

Services in Rural Communities Position Statement

Policy Principles

This Position Statement relates to the following Policy Principles of LGNSW:

- (2) Local government demands fair funding for its infrastructure and service responsibilities.*
- (7) Local government services embody the principles of Social Justice:*
 - a. Equity – fair distribution of resources*
 - b. Rights - equality for all people*
 - c. Access – to services essential to quality of life*
 - d. Participation – of all people in their community.*
 - e. Recognition – of the unique place of Aboriginal people in NSW and the right of Aboriginal people to be involved in all decisions affecting Aboriginal communities.*

Background

Delivering the infrastructure and services needs of rural communities is an ongoing challenge for local government. Small, widely dispersed and sometimes remote communities, can struggle to reconcile high delivery costs with a small own source revenue base.

While regional cities may be growing, many smaller communities face a range of economic, demographic and environmental challenges, such as structural change (e.g. farm consolidation and increasing capital intensity of farming and mining), ageing populations, skills shortages and population decline, water insecurity that undermine long term sustainability.

Councils have a direct responsibility for the delivery of the local infrastructure and services required to build and sustain these communities. As the only sphere of government embedded in rural and small communities, councils also have a responsibility for facilitating the effective delivery of infrastructure and services provided directly or funded by the State and Commonwealth Governments.

The abrogation of responsibility for service delivery by State and Commonwealth Governments has added to the challenges faced by rural councils. Councils often have no choice other than to take on additional responsibilities (examples include support for medical services and aged care). Services provided by agencies from outside regional areas are also often poorly co-ordinated, duplicated and ad hoc.

Our Position

LGNSW advocates:

- An audit of service delivery and funding flows into rural and regional NSW by State and Commonwealth agencies.
- State and Commonwealth Government accept that rural councils will never be able to fund the basic standard of infrastructure and public services to which all Australians are entitled from own source revenue.
- Recognition of the higher costs of infrastructure and service delivery faced by rural communities due to inherent and unavoidable economies of scale.
- New models for rural and regional infrastructure and service delivery, including consideration of council coordination and/or implementation, that are built on close collaboration between local, state and federal government.
- A strengthening of needs based funding in the distribution of Financial Assistance Grants (FAGs) and other grants to local government.
- Increased funding for rural communities.

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