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Reference: 17-24 JM

Cr Darriea Turley AM
President
Local Government NSW
Level 8, 28 Margaret Street
Sydney NSW 2000
By email: lgnsw@lgnsw.org.au

Wednesday, 4 September 2024

Re: New agreement between local and state governments to benefit NSW councils

Dear Cr Turley,

Congratulations to LGNSW for the approval of the [2024-2027 Intergovernmental Agreement](#) (IGA) which sets out key principles for a partnership between the State and NSW Councils to improve social, economic, environmental and civic outcomes for communities across NSW.

The Sydney Coastal Councils Group (SCCG) writes to you to raise three issues that have the potential to significantly impact upon the delivery of these outcomes. We seek that these issues be considered in the implementation of the IGA by LGNSW.

Background to the SCCG

The SCCG is a regional organisation of councils, established in 1989 to promote collaboration among member councils on environmental issues relating to the sustainable management of the urban coastal and estuarine environment. The group comprises nine councils adjacent to Sydney marine and estuarine environments and associated waterways and represents nearly 1.3 million Sydneysiders. We are guided by the [SCCG's 2019-2029 Strategic Plan](#) which includes six goals, which are outlined below:

- People and places adapt to a changing climate and future shocks and stressors
- Waterways and the foreshore are protected and healthier
- Marine biodiversity is protected in the bioregion
- The SCCG Region is comprised of sustainable, liveable and 'smart' cities
- There is a collaborative, effective and consistent approach to coastal and estuarine management
- SCCG is trusted and respected to make representations that reflect the values of its members

The SCCG has key concerns about funding for infrastructure, especially stormwater infrastructure, governance arrangements for waterway health and funding for Beachwatch. We have advocated in various ways to improve support for our member councils in these areas, as described below.

1. Improving funding for local government infrastructure

The SCCG made a submission to the Parliamentary inquiry into the ability of councils to fund infrastructure and services earlier this year. We argued that the terms of reference should have focussed beyond rate-pegging and acknowledged other sources of income relied on by councils



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such as levies and grants, as well as identifying our concerns about cost shifting from state to local government. Our full submission can be read [here](#) and went into detail about the following:

- Inadequate understanding of funding required for green infrastructure to meet community and environmental needs
- Inadequate funding for green infrastructure and stormwater management
- State government limitations imposed on the stormwater management service charge which has not increased since 2006
- Limitations of current grant funding arrangements
- Limitations of funding for waste management and litter prevention
- NSW Beachwatch program as an example of ongoing cost shifting

The SCCG would welcome the opportunity to collaborate further with LGNSW to advocate for appropriate levels of government funding to councils to improve their financial sustainability. We believe there has been a general lack of consideration of the financial sustainability of Councils and seek that greater consideration is given following the signing of the IGA and specifically Clauses 6.9 and 6.10 of the IGA.

2. A lack of appropriate governance to improve and maintain waterway health

As identified by the NSW Government, “*healthy waterways support a healthy environment, society and economy including more liveable cities and strong, resilient communities*”¹. However, as recognised in the [Greater Sydney Water Strategy 2022](#), one of the key challenges for waterway health is the complex and fragmented governance arrangements that exist with no single government entity responsible for urban waterways. The recently released [NSW Water Quality Governance Roadmap 2024](#) promotes integrated catchment management (ICM) and commits to establishing an ICM framework which will explore ways to manage water quality more cohesively across the state.

However, to achieve an ICM approach in the Sydney metropolitan area, will be extremely challenging unless new governance structures are established. The SCCG has done a detailed analysis on appropriate governance structures to address waterway health challenges in the region through its work on the [Greater Sydney Harbour Coastal Management Program](#) (CMP). The CMP was developed to Stage 2 and made recommendations to NSW Government at the end of 2022 for an appropriate waterway health governance framework, including leadership and participation across state agencies and local government. These recommendations have yet to be responded to by the NSW Government.

The SCCG continues to advocate for an appropriate governance framework for waterway health in Greater Sydney Harbour and believes this advocacy would be strengthened by LGNSW having an active role. It is noted that the NSW Water Strategy is one of the strategic partnerships identified in the IGA and the above work would fall under this strategy.

3. Cost-shifting to Councils following redesign of the Beachwatch program

The NSW Government has sought funding from SCCG councils to support the continuation of the Beachwatch program, on the basis of consistency with some councils outside Sydney that contribute funding under a partnership program.

As detailed in our [letters to the Minister for the Environment](#) in March and June 2024, our member councils are under no legal obligation to monitor the quality of receiving waters below high water mark for public health purposes. Further, the main sources of pollutants are from sewerage overflows for which Sydney Water is responsible, not councils. It is recognised that many regional councils are responsible for water supply and sewerage services so it follows that they be accountable for water quality monitoring and potential paying for Beachwatch services but our members do not have this role.

In spite of this, the NSW Government is continuing to push for Sydney Councils’ contribution to the Beachwatch program with complete disregard to the legal advice obtained independently by

¹ [Waterway health | NSW Environment and Heritage](#)



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the SCCG and advice received from Office of Local Government. In May 2024, following the SCCG's first letter, the Minister for the Environment identified that consultation on the proposal is being extended by 12 months. To date, no further consultation with SCCG or its member councils has occurred. Our members believe this initiative is a blatant cost shifting exercise and believe that Beachwatch should remain a fully funded state program.

The SCCG would like the support of LGNSW in continuing to advocate for this position with the NSW Government. We believe that the NSW Government's proposal has not considered the financial sustainability of Councils and specifically, does not meet the following clause in the IGA:

6.9 Where the NSW Government requires local government to provide a new or expanded function or service, the NSW Government will consider the budget cycles and financial capability of Local Government, and where possible alleviate budgetary impacts.

I also suggest that we meet to discuss these important matters further with you. A meeting can be arranged by contacting me through my email address at sarah@sydneycoastalcouncils.com.au

Yours sincerely,



Sarah Penny Joyce
Executive Director



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