governance and Compliance (Corporations Act and Constitution),
2. Financial Oversight (e.g setting budgets and controls and monitoring performance),
3. Risk Management (identification of risks, managing exposure),
4. Leadership Oversight (e.g appointing and managing the GM), and
5. Major Decisions (as defined by the approved Delegation of Authority framework).

Company Directors are required by law to act in good faith, with due care and diligence, and in the best interests of the Company as a whole. This means that directors must sometimes make decisions that may not align with the preferences of individual members but are considered necessary for the long-term interests and sustainability of the Company and/or the Company's Membership as a whole.

2.4 Shareholder Influence and Limits.

Shareholders influence the direction of the Company indirectly through governance mechanisms rather than through day-to-day management. This influence is exercised by voting at general meetings to appoint directors, approving certain major matters, where shareholder approval is required by law or the Constitution. Shareholders do not direct operational decisions or the daily management of the Company; the Board does this.

2.5 Purpose of This Structure.

The separation between shareholders, the Board and the Company's assets protect shareholders from personal liability, allows the Company to operate, invest and borrow effectively, and ensures that decisions are made in the interests of the Company as a whole. This structure is standard under Australian corporate law and is designed to balance accountability, stability, and long-term value for all shareholders.

2.6 Changing the Constitution.

Shareholders collectively could change the Company's Constitution. This power reflects the fact that the Constitution is ultimately a shareholder-approved document that governs how the Company is structured and operates. It should be noted however, that the Corporations Act overrides anything contained in a company's constitution.

Changes to the Constitution can only be made by passing a **special resolution of shareholders** at a general meeting. This requires at least **75% of the votes cast** by shareholders entitled to vote on the resolution. Proposed changes must be set out clearly in the notice of meeting provided to shareholders in advance, so that shareholders can consider and vote on the amendment.

Although a Board may propose or recommend changes to the Constitution where it believes this is in the best interests of the Company, the Board cannot change the Constitution on its own. Final authority rests with shareholders acting collectively through the formal voting process.

Once a change is approved by shareholders, the Board is responsible for administering the Constitution as amended and ensuring the Company operates in accordance with the updated Constitution and the Corporations Law.

2.7 Summary.

Shareholders have the power to change the Constitution through a special resolution. The Constitution sets the framework approved by Members, and the Board is responsible for managing the Company and administering that framework in the best interests of the Company as a whole.

With this governance framework in mind, the sections below explain what Sylvania Waterways Limited does operationally, and how this affects waterfront property owners in practice.

3.0 Who is Sylvania Waterways Limited?

3.1 Sylvania Waterways is a public company established to:

- own and manage the **seabed and waterways** within the Sylvania Waters estate;
- protect the shared interests of waterfront property owners; and
- regulate and license waterfront structures such as seawalls, pontoons and mooring devices.

The Company exists to safeguard the **unique waterfront lifestyle** enjoyed by members and to preserve and enhance **long-term property values** across the estate, importantly:

The seabed and waterways are private land, owned by Sylvania Waterways (Lot 1, DP 615171);

- individual property owners **do not own the seabed** adjoining their property; and
- waterfront access and use occur under a **licence granted by Sylvania Waterways**, not as a right of owning a property in Sylvania Waters.

Because the Company owns the seabed and waterway, members are able to enjoy boating and water access in a manner that is rare in Australia, including the ability to licence waterfront facilities that would otherwise not be possible without Company consent.

Every waterfront property owner may become a **member** of SWL as part of owning a waterfront property.

4.0 How Sylvania Waterways Limited is governed.

4.1 Legal framework.

SWL operates within a clear legal and governance framework, including:

- the **Corporations Act 2001 (Cth)**;
- SWL's **Memorandum & Articles of Association (M&AA)**;
- Board-approved policies, licences and standards; and
- relevant NSW legislation and Sutherland Shire Council requirements including the LEP and DCP applicable to Sylvania Waters.

4.2 The Board of Directors.

Sylvania Waterways Ltd is governed by a **voluntary Board of Directors**, elected by members. They,

- serve on a non-remunerated (voluntary) basis;
- are waterfront owners and members themselves;
- owe statutory and fiduciary duties to act in the best interests of the Company as a whole; and
- are collectively responsible for governance, strategy, risk oversight and compliance.

The Board does **not** exist to manage individual property matters in isolation. Its role is to:

- balance the interests of all members;
- protect the Company's land and assets;
- manage risk, safety and regulatory compliance; and
- ensure the long-term sustainability of the waterways.

4.3 Annual General Meeting (AGM).

The **Annual General Meeting (AGM)** is the primary forum for member engagement and accountability. At the AGM, members:

- receive the Company's annual financial statements and Directors' Report;
- have the opportunity to ask questions about the Company's performance and governance;
- vote on the election or re-election of Directors; and
- consider any matters required or permitted under the Corporations Act and the M&AA.

The AGM plays an important role in ensuring transparency, accountability and member participation in the governance of SWL.

4.4 Day-to-day operations, General Management and professional support.

While governance responsibility rests with the Board, the scale and complexity of Sylvania Waterways' obligations now require dedicated general management and professional operational support.

As a public company, SWL operates in an environment of increasing governance, compliance and regulatory expectations. Over time, the operational complexity of the Company has increased materially, including:

- significant and ongoing seawall replacement and maintenance programs;
- growing complexity in development approvals, licensing and compliance enforcement;
- heightened Work health and Safety, risk management, record-keeping and audit-readiness requirements; and
- increasing personal duties and liability exposure for volunteer Directors.

Historically, SWL relied heavily on volunteer Directors to perform both governance and day-to-day operational tasks. As the scale and complexity of the Company's responsibilities grew, this model became unsustainable and introduced material risks, including operational backlogs, inconsistent follow-through, and blurred lines between governance and execution. To address this, the Company has adopted a model that:

- clearly separates **governance and oversight (the Board)** from **operations and execution (management)**;
- provides **general management capability** to coordinate day-to-day activities;
- reduces reliance on individual Directors for operational execution; and
- supports consistent, professional and timely engagement with members, regulators and contractors.

In practice, this means Sylvania Waterways,

- outsources aspects of day-to-day operations and general management under Board-approved arrangements; and
- engages **professional advisers and consultants** (including legal, engineering, accounting and governance specialists) to support compliant and effective operations.

This approach reflects recognised governance best practice for public companies and ensures:

- reduced risk and workload for volunteer Directors;
- clearer accountability and continuity;
- improved consistency and fairness in decision-making and enforcement; and
- stronger protection of the waterways, the lifestyle residents value, and long-term property values.

Ultimately, while management and professional advisers support execution, **the Board retains full authority, accountability and strategic control** of the Company.

5.0 Membership: what it means in practice.

5.1 Membership is tied to the property: Consequently;

- it is linked to ownership of a waterfront property;
- cannot be transferred separately from the property; and
- automatically ends when the property is sold.

New owners must apply for membership and licensing.

5.2 Licenses, not automatic rights.

Waterfront use is a **licensed privilege**, not an automatic entitlement. This licensing framework reflects that the land is owned by the Company, and that members are granted conditional rights of use rather than ownership. Licences may allow members to:

- maintain a seawall;
- install approved pontoons or mooring devices; and
- moor a vessel within defined boundaries over Company land.

Because these activities occur on **Company-owned land**, licences:

- are issued **only to members**;
- are personal to the current property owner;
- are **not transferable** on sale of a property; and
- must be reapplied for by new owners as part of property settlement.

Waterfront structures or devices installed without an authorised licence are treated as **unauthorised occupation of private land**.

All licences are:

- subject to ongoing compliance;
- conditional on meeting SWL standards and approvals; and
- revocable if conditions are not met.

6.0 Waterfront devices – Who approves what (and when).

Waterfront structures and devices in Sylvania Waters (including seawalls, pontoons, mooring poles, sea pens, jet ski pods, boat lifters and similar installations) are regulated under **two separate frameworks**:

- **Sylvania Waterways Ltd** (SWL), which owns the seabed and waterways and licenses all waterfront use; and
- **Sutherland Shire Council** (SSC), which regulates development through its Local Environmental Plan (LEP) and Development Control Plan (DCP).

Both sets of controls apply. Approval from one does **not** replace approval from the other.

6.1 Sylvania Waterways Limited (SWL).

Because SWL owns the seabed and waterways, **all waterfront devices sit on Company land.**

Accordingly:

- members must apply to SWL for approval of *any* waterfront device or structure.
- a formal licence is required for any occupation of Company land.
- an **SWL access permit must be issued before any work commences** over the Company's land or waterways (including contractor access).

No works are permitted until SWL approval and access permits are in place.

6.2 Sutherland Shire Council.

Separately, Council regulates waterfront development under planning law.

In practical terms, this means:

- new waterfront devices, or changes to existing devices (including adding sea pens, pontoons, mooring poles, jet ski pods or boat lifters), generally require a **Development Application (DA)** to Council.
- Council assesses proposals against its LEP and DCP controls, including setbacks, size limits, navigation impacts and environmental considerations.

Important: both approvals are required

Council Development Approval is typically required **before** SWL can issue final licensing for new or modified waterfront devices

For most waterfront works, members must:

1. apply to SWL for approval and licensing;
2. obtain a Development Application approval from Council; and
3. receive an SWL access permit before any physical works commence.

SWL approval does not replace Council consent. Council consent does not replace SWL licensing. Both are mandatory parts of the process.

Members are strongly encouraged to confirm approval requirements with SWL **before** engaging designers or contractors, as unauthorised works may result in enforcement action and removal of non-compliant structures.

7.0 Your responsibilities as a waterfront owner.

Owning a waterfront property comes with **shared responsibilities** because your actions can directly affect:

- neighbouring properties;

- navigation and safety;
- structural integrity of seawalls; and
- the appearance and amenity of the estate.

Core responsibilities include:

- maintaining your seawall in a safe and serviceable condition;
- ensuring all waterfront devices are approved, certified and compliant;
- preventing debris, waste or materials entering the waterways;
- using the waterways safely and respectfully; and
- ensuring tenants and contractors comply with SWL rules.

A helpful way to think about it: Treat the seabed as you would a neighbour's private land, because legally, that is exactly what it is.

8.0 Your rights as a member.

Membership also provides important protections and rights, including:

8.1 Fair and consistent application of regulations

- clear standards applied consistently across all properties; and
- decisions made by an elected Board, not individual neighbours.

8.2 Financial transparency (and its limits).

Sylvania Waterways Ltd is committed to financial **transparency**, consistent with its obligations as a public company. Members are entitled to understand how the Company is performing financially and how funds are being applied **at a company-wide level**. This transparency is provided through:

- **annual audited financial statements** prepared in accordance with applicable Laws and Accounting Standards;
- a **Directors' Report** accompanying the annual accounts;
- **summary financial information** presented at the Annual General Meeting (AGM); and
- explanations provided by the Board at the AGM, within legal and governance boundaries.

A note on transparency and governance. Like all well-governed companies, SWL balances transparency with confidentiality, privacy and commercial responsibility. This protects all members collectively.

It is important to understand that **transparency does not mean unrestricted access to internal financial records**. Like any other public company, SWL does **not** routinely provide members with:

- individual invoices or supplier contracts;
- detailed general ledger transactions or bank statements;
- internal budgets, forecasts, or working papers;

- employee remuneration details; or
- confidential, commercially sensitive, or legally privileged information.

This approach:

- protects the Company's legal, commercial and privacy obligations;
- ensures fairness and consistency for all members;
- safeguards directors and officers from inappropriate disclosure; and
- aligns with SWL's Memorandum & Articles of Association and Board-approved Financial Transparency & Member Disclosure Policy.

Members may request additional financial information in writing. Each request is assessed on its merits, having regard to legal requirements, confidentiality, proportionality, and the best interests of the Company as a whole.

8.3 Company funds and member entitlements.

As a public company limited by shares, **Sylvania Waterways Ltd is a separate legal entity**. Any money held in the Company's bank accounts belongs to the Company, not to individual members.

While members are shareholders, shareholding does not confer ownership of the Company's assets or funds, nor does it create any entitlement to distributions of cash or reserves.

Funds held by the Company are applied to:

- protecting and maintaining the waterways and seabed;
- managing infrastructure, safety and compliance risks;
- meeting insurance, professional and regulatory obligations; and
- ensuring the long-term sustainability of the estate.

Shares in SWL are not income-generating instruments and do not provide a right to dividends or distributions of Company assets. Members don't get a financial return, they get a protected lifestyle and asset value.

Membership fees, licence fees and levies are **Company income** and are **not refundable** and **not held on trust for members**.

Consistent with the Company's Memorandum & Articles of Association and its purpose, **Company funds are retained and applied for Company purposes and are not distributed to members**.

9.0 Why compliance really matters.

The Board has a legal obligation to apply rules consistently and manage risk across the estate. Compliance is not about bureaucracy; it is about **protecting everyone's lifestyle and investment**. Non-compliance can lead to:

- safety risks (collapse, electrical hazards, navigation obstruction);
- damage to neighbouring properties;

- reduced amenity and visual clutter;
- increased insurance and liability exposure; and
- declining property values across the estate.

Conversely, consistent compliance:

- preserves the look and feel of the waterways;
- protects resale values;
- reduces disputes between neighbours; and
- ensures fairness for all members.

10.0 Seawalls: ownership, responsibility and new works.

Seawalls are critical pieces of infrastructure within the Sylvania Waters estate. They protect private property, stabilise the waterways, and safeguard the Company's land.

New seawalls are constructed on land owned by Sylvania Waterways Ltd (the Company's seabed and waterfront land). This is an important distinction:

While the seawall directly benefits the adjoining property owner, it is physically located **on Company land**; As a result, seawall construction and ongoing occupation of that land **cannot occur as a right**.

If shareholders held ownership of the seabed, such licensing and approval would not be required.

10.1 Licensing and membership requirements.

Because a seawall is constructed on Company land:

- a **formal licence** from Sylvania Waterways Ltd is required; and
- **membership of the Company is a prerequisite to licensing.**

In practical terms, if a new seawall is to be constructed on the Company's land, the waterfront property owner **must be a member of Sylvania Waterways Ltd** in order to obtain the necessary licence. This licensing framework:

- provides lawful authority for the seawall to occupy Company land;
- clearly allocates responsibility for construction, maintenance and risk;
- ensures consistency and fairness across the estate; and
- protects the interests of all members collectively.

10.2 Easements and formal agreements.

Where required, seawall construction is supported by:

- a **formal agreement** between the property owner and the Company; and
- the granting of an **easement** to allow the seawall to exist on Company land.

These instruments are not administrative formalities. They:

- define ownership and maintenance obligations;
- manage liability and insurance risk;
- protect neighbouring properties; and
- provide long-term certainty for current and future owners.

10.3 Ongoing responsibilities

Once constructed and licensed:

- the **property owner remains responsible** for maintaining the new seawall in a safe and serviceable condition;
- the seawall must continue to comply with SWL standards and engineering requirements; and
- failure to maintain or comply may result in enforcement action under the licence terms.

11.0 The 9.144m waterfront setback – purpose and exemptions.

11.1 Why the 9.144m set back exists.

During the original development of the Sylvania Waters estate, a number of covenants were placed on waterfront properties. These were designed to protect the visual amenity of the estate and help ensure that all waterfront owners could enjoy open views to the water.

A key covenant required all buildings to be set back at least 9.144 metres (30 feet) from the water's edge, effectively creating a no-build zone within that distance.

Over time, planning controls have changed. For development assessment purposes, **Sutherland Shire Council** may grant approval based on a 6.0 metre setback under the Local Environmental Plan, with Section 1.9A suspending the original covenants for Council planning purposes.

It is important for members to understand, however, that **Council development approval and waterfront licensing by Sylvania Waterways Ltd (SWL) are separate processes.**

While Council may grant development approval within 6.0 metres, SWL manages the use of Company land through its waterfront licensing framework.

Following extensive community consultation, members adopted a **Special Resolution in October 2025 (with more than 79% of votes cast in favour)** to uphold the original **9.144 metre setback**, subject only to the following exemptions:

- Properties with insufficient depth, as defined on SWL plans;
- Lightweight structures that are open on at least three sides, do not obstruct neighbouring views, and are either complying development or have development approval;
- Existing structures constructed on or before 31 December 1999, provided they have not been modified; and
- Council-approved structures that also hold a specific SWL exemption.

These exemptions are intended to address genuine constraints or historical circumstances, while preserving the original intent of the setback rule and protecting shared waterfront amenity.

In accordance with the adopted Special Resolution, **SWL will enforce the 9.144 metre setback only in respect of developments or structures that remain non-compliant with the approved exemption categories.** This approach is intended to ensure fairness, clarity and certainty for all members.

11.2 What this means for waterfront owners.

Waterfront licences are required to permit the installation and continued use of waterfront devices (such as pontoons, ramps and jetties) over Company land.

Developments that do **not** comply with the original 9.144 metre setback or the approved exemptions may not be eligible for a waterfront licence, even where Council approval has been granted.

Accordingly, members considering development are strongly encouraged to review their plans against the original 9.144 metre setback and the exemptions above before proceeding. Members are also encouraged to undertake appropriate neighbour consultation as part of any development process.

This information is provided to help ensure members are fully informed prior to finalising development plans. If you would like to discuss your proposal or require clarification regarding SWL licensing requirements, we encourage you to contact SWL before construction commences.

12.0 Fencing on new seawalls.

Sea wall fencing is **not compulsory**. However, many waterfront owners choose to install fencing for safety, particularly where there is a change in level or to meet pool safety requirements. If fencing is installed, it is critical that it:

- **does not compromise the structural integrity of the seawall;** and
- **maintains the visual amenity and open character** of the waterfront.

The guidance below is based on advice from the Company's consulting structural engineer and is intended to promote safety, consistency and best practice across the estate.

12.1 What to avoid.

To protect the seawall and its critical structural elements:

- **do not core-drill into the capping beam.** Core drilling can damage internal reinforcement, tie rods or connection plates that are essential to the seawall's strength.
- **no structures are to be attached to the water-facing (exterior) side of the capping beam.**

12.2 Permitted fixing methods.

The following fixing approaches may be acceptable, subject to compliance with SWL requirements and any applicable approvals:

- **Fixing to the rear (landward) face of the capping beam** may be permitted using face-mounted brackets, provided the installation:

- follows the manufacturer's specifications;
- uses a minimum **M10 stainless steel Chemset or mechanical anchors**; and
- maintains a minimum **75 mm edge distance** from the top of the capping beam.
- **Fixing to the top surface of the capping beam** may be permitted in limited circumstances using base-plate spigots or aluminium or stainless-steel channels, where the installation:
 - complies with the manufacturer's specifications; and
 - maintains a minimum **100 mm edge distance** from the sides of the capping beam.

12.3 Consistency and good outcomes.

Waterfront owners planning fencing works are strongly encouraged to:

- review this guidance before engaging contractors;
- ensure installers understand the structural sensitivity of seawalls; and
- seek advice or approval where required before works commence.

Following this guidance helps avoid unintended damage, reduces future remediation risk, and supports a **consistent, safe and well-presented waterfront environment** for all members.

13.0 How this guide fits with other documents.

This guide should be read **alongside** the following key sources of information about living in Sylvania Waters:

- **SWL Website** – www.sylvaniawaterways.com provides general information about the estate, the Company, member responsibilities, buyer information and waterfront living;
- **Document 1014** – Membership & Share Application. This is the legal agreement governing membership and shareholding in Sylvania Waterways Ltd;
- **Document 1016** – Regulations, Standards & Procedures. This is the detailed technical and compliance requirements for seawalls, waterfront devices and development; and
- **New Member Introduction Video**. This is a practical, visual overview of how the waterways operate and what new owners need to know.

14.0 A shared community tradition.

Beyond governance and infrastructure, Sylvania Waters is also a community.

One long-standing tradition that reflects this spirit is the **Santa Boat on Christmas Day**. For more than **25 years**, volunteers from within the community have helped bring Santa by boat through the canals on Christmas morning, a tradition enjoyed by generations of families and children.

As part of this tradition, **all donated gifts collected through the Santa Boat are provided to a local charity**, which distributes them into the wider community to support families and children who may be experiencing hardship.

The Santa Boat is a reminder that the waterways are not just shared assets to be managed, but a shared place to live, connect and create memories. It reflects the community values that underpin Sylvania Waterways Ltd and the importance of looking after the waterways for current and future residents.

Sylvania Waters works because it is a shared environment; and Sylvania Waterways Limited exists to ensure that individual enjoyment of waterfront living never comes at the expense of:

- neighbour safety;
- community amenity; or
- long-term property value.

When everyone values the framework and plays their part, the waterways remain a place that all residents can enjoy, now and into the future.

For questions or clarification, members are encouraged to contact Sylvania Waterways Ltd or review the detailed documents and website referenced above.