

7.2 LMM 27/02/24 - ROADS TO RECOVERY & FINANCIAL ASSISTANCE GRANT SUPPORT

MOTION

That City of Newcastle:

1. Acknowledges that Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon. Catherine King MP, recently visited Newcastle Airport to mark six-months since the International Terminal Construction Project began, with the Federal Government providing \$121 million (\$55M Terminal, \$66M Airfield) towards this important upgrade;
2. Notes that Airport expansion supports industry, enables greater trade, helps create jobs well beyond tourism and is estimated to strengthen our local economy by generating more than \$12 billion in economic activity over the next 20 years;
3. Thanks Minister King for re-affirming the Australian Government's strong support for local government during this visit in January, through the commitment of \$14,918,314 to Council through the Financial Assistance Grant 2023-24 and the provision of \$10.3 million through the Local Roads & Community Infrastructure Program over 6 phases since July 2020, which has assisted Council to deliver:
 - \$1.3 million delivered at Allowah St Waratah
 - \$1.4 million at Yangan Drive, Beresfield
 - \$1.2 million at Rosemount St Adamstown Heights
 - \$0.8 million upgrading the traffic control signals at Chinchin St, Islington
 - \$0.7 million to upgrade the kerb and road shoulders at Woodford St Minmi in 2023/24.
4. Thanks Minister King for the announcement of 19 November 2023 of a \$500 million per year increase in Roads to Recovery funding - a core focus of ALGA's advocacy and leadership over recent years, doubling the Roads to Recovery grant allocation to \$1 billion per year, while also increasing Black Spot Program funding by \$40 million per year;
5. Notes that in 2023/24 the Financial Assistance Grant will strongly support Council to deliver our Annual Works Program and Operational Plan, and will support our work to improve town centres, build new playgrounds, address climate change at the local level, provide beach lifeguards and deliver other important services to our community;
6. Continues to work with LGNSW and ALGA to ensure that local government receives equitable funding from government to provide essential services to our community.

BACKGROUND

The Australian Government will have provided over \$67 billion under the Financial Assistance Grant program to local government since 1974–75 (including 2023–24). The grant is provided under the Local Government (Financial Assistance) Act 1995 (the Act).

The Financial Assistance Grant program consists of two components:

- a general purpose component which is distributed between the states and territories according to population (i.e. on a per capita basis), and

- an identified local road component which is distributed between the states and territories according to fixed historical shares.

Both components of the grant are untied in the hands of local government, allowing councils to spend the grants according to local priorities.

Financial Assistance Grants to New South Wales: <https://www.infrastructure.gov.au/territories-regions-cities/local-government/financial-assistance-grant-local-government/national-principles-allocation-grants/nsw>

Landmark win: roads to recovery funding doubled to \$1 billion per year

***By Cr Linda Scott, President of the Australian Local Government Association
5 December 2023***

In a landmark win for local communities and Australia's 537 councils, the Federal Government recently announced a \$500 million per year increase in Roads to Recovery funding. This major funding increase – which has been a core focus of ALGA's advocacy and leadership over recent years – was announced by Infrastructure Minister Catherine King on 19 November, in response to the Federal Government's Infrastructure Investment Program (IIP) Review.

We were delighted to welcome this extra funding– to be phased in over the Federal Budget forward estimates – because it will help us to deliver safer local roads in our communities, and boost our nation's productivity. I sincerely thank Minister King and the government for responding to our ongoing calls for support, and recognising the key role our local roads and infrastructure play in building more resilient and connected communities.

In 2022 alone, 46 disasters were declared across Australia, covering more than 300 different council areas. Increasing Roads to Recovery funding to \$1 billion per year will enable us to fix our damaged roads, and build them back to a better, more resilient standard. As part of the IIP review, the Government also announced a \$40 million per year increase in Black Spot Program funding, as well as a new Safer Local Roads and Infrastructure Program. This new program will combine the existing Heavy Vehicle Safety and Productivity and Bridges Renewal Programs, with funding gradually increased from \$150 million to \$200 million per year.

Unfortunately, more than 1,100 people have lost their lives on Australia's roads already this year, with rural, regional and remote areas over-represented in fatalities. So investing in safer local roads, especially outside of our major capital cities, will help reduce this unacceptably high national road toll.

In November, I was also delighted to welcome a new independent report by the Grattan Institute calling for Australia's councils to receive an extra \$1 billion in federal funding each year to address our road maintenance deficit. The Potholes and Pitfalls: how to fix local roads report recommended that Australian councils be given an extra \$400 million per year in Roads to Recovery funding, and a \$600 million increase in Financial Assistance Grants.

We were thrilled the government has agreed to increase Roads to Recovery funding, and we are now strongly focused on securing more untied Financial Assistance Grants. Restoring Financial Assist Grants to at least one percent of Commonwealth taxation revenue would support us to fully address the \$1 billion per year road maintenance gap, while also investing in the livability and productivity of our communities.

Local governments collect less than four percent of national taxation, and ALGA will continue to push for long-term, sustainable funding partnerships that will support your councils to be financially sustainable into the future. Finally, I wish everyone in local government a very Merry Christmas, including our mayors, shire presidents, councillors, staff and volunteers. I hope you all have a relaxing break and a prosperous New Year – and please drive safely on our roads these holidays.

Cr Linda Scott is President of the Australian Local Government Association, the national voice of local government, representing 537 councils across the country.