

## INVESTING IN LOCAL, REGIONAL AND NATIONAL INFRASTRUCTURE

Infrastructure provides the foundation for our local communities and national economic prosperity.

Local government is responsible for much of the infrastructure we use daily and often take for granted such as local roads and community infrastructure. In 2006-07, local government had physical assets valued at more than \$212 billion, including 650,000 kilometres of local roads worth more than \$80 billion, and more than \$12 billion in buildings such as town halls, libraries, community centres, parks, playgrounds, swimming pools, sports centres, museums and theatres.

Local governments are also responsible for a wide range of other basic infrastructure including footpaths, jetties, waste management, stormwater drains and waste water infrastructure, as well as cost recovered water supply in some states.

The Australian Government recognises that local governments face both rising costs for infrastructure provision and growing demand for services in local communities and is committed to working in partnership to address local needs. A 2006 PricewaterhouseCoopers report, commissioned by the Australian Local Government Association, estimated a \$1.1 billion annual under-spend in community infrastructure renewals by local government.

This year, the Commonwealth is providing record levels of financial support to local governments through Financial Assistance Grants. These untied grants, totalling \$1.9 billion in 2008–2009, are provided to every local council and shire in Australia to deliver services and infrastructure.

At the national level, the Australian Government has committed significant funds to infrastructure investment across roads, rail, ports, high speed broadband, energy, water, health and education. This includes nearly \$26 billion in roads and rail infrastructure from 2008–2009 through to 2013–2014, and investment in the Building Australia Fund, established to address bottlenecks in nationally significant infrastructure.

***What are some of the current local government priorities for infrastructure spending and are they changing?***

***How is local government prioritising future infrastructure spending in respect to an ageing population, addressing climate change adaptation, and the continued need for economic infrastructure such as roads and water networks?***

***Is there a need for local government to invest in newer areas of infrastructure, for example social infrastructure, or water conservation?***

***In what ways could we strengthen the partnership between the Australian Government and local governments in order to invest in infrastructure and address the nation's long term infrastructure needs together?***



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### Land Transport Investment

The Australian Government has committed to an investment of \$26 billion between now and 2014 in road and rail networks to improve safety and reduce travel times. Substantial funding is being provided directly to local government, including:

- Roads to Recovery, which provides funding to local government to maintain and improve local road networks. We have increased the annual allocation under this program from \$300 million to \$350 million, providing a total of \$1.75 billion over the next five years.
- Black Spots Program, which helps eliminate road safety black spots and improve safety on our roads. Many of the projects funded are roads maintained by local government. We have increased annual funding by 30 per cent from \$45 million to \$60 million.

### Better Regions Program

The Australian Government has committed to funding various projects across regional Australia through the \$176 million Better Regions Program, with the majority of funding being provided to local government. It is being used to help local communities deliver local infrastructure and other regional community projects. Many proponents are local councils.

### Regional and Local Community Infrastructure Program

The Australian Government will establish a new regional and local community infrastructure program to invest in local projects that help make our communities better places to live, work and raise a family. We are working closely with local government in developing this program.

### Financial Assistance Grants

In 2008-09, the Australian Government is delivering a record \$1.891 billion in untied Financial Assistance Grants, 7.1 per cent (\$125.3 million) more than the 2007–2008 payment. This brings total untied Financial Assistance Grants to local governments since 1974–1975 to approximately \$31.1 billion.

### Infrastructure Australia

A nominee of local government is on the advisory council of Infrastructure Australia (IA) in recognition of their role in infrastructure provision. IA is an independent advisory body charged with auditing nationally significant infrastructure to identify investment priorities and guide policy and regulatory decisions to address existing bottlenecks. The Building Australia Fund (BAF) was announced in the 2008-2009 Budget. The Australian Government has already allocated \$12.6 billion to the BAF for future investment in roads, rail, ports, water, energy and broadband. The Australian Government's decisions on allocations from the BAF will be guided by the findings of the National Infrastructure Audit and Infrastructure Priority List being developed by IA.

### Major Cities Unit

The Australian Government has established a Major Cities Unit, co-located with IA, to provide expertise on urban policy issues and identify ways in which we can improve productivity, sustainability and liveability in our major cities.



**An Australian Government Initiative**

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