

8.1. MM01: Cost-shifting to Councils

The pressure on Councils to provide services of a high standard to our communities is now extraordinary.

The unrelenting growth of cost-shifting to Councils, coupled with rate pegging, is increasingly eroding any possibility of financially sustainable local government, and risking the capacity of councils to deliver tailored, grassroots services to their communities, and properly deliver and maintain vital local infrastructure.

Alarming, the latest research commissioned by Local Government NSW shows that the increase in cost-shifting has been accelerated by various NSW Government policies.

As shown in the latest cost-shifting report, \$1.36 billion has been passed on to Councils to fund. This is an increase of \$540 million since the last report from the 2017/2018 financial year and represents lost services, lost opportunity, and lost amenity for all our residents and businesses.

On average, this represents an additional cost of \$460.67 for every ratepayer across the state.

With Councils having to fund this ongoing subsidy for the State Government each and every year, it means our communities get less or go without. They go without better roads, they go without better parks, they go without important community services that only Councils provide, and they and their ratepayers are effectively paying hidden taxes to other levels of government.

Our communities deserve better, and this must stop. Prior to the most recent state election the then Minns Opposition wrote to Local Government NSW acknowledging that cost-shifting had undermined the financial sustainability of the local government sector.

Now in 2024, it is important to Councils and communities that the NSW Government urgently seek to address cost shifting through a combination of regulatory reform, budgetary provision, and appropriate funding.

I therefore recommend:

- 1. THAT** Council receive and note the findings of the Local Government NSW Cost Shifting report for the 2021/2022 financial year.
- 2. THAT** a copy be placed on Council's website so that our communities can access it.
- 3. THAT** Council write to the Premier, the NSW Treasurer and the NSW Minister for Local Government seeking that they urgently seek to address cost shifting through a combination of regulatory reform, budgetary provision, and appropriate funding.

**COUNCILLOR ZOË BAKER
MAYOR**