



Lord Mayor *Nuatali Nelmes*
CITY OF NEWCASTLE

4 June 2024

Mr Graeme Kelly OAM
General Secretary
United Service Union
Level 7, 321 Pitt Street
SYDNEY NSW 2000

By email: gkelly@usu.org.au

Dear Mr Kelly *Graeme*

I draw your attention to the **enclosed** Lord Mayoral Minute endorsed at the 28 May 2024 City of Newcastle Ordinary Council Meeting.

As you will see, the Lord Mayoral Minute specifically refers to the United Services Union's (USU) submission to the NSW Government's Inquiry into the *Ability of Local Governments to Fund Infrastructure and Services*.

The Minute notes the longstanding and complex financial challenges faced by Local Government's whilst also outlining the damaging impact untenable funding models have upon our sector. In particular, the minute addresses rate capping and the annual increase in the section 88 waste levy, which as we both have identified, are harmful economic policies.

City of Newcastle values the USU's ongoing support for its members right across New South Wales and acknowledges that collective action and united advocacy, are fundamental in achieving deserved and reasonable access to the services Local Government's provide.

On behalf of City of Newcastle, I want to thank you for your advocacy on establishing fairer and more sustainable funding models for the NSW Local Government Sector.

Yours sincerely

Lord Mayor Nuatali Nelmes
CITY OF NEWCASTLE

ACTION ITEM

Ordinary Council Meeting
Tuesday 28 May 2024

SUBJECT: LMM 28/05/24 – CITY OF NEWCASTLE SUBMISSION - NSW GOVERNMENT INQUIRY - ABILITY OF LOCAL GOVERNMENTS TO FUND INFRASTRUCTURE

RESOLVED: (Cr Nelmes, Lord Mayor)

That City of Newcastle:

- 1 Notes the longstanding and complex financial sustainability challenges faced by the local government sector.
- 2 Acknowledges that the NSW Government is currently undertaking an inquiry into the ability of local governments to fund infrastructure and services.
- 3 Notes that City of Newcastle has made a detailed submission (**Attachment A**) to the NSW Government Inquiry, which will consider:
 - i) the level of income councils require to adequately meet the needs of their communities;
 - ii) examining if past rate pegs have matched increases in costs borne by local governments;
 - iii) current levels of service delivery and financial sustainability in local government, including the impact of cost shifting on service delivery and financial sustainability, and whether this has changed over time;
 - iv) assessing the social and economic impacts of the rate peg in New South Wales for ratepayers, councils, and council staff over the last 20 years and comparing with other jurisdictions;
 - v) comparing the rate peg as it currently exists to alternative approaches with regards to the outcomes for ratepayers, councils, and council staff;
 - vi) reviewing the operation of the special rate variation process and its effectiveness in providing the level of income Councils require to adequately meet the needs of their communities; and
 - vii) other related matters.
- 4 Notes that the United Services Union submission to the inquiry highlighted that over recent decades critical local government services have been put at risk due to unsustainable funding models imposed on NSW Councils, such as the economically damaging policy of rate capping and annual increase in the section 88 waste levy.