

Council Ref: MD/dd

The Hon. Anthony Albanese, MP
Prime Minister of Australia
Parliament House
CANBERRA ACT 2600

4 June 2025

Dear Prime Minister

RE: An Open Letter to the Prime Minister – When the Bush Pays for the City’s Silence

There is a silent crisis unfolding across New South Wales—and it is not just about dollars and cents. It is about the growing divide between communities and their councils, the crushing pressure on local governments to fill widening service gaps, and the toll this broken system is taking on the very people who step forward to lead.

Across the state, councils are being forced to consider Special Rate Variations (SRVs)—some in excess of 100%—not by choice, but by necessity. These decisions are never taken lightly.

No councillor campaigns to increase rates. No Mayor wants to look a struggling single mother in the eye and explain why her rates are rising while wages stagnate and the cost-of-living soars. No Mayor wants to tell a pensioner they will need to find another \$13 a week to keep basic services running, when they are already struggling to heat their homes through a bitter New England winter and electricity costs continue to rise.

But this is the reality when the financial sustainability of local government is being eroded year after year—undermined by decades of cost-shifting, outdated funding formulas, and a disproportionate allocation of taxation revenue by state and federal governments. And all the while, the expectations placed on local government continue to expand.

When the NDIS fails to deliver locally, we step in.


When community service organisations lose volunteers and close their doors, we step in.

When waste management costs spike, floodwaters rise, bushfires hit, or youth mental health crises erupt—we step in.

Yet, when we are required by law to consult our communities about rate increases, we are met not just with concern—but with fear, anxiety, anger, and in some cases, hostility and hatred. The debate around SRVs has become not just financially contentious, but personally and politically polarising.

In rural and regional communities, councillors are being vilified online. Council staff—who operate under strict legislation and reporting requirements—are facing intimidation and abuse. The psychological toll of this climate is real. It creates unsafe workplaces, drives experienced people out of public service, and undermines the very trust we need to lead our communities through challenging times.

Prime Minister, this is not a problem that begins and ends in council chambers. It is a symptom of a systemic failure—one that structurally underfunds local government while demanding more of it every year. The system has not kept pace with inflation, population growth, climate resilience, cyber security, or community need. Now, the cost of that failure is falling directly on residents—and being worn by under-resourced councils.



In May 2025, the NSW Government responded to the Inquiry into the Ability of Local Governments to Fund Infrastructure and Services. While the response acknowledged some of the problems—financial strain, an inadequate rate peg, and the community’s growing resistance to SRVs—it ultimately redirected responsibility back onto councils.

There were some welcome announcements:

- A review of outdated fees and funding models,
- Fixing depreciation distortions,
- New financial reporting metrics, and
- An expert advisory panel on reform.

But these process tweaks are not enough. What is missing is what matters most:

- No structural reform to the outdated rating system,
- No real response to cost-shifting or compensation for unfunded mandates,
- No strategy to increase federal funding—just vague endorsements, and
- No support for the mental health of councillors or staff experiencing abuse during SRV processes.

The proposed ‘Comprehensive Spending Review’ risks becoming just another bureaucratic process that delays the real action we need. It is not a roadmap to sustainability. It is a patchwork of processes and reviews that avoids the hard but necessary structural reforms.

Prime Minister, what we need is practical and immediate support. That begins with restoring the Federal Assistance Grants (FAG's) to local government to 1% share of taxation revenue —not as a favour, but as a matter of fairness.

While federal and state budgets grow, local government funding has remained stagnant for many, many years. Regional communities are now paying the price. We have had report after report—from the NSW Audit Office to the NSW Government Inquiry into the Ability of Local Governments to Fund Infrastructure and Services.

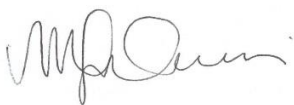
How many reports does it take before meaningful change is delivered?

This is not a long-term problem needing another long-term solution—it needs a short-term fix now. Restoring the 1% FAGs is the clearest and quickest way to prevent deeper hardship for people living in regional, rural, and remote Australia. The SRV process is broken—damaging the relationships between councils and their communities and leaving lasting harm and distrust in the level of government that is closest to the people.

We need fewer platitudes about “resilience” and more meaningful reform that empowers local government and unburdens our communities instead of punishing it for failures beyond its control.

Please, Prime Minister - your leadership is needed now to show that government stands with the bush—not just in words, but in action.

Yours faithfully



Cr Margot Davis
Mayor, Glen Innes Severn Council