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**ATTACHMENTS DISTRIBUTED UNDER SEPARATE COVER**

**CCL 24/05/2022 – SUPPLEMENTARY REPORT - PUBLIC EXHIBITION  
OF DRAFT DELIVERING NEWCASTLE 2040**

**Page 2     ITEM 49 Attachment A: Council Report - 26 April 2022**

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## CITY OF NEWCASTLE

Ordinary Council Meeting 26 April 2022

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**ITEM-36 CCL 26/04/22 - PUBLIC EXHIBITION OF DRAFT DELIVERING NEWCASTLE 2040**

**REPORT BY: STRATEGY AND ENGAGEMENT**  
**CONTACT: INTERIM DIRECTOR STRATEGY AND ENGAGEMENT /**  
**MANAGER COMMUNITY, STRATEGY AND INNOVATION**

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**PURPOSE**

To place the draft 2022-2023 Delivering Newcastle 2040, draft 2022-2023 Fees and Charges, and draft 2022-2023 Long Term Financial Plan on public exhibition for a period of 28 days.

**RECOMMENDATION**

That Council:

- 1 Resolves to publicly exhibit the draft 2022-2023 Delivering Newcastle 2040 as at **Attachment A**, draft 2022-2023 Fees and Charges as at **Attachment B** and draft 2022-2023 Long Term Financial Plan as at **Attachment C** for 28 days prior to the final consideration by Council.
- 2 Resolves to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a one-off Additional Special Variation (ASV) of 2.5% for the 2022-2023 financial year following concerns raised by the NSW Minister for Local Government, and for this to be a permanent increase retained within the rate base.
- 3 Notes that should the ASV be approved by IPART, the total rate increase for 2022-2023 will be 2.5%; consistent with the Long-Term Financial Plan.

**KEY ISSUES**

- 4 Section 404 of the Local Government Act 1993 (Act) requires City of Newcastle (CN) have an Operational Plan each financial year outlining the planned activities and services to be delivered. The Delivery Program and Operational Plan are combined into Delivering Newcastle 2040 (**Attachment A**).
- 5 Delivering Newcastle 2040 maintains a net operating surplus while renewing and maintaining assets in a sustainable range and utilising evidence-based decision-making to underpin its financial sustainability.
- 6 The Long-Term Financial Plan forecasts CN will meet 100% of the Office of Local Government's (OLG) financial performance measures including achieving annual operating surpluses across the 10 year time horizon.

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Income Statement	Current	Projection										
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Income from Continuing Operations</b>												
Rates and annual charges	198,945	208,307	212,890	217,786	223,230	228,365	233,617	238,991	244,965	250,599	256,363	
User charges and fees	94,322	102,132	112,337	118,519	122,424	126,468	130,647	134,963	139,422	144,028	148,786	
Interest and investment revenue	5,843	5,391	6,736	8,605	10,203	11,854	13,409	14,896	16,450	17,726	19,165	
Other revenues	11,432	10,356	10,597	10,995	11,265	11,524	11,789	12,060	12,337	12,621	12,912	
Grants and contributions provided for operating purposes	16,317	16,687	18,054	18,534	18,961	19,397	19,843	20,299	20,766	21,244	21,732	
Grants and contributions provided for capital purposes	13,745	33,762	34,504	35,298	36,110	36,941	37,790	38,659	39,548	40,458	41,388	
Other income	4,072	4,007	4,800	5,760	5,892	6,028	6,167	6,308	6,454	6,602	6,754	
<b>Total Income from Continuing Operations</b>	<b>344,676</b>	<b>380,642</b>	<b>399,918</b>	<b>415,497</b>	<b>428,085</b>	<b>440,577</b>	<b>453,262</b>	<b>466,176</b>	<b>479,942</b>	<b>493,278</b>	<b>507,100</b>	
<b>Expenses from Continuing Operations</b>												
Employee benefits and on-costs	117,162	125,271	129,037	132,970	136,934	140,810	144,322	147,921	151,610	155,392	159,267	
Borrowing costs	3,556	3,773	3,913	3,591	3,261	2,930	2,584	2,256	1,916	1,601	1,330	
Materials and services	102,646	104,359	107,927	112,819	114,001	120,840	123,283	127,480	128,984	131,953	134,990	
Depreciation and amortisation	58,428	63,407	67,454	69,313	71,206	73,293	74,668	76,261	78,350	80,062	82,201	
Other expenses	43,601	44,650	49,941	51,109	50,285	51,441	52,624	53,834	55,073	56,339	57,635	
Net losses from the disposal of assets	4,328	4,149	6,940	7,100	7,263	7,430	7,601	7,776	8,637	8,138	8,325	
<b>Total Expenses from Continuing Operations</b>	<b>329,721</b>	<b>345,609</b>	<b>365,212</b>	<b>376,902</b>	<b>382,950</b>	<b>396,744</b>	<b>405,082</b>	<b>415,528</b>	<b>424,570</b>	<b>433,485</b>	<b>443,748</b>	
Operating result from continuing operations	14,955	35,033	34,706	38,595	45,135	43,833	48,180	50,648	55,372	59,793	63,352	
Net operating result for the year before grants and contributions provided for capital purposes	1,210	1,271	202	3,297	9,025	6,892	10,390	11,989	15,824	19,335	21,964	

Table 1: 2023 to 2032 Long-Term Financial Plan

- 7 CN's financial position is forecast to return to an operating surplus in 2022-2023 after recent operating deficits caused by a \$40m reduction in income due to the COVID-19 pandemic. However, the pandemic continues to impact CN's revenue, including significantly lower returns on investments, and reduced Civic Theatre and City Hall income, and lower parking infringement notices due to reduced commuter activity in the city.
- 8 In addition to ongoing financial impacts caused by the pandemic, IPART determined the annual rate peg to be just 0.7% for 2022-2023 (with an additional 0.5% for CN relating to population increase). This rate peg is the lowest in two decades and compromises CN's ability to maintain service levels, noting CN's costs are affected by a Consumer Price Index growth rate of 3.5%. Further confirming the financial magnitude of IPART's decision, the Cordell Construction Cost Index shows that national construction costs increased by 7.3% in the 2021 calendar year. The Australian Bureau of Statistics estimates that fuel costs also increased by 7.1% over the same 12-month period.
- 9 CN's Long-Term Financial Plan had forecast an annual rate cap of 2.5% based on OLG advice. A 1.2% rate cap (without correction) would reduce CN's income by \$2.187m in 2022-2023 or \$15m over the next ten years which would necessitate a reduction in service levels.
- 10 Following concerns raised by the NSW Minister for Local Government to the Chair of IPART (**Attachment D**), Councils are able to apply to vary their rates income by greater than the 0.7% peg (up to a maximum rate cap of 2.5%). This Additional Special Variation (ASV) requires Council endorsement and would bring the total rate cap for 2022-2023 to 2.5% for residential and business properties.
- 11 The Minister for Local Government has secured a review of IPART's methodology for calculating the rate cap at 0.7%, which she has described as inadequate (**Attachment D**).

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- 12 CN's proposed average residential rates payable for 2022-2023 is \$1,651.10 (with a rate cap of 2.5%) or \$1,630.15 (with a rate cap of 1.2%), compared to \$1,610.75 in 2021-2022 (when the IPART approved rate cap was 2%).
- 13 Should IPART approve CN's application for a rate cap of 2.5% in 2022-2023, the average residential rate would increase by \$40.35 compared with a proposed increase of \$19.40 if the rate cap were only 1.2%, the difference equating to an additional forty cents per week or \$21.05 per annum.
- 14 In April 2022, the Local Government Grants Commission communicated a change in the allocation of the Financial Assistance Grants. There is no change to the grant in 2022-2023 however the proposed changes will reduce CN's share by 2% or 4% per year from 2023-2024 based on the option selected by the OLG. The impact of this reduction would be a loss of up to \$4m over the next ten years which would create further pressure on CN's finances.
- 15 Section 496 of the Local Government Act 1993 requires CN to make and levy an annual charge for the recovery of costs only for providing Domestic Waste Management Services (DWMS). In 2022-2023 CN is proposing to increase the charge to \$460 to reflect increases in costs associated with the collection and disposal of domestic waste for its red, green and yellow lid bins service.
- 16 It has been well documented in local media that the COVID-19 pandemic has seen a significant increase in the ratio of local household waste to commercial waste caused by people choosing to work from home rather than the office. More domestic waste going across the weighbridge increases the DWMS (calculated on a cost recovery basis) and means the overall charge will be approximately \$1 per week higher per household, with almost one quarter of this increase the result of the NSW Government's Section 88 Waste Levy. Despite the increase, CN will continue to charge the lowest DWMS of any Hunter council by at least 7%. The Section 88 Waste Levy raised by the NSW State Government contributes \$97.30 per domestic property to the DWMS.

### FINANCIAL IMPACT

- 17 The 2022-2023 budget has been developed in accordance with CN's Long-Term Financial Plan (LTFP) objective of delivering a net operating surplus whilst maintaining services for the community and a robust cash reserve.
- 18 The budgeted operating result provides a \$1.27m surplus, providing the financial capacity to maintain services and meet community commitments.
- 19 The 2022-2023 works program is a record \$132.6m (an 87% increase when compared with ten years ago). Key projects include the expansion of the Newcastle Art Gallery, the construction of an organic processing facility allowing the recycling of garden and food waste), the restoration of the Newcastle Ocean Baths, the remediation of CN's former rubbish tip at Sandgate used during the cleanup of the 1989 Newcastle earthquake and more than \$4m in new cycleways. A comprehensive list is included in the Newcastle 2040 Appendix.

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- 20 Independent modelling of the 2022-2023 works program forecasts it will generate up to 740 new local jobs in the Newcastle Local Government Area and increase total economic output by up to \$325m.
- 21 It is forecast that \$98.3m will be generated from CN's operations in 2022-2023 to fund community projects.

### COMMUNITY STRATEGIC PLAN ALIGNMENT

- 22 Delivering Newcastle 2040 delivers against the four themes in Newcastle 2040.
- 23 This report aligns to all priorities in Newcastle 2040.

### IMPLEMENTATION PLAN/IMPLICATIONS

- 24 Council is asked to adopt Delivering Newcastle 2040, Fees and Charges and the Long-Term Financial Plan by 30 June 2022 following public exhibition. The draft Delivering Newcastle 2040, draft Fees and Charges and Long-Term Financial Plan will be exhibited from 28 April to 26 May 2022.
- 25 Subject to Council endorsement, an application will be made to IPART for a one-off Additional Special Variation (ASV) of 2.5% for the 2022-2023 financial year.

### RISK ASSESSMENT AND MITIGATION

- 26 Delivering Newcastle 2040 is built on a number of assumptions, including some outside of CN's control, which may impact outcomes, including:
- i) Government grant funding (eg Federal Assistance Grant);
  - ii) Investment returns;
  - iii) External contributions (eg local infrastructure contributions);
  - iv) Government cost shifting;
  - v) Monetary and fiscal policy (eg interest rates, taxation);
  - vi) Legislative and policy changes (eg rate peg);
  - vii) Natural disasters (eg storms, pandemics).
- 27 Delivering Newcastle 2040 will be monitored against financial performance indicators with adjustments implemented via the quarterly budget review process. This may include adjustments to accommodate income variability as a result of ongoing COVID-19 disruption to business as usual activities, as well as any changes to the rate peg and the Federal Assistance Grant as documented earlier in this report.

### RELATED PREVIOUS DECISIONS

- 28 At the Ordinary Council Meeting on 25 January 2022, Council endorsed Newcastle 2040 for public exhibition.

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**CONSULTATION**

- 29 Consultation with the elected Council to inform development of the draft Delivering Newcastle 2040 included a workshop on 22 January 2022 and on 15 February 2022 to explore current and emerging opportunities and discussion regarding proposed initiatives.
- 30 A Councillor Workshop on the draft Delivering Newcastle 2040 was held on 12 April 2022.
- 31 Community feedback will be considered as part of the public exhibition process, which will be for a period of 28 days.

**BACKGROUND**

- 32 The Delivery Program is required to be prepared every four years following a local government general election. The Operational Plan is subsequently required to be reviewed annually and adopted by 30 June of the relevant year.
- 33 The Integrated Planning and Reporting guidelines for NSW Local Government released in September 2021 require the Long-Term Financial Plan to be publicly exhibited for at least 28 days and submissions received in that period must be considered before the final Long-Term Financial Plan is adopted by the council.

**OPTIONS****Option 1**

- 34 The recommendation as at Paragraph 1, 2 and 3. This is the recommended option.

**Option 2**

- 35 Council resolves to vary the recommendations in the adoption of the report. This is not the recommended option.

**REFERENCES****ATTACHMENTS**

- Item 36 Attachment A:** Draft 2022-2023 Delivering Newcastle 2040  
**Item 36 Attachment B:** Draft 2022-2023 Fees and Charges  
**Item 36 Attachment C:** Draft 2022-2023 Long Term Financial Plan  
**Item 36 Attachment D:** Portfolio Committee No. 7 - Planning and Environment (8 March 2022)

**Item 36 Attachments A-D distributed under separate cover**

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**CCL 26/04/2022 – PUBLIC EXHIBITION OF DRAFT DELIVERING  
NEWCASTLE 2040**

**ITEM-36**      **Attachment D:**      Portfolio Committee No.7 – Planning and  
Environment (8 March 2022)

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## CORRECTED

tracking still in place even though the greyhound is no longer captured by the greyhound racing regulation for tracking?

**Mrs WENDY TUCKERMAN:** Obviously I am happy for the CE to provide some information around the greyhound welfare issue and life tracking.

**ALLY DENCH:** There are tools available to continue to monitor retired greyhounds that are rehomed outside the industry. The Greyhound Welfare Integrity Commission has access to the Companion Animals Register, enabling them to include the details of retired greyhounds that are adopted outside the industry to enable the tracking of these animals for the whole of their lives.

**MELANIE HAWYES:** I would also note that some of these questions may be directed to Minister Anderson tomorrow in his portfolio.

**The Hon. MARK PEARSON:** Yes, I will be, but still the trigger here is when a greyhound is with a person who is not involved in the industry, that condition of knowing where the animal has gone. A person could actually go and have the greyhound put down or shoot it through the head, straight after that greyhound has been given to a person who is not in the industry. The protection that was in the regulation is no longer in place for that animal. That is what the question is about.

**Mrs WENDY TUCKERMAN:** I am happy to take that on notice, Mr Pearson.

**The Hon. MARK PEARSON:** That would be great if you could, please. Mr Shoebridge, you have the whole of the time now, unless I see a question coming.

**Mr DAVID SHOEBRIDGE:** I will be wary of an attack. Minister, do you think councils should have enough income to do the job they need to do to service ratepayers and protect their local area?

**Mrs WENDY TUCKERMAN:** Obviously the sustainability of councils is certainly in the forefront of my mind and I think it is extremely important that we have sustainable councils because they are the ones delivering to communities.

**Mr DAVID SHOEBRIDGE:** What do you say to councils who last year had a rate peg from IPART of 2 per cent and had to cope with 3.5 per cent inflation? What do you say to those councils? "Suck it up"?

**Mrs WENDY TUCKERMAN:** Absolutely not, Mr Shoebridge. I would never say that to councils. Obviously hearing that particular issue around the rate peg, I immediately had conversations with the chair of IPART in regards to how they determined that rate peg. My concerns were certainly relayed to her around the methodology used to determine the rate peg. As a result I have asked IPART to review that methodology.

**Mr DAVID SHOEBRIDGE:** Councils went backwards by tens and tens of millions of dollars last year. Do you accept that? With inflation at 3.5 per cent and a rate peg at 2 per cent they went back by 1.5 per cent last year.

**Mrs WENDY TUCKERMAN:** If you are saying that.

**Mr DAVID SHOEBRIDGE:** You are the Minister, so you tell me. Are those numbers right or wrong?

**Mrs WENDY TUCKERMAN:** I do not know because I do not have them in front of me. I am not sure exactly.

**Mr DAVID SHOEBRIDGE:** Does anybody know?

**Mrs WENDY TUCKERMAN:** Obviously different councils are—

**Mr DAVID SHOEBRIDGE:** Does anybody know? This is one of the most critical factors in Local Government. Does anybody know what IPART gave last year and what the inflation was?

**MELANIE HAWYES:** IPART provided a rate peg and the Minister was incredibly proactive in convening discussions with IPART and tasking—

**Mr DAVID SHOEBRIDGE:** No, we will come to that. I am asking if anybody knows what the IPART rate peg was for last year and what the inflation rate was for last year—a critical issue about financial sustainability and core-base data. We have the five most senior people in Local Government here and I am asking for the most basic facts.

**The Hon. TAYLOR MARTIN:** You are getting an answer and you are interrupting.

**MELANIE HAWYES:** I was in the middle of an answer.

**Mr DAVID SHOEBRIDGE:** Does anybody know those two figures?

## CORRECTED

**MICHAEL CASSEL:** Yes, Mr Shoebridge. You are right, inflation was higher than the rate peg.

**Mr DAVID SHOEBRIDGE:** By what?

**MICHAEL CASSEL:** The rate peg varied because some people got variations. But, based on your figures, 1.5 per cent.

**Mr DAVID SHOEBRIDGE:** The rate peg does not vary; the rate peg is set across and then councils can get special variations.

**MICHAEL CASSEL:** Yes, and some did, is my understanding.

**Mr DAVID SHOEBRIDGE:** Do you know how much councils went backwards collectively last financial year?

**MICHAEL CASSEL:** The collective number? No.

**Mr DAVID SHOEBRIDGE:** Can you take it on notice and provide to us what the gap was?

**MICHAEL CASSEL:** I can.

**Mr DAVID SHOEBRIDGE:** Minister, do you know what the situation is going forward for the next financial year? Do you know what inflation has been forecast by the Reserve Bank for next financial year?

**Mrs WENDY TUCKERMAN:** Mr Shoebridge, I understand what you are trying to achieve. Rest assured that—

**Mr DAVID SHOEBRIDGE:** Just an answer.

**Mrs WENDY TUCKERMAN:** —since coming into this position, I am fully aware of the concerns that councils have raised in regards to the income they receive. I am fully aware of the sustainability issues around local councils. I will be doing all I can to ensure that that is addressed. This is a part of the review that IPART is undertaking. I have not been in the job very long, and I certainly am aware of the issues raised by many councils over many years in regards to the rate peg. I totally understand their issues and concerns. My focus as Minister is to make sure that councils have every opportunity to be sustainable and that they can deliver services and infrastructure to their communities.

**Mr DAVID SHOEBRIDGE:** What is the predicted inflation for the next financial year? What is the Reserve Bank of Australia saying—

**The Hon. TAYLOR MARTIN:** This is not *The Price is Right*. It is 3¼ per cent. Move on.

**The Hon. MARK PEARSON:** If you wish to make a point of order, Mr Martin, do so.

**Mr DAVID SHOEBRIDGE:** —will be the inflation for the next financial year?

**Mrs WENDY TUCKERMAN:** I would have to take that on notice, Mr Shoebridge. I have got a lot of information in my head at the moment. Obviously, taking on the role and getting across every issue, I am doing my best. I will take that on notice.

**Mr DAVID SHOEBRIDGE:** Minister, I am assuming you went and spoke to IPART because you had, I am hoping, concerns about the financial sustainability of the sector?

**Mrs WENDY TUCKERMAN:** Yes, I just said that, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** I assume that, to have an intelligent conversation with IPART, you would have to know the gap between what the IPART rate peg is for the next financial year and what the expected inflation will be for next year. They are the basic fundamentals for that conversation with IPART, aren't they?

**Mrs WENDY TUCKERMAN:** Indeed.

**Mr DAVID SHOEBRIDGE:** So I am asking you what is the gap between the IPART rate peg and the inflation for next year, which you have agreed must have been the fundamentals of your discussion with IPART.

**Mrs WENDY TUCKERMAN:** The IPART rate peg varies between councils because, obviously, they—

**Mr DAVID SHOEBRIDGE:** No, it does not.

**Mrs WENDY TUCKERMAN:** Some councils have received population additions to the rate peg, so there is obviously a lot of variance in that.

## CORRECTED

**Mr DAVID SHOEBRIDGE:** Some councils get things in addition to the rate peg, but the rate peg itself is set across the State. There are variations sometimes for populations and variations sometimes for special applications that are made, but the rate peg that we start with is the same across the State. Do you know that, Minister? What is it for the next financial year?

**Mrs WENDY TUCKERMAN:** It is 0.7 per cent.

**Mr DAVID SHOEBRIDGE:** I am asking you now again, what is the anticipated inflation for next year?

**Mrs WENDY TUCKERMAN:** I do not have that number. I have just told you that I will take that on notice.

**Mr DAVID SHOEBRIDGE:** The Reserve Bank is predicting inflation in the December quarter at 3¼ per cent. The better part of 2 per cent—that is an over 2 per cent gap between the costs that councils will have to pay and the income they are going to get from rate increases. That is unacceptable, isn't it?

**Mrs WENDY TUCKERMAN:** That is a determinant by the IPART. They are obviously an independent body that determines the rate peg. My issue in regards to the review has determined that methodology is there to best support the councils going forward.

**Mr DAVID SHOEBRIDGE:** Minister, you getting a review of the methodology that may have an impact sometime in the middle of 2023 at best is not going to help councils survive the next 18 months, is it?

**Mrs WENDY TUCKERMAN:** It is a damn good start, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** It is not for the next 18 months. It has no impact at all on their finances for the next 18 months. It is not a damn good start at all, Minister. It does not help at all for the next 18 months.

**Mrs WENDY TUCKERMAN:** Obviously, as a government, we are there to support them in any way we can, and we have been supporting them financially.

**Mr DAVID SHOEBRIDGE:** Given how grossly unsustainable that rate peg is, the Government has the capacity, if it chooses, to put forward a legislative increase over and above what IPART delivered. Will you do that in order to stop local councils effectively going insolvent?

**Mrs WENDY TUCKERMAN:** As a part of that review, I have also had conversations with the chair as to what can be done in the here and now. I am waiting for her response in regards to that.

**ALLY DENCH:** If I could, Mr Shoebridge, answer that.

**Mr DAVID SHOEBRIDGE:** Yes, Ms Dench.

**ALLY DENCH:** We have had discussions with IPART. We have also sent out a circular to councils in regards to the here and now in regards to the 0.7 per cent. There is a provision in the guidelines to apply for a special variation. We are working with councils with some guidelines around applying for what they have budgeted for in relation to their long-term financial plans in this coming year to be able to apply for a special variation to match that. IPART is looking at extending their application process, and we are working together with IPART on how we can streamline that so councils can put in a special variation for the here and now this year.

**Mr DAVID SHOEBRIDGE:** Ms Dench, that cannot be the answer, to have the local government sector make 128 special variation applications, with the countless hours of staff time—

**ALLY DENCH:** We are working—

**Mr DAVID SHOEBRIDGE:** No, let me finish. The hundreds of thousands of dollars of resources that councils have to put into a discretionary special variation—that cannot be your answer, can it?

**ALLY DENCH:** We are working closely with IPART to make a streamlined application process for those councils that are in need of between that 0.7 per cent and what they were budgeting for. We are putting in place a streamlined process to assist councils. Guidelines have gone out and a circular has gone out to councils to assist them in that particular process.

**Mr DAVID SHOEBRIDGE:** I ask you to table the circular, if you could, and the guidelines. I know Ms Hawyes had something to add to this. Ms Hawyes, did you have something to add?

**MELANIE HAWYES:** No, the Minister has addressed it, which was a sense of immediately engaging with IPART about the long-term method, an amenity to review that and also opening the door for dialogue about something we can do in the here and now.

## CORRECTED

**Mr DAVID SHOEBRIDGE:** Minister, do you accept that an answer to what will be an inevitable financial crisis in the local government sector in the next financial year—do you accept that it is inadequate to suggest that 128 councils across the State each put in a special rate variation which is at the discretion of IPART? Do you accept that is inadequate?

**Mrs WENDY TUCKERMAN:** No, I do not. I think what IPART has put forward in regards to streamlining the application by councils is acceptable. There will be an opportunity for any consultation in regards to those issues. I am more than happy that the IPART has come to the table to address the concerns that I have raised.

**Mr DAVID SHOEBRIDGE:** What will you do when, inevitably, the Reserve Bank raises its inflation forecast in the next few weeks because of the price inflation impacts of both the war and floods? Will you just give a collective shrug and say that councils will just have to suck that up too?

**The Hon. TAYLOR MARTIN:** What a bizarre hypothetical.

**Mrs WENDY TUCKERMAN:** No. Obviously, as a government, we are supporting councils as much as we can.

**Mr DAVID SHOEBRIDGE:** So what will you do?

**Mrs WENDY TUCKERMAN:** Any financial assistance, whether it be in regards to infrastructure or whether it be in regards to maintenance—there are programs that we are able to assist councils to be able to make sure that they are trying to do what they can. We will continue to do that.

**Mr DAVID SHOEBRIDGE:** Minister, what will you do—you have not answered me—when, inevitably, the Reserve Bank lifts its inflation forecast because of the now extremely predictable price impacts of war and floods? What will you do to those councils that will be driven even further—

**Mrs WENDY TUCKERMAN:** That is the issue in regards to the current methodology that the IPART is using. It is inadequate. I have asked IPART to review that methodology.

**Mr DAVID SHOEBRIDGE:** That will not put a single cent in a single council until, at best, the middle of 2023. We are here in March 2022. Do you accept that is woefully inadequate?

**Mrs WENDY TUCKERMAN:** I understand what you are saying, Mr Shoebridge. I am doing everything in my power to assist councils to be able to be sustainable. This is the first step. Obviously, the issue with IPART addressing the here and now is the next step. I will continue to ensure that councils are supported going forward. Everything in my power, I will do.

**Mr DAVID SHOEBRIDGE:** I think Ms Dench had something to add.

**ALLY DENCH:** I was just going to say, Mr Shoebridge, that we are having productive discussions with IPART so we can make sure local councils have the resources they need to service their communities while ensuring that we minimise the burden placed on our State ratepayers.

**Mr DAVID SHOEBRIDGE:** Ms Dench, you cannot pretend that a chat with IPART is going to fix the fact that 128 councils across the State, after having had their real income slashed last year, are going to have it slashed again by about triple the impact next year. A chat with IPART has not fixed that, has it?

**ALLY DENCH:** It is not the case of a chat, Mr Shoebridge. We are working very closely with IPART to look at methodology. Going forward, we have a process in place for the here and now to try to support councils in that regard with a special variation. We are making that process as streamlined as possible, to enable councils to access the support that they need. We will continue to work—it is not just chats, Mr Shoebridge. We are definitely working with IPART to do as best as we can to ensure that councils are supported whilst ensuring we minimise the burden placed upon our State ratepayers.

**Mr DAVID SHOEBRIDGE:** Minister, would you be troubled that North Sydney Council spent heaven knows how much in ratepayers' funds, including briefing senior counsel Bret Walker, to unsuccessfully try to defeat a complaint in NCAT about the inappropriate release of personal information for a North Sydney councillor?

**Mrs WENDY TUCKERMAN:** Mr Shoebridge, as you are aware, as a Minister I do not have any control over what decisions councils make.

**Mr DAVID SHOEBRIDGE:** Do you think it is a reasonable expenditure of ratepayers' money to brief—

**Mrs WENDY TUCKERMAN:** I am not—