

30 October 2022

The Hon. Kristy McBain, MP Member for Eden-Monaro

Sent by email to: kristy.mcbain.mp@aph.gov.au

Dear Kristy,

Subject: Deteriorating state of rural roads

I am writing to you on behalf of the Braidwood Community Association to express our concern at the above. No doubt when driving around your electorate and in your role as Minister for Regional Development, Local Government and Territories you have seen firsthand what is happening to our roads. It is not an understatement to say that we are facing a national emergency on the state of rural roads.

With this extended exceptional period of wet weather and heavy downfalls of rain, local Councils, in our case Queanbeyan and Palerang Regional Council (QPRC), are fighting a losing battle to keep our roads, even state roads, safe to drive on. Some have so many potholes they are more like a dodgem course than a road.

Such roads have become dangerous leading to more accidents, injuries and potentially fatalities. Then there are the personal costs of repairs to vehicles damaged after hitting a pothole. Added to that there are the impacts on the broader economy through the additional time it takes to travel as drivers reduce their speed to match the conditions.

While QPRC is doing all that it can to patch the roads, all it takes is a heavy downpour and the repairs are washed out and made worse. To undertake more significant repairs like resheeting or reconstruction of the whole road takes resources that QPRC simply does not have.

We urge you therefore to seek significant additional funding for rural and regional roads to address this exceptional situation.

We note that the 2022-23 October Budget contained a number of important measures to assist local Councils in this broad area, including: a further expansion in funding for the Local Roads and Community Infrastructure Program; continuing disaster mitigation funding into the future under the new Disaster Ready Fund; revamped regional development funding through the new Growing Regions Program and Precincts and Partnerships Program. These are all to be welcomed. But none unfortunately, appear to directly address this particular emergency situation.

We recognise how important existing programs are to improving the state of roads, including the Local Roads and Community Infrastructure Program, the Roads to Recovery Program, the Black Spot Program and the Bridges Renewal Program. All these programs need to be continued with enhanced funding in the May 2023 Budget.

Further, as a past mayor and the responsible Minister, you will fully appreciate the importance of Commonwealth Financial Assistance Grants to the funding of local Councils. Unfortunately, according to a study undertaken for the Australian Local Government

Association this important source of funding has declined over the past three decades from around 1% of Commonwealth taxation revenue to around just 0.53%. A progressive restoration of funding to Local Councils to at least 1% of Commonwealth taxation revenue would be a major step towards ensuring financial sustainability for local Councils, and would bring significant benefits to local communities. The extra \$100 million in funding in the October Budget for this is to be welcomed, but does not address the issue in any significant way.

Finally, encouraging the NSW government to maintain and enhance funding for their local roads programs, like Fixing Local Roads and Fixing Country Roads, is also of importance in addressing this issue. Their recent announcement on 25 October of a new Fixing Local Roads Pothole Repair Round is to be welcomed and acknowledges the issue, but \$50 million across 95 eligible Councils will go nowhere near meeting the real costs facing Councils.

I would be more than happy to show you the state of our local roads should you wish to see them yourself.

Thank you in anticipation.

Yours sincerely,

Sue Murray

President, Braidwood Community Association.

Background information - not included in the letter and to be deleted before sending

2022-23 October Budget – analysis by the Australian Local Government Association

Measures include:

- ALGA signed up to a landmark Housing Accord between the Commonwealth, state and territory governments, investors, and the residential development, building and construction sector that plans to deliver up to one million affordable homes for Australians
- A \$250 million expansion of the Local Roads and Community Infrastructure Program, secured through ALGA's advocacy, taking this program through to 2025-26 and a total value of \$3.25 billion.
- \$200 million per year for disaster mitigation from 2023-24, also secured by ALGA, which will help councils better protect our regions from floods, fires and cyclones through the Disaster Ready Fund (replaces the Emergency Response Fund, which also had \$200 million per year funding).
- A new <u>Growing Regions Program</u> and Precincts and Partnerships Program, which will together provide \$1 billion over three years, with regional councils eligible to apply to both funds (they replace the <u>Building Better Regions Fund</u>).
- An extra \$100 million in Financial Assistance Grants, taking the total value of these grants to \$2.92 billion this year (including \$2.1 billion prepaid to councils in 2021-22).
- \$80 million to support councils as well as state and territory governments to provide heavy vehicle rest stops on their roads. \cdot
- \$32 million over four years to help councils improve disability access and build up to 400
 "Changing Places" toilets.
- A new Australian Apprentices Incentive Scheme which will provide \$22 million over four years for 29,000 in-training support places in regional and remote areas.

Local Roads and Community Infrastructure Program.

Following continuing strong community and local government support, the Australian Government has committed to extend the \$1 billion Phase 3 of the Local Roads and Community Infrastructure (LRCI) Program to \$1.5 billion. The additional \$500 million announced in the 2022-23 budget will continue to boost Australia's economic recovery. This brings the total Australian Government commitment to the LRCI Program to \$3 billion.

QPRC funding:

Phase 1	\$1,527,709
Phase 2	\$2,624,598
Phase 3	\$3,055,418
Phase 3 extension	\$1,527,709
Total	\$8,735,434

Financial Assistance Grant to Local Government.

The Australian Government will have provided over \$64 billion under the Financial Assistance Grant program to local government since 1974–75 (including 2022–23). The grant is provided under the <u>Local Government (Financial Assistance) Act 1995</u> (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.

Local government grants commissions in each state and the Northern Territory recommend the distribution of the funding under the Financial Assistance Grant program to local governing bodies in accordance with the Act and the National Principles for allocating grants.

2022–23 Early Payment made in 2021-22			Cash Payments to be made in 2022–23			Total payments
General Purpose	Local Roads	Total	General Purpose	Local Roads	Total	Grant Total
\$3,007,960	\$2,129,474	\$5,137,434	\$1,016,868	\$815,230	\$1,832,098	\$6,969,532

Disaster relief and support for local councils

NSW Government provides financial relief and support services for eligible local councils following a natural disaster.

Some types of support require a disaster declaration for the affected location. <u>Disaster declarations</u> are determined and updated on a rolling basis.