



MEDIA RELEASE

28 July 2024

Media release: Local Government Funding Inquiry

Warren Shire Council has provided a comprehensive submission to the Inquiry into the Ability of Local Governments to Fund Infrastructure and Services by the Standing Committee on State Development. The submission, presented at the Dubbo session on June 28, 2024, highlights several critical issues affecting rural and regional councils.

Gary Woodman, General Manager of Warren Shire Council, detailed the Council's critical funding challenges in the submission. Covering an area of 10,860 square kilometres with a population of approximately 3,000, the Council manages a substantial \$45 million budget. This budget supports a wide range of services, including 691 km of sealed roads and 698 km of unsealed roads.

"The pressure on Council to continue to provide services of appropriate standard to our community is now extraordinary," said Mr Woodman. "The recent downturn in grant income could severely impact our ongoing projects and the local contractors who depend on this funding."

The submission also addressed the issues of rate pegging, which restricts revenue growth. Mr Woodman highlighted the impact of this restriction, stating, "Since rate pegging in NSW commenced in approximately 1975, it has resulted in a significant funding gap of about 40% compared to typical inflationary increases. This gap can impose significant challenges for the Council in funding infrastructure services."

Cost shifting from the NSW State Government was another pressing issue. "Just for Warren Shire, the increased burden of cost shifting translates to at least \$1.15million per annum, representing lost services, lost opportunity and lost amenity for all our residents and businesses."

"On average, it also represents an additional cost of \$460.67 for every ratepayer across the state, escalating to \$590.80 for ratepayers in rural councils such as Warren Shire Council," he said. "With Council having to fund this ongoing subsidy each and every year, it means our community gets less or goes without, and effectively makes ratepayers pay hidden taxes."

Mr Woodman also raised concerns about sustainability, particularly in the wake of recent flood disasters. "We have faced five flood disaster declarations in the past three years, with restoration costs exceeding \$15 million. The ongoing challenges of cost shifting and rate pegging make it difficult to provide the 'betterment' funds needed to build more resilient infrastructure."

The Council's submission calls for flexible funding arrangements, reduced cost shifting and a reevaluation of rate pegging to support the operational needs of local governments and ensure the delivery of essential services to the community.

-ENDS-

Pictured: Mr Gary Woodman, General Manager of the Warren Shire Council, delivered his Witness Presentation to the Inquiry into the Ability of Local Governments to Fund Infrastructure and Services by the Standing Committee on State Development in Dubbo on Friday 28th June 2024.

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