



# THE COUNTRY MAYORS ASSOCIATION OF NSW INC

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

## ***MEDIA RELEASE***

10 February, 2025

### **COUNTRY MAYORS SEEK RESTORATION OF COMMONWEALTH FUNDING**

Chairman of the NSW Country Mayors Association (CMA) Mayor Rick Firman OAM has called for the Australian Government and Opposition to commit to the restoration of Commonwealth funding for Local Government.

"Federal Governments of all persuasions have slowly but surely eroded the funding that is provided to Local Government. It is alarming that the annual Financial Assistance Grants (FAGs) provided to Local Government by the Federal Government have decreased from 1% of Commonwealth taxation revenue in 1996 to just 0.5% today."

Mayor Firman raised concerns that this falling revenue was a major contributing factor to the financial sustainability challenges that many Councils in rural and regional NSW currently face. "Declining Commonwealth contributions, coupled with rate pegging in NSW and increasing operating costs are making it very difficult for Councils, and particularly country Councils, to continue to deliver services and infrastructure at the levels our communities need he said"

CMA Deputy Chairman Mayor Russell Fitzpatrick said insufficient funding from the Australian Government hits country communities in the hip pocket. "The inadequate FAGs situation creates large rate rises across rural and regional NSW Local Government Areas during a cost-of-living crisis, as Councils struggle to remain financially sustainable. While country Councils know their communities are doing it tough, their operating costs have also risen much faster than their revenue over consecutive years. Special Rate Variations harm the relationship we have with our ratepayers but they have become a necessity in NSW," he said. "Grants are over 70 per cent of the revenue of some rural NSW Councils. Their rate base is stagnant. So, even rate hikes cannot help them much."

The CMA has written to the Prime Minister, The Hon Anthony Albanese, and both the Leader of the Opposition, Hon Peter Dutton MP and to the Leader of the National Party, the Hon David Littleproud MP requesting one on one meetings to discuss the issue. The Leaders have also been invited to address the 28 March meeting of CMA, which has a theme of Financial sustainability.

Country-based Councils in NSW face unique cost pressures, with many Local Government Areas being the size of small European countries and being responsible for close to 1,500kms of roads. Mayor Firman explained that 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.

"In many of our 87 Member Council LGAs there is little or no public transport; therefore it is almost impossible to consolidate service delivery in centralised locations to cut costs. Our Board and our Members are committed to



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ensuring that those who choose to live and work in country NSW have the services and infrastructure available that validates that choice. It's all about equity," Mayor Firman said.

"We are asking that the Commonwealth and Opposition to please - step up to the plate, to support our Members in providing the services and infrastructure that our communities need and deserve. A commitment to return FAGs funding to 1996 levels would substantially improve financial sustainability not just for NSW councils but for Local Government across Australia," concluded Mayor Firman.

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

**Caption:** CMA Deputy Chairman and Bega Valley Shire Mayor Cr. Russell Fitzpatrick with CMA Chairman and Temora Shire Mayor Cr. Rick Firman OAM.