



NSW local government stormwater levy in use - successes, shortcomings and the case for change?

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Overview

The stormwater management service charge (stormwater levy) was introduced in 2006 in recognition of councils' key role in stormwater management and their need for a sustainable funding source to support their stormwater services. The additional stormwater services being delivered using the stormwater levy sought to help in improving the health of urban waterways and reducing the impact of local flooding in communities.

As the levy is a static \$25/property, the real value of the levy has been reduced over the past 12 years by ~25%. Its use has also been questioned at times, in light of the original intent – to be used on new projects or maintenance of new projects – highlighting the need for greater funding for councils as they spend levy funding on general maintenance of stormwater assets.

This paper discusses several major themes around the stormwater levy including pricing and application of the levy across Sydney. The paper provides case studies of the use of the levy, and a discussion of council funding issues and changing demands on stormwater management (greater demands on maintenance as more assets created, driving the 'misuse' of the levy).

Objectives

This investigation and discussion of the NSW stormwater levy seeks to raise issues faced by councils in their effort to meet increasing demands on stormwater management – with greater focus on water quality as development increases, and the corresponding pressures placed on our waterways. It puts the case for indexation of the existing levy, as per Sydney Water's drainage charge, which has met and exceeded the rate of inflation over the past 13 years. The scope of the levy guidelines will be raised to determine if there should be improvements to how it is monitored, or whether the scope/guidelines should be changed.

Method

A desktop study (review of published literature, legislation/regulations, council annual reports and plans) and direct consultation with councils and Stormwater NSW committee members will form the basis of this paper. Looking at historical spending in terms of capital and maintenance costs will show the changes to council spending priorities as stormwater management has risen in importance, both environmentally and socially.

As a way to advocate for this issue this paper is written in conjunction with actions from the NSW Stormwater Committee to push this issue within NSW Government to address lack of funding for stormwater management.

Results

Broad scale consultation on the stormwater levy is currently being completed for Stormwater NSW and will be presented in this paper. Panel discussions facilitated by Stormwater NSW and consultation with councils

highlighted limitations to how the levy is collected and spent. Further consultation and research into expenditure will substantiate the current anecdotal evidence of how the levy could be changed to improve the outcomes of the original intent.

Conclusions

This paper will present outcomes of Stormwater NSW investigation into the stormwater levy, addressing issues over the limitations of the current Stormwater Levy as introduced 13 years ago. The paper will be a reference for further action and dialogue with the NSW Government for change to the funding sourced from the levy as well as regulations and/or guidelines.