XX Month 2024

The Hon. Chris Minns MP  
Premier

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The Hon. Daniel Mookhey MLC

Treasurer

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The Hon. Ron Hoenig MP

Minister for Local Government

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Dear Premier, Treasurer and Minister

**Cost shifting onto <Council name>**

I write to you on behalf of <Council name> to seek your commitment to work in partnership with the local government sector to address the issue of cost shifting, which arises where the NSW Government forces councils to assume responsibility for infrastructure, services and regulatory functions without sufficient supporting funding.

Alarmingly, the latest research commissioned by Local Government NSW (LGNSW) shows that the increase in cost shifting accelerated. The latest cost shifting report produced by independent consultants Morrison Low on behalf of Local Government NSW, shows that the cost shifting burden is now valued at more than $1.36 billion per year, up 78 per cent in just over five years. (Full report at [www.lgnsw.org.au/costshifting](http://www.lgnsw.org.au/costshifting)).

On average, this represents an additional cost of $460.67 for every ratepayer across the state, and results in lost services, lost opportunity and lost amenity for all our residents and businesses. These hidden taxation arrangements harm communities and run counter to principles of transparency and good government.

For <Council name>, this cost impost means that we are not able to <outline services and infrastructure your council could invest in if cost shifting were addressed>.

Councils welcomed your pre-election acknowledgement that the decade-long practice of cost shifting had undermined the financial sustainability of the local government sector.

To this end, recent reforms to the rate peg methodology by IPART are a step in the right direction. Also positive is your forthcoming review of the Emergency Services Levy, which must no longer be imposed on either councils or on insurance policies, in line with every other state in Australia.

However, significant reforms remain required, and in November 2023 councils unanimously resolved at the LGNSW Annual Conference to call on the NSW Government to take urgent action to address cost shifting onto local government.

Would you please urgently work to deliver your pre-election commitments to ensure that cost shifting onto local government is addressed through a combination of regulatory reform, budgetary provision and appropriate funding?

Addressing this longstanding matter would demonstrate a commitment from your government to work in partnership with councils for the benefit of the communities we all serve.

For further information or to arrange a meeting, please contact <contact name> at <email> or on <phone>.

Your sincerely

Cr XXXXXXX  
Mayor