



Reference: 017-25

22 May 2025

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

The Hon. Ron Hoenig MP  
Minister for Local Government  
52 Martin Place  
SYDNEY NSW 2000

Dear Ministers,

**Re: NSW Government's commitment to review the stormwater levy**

The Sydney Coastal Councils Group (SCCG) welcomes the [NSW Government's recent response](#) to the report from the [NSW Parliament's Standing Committee on State Development 2024 inquiry into the ability of local governments to fund infrastructure and services](#). We are particularly thankful for the Government's support for Recommendation 4 and its commitment to "*undertake an audit of statutory fees and charges and user fees to align them, where appropriate, with reasonable service costs and index these costs with CPI (Consumer Price Index) where applicable*" which will include the stormwater levy.

It is pleasing to see the Government's acceptance of evidence received from the inquiry, including [SCCG's submission](#), that many annual charges and user fees, such as the stormwater levy, have legislated caps that have not changed in many years. We agree with the Government's acknowledgement of inflation reducing the value of these charges over time, limiting councils' ability to use them to fund services.

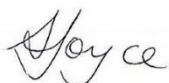
The SCCG is fully supportive of the Government's intention to audit statutory fees and charges like the stormwater levy to align them, where appropriate, with reasonable service costs and index these costs with the consumer price index where applicable. This is consistent with [SCCG's 2021 recommendation to the NSW Government to review the stormwater levy](#).

We would appreciate the opportunity to be involved in and provide input to the audit. We would be happy to assist the Government in working with our member councils on, for example, compiling relevant data on the stormwater levy, facilitating workshops and canvassing ideas on increasing the stormwater levy.

As part of the audit, the SCCG suggests that the Government revisit a 2019 report commissioned by the then Department of Planning, Industry and Environment, titled, "Review of funding options for the management of diffuse source water pollution in NSW" by Frontier Economics and Alluvium. This was a comprehensive report that not only considered the role of the stormwater levy but made findings and recommendations around the need for good governance and capacity building in improving stormwater management. We believe these findings and recommendations remain pertinent today.

We look forward to working with the Government on this important topic. Please do not hesitate to contact me at [sarah@sydneycoastalcouncils.com.au](mailto:sarah@sydneycoastalcouncils.com.au) should you have any queries.

Yours sincerely



Sarah Joyce  
**Executive Director**

