

# NAMBUCCA VALLEY COUNCIL

## Ordinary Council Meeting - 16 July 2025

### ***LATE AGENDA***

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**MAYORAL MINUTE**

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<b>ITEM L.1</b>	<b>SF3420</b>	<b>160725</b>	<b>MAYORAL MINUTE - COST SHIFTING ONTO LOCAL GOVERNMENT</b>
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**AUTHOR/ENQUIRIES:** Gary Lee, Mayor

**SUMMARY:**

Latest research commissioned by Local Government NSW (LGNSW) shows that the increase in cost shifting has continued unabated by various State Government policies. The cost shifting report, produced by independent consultants Morrison Low is available online at [www.lgnsw.org.au/costshifting](http://www.lgnsw.org.au/costshifting) .

**RECOMMENDATION:**

**That Council:**

- 1 Note the findings of the LGNSW Cost Shifting report for the 2023/2024 financial year**
- 2 Writes to the local Member for Oxley, Michael Kemp MP and the NSW Minister for Local Government seeking that they address these costs through a combination of regulatory reform and appropriate funding.**

**BACKGROUND**

The pressure on councils to maintain a level of services that meet the needs of our communities has reached unprecedented levels.

The continued growth of cost shifting to councils, coupled with rate pegging and insufficient state and federal funding, is increasingly eroding the goal of financially sustainable local government and risking the capacity of councils to deliver the essential infrastructure and services required by their communities.

The latest research commissioned by Local Government NSW (LGNSW) shows that the increase in cost shifting has continued unabated by various State and Federal Government policies.

The cost shifting report, produced by independent consultants Morrison Low for the 2023/2024 financial year, reveals that \$1.5 billion of expense has been imposed on councils. This is an increase of approximately \$140 million (10 per cent) since the last report for the 2021/22 financial year, when the total cost shift was estimated at \$1.36 billion.

On average, this also now represents an inflated cost of \$497.40 for each ratepayer, an increase of \$36.72 from 2021/22. It is unfair to our communities that such a large portion of their rates are being diverted away from local priorities. (The full report is available online at [www.lgnsw.org.au/costshifting](http://www.lgnsw.org.au/costshifting))

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

The Nambucca Valley community deserve better. The decades-long practice of cost shifting is continuing to undermine the financial sustainability of the local government sector. The November 2024 report of the parliamentary inquiry into the ability of councils to fund infrastructure and services called for the NSW Government to identify opportunities to reduce cost shifting to local government. This call must be acted upon. It is essential to councils and communities that the NSW Government urgently seek to address cost shifting through a combination of regulatory reform and appropriate funding.

**ATTACHMENTS:**

There are no attachments for this report.