

Councils sitting on a fortune \$1.2bn hidden away

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GREEDY councils are starving Sydney's poorest suburbs of vital resources, with new figures showing local governments are sitting on a \$1.2 billion jackpot.

While local government bigwigs claimed this week some councils were at "financial breaking point" — *The Daily Telegraph* can now reveal NSW councils have millions of dollars in local levies lying idle.

Residents in some of the state's most run-down communities live with dilapidated facilities while councils earn interest on levies that are supposed to be used for infrastructure.

Liverpool tops the list of greedy councils, with official Treasury figures revealing it has salted away \$68.4 million in developer levies.

Blacktown Council has a \$61.1 million war chest, Sutherland is sitting on \$50.5 million and Baulkham Hills has \$29.3 million. Eleven councils had between \$20 million and \$40 million and 17 other councils had between \$10 million and \$20 million.

Locals living in the city's most affluent areas get to enjoy their funds; Woollahra in the Eastern Suburbs has a little over \$4 million, Waverley just \$1.9 million while Mosman and Hunters Hill in the north have only \$1 million in unspent funds.

The levies — officially termed section 94 funds — are at the centre of a tug-of-war between councils and the State Government.

Premier Morris Iemma announced last year he was reducing the amount of money developers were required to pay to councils.

Treasurer Michael Costa — angry at the large amounts of money lying idle — wants developer funds reduced and control of the remaining money handed to the Government.

Rebellious councils are crying poor, claiming communities will be ruined without the levies.

At a crisis meeting this week, 85 mayors resolved to refuse to hand back their developer monies.

"The cuts will greatly reduce councils' capacity to provide crucial social infrastructure, in an environment where many are already at financial breaking point," NSW Shires Association president Bruce Miller said.

Urban Taskforce chief executive Aaron Gadiel yesterday attacked councils for holding on to money meant for the community.

"These local council levies have been skyrocketing every year. A home buyer could face an extra \$47,000 for their own home just to cover local council levies," he said.

"Councils are making millions from interest payments on a hoard of unspent developer contributions."