



AUSTRALIAN
LOCAL GOVERNMENT
ASSOCIATION

2023-24

PRE-BUDGET SUBMISSION



OUR MEMBERS



ABOUT ALGA

The Australian Local Government Association (ALGA) is the voice of local government in Australia, representing 537 councils across the nation. In structure, ALGA is a federation of state and territory local government associations.

ALGA was established in 1947 and throughout its history has been actively involved in issues of national significance affecting local government and local communities.

ALGA's policies and strategic priorities are determined by the ALGA Board, comprising two representatives from each of the member associations, who elect the Vice Presidents and President.



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MESSAGE FROM THE PRESIDENT



Investing in local governments boosts Australian productivity.

Research underpinning ALGA's recent submission to the Productivity Commission highlighted that services provided by local government have high efficiency which generate value, in comparison to services provided by territory, state and Commonwealth governments; yet in comparison with other nations, Australia shares less resources to local government.

As a result, the sustainability of local government is hindered, and so is Australia's productivity.

The pressures on Australian local governments are immense. 2022 was a challenging year for Australian councils and our communities, with more than 500 disaster support declarations across 316 local government areas. Councils have worked hard to support our communities through flooding and cyclones, but face serious financial challenges which threaten our ongoing sustainability.

In this context, it is important to note that local governments collect less than four percent of national taxation.

Investing in local government as a trusted partner with the Commonwealth Government will allow us to provide the services and facilities our communities need to more effectively and efficiently prepare for the future.

In the current economic climate, Australia cannot afford to do things the way they have always been done.

Building back better, and building back stronger, will benefit all Australians in the long run, but this requires new and expanded funding programs and partnerships.

First and foremost, restoring Financial Assistance Grants to at least one percent of Commonwealth taxation revenue will enable councils to build and support more resilient communities

As an example, local councils have custody over a significant portfolio of urban infrastructure and its role in housing supply, and the impact of properly resourcing local governments in this task will have significant wider impact on the productivity of the Australian economy.

Importantly, local governments are also centred on the correction of market failures relating to provision of infrastructure and externalities that arise from land development. By mitigating these gaps, local governments play a persuasive role in underpinning wider economic productivity.

Furthermore, local governments tend to step in when services are essential and not being delivered efficiently due to lack of coordinated policy by state/territory or Commonwealth governments.

If councils didn't step in, communities would miss essential services like childcare, health and locally-led disaster recovery.

The flooding that has impacted millions of Australians has exposed the systemic under-investment in local government infrastructure which will cost local, state and territory federal governments billions of dollars to fix.

Local governments have appreciated the significant disaster recovery funding they have received, but more support for councils to maintain and upgrade their roads and community infrastructure will significantly reduce future reconstruction costs.

Councils have not been immune to the impacts of high inflation, and in the twelve months to October 2022 Australia's CPI rose by almost seven percent. The goods and services local governments can procure with the support of non-indexed federal funding diminishes every year.

As the level of government closest to our communities, we are focussed on building a stronger and more resilient nation. This includes reducing emissions, facilitating more affordable

housing, addressing Australia's jobs and skills crisis, closing the gap between Indigenous and non-Indigenous Australians, and increasing the productivity of our freight network.

These aren't just local issues – they are national priorities. We look forward to working as trusted partners with the Commonwealth Government, as well as our state and territory governments, to boost productivity and deliver effective and lasting solutions for the public good.

Cr Linda Scott
ALGA President

SUMMARY OF 2023/24 BUDGET COMMITMENTS SOUGHT

| PROPOSAL | PORTFOLIO | FUNDING ASK | SOURCE OF FUNDING | DISTRIBUTION OF FUNDING |
|--|--|---|---|--|
| 1. Fair increases to Financial Assistance Grants | The Treasury | Fair increases to Financial Assistance Grants in line with Labor's pre-election commitment | Commonwealth Taxation Revenue | Maintain existing formula-based distribution to councils |
| 2. Roads to Recovery | Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) | Increase from \$500 million to \$800 million per year over four years and make permanent \$20 million per year allocation for SA Roads | New funding | Maintain existing formula-based distribution to councils |
| 3. Local Roads and Community Infrastructure Program | DITRDCA | Make LRCI permanent at \$500 million per year and indexed annually | New funding | Maintain existing formula-based distribution to councils |
| 4. Regional Infrastructure Recovery Program | National Emergency Management Agency, Department of Home Affairs | \$250 million per year for four years | Emergency Response Fund or potentially the Growing Regions Program | Formula based to regional disaster declared councils |
| 5. Freight Productivity | DITRDCA | \$300 million per year for four years | Strategic Local Government Asset Assessment Project and the Heavy Vehicle Safety and Productivity Program | Competitive grants program for local governments in consultation with heavy vehicle industry |
| 6. Cybersecurity Support Program | Australian Signals Directorate, Department of Home Affairs | \$10 million for one year | Resilience, Effects, Defence, Space, Intelligence, Cyber and Enablers Package | Direct funding to state and territory Local Government Associations |
| 7. Indigenous Partnership Network | National Indigenous Australians Agency, Department of the Prime Minister and Cabinet | \$7 million over four years | Funding for preparatory work for Referendum or Makarrata Commission | Direct funding to ALGA and state and territory Local Government Associations |

| PROPOSAL | PORTFOLIO | FUNDING ASK | SOURCE OF FUNDING | DISTRIBUTION OF FUNDING |
|---|---|--|---|---|
| 8. Local Jobs, Skills and Training Program | Department of Employment and Workplace Relations | Support for councils to employ up to 5,600 additional apprentices, trainees, cadets and graduates over the next ten years | Apprentices Program and Australian Apprentices Incentive Scheme | Grant application fund for local governments only |
| 9. Addressing the housing crisis | National Housing and Finance Investment Corporation, The Treasury | \$100 million per year over four years | Housing Australia Future Fund | Grant application fund for local governments only |
| 10. Waste and Recycling | Department of Climate Change, Energy the Environment and Water | \$100 million per year over four years | New funding | Grant application for local governments only |
| 11. Emissions Reduction | Department of Climate Change, Energy the Environment and Water | \$50 million per year for four years | Powering the Regions Fund | Grant application for local governments only |



FAIR INCREASES TO FINANCIAL ASSISTANCE GRANTS

Commitment sought

A fair increase of additional funding to restore Financial Assistance Grants to at least one percent of Commonwealth taxation revenue and to meet the Government's election commitment to a fair increase in Financial Assistance Grants.

What is the issue?

The value of Financial Assistance Grants as a percentage of Commonwealth taxation revenue has halved over the past thirty years.

Why does it matter?

Many councils are facing significant financial sustainability challenges, impacting on their capacity to support their communities.

Additional information

ALGA's submission to the Productivity Commission's 2022 Productivity Inquiry highlights that over the past decade, total expenditure per capita by local government has flatlined. This is despite escalating demand for volume, quality and reliability in public services.

Meanwhile, outlays per capita by the Commonwealth have escalated sharply, and those of state and territory governments have grown steadily.

By international standards, investment in Australian local governments is small, forcing councils to operate with very modest resources. Allowing for the differing scope of local government across nations, Australian local governments' share of GDP ranks amongst the very lowest of comparator nations.

In 2022-23, Australian councils will receive \$2.9 billion in federal Financial Assistance Grants, which is approximately 0.52 percent of Commonwealth taxation revenue (CTR). The last time these grants were at least one percent of CTR was 1996.

Local government only collects 3.5 percent of national taxation and is heavily reliant on funding from other levels of government. Recent research commissioned by ALGA shows that Financial Assistance Grants make up more than 20 percent of annual operating expenditure for around one in four councils.

While regional and peri-urban councils are facing distinct and significant challenges, urban and metropolitan councils also rely on federal assistance to deliver services and deliver on their long term financial and asset management plans.

Providing a "fair increase" to Financial Assistance Grants was a pre-election commitment by the Labor Government, and the October 2022 Budget did not include an increase outside of indexation in line with the Local Government Financial Assistance Grants Act (1995).

Inadequate funding of local government places an unfair and inequitable financial burden on local communities and frustrates their realistic needs, priorities and expectations.

Restoring Financial Assistance Grants to at least one percent of Commonwealth taxation revenue is vital to ensure that every Australian council is sustainable, and every community is liveable.



ROADS TO RECOVERY

Commitment sought

An increase in Roads to Recovery funding from \$500 million to **\$800 million per year** – with future funding indexed annually - and addressing the South Australian road funding anomaly by making the \$20 million annual top up received by SA councils permanent.

What is the issue?

Many of Australia's local roads are in a state of disrepair and local governments are not resourced to maintain them to acceptable and safe standards.

Why does it matter?

Local roads in poor condition are a serious risk to road safety and a handbrake on Australia's productivity.

Additional information

Councils manage around **77 percent of the road network (678,000km)** but only collect around 3.5 percent of the total tax revenue raised by governments in Australia.

This severely impacts on local government's capacity to maintain these roads to an acceptable standard, and ALGA's 2021 National State of the Assets report showed that \$17.8 billion of local roads were in poor condition.

Every year approximately 1,100 people are killed on Australian roads, and around 40,000 people are seriously injured. Half of all road crashes are on local roads, and these crashes account for 52 percent of all casualties and 40 percent of all road deaths.

An ongoing funding boost to Roads to Recovery will have a significant flow-on effect to the quality and overall safety of rural and regional road

networks and enable councils to undertake road reconstruction works with newer Safe Systems approaches.

Councils have the plant, machinery and staff to better maintain their road network using more advanced technology if they are supported through federal funding.

Over the past 12 months, widespread flooding across the country has caused billions of dollars in damage to Australia's local roads network and exposed the systemic underinvestment in maintaining these roads.

This has resulted in communities being cut off from essential services and the need for emergency supplies to be flown in where local roads and infrastructure damage have made travel by road impossible. Tourism travel, freight and other supply chains have also been significantly disrupted as a result.

The Government's commitment to maintain Roads to Recovery funding at \$500 million per year is appreciated, but inflationary pressures are reducing the buying power of this funding every year. Increasing the program to \$800 million per year, and indexing the funding for future years, would support councils to deliver safer roads which support increased national productivity.

Increasing Roads to Recovery Funding to \$800 million per year would also create 2,363 jobs and add \$367 million onto Australia's annual GDP.

South Australia has seven percent of Australia's population and 11 percent of its local roads but receives just 5.5 percent of Federal Identified Local Road Grants.

Recognising this anomaly, the Government has provided SA councils with \$20 million per year top up funding, renewed every two years. Making this funding permanent would provide these councils with certainty and support increased investment and long-term planning.

LOCAL ROADS AND COMMUNITY INFRASTRUCTURE PROGRAM

Commitment sought

Making the Local Roads and Community Infrastructure Program permanent with ongoing funding of **\$500 million per year**, with funding indexed annually.

What is the issue?

The highly successful Local Roads and Community Infrastructure Program is only funded until 2025-26.

Why does it matter?

Failure to invest in building and maintaining community and transport infrastructure will reduce the lifespan of these facilities and transfer the cost of renewal onto future generations.

Additional information

To date, \$3.25 billion has been committed to the Local Roads and Community Infrastructure Program, with approximately \$350 million budgeted for 2023-2024, and \$250 million per year budgeted for 2024-25 and 2025-2026.

No funding has been committed beyond 2025-2026. It is critical this program becomes permanent and maintains the fair and transparent formula-based grant distribution mechanism.

The Local Roads and Community Infrastructure Program has been extremely successful supporting councils to maintain existing and deliver new community and local road infrastructure across Australia.

In addition, the direct delivery of funding to councils without the need for resource and time-consuming grant application processes have ensured projects have been delivered quickly and effectively.

While these new projects have been appreciated, Australian councils are facing increasing demands to build, upgrade and revitalise existing infrastructure.

ALGA's 2021 National State of the Assets report shows that \$9.2 billion worth of local government buildings and facilities (including libraries, community halls, arts and cultural facilities and recreation centres) are in poor condition and in urgent need of maintenance and upgrades.

Making the Local Roads and Community Infrastructure Program permanent with ongoing funding of \$500 million per year would enable councils to address the growing demand for new and revitalised community and road infrastructure.



REGIONAL INFRASTRUCTURE RECOVERY PROGRAM

Commitment sought

\$250 million per year over four years on top of Disaster Recovery Funding to immediately enable disaster-declared regional councils to support communities, repair infrastructure and rebuild to a more resilient standard.

What is the issue?

Flooding over the past twelve months has caused significant damage to council and community infrastructure, which is often owned and managed by small councils facing significant financial challenges.

Why does it matter?

Building back infrastructure to be more resilient against future disaster events will save all governments money in the long term.

Additional information

According to the [National Emergency Management Agency](#), there were 46 disasters declared in 2022, with 524 disaster support declarations over 316 local government areas.

In late 2022 flooding across the east coast saw more than 82,000km of roads impacted by closures across NSW, Queensland, Victoria and South Australia. In January 2023 Western Australia and the Northern Territory were also impacted by serious flooding as a result of Tropical Cyclone Ellie.

ALGA and its member associations have estimated the cost of repairing flood-damaged council roads across eastern Australia alone

to be well over \$3 billion, and this cost will rise even higher when other damaged community infrastructure is included.

Essential local government assets are covered by the Disaster Recovery Funding Arrangements (DRFA) including roads and road infrastructure, bridges, schools, levees and stormwater infrastructure. However, under the current Disaster Recovery Funding Arrangements (DRFA), community infrastructure such as sporting, recreational and community facilities, and landfills/transfer stations are not considered 'essential' public assets. The arts, recreation, sport and other community events play an important role in community well-being and recovery and community infrastructure that is publicly accessible and publicly owned should also be included in the DRFA list of essential infrastructure.

Additionally, the DRFA does not automatically support impacted local governments to build back better.

DRFA is still under review, and disaster impacted councils need certain, immediate, formula-based ongoing support without the administrative burden of DRFA applications or the uncertainty of drip-fed state and federal funding.

Many of the regional councils that have been disaster-declared have small ratepayer bases and cannot afford to build roads and local infrastructure that will be more resilient to future disaster events.

A new fund targeted specifically to disaster-declared regional councils would support them to repair damaged roads and build back to a higher standard that will save all levels of government money in the long term.



5 FREIGHT PRODUCTIVITY

Commitment sought

\$300 million per year for local governments to improve freight productivity on their road networks and support the implementation of Heavy Vehicle National Law Reforms.

What is the issue?

With additional funding, councils can help support the implementation of the Heavy Vehicle National Law Reforms which have been agreed by Transport Ministers.

Why does it matter?

The effective implementation of Heavy Vehicle National Law Reforms is vital to increasing Australia's productivity, and local roads are an integral component of Australia's freight network.

Additional information

Councils manage around 77 percent of Australia's roads by length and play an important role in authorising heavy vehicle access on local roads.

In late 2022, the Infrastructure Transport Ministers (ITMM) endorsed a Heavy Vehicle Reform Package based on the advice of an independent advisor, Ken Kanofski, who recommended a commitment to reducing access permits for restricted access vehicles by 50 percent in three years and by 90 percent in five years.

This is achievable through the delivery of a new automated road freight access system for restricted access heavy vehicles, similar to the Heavy Vehicle Access Management System (HVAMS) which has been successfully implemented in Tasmania.

Local government has an integral role to play in the development and roll-out of this new system, and a new funding program would support councils to prepare for the transition and improve first and last mile infrastructure that will deliver productivity gains.

ALGA is seeking a commitment of \$300 million a year for four years that will:

- Support councils to implement a new national heavy vehicle automated access system including network pilot projects in 2023/24;
- Provide route and asset assessment support to councils to better understand the condition of infrastructure to enable better-informed access decisions;
- Provide capability building and data collection support to councils to enable them to align with national data standards and prepare their systems to integrate with the automated national heavy vehicle access system; and
- Support fixing, upgrading and maintaining key freight route infrastructure identified by councils and the heavy vehicle sector to support increased productivity on first and last-mile council freight networks across all jurisdictions including the Northern Territory and Western Australia.

This funding will ensure that pavement quality, bridges and culverts can support freight movements by better assessing their capacity, and through pre-approved online permits, without the need for manual assessments, ensuring that freight moves more freely across local road networks, and supporting Australian businesses to grow.



LOCAL GOVERNMENT CYBERSECURITY SUPPORT PROGRAM

Commitment sought

\$10 million to scope local government's preparedness to deal with cyber-attacks and data breaches.

What is the issue?

Cyber-attacks are increasingly an issue for all levels of government, as well as the private sector. Research has indicated that local governments are not resourced to deal with cyber-attacks

Why does it matter?

Local governments collect and hold a significant amount of sensitive information, including credit card information, plans for buildings, information about essential infrastructure, and connections through to state government IT systems.

Additional information

The Australian Cyber Security Centre (ACSC) reported in the Annual Cyber Threat Report that the ACSC received over 76,000 cybercrime reports, an increase of nearly 13 per cent from the previous financial year. This equates to one report every seven minutes.

Based on this growing threat, there is an urgent need for federal, state and territory governments to support local government to assess its cyber maturity and readiness to deal with cyber-attacks.

The availability of cyber-insurance is diminishing at a rapid rate and local government needs to proactively promote its ongoing cyber security investment and improvements to ensure that it can obtain insurance in order to continue to operate.

Cyber-attacks are mostly from overseas and from national actors or government-sanctioned criminals, making cyber security a national security and federal government issue.

Recent audits including surveys of local governments in [New South Wales](#) and [Western Australia](#) have found common cyber security improvements that can be made across Australian councils.

These include improving multi-factor authentication, improved permissions controls, planning for responses to major data breaches, dedicated training for councils in councils, improved phishing testing, and better securing information held on old and redundant software and hardware.

However, further work is required to scope the risks and opportunities across all councils, to support a consistent approach to improving the sector's cyber-security capacity.

ALGA is also calling for the appointment of a dedicated Local Government Chief Information Security Officer (CISO) in the Australian Cyber Security Centre in the Australian Signals Directorate of the Federal Government's department of Homeland Affairs.

LOCAL GOVERNMENT INDIGENOUS PARTNERSHIP NETWORK

Commitment sought

\$7 million over four years to employ a network of Indigenous Affairs Policy Officers including at the Australian Local Government Association (ALGA) as well as all state and territory Local Government Associations.

What is the issue?

ALGA and its member associations require additional support to work closely with governments, councils and peak bodies to progress Closing the Gap. This support could also enable councils to collect data that can be used to help inform, and improve, councils' cultural competency and First Nations representation.

Why does it matter?

As the closest government to communities, councils can play a vital role in reducing Indigenous disadvantage, achieving better outcomes for First Nations people, and supporting reconciliation.

Additional information

ALGA and its member associations are committed to progressing work on Closing the Gap and working with councils across the nation to advance the interests of its First Nations people.

However, the capacity to advance this work is limited by a lack of available resources, with no association resourced to fund a dedicated member of staff to work in this important policy area.

ALGA is a proud signatory to the Closing the Gap agreement, and reports annually on achievements against key action areas. ALGA's latest report shows progress has been made against eight of the 14 areas highlighted in its Closing the Gap implementation plan and highlights six areas for improvement.

Providing ALGA and its seven state and territory member associations with support to each employ one Indigenous Affairs Policy Officer would help:

- Facilitate significant progress against Closing the Gap priorities across the local government sector;
- Access de-identified data at a local council level to help identify ways to improve representation of First Nations people in local government;
- Promote, advocate and advance partnerships between councils and their First Nations peoples to identify local priorities, to promote co-design and shared decision-making;
- Build the cultural competency of councils and their capacity to work appropriately with local First Nations peoples;
- Facilitate partnerships and capacity building between councils and relevant First Nations peoples/organisations;
- Act as a link between levels of government and relevant peak organisations representing First Nations peoples.
- Coordinate local government promotion of awareness of the Government's planned Voice referendum.



LOCAL JOBS, SKILLS AND TRAINING PROGRAM

Commitment sought

Support for councils to employ up to **5,600 additional** apprentices, trainees, cadets and graduates over the next ten years.

What is the issue?

The number of apprentices and trainees employed by Australian councils has halved over the past decade.

Why does it matter?

Australian councils are facing significant jobs and skills challenges, and increased investment in training and upskilling the next generation of workers is vital.

Additional information

ALGA is proposing a new program that will fund councils to employ up to 5,600 additional apprentices, trainees, cadets, and graduates over the next decade, which would restore the total numbers to 2012 levels.

This program would support councils to address skills shortages, while also training and upskilling Australia's future government and private sector workforce, helping address national workforce shortages.

In 2021, local governments employed more than 190,000 people, in approximately 400 different occupations.

However, the [2022 Local Government Workforce Skills and Capability Survey](#) shows that nine out of every ten Australian councils are facing jobs and skills shortages, particularly in some professions (engineers, urban and town planners, environmental health inspectors, building surveyors, and human resource professionals)

and across the trades and general workforce (supervisors, labourers, ICT technicians, truck drivers and accounts/payroll clerks), highlighting the need for increased investment.

Councils also employ a number of occupations listed on the National Skills Commission's 2022 Skills Priority List – including civil engineering professionals, aged carers, and gardeners.

Addressing skills shortages and training needs are a high priority for the Federal Government and ALGA participated in the Government's Job Summit in September 2022.

Given their activities, geographic diversity and connection to local community, councils have traditionally been an excellent provider of entry level employment, particularly for those seeking to acquire practical skills, training and nationally recognised qualifications as well as access to long term secure employment, particularly in rural and regional areas.

Local government-trained and locally experienced employees are attractive and valued employees within local government, and to employers in the private sector throughout the nation.

Local government has historically been a skills incubator for the nation, and many skilled workers in a diverse range of industries commenced their employment journey and career within a local council.

In 2012 local government employed more than 10,000 apprentices and trainees. However, in the past 10 years the number of apprentices and trainees in local government has halved.

Several reasons have been identified for this trend, including changes to incentives, revenue constraints, funding certainty, employment costs, lack of access to formal training arrangements and red tape.



LOCAL GOVERNMENTS ADDRESSING THE HOUSING CRISIS

Commitment sought

\$100 million per year over four years for a local government-specific grant program to help councils facilitate the delivery of affordable and social housing in their communities.

What is the issue?

Australia is facing an affordable housing crisis, with a shortage of affordable rental housing stock and lower rates of home ownership.

Why does it matter?

The lack of affordable housing is having significant social and economic impacts in cities and towns across Australia, including in regional and rural communities.

Additional information

Housing supply and affordability is still one of the highest priority challenges facing Australians, and local governments report this as a crisis in our communities across the country. It affects local productivity as key workers cannot reside in areas with high housing costs and impacts on the ability of councils to recruit employees and to attract and retain key workers to communities.

While local governments do not have prime responsibility for providing housing, we do play a critical role in facilitating housing in our communities.

The housing challenge is different in every community and so the type of support needed will vary across the country.

Consequently, there is no one-size-fits-all solution to the housing challenges currently being experienced.

ALGA is committed to working with the Government to address this issue and is a signatory to the Housing Accord announced in October 2022, which plans to deliver one million new homes for Australians.

ALGA is seeking funding that will support councils to undertake a range of activities to support additional housing in their communities including:

- Land audits;
- Housing assessments;
- Partnership development;
- Preparation of business cases for construction;
- Development of innovative models for housing construction;
- Research and development funding for innovative housing models; and
- Community engagement and awareness campaigns.

We are also seeking:

- The development of a national affordable housing strategy;
- Funding that will support councils to invest in essential engineering and community infrastructure to support the construction of one million new homes from 2024; and
- Further investment by all levels of government and the private sector in affordable and social housing, particularly rental housing.



WASTE AND RECYCLING

Commitment sought

\$100 million per year for four years for local governments to reduce kerbside waste collection contamination and increase resource recovery.

What is the issue?

Australia is a significant generator of waste, and there is an opportunity to divert more of this waste from landfill.

Why does it matter?

We are running out of landfills, and recycling collection costs that are borne by all Australians continue to rise.

Additional information

By mid-2024, when Australia's waste export ban comes into full effect, 645,000 additional tonnes of waste plastic, paper, glass, and tyres will need to be recycled each year.

The Recycling Modernisation Fund supports investment in recycling by industry and governments, but further support provided directly to local governments would help reduce contamination in kerbside collections, and increase the resources that can be recovered and re-used.

Recognising that their communities want concerted action to reduce and reuse waste – and mindful of the fact that easily accessible space for landfills is in short supply – local governments have been prominent in pursuing innovative solutions to recycling.

Many councils are introducing Food Organics and Garden Organics (FOGO) waste services, in addition to recycling kerbside collections, but more funding is needed for education and behaviour change programs, to maximise the benefits of these services.

A new grant funding program of \$100 million per year would support councils to deliver local campaigns, incentive schemes, signage or other visual prompts, and implement programs such as bin tagging or employment of waste education and community engagement officers, that will drive behaviour change and reduce contamination in recycling bins and support the ongoing development of a circular economy.



EMISSIONS REDUCTION

Commitment sought

\$50 million per year for four years to support local governments to reduce greenhouse gas emissions and deliver community aspirations for increased climate action.

What is the issue?

The Federal Government has legislated an emissions reduction target, which will require a coordinated response from all levels of government and the private sector.

Why does it matter?

Councils can play a key role in helping the Federal Government deliver on its emissions targets.

Additional information

Local governments throughout Australia have been leading climate action for more than two decades. In 2021, a report by ICLEI indicated that 67 percent of Australian councils have set or are in the process of developing community emissions reductions targets, with an understanding that anything other than a net zero target is not acceptable from a climate risk or ambition perspective.

Australia's cities and towns present some of the biggest opportunities to meet our greenhouse gas emissions targets while creating jobs and supporting local economies.

However, a recent survey by Cities Power Partnership found that the most common barrier for addressing emissions reduction for councils is a lack of funds.

An emissions reduction fund specifically for local government could assist councils to:

- Transition their fleets to electric vehicles;
- Support local economies transitioning from traditional power generation to green energy;
- Undertake carbon accounting;
- Increase tree canopy cover and biodiversity;
- Retrofit council owned building assets to increase energy efficiency and reduce emission sources;
- Deliver bulk street lighting upgrades;
- House community batteries; and
- Invest in low-emissions transport and associated infrastructure.

Investing in local clean solutions presents multiple benefits for Australian communities, including job creation, cheaper energy, better housing, and the development of growth industries. It can also increase Australian communities' resilience to the impacts of climate change and global market instability.

As the sphere of government closest to the community, local governments are critical to empowering communities and creating a sustainable, prosperous future for Australia.



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