



northern  
beaches  
council

# SUPPLEMENTARY AGENDA

Notice is hereby given that a Ordinary Northern Beaches Council Meeting will be held in the Council Chambers at the Civic Centre, Dee Why on

**Tuesday 18 February 2025**

Beginning at 6.00pm for the purpose of considering and determining matters included in this agenda.

**Scott Phillips**  
Chief Executive Officer

## OUR VISION

*Delivering the highest quality service valued and trusted by our community*

## OUR VALUES

*Trust Teamwork Respect Integrity Service Leadership*

## OUR OBLIGATIONS

*I swear/solemnly and sincerely declare and affirm that I will undertake the duties of the office of councillor in the best interests of the people of the Northern Beaches and the Northern Beaches Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgement.*

## ORDER OF BUSINESS

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## 7.0 MAYORAL MINUTES

### ITEM 7.2 MAYORAL MINUTE NO 2/2025 - NSW GOVERNMENT - IMPACT OF COST SHIFTING TO LOCAL GOVERNMENT

#### PURPOSE

The purpose of this mayoral minute is to call on the NSW Government to reduce the cost shifting on local councils which are impacting rates being passed onto our residents.



**Sue Heins  
MAYOR**

#### RECOMMENDATION

That Council:

1. Write urgently to the Premier, the Treasurer, the Minister for Local Government, the Shadow Premier, the Shadow Treasurer, the Shadow Minister for Local Government, the Member for Pittwater, the Member for Davidson, the Member for Wakehurst and the Member for Manly calling on them to:
  - a. deliver State assistance to Northern Beaches Council budgets by reducing direct levies (\$20.3 million in 2024), waste disposal fees (\$3.4 million in 2024) and other cost shifting (\$379 per ratepayer in total) in order to reduce rates
  - b. stop the shifting of additional financial burdens onto our ratepayers without commensurate funding such as additional free parking stickers (\$0.5 million), Beachwatch monitoring (\$0.25 million) and upcoming FOGO reforms (estimated to cost between \$7.9-\$11 million)
  - c. remove rate exemptions for Government owned properties and private education, hospitals, retirement villages, religious organisations and community housing providers
  - d. implement in full the recommendations of the NSW Legislative Council Inquiry into the ability of Local Government to fund infrastructure and services.

## BACKGROUND

As we are all aware, our Council pays \$20 million in levies per year back to the NSW Government.

In the information provided to our community during the special rates variation public consultation, we did highlight that over the last 9 years more than half of NSW Councils have had IPART approved Special Variations, and 5 other councils are considering them this year. I have no doubt there will be more councils applying in the future because of the cost shifting being experienced. We are not alone.

Local Government NSW (LGNSW) released a comprehensive report back in November 2023 titled Cost Shifting 2023: How State Costs Eat Council Rates, analysing the financial impact of cost shifting on local councils during the 2021-22 financial year. The report reveals that cost shifting imposed a burden of \$1.36 billion on NSW councils in 2021-22. The report stated 'In 2021-22, each ratepayer of NSW has approximately \$460.67 from councils' rates eaten by state government costs.'

Significant examples of cost shifting from the report include:

- Emergency Service Contributions and Obligations: Councils were required to contribute \$165.4 million, covering costs associated with Fire & Rescue NSW, the Rural Fire Service, and the State Emergency Service.
- Waste Levy: The NSW Government collected \$288.2 million from councils through the waste levy, with only a portion reinvested into waste and circular economy programs.
- Rate Exemptions: Mandatory rate exemptions for certain organisations resulted in a \$273.1 million shortfall for councils.
- Library Funding: The State's failure to honour its commitment to fund 50% of library operations led councils to cover an additional \$156.7 million.
- Pensioner Rate Rebates: Councils absorbed \$55.2 million due to the State's partial reimbursement for mandatory pensioner rate rebates.
- LGNSW emphasises that cost shifting continues to undermine the financial sustainability of local governments, diverting funds from essential community services and infrastructure. Over the past decade, cost shifting has imposed a cumulative burden of more than \$10 billion on NSW councils.

For a more detailed understanding, you can access the full LGNSW report [here](#).

Further to this, the NSW Parliament, Legislative Council Standing Committee on State Development released its report in November last year which include 17 recommendations for change. This full report can be accessed [here](#).

The Chair of the Standing Committee, the Hon Emily Suvaal MLC aptly stated in the report that "Even in councils that focus on the provision of basic services, the committee heard clear evidence that the rate peg has not kept pace with the level of income councils require to adequately meet the needs of their communities."

I think it is critical that we reiterate the findings of the NSW Standing Committee report along with the findings from the LGNSW report and write to the NSW Government to:

- deliver State assistance to Northern Beaches Council budgets by reducing direct levies (\$20.3 million in 2024), waste disposal fees (\$3.4 million in 2024) and other cost shifting (\$379 per ratepayer in total) in order to reduce rates
- stop the shifting of additional financial burdens onto our ratepayers without commensurate funding such as additional free parking stickers (\$0.5 million), Beachwatch monitoring (\$0.25 million) and upcoming FOGO reforms (estimated to cost between \$7.9 - \$11 million)

- remove rate exemptions for Government owned properties and private education, hospitals, retirement villages, religious organisations and community housing providers
- implement in full the recommendations of the NSW Legislative Council Inquiry into the ability of Local Government to fund infrastructure and services.

<b>TRIM file ref</b>	2025/113730
<b>Attachments</b>	Nil