

1 July 2019

NSROC Councils warn emergency services levy could cut services

The eight Member Councils of the Northern Sydney Regional Organisation of Councils (NSROC), consisting of Hornsby, Hunter's Hill, Ku-ring-gai, Lane Cove, Mosman, North Sydney, Ryde and Willoughby, are collectively facing budget shortfalls from the unplanned and unexpectedly large emergency services levy, to fund the NSW Government's measures to provide better workers' compensation coverage for firefighters.

The changes begin on 1 July.

Cr Gail Giles-Gidney, the NSROC President (Mayor of Willoughby City Council) explains: "Councils received a bill with a letter from Revenue NSW in May 2019, saying that council contributions will rise by \$19 M in 2019/20. Of which, \$14 M is to support volunteer and career firefighters diagnosed with one of 12 work-related cancers. The letter also advised of further increases in the following year, but did not state the amount."

"Our member councils support the new workers' compensation coverage, but instead of identifying savings in the State Budget to fund for the better workers compensation coverage, the NSW Government had passed on the significant extra charges by increasing the emergency services levy to councils and communities".

"This means the unplanned shortfall in a council's budget could lead to the cutting or reducing of services, or not keeping up with infrastructure maintenance for our communities, which would be a perverse outcome of an otherwise, well-intentioned Government measure on better workers' compensation coverage for our firefighters".

"While the State Government is passing on increases of over 11% of the Budget required by NSW Emergency Services, we have to absorb this within our rate cap."

North Sydney Council's emergency service levy for 2019/20 is \$1,414,380 which is an 11.03% increase on the previous year.

Hornsby Shire Council is facing a levy increase of 22.9% - which means an extra \$529,000 needs to be found from existing council budget.

Estimated costs for Lane Cove Council are as much as \$759,000 in 2019/20 – a rise of more than 11.7%.

Ryde Council's net effect of the change to the levy impacts their budget by \$180,000 (from \$1.80M to \$1.98M) representing a 10% increase from the previous year.

When the Workers Compensation Amendment (Firefighters) Bill 2018 was passed in late November last year, the 128 councils in NSW had not been informed or consulted, the financial implications were not known until councils received invoices from Revenue NSW in May 2019.

NSROC President, Cr Giles-Gidney says, "NSW Government has been supportive of local government and we wish to build on that good relationship".

"If the NSW Government had consulted with us at the outset, there may have been a better way to manage this effectively."

"We call on NSW Government and Minister Hancock and her ministerial colleagues to hear the concerns of our local councils, cover the additional \$19 M for 2019/20 and work with us in co-designing the funding approach to find a fairer way so our communities won't have to suffer the adverse impacts."

Contact: Carrie Chan, Executive Director, NSROC
Ph (02) 9911 3660, 0401 640 823
Email CChan@lanecove.nsw.gov.au