

ALGA FEDERAL BUDGET 2023-24 PRIORITY

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.

