



# THE COUNTRY MAYORS ASSOCIATION OF NSW INC

*"What we want is nothing more than equity"*

## **MEDIA RELEASE**

4 April 2025

### **Country Mayors Call Out Failure to Address Funding Shortfalls**

Mayor Rick Firman OAM, Chairman of the NSW Country Mayors Association (CMA) has bemoaned the major parties' lack of commitment to Local Government and their failure to address funding shortfalls that were clearly identified in the Interim Report into Local Government Sustainability.

"Despite on-going calls from all Local Government peak bodies and from individual councils for the annual Commonwealth Financial Assistance Grants to increase 1% of taxation revenue, not a single party has addressed the issue" Mayor Firman said. "Do they think that if they ignore us, we will just go away? Not likely!"

The Local Government sector has identified falling revenue as the major contributing factor to the financial sustainability challenges that many councils in NSW currently face. Mayor Firman said, "declining Commonwealth contributions, coupled with rate pegging in NSW and increasing operating costs are making it extremely difficult for councils and particularly country councils to continue to deliver services and infrastructure at the levels their communities need and deserve."

"Local Government expects that the unique role that councils perform in delivering on-ground services to the people living in every corner of Australia will be recognised and funded appropriately by the Commonwealth. The Federal Election provides a platform for all parties and the Independents to make that commitment." Mayor Firman said.

Country-based councils across NSW face unique cost pressures with many Local Government Areas the size of small European countries. Councils are required to deliver public services like administration, recreational facilities, pools, libraries and waste facilities in multiple locations in order to ensure equity of access, which increases the cost of council operations.

"The Interim Report identified that Local Government is being increasingly relied upon to deliver services and infrastructure which were traditionally under the purview of the Commonwealth, state and territory governments, and yet Commonwealth grants have decreased not increased" Mayor Firman said. "We believe it is completely unacceptable that we should wear the responsibility without adequate funding."

In addition, CMA research has shown that apportioning the Grants based on population does not see funds go to where they are most needed. In smaller country councils in NSW the Grant can constitute over 70 percent of revenue, while income from rates and Council fees is essentially stagnant and prospects for growing these income sources is extremely limited.



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Deputy Chair Mayor Russell Fitzpatrick stated that the report from the Auditor-General of 31<sup>st</sup> March confirms that

- 16 Councils have insufficient cash to meet three months of expenses
- 40% of Councils did not meet operating performance benchmarks
- 35 Councils met none or just one of the three key financial sustainability benchmarks
- Revenue growth lags expenditure growth after adjusting for inflation resulting in negative growth.

"We all know that Australia is a big country, there is no getting away from the fact that local councils take on the lion's share of the responsibility for delivering services and infrastructure into our rural, regional and remote communities. It is about time that this was recognised with appropriate levels of Commonwealth funding" Mayor Firman said.

Prior to the announcement of the election, the CMA had written to the Prime Minister, Hon Anthony Albanese, Leader of the Opposition, Hon Peter Dutton MP and to the Leader of the National Party, the Hon David Littleproud MP requesting meetings to discuss the issue.

It is incredibly disappointing that we have not had a single written response to our correspondence about this critical issue. "A recent Zoom meeting with Shadow Minister Darren Chester did not provide any indication that the Coalition was prepared to provide any leadership on the issue. While the CMA appreciated the time the Shadow Minister took to meet with us, we seem to be on very different wavelengths" Mayor Firman said.

Local Government is constantly expected to step in to fill the service and infrastructure gaps left by the Commonwealth and yet they seem to be ignoring the very real financial constraints that most councils are working under," Mayor Firman said. "Enough is enough! Something has to give, the status quo simply cannot continue."

**For further information, contact:** CMA Chairman - Mayor Rick Firman OAM: 0429 204 060