



# CENTRAL DARLING SHIRE COUNCIL

May 24, 2023

## MEDIA RELEASE

### **Council budget under pressure following Emergency Services Levy increase**

Central Darling Shire Council's budget has been placed under enormous pressure. This is because of a last-minute State Government move to scrap the Emergency Services Levy (ESL) subsidy for councils.

The amount the Council is expected to pay for the ESL is astounding, especially considering the income the Shire receives in rates. At this stage it is feared that the ESL could now cost Council more than one third of total rates revenue.

For the 2023/2024 financial year the Council income from rates is budgeted to be \$913,000. This includes the rate peg increase of 3.7 per cent, which looks like being eaten up by the hike in the ESL.

With the loss of the ESL subsidy Council now believes it will have to pay in the vicinity of \$322,754 for the Emergency Services Levy in 2023/2024.

The cost of the levy has been steadily increasing over the years. As an example, in 2020 the Council's ESL contribution was \$179,000 (after the subsidy was applied).

Council Administrator Bob Stewart said because of the situation Council may be forced to reduce or cancel services or necessary infrastructure projects.

"This is placing local government budgets under enormous pressure as they struggle from the combined impact of the pandemic, extreme weather events, high inflation and wage increases," Mr Stewart said.

Mr Stewart said, adding to the situation, it comes at a time when the Council has today publicly advertised its draft operational plan and draft annual budget to the community.

"The timing is also particularly challenging because it's late in the local government budgeting cycle, well after IPART's rate determination for the coming financial year."

The Emergency Services Levy is a cost imposed on councils and insurance policy holders to fund the emergency services budget in NSW. The majority is paid as part of insurance premiums, with a further 11.7 per cent funded by councils and 14.6 per cent by the NSW Government.

"All councils strongly support a well-funded emergency services sector and the critical contribution of emergency services workers and volunteers (many of whom are councillors and council staff). However, it is essential that these services be



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supported through an equitable, transparent, and sustainable funding model,” Mr Stewart said.

Council will write to the NSW Local Government Minister, Treasurer, Emergency Services Minister, State Member, Chair of the Independent Pricing and Regulatory Tribunal (IPART), and President of the Local Government Association on the matter.

Ends.

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