

Media Release

Country Mayors Association Inc of NEW SOUTH WALES



Chairperson: Cr Jamie Chaffey
Gunnedah Shire Council, PO Box 63, Gunnedah NSW 2380
ABN: 80 183 655 793
Contact: (02) 6740 2100
Email: jamiechaffey@infogunnedah.com.au

1 May 2023

LOCAL GOVERNMENT MARCHED TO THE WALL

NSW Fire and Rescue, Rural Fire Services and State Emergency Services provide critical volunteer services to communities throughout Regional NSW, at times our lives depend on their service. The recent decision by the new NSW Government will make it much harder, and in some Regional, Rural and Remote local government areas impossible for Councils to provide essential services in the communities these volunteers call home.

The change of government has brought about a new attitude in supporting Local Government, the incoming Minns government, now have the keys to treasury and have chosen to enforce one of the highest financial burdens on Local Government ever seen. More than \$77 million dollars will be this year's increase to the State emergency services levy. This increase comes as Councils across the State are locking in their financial budgets for the coming year and forecasting the next ten years financial position.

Mayor of Kyogle Shire Council, Kylie Thomas said 'since 2019 the emergency services levy (ESL) for Kyogle have increased from \$287,000 to an estimated \$485,000, this is a cumulative increase of 68% over the last 5 years. This Emergency Services contribution total's 6% of our total permissible income for 23/24, therefore it will use up 1/3 of our 4.1% rate peg, which we only just acquired an increase on.

Even though we greatly value the NSW government services of SES, RFS and Fire and Rescue the way this contribution is tied up in our revenue is impacting how we budget our services moving forward. The Government needs to review how this is set up and put it outside of permissible rate income and also continue to subsidize the increases of the Emergency Services delivery", Mayor Thomas said.

Chairman of CMA Jamie Chaffey said "During the recent State election campaign, Country Mayors Association (CMA) submitted a policy platform calling on all political parties to commit to policy reform that will see the ESL being removed from local government and funded by other means, like a property tax. CMA was unsuccessful in our attempts to gain support for the change and this recent announcement clarifies why.

The shifting of financial responsibilities from State to Local Government without commensurate compensation, cost-shifting, is nothing new. Local government is now also being forced to show the assets of local Rural Fire Services on our books, although they are technically owned by the State government, so the depreciation becomes the responsibility of local government and is therefore further reducing the funds available to provide essential community services”, Chairman Chaffey said.

Lachlan Shire Council Mayor Cr John Medcalf OAM said, “The increase in the Emergency Service Levy (ESL) contribution will have a real impact on Council’s 2023/2024 financial year budget. We have struggled with the COVID pandemic, recent flooding and rising operational costs, and it now appears that we will be hit with a massive increase.

In our Shire alone the emergency services levy has increased from \$353,979 in 2019 to \$625,351 in 2024, an increase of 77%. This is just not sustainable for rural councils. Any decision to cease the ESL subsidy will result in Council’s 2024 financial year budget being worse off by \$186,800. Mayor Medcalf said”

Many sleepless nights are ahead for Mayors, Councilors, General Managers and those responsible for making financial recommendations to Councils as our industry is forced to choose from limited options like; provide a lower standard of services to our communities, go cap in hand and request a significant special rate variation from IPART, sell off assets or head to the wall and become insolvent.

“The CMA stands firm in our pursuit of equity of service provision for the residents of our communities. We stand united with our members to advocate for residents who choose to call country NSW home. We will continue to work with both State and Commonwealth governments to achieve the best quality of life and provision of services for our residents, and we look forward to a prosperous future, Chairman Chaffey said.”

For further information, contact

Chairman CMA - Cr Jamie Chaffey on 0467 402 412
Mayor Lachlan Shire Council - Cr John Medcalf on 0429 937 248
Mayor Kyogle Shire Council - Cr Kylie Thomas on 0428 919 496