

-FOR IMMEDIATE RELEASE-

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RATES DIVERTED TO PAY FOR COST SHIFTING

A report commissioned by Local Government NSW (LGNSW), has revealed that on average rate payers are now paying \$497.40 annually in cost shifting. Cost shifting occurs when State and Federal governments force councils to assume responsibility for infrastructure, services and regulatory functions without providing sufficient supporting funding.

The research shows that the increase in cost shifting has continued unabated by various State and Federal Government policies. The unrelenting growth of cost shifting to councils, coupled with rate pegging and insufficient state and federal funding is increasingly eroding the possibility of financially sustainable local government and risking the capacity of councils to deliver the essential infrastructure and services required by their communities.

The LGNSW cost shifting report details the top five shifts onto Councils with forced rate exemptions, the waste levy, development assessment and regulatory functions, emergency services contributions and obligations and library funding. There are also multiple smaller and emerging cost shifts.

LGNSW is calling for all NSW Councils to join in their advocacy to the NSW Government and share information with their communities to reduce the cost shifting to local government.

Cootamundra-Gundagai Regional Council (CGRC), Mayor Abb McAlister said the Cost Shifting Report has highlighted that cost shifting imposed on NSW councils amounted to \$1.5 billion in 2023-24.

“Our communities deserve better. The decades-long practice of cost shifting is continuing to undermine the financial sustainability of the local government sector. This must stop. 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 heard and 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,” Cr McAlister said.

LGNSW President Phyllis Miller OAM said in her report summary.

“The NSW Government needs to take urgent action to address cost shifting onto councils, through a combination of regulatory reform, budgetary provision and appropriate funding.”

Picture and caption:

CGRC Mayor Abb McAlister will be writing to the NSW Government seeking their commitment to work in partnership with the local government sector to address the issue of cost shifting, urging the government take immediate action to address this through a combination of regulatory reform and appropriate funding.



Cootamundra-Gundagai Regional Council
www.cgrc.nsw.gov.au

For further media information contact:
Cootamundra-Gundagai Regional Council on
1300 459 689

