

## 2022-23 Coalition (March) and Labor (October) Budget against ALGA Budget Priorities

### October Budget Overview:

#### General Overview & Economic Outlook

- Annual inflation peak at 7.75%
- Working towards 4.5% unemployment
- GDP 3.25% 2022-23

#### Budget Priorities

- Cost of living relief
- Targets investment
- Budget repair

#### Key Initiatives

- More affordable housing
- Cheaper & cleaner energy
- Fee free TAFE and Uni places

ALGA Budget Priorities	Coalition May Budget 2022-23	Labor October Budget 2022-23
<b>Our Top Priority for Local Jobs and Community Well Being</b>		
<p><b>1. Financial Assistance Grants</b></p> <p>Restore the quantum of Financial Assistance Grants to at least 1% of Commonwealth Taxation Revenue.</p> <p>[In 2022-23 Budget this is estimated to be an additional \$2.6B]</p>	<p>In 2022-23 the Australian Government will provide <b>\$2.804B</b> [\$2,652B in 2021-22] in Financial Assistance Grants funding. This includes <b>\$2.1B</b> [\$1.3B in 2021-22] which will be brought forward from the 2022-23 estimate and paid to States and Territory Governments in 2021-22. The remainder is <b>\$704.4M</b> in 2022-23 [\$1.3B in 2021-22]. (BP3 P97)</p> <p><b>Cash injection of \$2.1B provided to this financial year</b></p> <p>Commonwealth estimated taxation revenue (on accruals basis) for 2022-23 is <b>\$508.4B</b> (Budget Paper 1, Statement 4 Revenue Table 4.1 P112).</p> <p>The Financial Assistance Grants as a proportion of Commonwealth Tax Revenue in 2022-23 is therefore estimated to be <b>0.55 %</b>. In 2021-22 it was 0.6% partly due to lower revenue.</p>	<p>In 2022-23 the Australian Government will provide <b>\$2.921B</b> [\$2,652B in 2021-22] in Financial Assistance Grants funding. This includes <b>\$2.1B</b> [\$1.3B in 2021-22] which was brought forward from the 2022-23 estimate and paid to States and Territory Governments in 2021-22. The remainder is <b>\$821.5M</b> in 2022-23 [\$1.3B in 2021-22]. (BP3 P97)</p> <p>Commonwealth estimated taxation revenue (on accruals basis) for 2022-23 is <b>\$562.9B</b> (Budget Paper 1, Statement 5 Revenue Table 5.1 P148).</p> <p>The Financial Assistance Grants as a proportion of Commonwealth Tax Revenue in 2022-23 is therefore estimated to be <b>0.52 %</b>.</p>

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<b>Our Infrastructure Priorities</b>		
<p><b>2. Local Roads and Community Infrastructure Program</b></p> <p>Continue this program with a focus on sustainable transport and community infrastructure.</p> <p>\$500m/annum for 4 years</p>	<p>An additional \$501.7M over 3 years in 2022-23 Budget - BP2 P144, BP3 P65</p> <p>2022-2023 – additional \$0.3M 2023-2024 – \$250.7M 2024 –2025 - \$250.7M</p> <p><b>Total expenditure of this program is now \$3b.</b></p>	<p>The LRCIP has been extended for a year</p> <p>2022-2023 – \$956.6M 2023-2024 – \$349.6 M 2024 –2025 - \$249.7M 2025-2026 - \$249.7M BP3 P62</p> <p>Phase 1-3 - \$2B already allocated (Note funding under Phase 4 - \$750M will be prioritized towards rural, regional and remote LGAs through a new allocation methodology and guidelines) Regional Budget Statement P 178</p> <p>Growing Regions Program and Regional Precincts and Partnerships Program – to support community and place based investment in rural and regional Australia, through both a competitive grants program and collaborative partnerships program (eg libraries and regional airports) - \$1B over 3 years from 2023-24 BP2 P163</p> <p>Investing in our Communities Program – this is a closed grants program, small scale \$349.9M over 5 years from 2022-23</p>

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<p><b>3. Local Roads Investment Program</b></p> <p>A strategic local roads investment program to address first and last mile issues and congestion on roads.</p> <p>\$300m/annum over 4 years</p>	<p>Heavy Vehicle Safety and Productivity Program BP3 P59</p> <p>2022-2023 - \$67.2M            2023-2024 - \$101.6M            2024-2025 - \$69.3M            2025 –2026 - \$69.3M</p>	<p>Heavy Vehicle Safety and Productivity Program BP3 P57</p> <p>2022-2023 - \$70M            2023-2024 - \$90M            2024-2025 - \$100M            2025 –2026 - \$100M</p> <p>\$80 million for heavy vehicle rest stops as well as \$60M already committed. A steering committee including truck drivers will provide advice for targeted areas (Regional Budget statement P181)</p> <p>Heavy Vehicle Road User Charges from 26.4 cents to 27.2 cents BP2 P162</p>
<p><b>4. Roads to Recovery</b></p> <p>Increase roads to recovery to \$800m/annum to more sustainably manage Local Government’s 75% share of the national road network.</p> <p>Additional \$300m/annum</p>	<p>BP3 P61</p> <p>2022-2023 - \$490.9M [\$499.5M in 2021-22]            2023-2024 - \$485.3M            2024-2025 - \$499.5M            2025-2026 - \$499.5M</p>	<p>BP3 P54</p> <p>2022-2023 - \$492.3M            2023-2024 - \$483.9M            2024-2025 - \$499.5M            2025-2026 - \$499.5M</p>

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<p><b>5. Black Spot Program</b></p> <p>Increase black spot funding to \$200m/annum to improve road safety and community trauma.</p> <p>Additional \$90m/annum over four years</p>	<p>BP3 P57</p> <p>2022-2023 - \$128.9M [\$137M in 2021-22]            2023-2024 - \$121.1M            2024-2025 - \$121.1M            2025-2026 - \$110M</p>	<p>BP3 P54</p> <p>2022-2023 - \$120.1M            2023-2024 - \$120.1M            2024-2025 - \$120.1M            2025-2026 - \$120.1M</p>
<p><b>6. South Australia Road Funding</b></p> <p>Address the SA road funding anomaly by making the additional \$20m/annum funding in 2019-20 and 2020-21 permanent.</p> <p>\$20m/annum and permanent</p>	<p>\$20m per year over two years from 2021-22</p> <p>No new funding in 2022-23 budget</p>	<p>No details</p>
<p><b>Our Community Priorities</b></p>		

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<p><b>7. Disaster Mitigation Program</b></p> <p>Reduce costs from natural disasters and improve infrastructure resilience.</p> <p>\$200m/annum over four years</p>	<p>\$20.9M Total (BP3 P72) – Disaster Risk Reduction            \$50M (BP3 P73) – Coastal and Estuaries Risk Mitigation            \$10.5M (BP3 P76) Regional Drought Resilience Planning            \$3B over forward estimates to accommodate additional C’wealth expenditure on floods response in NSW and Qld            Jointly fund an estimated \$2B in support measures including to councils.            (BP2 P60-63) – NSW and Qld Flood Relief and mitigation, various measures – see attachment on P10            [\$41.6M (BP3 P90) – DRFA – expense estimates            \$2,468.7M (BP3 P91) – DRFA – cash estimates]</p>	<p>Disaster Ready Fund - \$630.4M over 4 years from 2022-23 - \$30.4M in 2022-23 for 30 local government areas for disaster resilience (note this was a Labor election commitment and the money has been allocated) and \$200M/year from 2023-24 for projects nominated by state and territory governments.            BP2 P147</p> <p>Disaster Relief Australia - \$38.3M over 4 years from 2022-23 to expand disaster relief including 5000 extra volunteers BP2 P147</p> <p>Disaster Support - \$51.5M in 2022-23 for communities affected by disasters.</p> <p>Improving drought resilience \$20.8M over two years BP2 P46            Community Legal Centres in Flood/Bushfire Areas in Qld and NSW- \$12M over 4 years BP2 P50            Mental Health support for NSW flood affected communities - \$13M over 4 years from 2022-23 BP2 P131</p> <p>Plan for Disaster Readiness – insurance premiums - \$25.3M over 5 years to NEMA for insurance affordability measures BP2 P151</p>

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<p><b>8. Local Government Place-Based Health and Activity Program</b></p> <p>Promote healthier communities by improving physical and mental well-being.</p> <p>\$100m over four years</p>	<p>Preventative Health - \$30.1M includes community health/physical activity BP2 P107 – not clear if local governments can access this fund.</p>	<p>No details</p> <p>Some health funding outlined in the list below the table.</p>
<p><b>9. Stronger Regional Digital Connectivity Package</b></p> <p>Extend the package to improve community resilience, local economic recovery, and post COVID recovery.</p> <p>\$55m over four years</p>	<p>Government response to Regional Telecomm Review BP2 P134</p> <ul style="list-style-type: none"> <li>- Includes expanding mobile coverage in regional Australia (\$811.8M over 5 years)</li> </ul>	<p>\$2.4 billion equity investment in the NBN over four years. to give 1.5 million homes and businesses the choice of upgrading to faster fibre broadband access by 2025. BP2 P162</p> <p>Better connectivity plan for regional and rural Australia - \$757.7M over 5 years from 2022-23 to improve broadband and mobile coverage (includes black spot, peri-urban, mobile base stations) BP2 P158</p>

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<p><b>10. Local Governments working with indigenous communities</b></p> <p>Provide funding directly to local governments to support capabilities of indigenous councils and implementation of the Closing the gap local/regional voice.</p> <p>\$100m/annum over four years</p>	<p>\$31.8M in 2022-23 to commence establishment of 35 local/regional voice bodies across Australia (BP2 P161) – not specifically for local governments</p> <p>Funding for remote indigenous housing – NT only \$223.8M in 2022-23 (BP3 P54)</p>	<p>Preparatory work for Referendum - \$75.1M over 2 years from 2022-23 BP2 P107 (in addition to \$160M in contingency reserve)</p> <p>Makarrata Commission - \$5.8M over 3 years from 2022-23 BP2 P171</p> <p>Replace the Community Development Program – BP2 P173</p>
<p><b>11. Local Government Arts and Culture COVID-19 recovery</b></p> <p>Economic and creative recovery funding to support community connectivity and business opportunities.</p> <p>\$120m/annum over four years</p>	<p>Some arts funding but may not be for LG – COVID 19 additional arts sector support BP2 P131</p>	<p>BP2 P167</p> <p>\$20 million Live Music Australia program (5<sup>th</sup> round), with \$2.5 million in targeted funding available to assist with the rising costs of organising and hosting music festivals in 2023.</p> <p>A national COVID-19 Live Performance Support Fund for events such as plays, concerts and festivals. The program will run from November 2022 until February 2023.</p>
<p><b>Our Environment Priorities</b></p>		

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<p><b>12. Circular Economy</b></p> <p>Funding for local government circular waste innovation.</p> <p>\$100m/annum over four years</p>	<p>\$84.6M (BP3 P84 and BP2 P51) – Recycling Infrastructure various</p> <p>Includes \$60.4 million for plastic recycling through the Recycling Modernisation Fund – councils and others can apply for funding.</p>	<p>No new measures.</p>
<p><b>13. Local Government Climate Response Partnership Fund</b></p> <p>Support communities to respond and adapt to climate change.</p> <p>\$200m over four years</p>	<p>Nil</p>	<p>Community Battery Fund - \$224.4M over 4 years from 2022-23 to deploy 400 community batteries. –BP2 P69</p> <p>Powering the Regions Fund – includes \$146.1M over 5 years to reduce emissions from road transport sector and \$39.8M over 5 years to establish a national electric vehicle charging network. BP2 P70</p> <p>Powering the Regions Fund – various, carbon credits, review BP2 P71</p> <p>Powering Australia –Rewiring the Nation (electricity markets) BP2 P72</p> <p>Powering Australia – Solar Banks – Community solar banks including for social housing \$102.2M over 4 years from 2022-23 BP2 P73</p> <p>Support for Energy and Security clean energy etc various BP2 P77</p>



## Other measures of interest for local governments in the Labor October Federal Budget:

### Discontinued Coalition Programs

- **Building Better Regions Fund (BBRF)** - the BBRF will be discontinued and no further funding will be available. All contracted projects from Rounds 1-5 will be honoured. Round 6 will not proceed. Applicants who applied for funding under Round 6 of the BBRF are being notified of the program's status and will be able to apply to the Growing Regions Program. For further information, please contact the Business Grants Hub on 13 28 46. (email advice from the Department)
- **Community Development Grants Programme (CDG)** - the CDG will close. Applicants with approved but as yet uncontracted CDG projects will have 6 months to contract their project and then complete by 30 June 2026. Commitments announced by the former Government during the 2022 Pre-Election Economic and Fiscal Outlook will be delivered through new election commitment programs. (email advice from Department)
- **Commuter Carpark** – no longer funded

### City Deals

- Information provided on new funding listed at BP3 P61

### Renewable Energy – see above table also

- **Electric Vehicles** - remove fringe benefits tax and import tariffs from eligible electric vehicles, to lower the cost of electric vehicles and encourage their take-up. \$54.3m for the electric vehicle discount policy. BP2 P18

### Housing

- Housing Accord – \$350M over 5 years from 2024-25 to support funding of an additional 10 000 affordable homes BP2 P189. ALGA a party to the Accord
- Safer and more affordable housing - \$10B in Housing Australia Future Fund for the delivery of 30,000 social and affordable homes over 5 years. – various BP2 P191
- National Housing and Homelessness Plan - \$13.4M over 4 years from 2022-23 BP2 P183

## **Infrastructure**

- Building a Better Future through infrastructure investment \$8.1B over 10 years from 2022-23 – various major infrastructure projects listed BP2 P160
- National Reconstruction Fund establishment - \$15B over 7 years from 2023-24 to support diversification in industries BP2 P153

## **Workforce**

- Fee Free TAFE and TAFE technology fund - \$921.7M over 5 years from 2022-23. 480 000 fee free places in industries and regions with skill shortages BP2 P104
- New Energy Apprenticeships - \$95.6M over 9 years from 2022-23 and New Energy Skills Program - \$9,6M over 5 years from 2022-23 BP2 P101
- Australian Apprentices Incentive Scheme – \$22.6M over 4 years for 29 000 in training support places in regional and remote areas BP2 P164

## **Health – Well Being**

- Fixing the Aged Care Crisis, various – outlined in BP2 P125-127
- Improving primary care in rural and regional Australia - \$68.1M over 6 years from 2022-23 to fund local health investment projects in rural and regional Australia – funding for nominated locations BP2 P128
- Rural and Regional Health - \$143.3M over 4 years to support health care in rural and regional areas BP2 P137
- Support for community well being – \$12.7M over 4 years including toy libraries, playgroups BP2 P186
- Better support for people living with a disability – includes \$32.2M over 4 years from 2022-23 for disability changing places toilets (local government eligible for co payments) BP2 P176

## **Population Assumptions used in the Budget**

- Details can be found at BP3 P107
- Skilled migration increased to 195,000 in 2022-23 (increase of 35,000) Building a better future document P24