



MEDIA RELEASE

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Regional councils unite behind calls for funding reform

Five regional local government associations – representing 46 of the State’s 68 councils – have united behind a shared vision for council funding reform ahead of national public hearings in Adelaide and Port Lincoln this week.

Presenting to the [Parliamentary inquiry](#) into local government funding and fiscal sustainability today and tomorrow, all five regional LGAs will recommend that the Federal Government:

- Restores Financial Assistance Grants Funding to at least 1% of Commonwealth taxation revenue
- Progressively move away from competitive grant funding programs towards fairer, formula-based models
- Recognise and fund the increasing breadth of functions councils are being asked to perform.

Southern and Hills LGA President Moira Jenkins said that every day regional South Australians rely on services and infrastructure provided by their local council, often without thinking about who provides them.

‘It is the road that gets kids to school and produce from the farm to the market. It is the local oval on Saturday morning, the library after school, and the swimming pool in summer. It is the main street, jetty, walking trail and public facilities that locals and visitors enjoy,’ said Mayor Jenkins.

‘And it’s also the less visible work - managing waste, planning for new homes and businesses, and helping communities prepare for and recover from fires, floods and other emergencies.’

Eyre Peninsula Local Government Association President Mayor Dean Johnson emphasised that regional councils operate in a fundamentally different environment to their metropolitan counterparts.

‘Our councils manage enormous road networks across vast distances, face persistent workforce and skills shortages, pay more for contractors and materials, and often have to provide infrastructure and services for populations that can significantly increase during holiday periods,’ said Mayor Johnson.

‘Those challenges need to be recognised in the way local government is funded, or the gap between metropolitan and regional communities – and the services they receive – will continue to grow.’

Northern & Yorke LGA Chairperson, Mayor Rodney Reid said thin markets and cost shifting were also putting pressure on regional council budgets.

‘When governments or the private sector withdraw services from regional communities, those services don’t simply stop being needed. Too often councils are left to step into support or underwrite essential services like healthcare, childcare and housing because there is nobody else to do it,’ said Mayor Reid.

‘This means councils are having to take on responsibility for services that sit well beyond traditional local government responsibilities, and in the absence of state or federal support, it’s our local ratepayers that are left to pick up the cost.’

Regional councils are often disadvantaged by the design of Commonwealth funding programs, with competitive grant programs favouring larger metropolitan councils that have greater resources to prepare applications.

More predictable, formula-based federal funding would provide a fairer distribution of investment and give councils the certainty they need to plan, prioritise and deliver infrastructure over the long term.

The Regional Australia Institute’s recently released [Regional Productivity Solutions](#) report, found regional Australia is driving productivity, generating \$129.70 of output per hour worked in 2023–24, compared with \$103.10 in metropolitan Australia.

Limestone Coast LGA President, Mayor Lynette Martin OAM said investing in regions is an investment in Australia’s productivity.

‘Regional councils own and maintain much of the infrastructure that enables regional productivity — first mile road infrastructure, airports, saleyards, jetties, marinas for

commercial fishing fleets, as well as major tourism assets across the State,' said Mayor Martin.

'The cost of maintaining those assets falls heavily on small, dispersed rate bases. That imbalance is not sustainable.'

'Investing in regional councils is an investment in food security, exports, freight efficiency, regional manufacturing, economic resilience and national productivity.'

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