

25 January 2024

via email: prebudgetsubmissions@treasury.gov.au

Hon Stephen Jones MP
Assistant Treasurer and Minister for Financial Services
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Assistant Treasurer

2024-25 FEDERAL BUDGET PRIORITIES FOR WESTERN AUSTRALIAN LOCAL GOVERNMENTS

I am writing to highlight the priorities for Western Australian Local Governments in the 2024-25 Federal Budget.

The Western Australian Local Government Association (WALGA) represents and supports all 139 Local Governments in the State. WALGA uses its influence, support and expertise to deliver better outcomes for WA Local Governments and their communities.

WALGA is also a member of the Australian Local Government Association (ALGA), the national voice of Local Government.

The 2024-25 Federal Budget will once again be delivered in a challenging economic environment. Soaring living costs continue to take a toll on households, with many being forced to tighten their belts. Businesses and Governments are also feeling the impacts of inflation through the rising cost of program and infrastructure delivery.

These challenges are compounded in Western Australia due to its vast geographical size, which creates unique challenges for regional areas of the state due to limited suppliers and materials, constraints on key infrastructure and labour shortages.

The 2024-25 Budget represents an important opportunity to invest in programs and initiatives that will overcome these challenges. It is more important than ever that all levels of Government direct spending towards services, programs and infrastructure that will deliver the greatest value to the community.

WALGA fully supports the ALGA 2024-25 Pre-Budget Submission, which highlights a range of priorities for the Local Government sector across the country.

WALGA would also like to highlight a number of further priorities that will address the unique challenges being experienced in Western Australia.

Road Safety

In 2022 the road fatality rate in regional WA was 18.7 per 100,000 population, more than 6.5 times the rate in the Perth metropolitan area and more than four times the Australian fatality rate. Over 70% of all fatal and serious injury crashes in regional WA result from run-off road or head-on collisions.

There are significant challenges to improve the safety of the extensive, lightly trafficked, Local Government managed road network in regional Western Australia. However, relatively low-cost treatments, specifically sealing road shoulders and installing audible edge and centre (separation) lines have been proven to significantly reduce the frequency of run-off road and head-on crashes. As an example, installing a 1m wide sealed shoulder is estimated to reduce run-off road casualty crashes by 61% (Main Roads Western Australia 2021, Treatment resource guide, MRWA, Perth, WA).

A Business Case led by the RAC WA in partnership with WALGA and Main Roads WA, with support from the National Transport Research Organisation, proposes a program to apply proven treatments on 439 sealed high-speed roads covering 8,200km in regional and peri-urban areas. The proposed \$552 million program would result in the avoidance of 138 fatalities and 489 serious injuries over a modelled 30-year lifespan and an average 23.6% improvement in the AusRAP Star Rating Score. The program aligns with the National Road Safety Strategy and its goals.

An initial funding commitment of \$25 million per annum over four years from 2024-25 is sought to undertake this transformational change to regional road safety.

Regional and Rural Health

Those living in outer-metropolitan, regional and rural locations in WA have poorer access to primary health care, and as a result face increased costs, reduced quality of care and worse health outcomes compared those in metropolitan areas.

At least 68 WA Local Governments¹ are stepping in to address this failure through subsidising the provision of healthcare services for their communities, including funding accommodation, vehicles and medical centre operations. This is placing pressure on Local Government resources and diverting funds away from the provision of other essential community services and infrastructure.

The Commonwealth and State Government need to address the systemic issues in the provision of health services in the regions and develop and fund innovative solutions. As a first step, WALGA proposes the Commonwealth and State Government convene a consultative committee of key stakeholders, including Local Government, to focus on:

- Addressing critical healthcare workforce shortages,
- Managing the health challenges posed by ageing populations and chronic illnesses,
- Innovation in service provision, and
- Developing appropriate funding mechanisms and levels for healthcare service provision.

Until the broader systemic issues are addressed, rural and regional Local Governments should be **reimbursed for the costs incurred to support the delivery of essential primary health services for their communities.**

¹¹ Based on 2021-22 figures

Skills Shortages

Local Governments, like other sectors of the WA economy are experiencing key skills shortages, which are impacting their capacity to efficiently undertake important planning and regulatory functions to protect the wellbeing of the WA community.

In particular, planners, building surveyors and Environmental Health Officers (EHO) were identified in the 2022 Local Government Workforce Skills and Capability Survey to be critical Local Government Occupations and among the hardest in WA to fill. The Western Australian Department of Training and Workforce Development's State Priority Occupation List identifies both town planners and building surveyors as a State Priority 1, noting that there is a high level of demand, ongoing difficulty in filling positions and challenges in attracting people to the profession. EHO are also identified on the State Priority Occupation List as a State Priority 2.

Funding for a dedicated Local Government training program for town planning, building surveyor and EHO is necessary to support education, training and professional development for these key areas of skills shortage in WA.

Building resilience to disasters

Increasing and more severe natural disasters are a key consequence of climate change, and come at a significant cost to the national economy. Natural disasters are currently estimated to cost the Australian economy \$38 billion annually and are expected to rise to \$73 billion annually by 2060. Investing in resilience, both before and after disasters, is an effective mechanism to reduce these costs, as highlighted in WALGA's submission to the Government's Independent Review of Commonwealth Disaster Funding.

Betterment funding needs greater support in the Commonwealth-State Disaster Recovery Funding Arrangements WA (DRFA-WA). WA has lagged behind other States in incorporating betterment funding. WALGA recommends that betterment is a standard requirement through the DRFA and that WA Local Governments have equitable access to betterment funding to support disaster impacted WA communities. This is also reinforced in WALGA's [State Budget Submission](#), which requests that the State Government creates a reserve fund for disaster resilient reconstruction of essential public assets following a natural disaster.

In WA, demand for Commonwealth Disaster Funding Grants, such as the Disaster Ready Fund, significantly exceeds supply and funding rounds are highly competitive. WA includes one third of the Australian land mass and 11% of the Australian population, however only \$8.8 million, or 4% of Round 1 of the Disaster Ready Fund was allocated to WA projects.

WALGA recommends an increased pool of funding for disaster risk reduction, which will reduce the long-term cost of disasters, and that an equitable allocation of funding is provided to support WA communities.

Climate Change

Climate change is making our communities more vulnerable to hotter temperatures, more extreme weather events, and damage to infrastructure.

Addressing the causes and impacts of climate change requires a collaborative effort across all levels of government, business and the community.

It is recognised that the Commonwealth Government has provided funding for a range of programs aimed at addressing the impacts of climate change, including the \$100 million

Community Energy Upgrades Fund. **The Commonwealth Government needs to continue to work with State and Local governments to manage the impacts of climate change and to build resilience.**

Managing Coastal Erosion and Inundation

Climate change induced sea level rise presents a real and direct threat to the liveability of our communities and is a nation-wide issue requiring national leadership and investment. Infrastructure Australia has identified the development of a national coastal erosion and inundation strategy as a high priority initiative. However, there is currently no national strategy or dedicated national funding program for adapting to coastal hazards.

Given our extensive coastline, coastal hazards are a particularly important issue for WA. The majority (80%) of WA's population lives within 10km of the coast and coastal hazards pose a significant threat to infrastructure such as ports and roads, public assets, private property, and natural coastal ecosystems. Managing the long-term impacts of coastal erosion and inundation is beyond the financial and technical capacity of Local Governments.

WA Local Governments support the need for a **sustainable, equitable and efficient funding model for coastal adaptation. It is proposed that the Productivity Commission be tasked with investigating an appropriate funding framework that shares the cost of adapting to coastal hazards appropriately among all levels of Government and the community.**

Urban Canopy

Trees are crucial to mitigate the impacts of climate change in urban areas, providing shade and reducing heat, while also creating liveable neighbourhoods, improving air quality, enhancing biodiversity and promoting psychological and emotional wellbeing.

With climate projections of higher temperatures, more very hot days and longer and more intense heatwaves, this role will become even more important. The impacts will be more pronounced in urban areas as a result of the heat island effect caused by heat absorbing materials used in roads and buildings.

Local Governments are working hard to implement measures to reduce tree loss on private land and undertake comprehensive tree planting programs on street verges, parks and other public areas. Unfortunately, between 2011 and 2020 one quarter of Perth's urban canopy has been lost, largely through the clearing of private land for development.

The task of creating cooler cities and shadier suburbs is a national one, with Local Governments around Australia working hard to address this climate risk. Several State Governments are working to support Local Governments through funding through competitive grant programs for urban planting. Previous Commonwealth greening initiatives, such as the 20 Million Trees Program, focused on biodiversity and environmental outcomes, and thus had limited impact on urban heat where people live, our suburbs and towns.

Funding from the Commonwealth will accelerate efforts to green our cities and suburbs to increase liveability and reduce the impacts of climate change.

Active Travel

The population of Greater Perth is forecast to grow by around 30% by 2031 with the demand for travel likely to increase in line with population. Mode shift from reliance on private cars to

active and public transport remains limited. Nearly one third of Perth's 34 strategic activity centres have low accessibility by public transport, increasing the importance of active transport connections. Making it feasible and easier for people to travel by active modes has wide ranging benefits aligned with Government priorities including reducing greenhouse gas emissions from vehicles, health benefits from improving air quality and increased physical activity and reduced economic and social costs of traffic congestion. Infrastructure Australia has recognised the essential role of active transport in cities and emphasized the need to complete cross-boundary Local Government transport networks.

Local Governments have worked collectively and with the State Department of Transport to define a network of primary, secondary and local active travel routes. Currently around 40% of the primary network and 34% of the secondary network is completed. The remainder is either non-existent or requires significant improvement.

Funding support from the Commonwealth will accelerate the delivery of key routes on the Long Term Cycle Network in WA, and connect key destinations.

We look forward to partnering with the Commonwealth Government to address these priority areas of investment, which are important to WA Local Governments and the communities they represent.

For enquiries please contact WALGA CEO Nick Sloan on 08 9213 2025 or nsloan@walga.asn.au.

Yours sincerely



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WALGA President