



2023

State Budget Priorities



“What we want is nothing more than equity”

Introduction

Brief History of Organisation

NSW Country Mayors Association (CMA) is an incorporated body with a rich history of standing up for the needs of all residents that choose to live, work, and play within a rural local government area covered by our membership. CMA was established prior to 1980 with a handful of members, and has proudly grown to 84 member councils and two associate members. CMA now represents more than three million residents in NSW.

Our mission is to further the interests of rural and regional councils by advocating and lobbying on relevant State and National issues by working with State and Federal governments and other appropriate organisations to further the interests of our members, as well as to act as an information-sharing forum. People should have the same rights and opportunities, regardless of where they live within the State.

2023 has been a challenging year for local government in NSW and our members have experienced extreme financial pressure. Compounding factors include: Rate-pegging determination by Ipart; inflation reaching 7%; an increase in operating expenses; delivery of infrastructure and maintenance projects blowouts; energy price increases; shortage of skilled staff; and the list goes on.

This State Budget priority aligns with the CMA State Election priority document that was resolved by consensus on 18 November 2022 and informed by our annual membership survey of highest priorities.

Acknowledgement to Country

We acknowledge the Traditional Custodians of the land and waters, and we show our respect for Elders past, present and emerging.

We are committed to providing communities in which Aboriginal people are included socially, culturally and economically.





Financial Sustainability

Country Mayors Association strongly request that the existing extremely popular grant programs that are delivering real benefits for CMA communities, such as Stronger Country Communities, Resources for Regions, Fixing Local Roads and Bridges, Safe and Secure Water and Connecting Country Communities programs continue to be funded for the next four-year term with an annual increase of at least the rate of inflation.

Ask - The government provide new funding options to support regional and rural communities where small numbers of water connections do not generate sufficient revenue to meet the operational cost of providing the service, even with comparatively high water charges. The support should be sufficient to meet the capital cost of future infrastructure upgrades or improvements.

Commentary – CMA member councils have significant financial pressure that inhibits the implementation of infrastructure enabling potential growth, should such financial support be committed by the State Government. It is anticipated our member councils will see significant growth in population and realisation of opportunities.

Ask - That the NSW Government commits to funding the “Connecting Country Communities” Mobile Black Spot Program and the “Regional Digital Connectivity Program” at current annual funding levels plus inflation rate until 2027.

Commentary - This major infrastructure investment will help regional, rural and remote residents and businesses stay connected. In particular, the rollout will improve mobile coverage along major transport routes, in small communities and across locations prone to natural disasters. It will make country NSW an even better place to live and do business.

As part of the Federal 2022–23 Budget, the Commonwealth committed \$300 million to boost multi-carrier mobile coverage on regional roads, and improve mobile coverage in under-served remote communities. This commitment forms a key part of the Government's Better Connectivity Plan for Regional and Rural Australia and CMA is seeking a long-term commitment from the NSW Government to boost the funding available to our member councils.

Ask - The NSW Government increase spending on the NSW police force to increase front-line proactive policing numbers and policing intervention programs in regional, rural and remote LGAs most in need according to the BOCSAR data.

Commentary - According to the 2021 NSW Police Annual Report, NSW had the highest ratio of residents to police officers at 1:466 when compared to Queensland, Victoria and South Australia. Queensland was the next highest at 1:332, followed by

Victoria at 1:303 and South Australia at 1:293. NSW also had the lowest spend per resident at \$511, Queensland at \$512, South Australia at \$564 and Victoria at \$622.

Ask - Commitment to increase disaster recovery funding to councils for the task of assessment, clean-up and building back more resilient infrastructure and services following natural disaster events, and to reduce assessment timeline for the category of natural disasters to stop financial uncertainty impeding recovery.

Commentary - Responding to natural disasters, including the provision of relief and recovery assistance to disaster-affected communities, is primarily the responsibility of state and territory governments. However, in recognition of the significant cost of natural disasters, the Australian Government established the Natural Disaster Relief and Recovery Arrangements (NDRRA) to alleviate the financial burden on the states and to facilitate the early provision of assistance to disaster-affected communities.

Through the NDRRA, the Australian Government provides financial assistance directly to the states to assist them with costs associated with certain disaster relief and recovery assistance measures. The NDRRA makes provisions for state governments to activate relief and recovery assistance immediately following a disaster without seeking approval from the Australian Government.

Under these arrangements, the state or territory government determines which areas receive NDRRA assistance and what assistance is available to individuals and communities, making available whatever assistance is deemed necessary regardless of whether it is eligible for cost sharing under the NDRRA. This recognises that states are best placed to identify the type and level of assistance to make available following a disaster, in accordance with their responsibility for disaster management.

The current process of declaring a natural disaster in NSW relies on federal approval of the category (A,B,C or D) and this process can take months before approval is granted, delaying the delivery of works.

Ask - NSW Government take responsibility for the management and ownership of member councils State Emergency Services buildings, including the depreciation responsibilities.

Commentary - CMA member councils are carrying a huge financial burden with the provision of buildings and the responsibility of depreciation on an annual basis for our amazing volunteers who serve as SES members.

CMA recognise that our communities depend on the services provided by our SES teams to keep us safe during extreme conditions and our member council stand united in full support. However, in many cases, the facilities our volunteers are utilising are inadequate or in need of a major refurbishment. The ongoing costs of these works simply can not be met by our members.

Ask - Increase the funding available to councils through the “Floodplain Management Grant Program” to remove the financial burden from local government when flood mitigation studies are conducted.

Commentary - The NSW Floodplain Management Program provides financial support to local councils and eligible public land managers to help them manage flood risk in their communities. The program supports the implementation of the NSW Government’s Flood Prone Land Policy.

Ask - NSW Government establish a funding program that will lead to an increase in the installation of flood gauges and automated warning systems.

Commentary - Across our member councils, the current amount and condition of flood gauges is unacceptable and swift action is required. Members have raised concerns for the safety of those road users travelling through the network of local and regional roads during flooding events.

Ask – NSW Government Commit to policy reform that will see the Emergency Services Levy (ESL) being removed from local government and funded by other means, and that the Rural Fires Act is amended to remove the provision of Section 119 that fire-fighting assets are vested in council, and any other section which might indicate same.

NSW local government bodies LGNSW and NSW Country Mayors Association have been calling for a reversal of the decision that places a huge financial burden on our members and puts a cloud over the long-term viability of some member councils.

Ask - NSW Government provide adequate funding to allow member councils to implement any and all relevant recommendations from the recent “2022 NSW Flood Enquiry” and that the NSW Flood Inquiry Report recommendations by Mick Fuller and Mary O’Kane be implemented fully and with speed.

Commentary - In March 2022, the NSW Flood Inquiry was commissioned to examine and report on the causes of, planning and preparedness for, response to and recovery from the 2022 catastrophic flood events.

The inquiry made 28 recommendations for change. The recommendations are intended to provide practical, proactive and sustained mechanisms to ensure readiness for and resilience to flood (and by extension, other disasters). These mechanisms include enabling governance structures, administrative tools, new or enhanced systems, and better technology and processes to improve the ways in which decision-makers at all levels – state and local government, community and within families and households – plan and prepare for, respond to and recover from flood.



Housing

Ask - Establishment of a funding program that will support member councils to increase the housing stock available and improve own source revenue. The “Building Country Homes Program” will be a four-year commitment that will deliver \$100 million each year. The program design will allow applications from regional, rural and remote councils only, and should require equal contributions. The purpose of the fund is to encourage the establishment of new residential estates or increase homes (including refurbishing properties from sale of land for overdue rates) in existing estates. Once the homes are sold, both State and local governments must share the proceeds equally.

Commentary - The establishment of the suggested program will assist in closing the gap between the housing that is available and the housing required in country communities. Extra housing will also assist with the under-population concerns in the majority of member council communities and reduce the job vacancy rates. This approach is consistent with priority area 5.1.1, 5.1.2 & 5.1.3 of the NSW Housing Strategy 2041.

Ask - That an adequately funded and suitably qualified taskforce within the Department of Planning and Environment (DPIE) – Housing and Property is created to identify suitable land in Regional, Rural and Remote LGAs to escalate the creation of affordable housing in member councils.

Commentary - NSW Housing Strategy 2041- Priority Area 3 is maximising the impact of NSW Government-owned land, investment or assets and government-led development projects or funding to achieve the housing vision. Priority 3.1.1 states the NSW Government should support the ongoing growth of the affordable housing industry through new supply development partnerships that attract low-cost finance, and a new policy to enable affordable housing provider-led redevelopment of Land and Housing Corporation-owned land through long-term leases.

Ask - Establishment of a fund to provide interest-free loans to enable critical head work infrastructure (sewer, water, storm water, communications and power) to be available to developers in identified regional, rural and remote council areas with critical affordable housing shortages.

Commentary - The housing system is complex, and although the NSW Government can have a significant impact through investment, policy, legislation and regulation, it cannot achieve the Housing 2041 vision alone. Collaboration is at the centre of the strategy and will be key to its successful delivery over the next 20 years. This includes collaboration with local government, community housing providers, the development industry, the finance industry and other private sector partners.

Ask - The Department of Planning and Environment ensures that regional housing initiatives that bring forward new housing opportunities be prioritised for Renewable Energy Zones (REZ) and Special Activation Precinct areas. The Department of Planning and Environment should require all State Significant Development proposals within the Renewable Energy Zones to supply appropriate housing for construction workers unless they have demonstrated adequately that there is sufficient housing supply in the local area, and that such assessment be required to consider the cumulative impact on housing demand of concurrent projects.

Commentary - The imposition of a Renewable Energy Zone on a local government area will have a significant impact, both positive and negative. To date, LGAs have not been sufficiently engaged or consulted by state government bodies (Energy Corporation / Department of Planning) or the renewable energy proponents, yet are the ones who will bear the social and financial burden.

At one end of the spectrum, the nature of how renewables projects come into being sets the scene for social friction in a community. This is initially between host landholders and near neighbours who discover they have been kept in the dark about developments which will fundamentally change their amenity and possibly their livelihood. The social friction will then radiate outwards to the town centres during construction phase as a tight accommodation market is placed under increased stress and the availability of skilled labour is soaked up. The infrastructure of the LGAs hosting the REZ will be placed under considerable strain.

What makes a REZ unique is the cumulative impacts of multiple renewables projects coming into being within a defined area. The old rules and ways of doing business are not appropriate for a REZ and it is the responsibility of the LGAs to determine how a REZ is created for the benefit of all in their communities.

Ask - That the NSW Government relax rules under biodiversity legislation for councils trying to develop on green field residential land.

Commentary - NSW Housing Strategy - Action Plan 2021-22-022 - 5.1.3 states: Support councils to explore potential use of under-utilised operational land for the purposes of housing where this is deemed appropriate by local communities. Relevant guidance will be provided by NSW Government. Without relaxing the biodiversity rules, the costs will significantly inhibit the development of this land.





Labour Shortage

Ask - The NSW Skills Board oversee the Department of Skills and Training review of the “Smart and Skilled program” to address the inadequate access to apprenticeship and pre-apprenticeship courses in member councils.

Commentary - CMA member councils are experiencing critical skills shortages among many sectors of their communities. Qualified positions in trade are over-represented and the availability to undertake these courses in country communities is extremely low. The requested review must seek out key information to test if equity of service provision through RTOs and the NSW TAFE system is available.

Key information required;

- Availability of apprenticeships courses by LGA
- Course completion rates by LGA
- Courses available that are listed by Infrastructure Australia on their Infrastructure Priority List (IPSL) and the frequency of the course offering
- Time of enquiry to enrolment in five categories - Rural, Regional, Remote, Outer Metro.

Our members are looking for transparency that is not currently available in TAFE NSW annual reports. It is anticipated this data will prove change is needed to provide equity of service provision.

Ask - A commitment to funding a “Building Country Trades Program” to be delivered throughout member councils’ TAFE facilities or RTOs.

Commentary - NSW TAFE is a legitimate tertiary education resource that must be funded and resourced to allow the provision of adequate training to meet the needs of country areas and the tertiary specific courses for those communities without universities. The program guidelines for this new program must ensure local industry input into the apprenticeship courses that will be available to ensure maximum participation. Council and Chamber of Commerce and Industry or other identified business representative bodies should be invited to participate.

Ask - NSW Government agencies commit to funding the training placements to meet 100% of future workforce needs.

Commentary - During a Rural Skills Forum run by CMA in August 2022, member councils expressed disappointment in the number of trained staff that are being poached for State Government positions and therefore adding to the skills shortage in member councils. One of the items on the list of suggestions to see positive change from the forum was to encourage the State Government to train their own trainees and apprentices rather than seeking staff from local government and the private sector.



Transport & Roads

Ask - Commit to funding the “Fixing Local Roads Program” from 2023 through to 2027 at the same value plus inflation rate. It is also desirable that this program change to a non-contestable funding stream to allow member councils to plan for future works with certainty.

Commentary - The \$500 million Fixing Local Roads Program has provided a major funding boost to member councils to carry out vital maintenance and repairs on local roads since 2019. Round four opened in September this year.

Ask - The establishment of a \$250 million funding program for Regional, Rural and Remote councils that will allow for recurring failure points in local and regional road networks to be removed – a “Fixing Country Pinch Points Program”. It is also desirable that this program be established as a non-contestable funding stream to allow member councils to plan for future works with certainty.

Commentary - During the past 12 months, 126 out of NSW’s 128 councils have had a natural disaster declaration. The local and regional road networks throughout rural NSW have seen significant damage. Many of these roads have seen extended closure timelines due to isolated locations being affected, such as causeways, creeks, low-lying areas, drains etc. Such a program would enable a targeted approach for swift action.

Ask - The establishment of a “Country Roads Restoration Program”. This new state program should mirror the Commonwealth Government’s Roads to Recovery Program.

Commentary - The Commonwealth “Country Roads Restoration Program” supports the construction and maintenance of the nation’s local road infrastructure assets, which facilitates greater accessibility and improves safety, economic and social outcomes for country Australians. The program provides funding to all local governments and to state and territory governments in unincorporated areas. Flexibility is built into the program, with funding recipients responsible for choosing road projects on which to spend their Roads to Recovery funding, based on their local priorities.

Ask - Acceleration of the Regional Road Reclassification and Transfer Program (15,000km Take Back Program).

Commentary - In February 2019, the NSW Government announced the initiation of a Road Classification Review to ensure the road classification framework was still fit for purpose and that roads across NSW were appropriately classified.

Future Transport 2056 identifies the NSW Road Classification Review (Classification Review) as a key initiative to make adjustments to the classification policy

framework and update the road network to align with the “Hub and Spoke” Transport Network Model and the “Movement and Place” Framework.

Also in February 2019, the NSW Government announced up to 15,000 kilometres of council-owned roads would be returned to state management as part of a broader package of support for local councils to better manage and maintain the rural road network.

Combining the transfer of regional roads with the Classification Review will ensure equity and transparency in all changes and support the development of an integrated road transport network.

An Independent Panel, chaired by Ms Wendy Machin, has been established to make recommendations for consideration by the NSW Government.

The Minister for Regional Transport and Roads has stated the program that was committed during the 2019 election campaign was now scheduled to take up to eight years to deliver.

Ask - Increase regional road funding allocation to the Block, Repair and Supplementary grant programs to member councils by 30%.

Commentary - The current funding allocations are not adequate to maintain the existing network at the Austroads standard for the traffic volumes these roads carry.

Ask - Encouraging greater use of rail for the transporting of grain and thereby reducing the amount of trucks on shire roads with resulting financial, environmental and road safety benefits.

Commentary - The impact on the local road network is exacerbated by the trend towards trialling heavy vehicles to improve the efficiency of road transport as has occurred under the Grain Harvest Scheme. Engineering estimates indicate that a truck carrying an additional 0.5 tonnes does 1.6 times more damage to the road, and a truck carrying an additional 2.13 tonnes is 8.4 times more damaging to the road network.

Ask - Shifting more freight from road to rail improves safety for other users of the road network including school buses and local residents going about their daily activities.

Commentary - The Riverina and South West Slopes and Plains Containerised Cargo Demand Assessment (June 2014) prepared by PWC for Transport for NSW noted that transport by rail has a lower probability of accidents. For each net tonne kilometre travelled, rail is a third less likely to cause either an injury or fatality. This results in savings in relation to health and vehicle repair costs.

Ask - The benefits of moving grain by rail as opposed to road transport are consistent with the findings of the Independent Pricing and Regulatory Tribunal (IPART) in its review of access pricing on the NSW grain line network (April 2012) which noted that:

Commentary - *“After considering stakeholder submissions and sensitivity testing of assumptions in our supply chain cost model, we confirm our draft finding that rail has a substantial cost advantage over road for transporting grain to port on each of the grain line routes at current access prices.”*

Ask - Increased use of rail aligns with the State’s strategic plans as follows:

Commentary - NSW Freight and Ports Plan 2018-2023

Objective 3 – Capacity

“Make capacity-boosting investments in the rail freight network by improving the capacity of east-west movements through targeted improvements to the NSW rail network and supporting the Inland Rail Project.”

NSW Transport Long Term Masterplan

The proposal is consistent with the 20 Year Vision outlined in the NSW Transport Long Term Master Plan

Section 6 – Providing Essential Access for Regional NSW

- *Make our regional roads safer*
- *Move regional freight more efficiently.*

Section 7 – Supporting Efficient and Productive Freight

- *Implement rail freight infrastructure enhancements to increase the share of freight carried on the rail network, with new investment in rail pinch points, measures to improve rail competitiveness and the development of a metropolitan intermodal terminal network.*
- *Develop rail freight capacity projects.*

Ask – The Highway Corridor strategies are reviewed, prioritised, funded and constructed.

Commentary – There are 10 strategic projects in the road network and corridor-planning program which were created a number of years ago. The recent floods have highlighted the vulnerability of our key corridors and our networks. Some of these projects such as the Newell Highway Corridor Strategy have not been revised and updated since 2015.





Health

Ask - NSW Regional Health Minister or equivalent commits to a review of the local health districts, including operational performance and boundaries and contractual arrangements of private service providers.

Commentary - CMA held a Rural Health Forum in May 2022, during which many member councils called for a review of the local health districts and their performance.

Ask - That the NSW Government increases the incentives to rural generalists (doctors) to encourage greater numbers providing essential services to our member councils' residents.

Commentary - Country NSW is experiencing critical doctor shortages of all skill sets. Many country hospitals are unable to attract locums to provide care during weekends and holidays and this is adding pressure to facilities in larger regional cities. Increasing the incentive may overcome this critical shortage. Of the 26 councils that contributed to the 2020 Upper House Inquiry, the majority of the submissions reflected the Housing and Accommodation that councils provide to retain medical professionals. This reflects the cost shifting to local government to provide this service in rural and regional councils.

Ask - That NSW Health commits to training and employing sufficient nurse practitioners to ensure every hospital and medical service in Regional, Rural and Remote NSW can provide timely service to residents

Commentary - Country NSW is experiencing critical doctor shortages of all skill sets. Training and/or upskilling local experienced registered nursing staff to become nurse practitioners will help ease the pressure on those doctors serving in country communities.

Ask - NSW State Government recognises that local government in rural and regional NSW has a significant role to play in the provision of aged care, and works with local government to advocate to the Federal Government for appropriate levels of staffing, regulation and legislation to assist councils in the provision of aged care in their community.

Commentary - Provision of aged care in Rural NSW has become an essential service provided by council. There are now 10 councils providing aged care services ranging from in-home care service to full care facilities, including palliative care. This makes local government an important and integral part of aged care services in rural and regional areas. There is a strong community expectation that our senior citizens are able to be cared for in their communities, however the financial implications mean that private providers of aged care see little value in

establishing services in rural NSW and requires local government to take the lead by providing the much-in-demand services needed by their communities.

The complex regulatory environment surrounding aged care facilities and a lack of suitably qualified aged care staff continues to make it increasingly difficult for councils to provide aged care services. If this service fails, aged residents in need of care will be forced into an already overcrowded state health system, and be required to move from their localities and families when full-time care is needed. The recently-announced 15% salary increase to aged care workers related to those on Federal Awards, and does not apply to the State Award. While any pay increase is welcomed to a generally underpaid sector, it is another cost which will need to be absorbed by local government if staff are to be retained or attracted to rural communities.

Impending changes to the Aged Care Act will require providers to employ Registered Nurses (RN) to provide 24 hours coverage for residents. In Coolamon's 33-bed facility, this means that five RNs will be needed to satisfy regulations and cover for leave, training and other absences of the RN. There are currently insufficient trained RNs in the NSW Health System to provide this number of nurses to rural and regional council-owned aged care facilities. In the short to medium-term, overseas-trained nurses provide a viable answer to the problem, however there is an urgent need to review the qualifications needed and to align these with the skills of trained overseas nurses. A similar issue arises regarding aged care service employees who are essential to the operation of aged care facilities in rural areas. It is difficult to attract aged care service employees due to a number of factors, including lack of housing and spouse employment opportunities. In short, we have a staffing and immigration problem.

Both Federal and State governments must recognise the important contribution played by councils in providing aged care in rural NSW, and provide specific funding to councils supporting this vital service.

Ask - That the health outcomes and access to health and hospital services in rural, regional and remote New South Wales report recommendations be implemented fully and with speed.

Commentary – In May 2022, the final report was handed down for the Upper House Inquiry into health outcomes and access to health and hospital services in rural, regional and remote New South Wales. The report outlined 22 findings that articulated the state of extreme stress of the health system in country communities, and detailed a list of 44 recommendations to improve the situation.

<https://www.parliament.nsw.gov.au/lcdocs/inquiries/2615/Report%20no%2057%20-%20PC%202%20-%20Health%20outcomes%20and%20access%20to%20services.pdf>

Ask - The State Government needs to lobby the Federal Government to reinstate the requirement for overseas doctors to work in “rural and remote areas” for a set term, rather than in “regional” areas for a set term.

Commentary – The 2020 Upper House Inquiry into health outcomes and access to health and hospital services in rural, regional and remote New South Wales listed 22 findings that clearly show how depleted and under extreme stress the health systems are in regional, rural and remote communities. Finding 9 states: “That there is a critical shortage of health professionals across rural, regional and remote communities resulting in staffing deficiencies in hospitals and health services”. Without swift action as suggested in this “ask”, the current status will not change.

