

Reference: 014-23 ES

26 June 2023

The Hon. Penny Sharpe MP Minister for the Environment 52 Martin Place SYDNEY NSW 2000

cc. Minister for Local Government

Dear Minister

Re: Request for greater support for catchment groups in the Sydney region

Firstly, congratulations on your appointment as Minister for the Environment. We hope you find your role rewarding and fulfilling.

As you would be aware, Sydney Coastal Councils Group (SCCG) is a regional organisation of councils that promotes the sustainable management of Sydney's coasts and estuaries through collaboration, capacity building, advocacy and research. We comprise nine member councils who represent approximately 1.3 million Sydneysiders. A copy of our 10-year Strategic Plan is available on our <u>web-site</u>.

Since its formation in 1989, the SCCG has successfully delivered numerous, often high-profile projects on behalf of its members. Our organisation has consequently grown to become an important player in coastal management in Sydney and continues to lead on projects like the <u>coastal</u> <u>management program</u> and <u>regional litter prevention strategy</u> for Greater Sydney Harbour.

We also have a unique role as a trusted intermediary between state and local government. For example, we help ensure state policies and programs such as the NSW coastal management framework are appropriately implemented for the benefit of our members and their communities.

However, the SCCG, like our fellow catchment groups in Sydney, faces pressures that increasingly constrain our ability to provide the value-for-money service that our members rely on. We are therefore seeking your support to help address two of the most pressing challenges, as outlined below.

Lack of formal regional governance for environmental management in Sydney

The SCCG is a Regional Organisations of Councils (ROCs) with a focus on environmental management. Our organisation fulfils a critical governance gap left by the previous NSW Government with the abolishment of catchment management authorities by delivering projects that require a regional collaborative approach involving multiple Councils. These projects including the delivery waterway health objectives through a catchment-wide approach and reducing marine litter.



However, membership is voluntary, meaning that the sustainability of ROCs is dependent on the continued goodwill and financial contribution of individual councils. The withdrawal of just one or two member councils can severely curtail the day-to-day function of ROCs and make it difficult to plan strategically beyond the short to medium term. In addition, the absence of certain councils who refuse to be members also reduces the ability to collaborate and address environmental issues that cross local government area (LGA) boundaries.

Joint organisations (JOs) are an alternative to ROCs which have been established in regional NSW but not in metropolitan Sydney. JOs are established by the NSW Government under the *Local Government Act 1993* with powers that enable councils to work together and with state agencies to deliver a strategic regional priority. A <u>2021 independent audit of JOs</u> found that the JO model was a more robust model for regional governance than ROCs and could cost-effectively coordinate local and state government action.

We recommend the NSW Government consider establishing JOs in the Sydney region to improve catchment and waterway health. With greater financial security, such a JO could work to establish strategic priorities for Sydney's catchments and waterways, provide regional leadership and seek inter-governmental cooperation.

Lack of sustainable funding for projects

ROCs like the SCCG rely significantly on ongoing project funding in addition to recurrent member funding to deliver its strategic objectives. Most project funding is obtained from grant programs managed by the NSW Government.

However, many of the NSW Government grant programs do not adequately recognise the significant costs involved in project managing across multiple Councils. This includes the costs associated with obtaining buy-in from relevant stakeholders, coordination across multiple project partners and seeking key decisions and approvals. Some grant funding programs, like the NSW Coastal and Estuary Grants Program, specifically restrict the ability for ROCs to use staff to undertake project work, even when it is often more cost-effective than outsourcing, and limit project management to 20% of the total costs.

Project funding is also time-limited meaning staff employment contracts cannot be extended beyond the life of the project. This in turn makes it difficult to attract and retain experienced staff, and ultimately build the capacity of ROCs to undertake frequently complex projects.

We recommend that the NSW Government consider how its grant programs can better support ROCs who play a critical role in the delivery of regional projects. This might include increasing the stormwater management service charge for councils, revising grant funding guidelines to allow for a greater use of in-house staff, promoting greater in-kind and financial contributions from state agencies, and allowing for state grant funding to be used to match federal grant funding.

We look forward to being able to discuss with you further how we can work together to address our current challenges. In the meantime, if you have any queries, please do not hesitate to contact me on 0407 733 075 or at executiveofficer@sydneycoastalcouncils.com.au.

Yours sincerely

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Sarah Joyce **Executive Officer**

