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THE 2026-27 BUDGET REPRESENTS A CRITICAL OPPORTUNITY TO INVEST IN INITIATIVES THAT WILL DELIVER LASTING BENEFITS FOR COMMUNITIES ACROSS THE NATION

About WALGA

The Western Australian Local Government Association (WALGA) is an independent, member-based, not-for-profit organisation representing and supporting the WA Local Government sector.

Our membership includes all 139 Local Governments in the State.

Our vision is to be the authoritative voice and trusted partner for Western Australian Local Government.

WALGA uses its influence, support and expertise to deliver better outcomes for WA Local Governments and their communities. We do this through effective advocacy to all levels of Government on behalf of our Members, and through the provision of expert advice, services and support to Local Governments.

WALGA is a member of the Australian Local Government Association (ALGA), and fully supports its 2026-27 Budget Submission, which sets out national priorities for the sector.



Introduction

The 2026-27 Budget represents a critical opportunity to invest in initiatives that will deliver lasting benefits for communities across the nation.

The Australian Government is approaching the Budget with a focus on balancing fiscal responsibility and delivering on its core priorities: easing cost-of-living pressures, building affordable housing, accelerating the clean energy transition, strengthening health services, and creating jobs.

Local Governments are essential partners in achieving these outcomes. They provide the infrastructure, services, and support that underpin liveability, economic participation, and community resilience. By working together, the Australian Government and Local Governments can deliver on shared objectives – building stronger communities and driving sustainable growth.

WALGA's 2026-27 Budget Submission identifies key areas where targeted investment will amplify the Government's agenda, address areas of critical need and deliver the greatest impact for communities.

These priorities include:

- **Modern community infrastructure** to meet the needs of growing and changing populations.
- **Safer roads** to reduce deaths and serious injuries, particularly in regional WA.
- **Coastal management** to protect communities and assets from climate change impacts.
- **Active transport networks** to promote healthy lifestyles and reduce emissions.
- **Essential services and infrastructure for the regions**, ensuring equity and opportunity nationwide.
- **Disaster resilience and recovery**, preparing communities for the increasing frequency of extreme weather events.

Western Australian Local Governments are ready to partner with the Australian Government to deliver these priorities and build stronger, safer, and more resilient communities across WA and the nation.



City of Mandurah

COMMUNITY INFRASTRUCTURE

Funding Required

- ▼ \$500 million per annum from 2026-27, nationally in additional ongoing, formula-based targeted funding streams for Local Governments to provide certainty and enable effective planning for community needs

Benefits

- ▼ Establish a consistent framework enabling coordinated, strategic community planning
- ▼ Ensure projects reflect the diverse needs of each community

Local Governments face significant challenges in raising the necessary revenue to meet the growing needs of their communities. As community needs evolve and the scope of Local Government services expands, these challenges become even more pronounced.

Rates are a key source of revenue for the Local Government sector. However, structural differences across Local Governments mean that regional Councils with relatively smaller populations often have a lower capacity to generate rate revenue and are more dependent on grants from other levels of government. For instance, rate income can range from as low as 2% in remote areas to as high as 87% of total revenue in inner urban areas. These constraints mean that many Local Governments are reliant on external funding to fulfil their responsibilities.

Financial Assistance (FA) Grants play a crucial role in the financial sustainability of Local Governments, particularly for those in rural and remote areas with limited revenue-raising capacity. Untied funding

allows Local Governments to allocate resources according to local conditions and community preferences and has lower administrative costs for both Local Government and the Australian Government.

Maintaining untied direct funding under FA Grants is essential, but there is also a need for additional ongoing, formula-based, targeted funding to provide certainty and enable effective planning for community needs.

A proven model of efficient and effective funding is the Local Roads and Community Infrastructure Program (LRCIP). The LRCIP aligns with key principles such as:

- Funding allocation based on policy objectives, ensuring equitable service levels across all communities.
- Autonomy for Local Governments to identify and prioritise local needs.
- A non-competitive program structure.
- Low administrative costs.

Western Australian Local Governments delivered around 2,000 local priority projects through the first three phases of the LRCIP, and a further \$111 million was allocated to support priority projects in round 4. These projects reflect the diverse needs of each community and include:

- Energy efficiency upgrades to community buildings.
- Access and inclusion improvements.
- Upgrades to lighting and change facilities to enhance the use of sporting facilities.
- Renewal of sports playing surfaces.
- Repurposing underutilised facilities to meet current demands.
- Construction of youth precincts and skate parks.
- Development of paths to encourage active travel, including walking, cycling, and scooting.
- A wide range of other community-focused projects.

To build on this success, the Australian Government should look to create dedicated funding streams linked to specific national outcomes, ensuring a guaranteed, council-only funding pool. By adopting additional untied funding streams, we can ensure that Local Governments have the resources they need to continue delivering essential services and infrastructure, fostering resilient and vibrant communities across the nation.



SAFER ROADS

Funding Required

- ▼ \$125 million over five years from 2026-27 for the Australian Government to match the Western Australian Government commitment to apply proven road safety countermeasures on 1,474km of regional roads, representing the prioritised sections of the proposed Regional Road Safety Program

Benefits

- ▼ Reduce the number of fatalities and serious injuries on regional local roads

Reducing fatalities and serious injuries on Local Government roads is critical to achieving the National Road Safety Strategy target of a 50% reduction in fatalities and a 30% reduction in serious injuries from road trauma by 2030. In regional WA, over 70% of fatal and serious injury crashes are due to run-off road or head-on collisions. Improving safety on these roads is challenging because of their extensive and remote nature.

Between 2020 and 2024, 528 people were killed and 2,574 people seriously injured (KSI) in crashes on regional roads across WA¹. Alarmingly, nearly half of these crashes occurred on Local Government roads. In 2024 the fatality and serious injury rate in regional WA was 90.8 per 100,000 people, almost double the metropolitan rate of 49.9 per 100,000 people. The road fatality rate in regional Western Australia of 15.07 per 100,000 population, is equal worst in any Australian jurisdiction, and over five times higher than the rate in the metropolitan area².

The \$855.7 million Regional Road Safety Program is delivering critical improvements in road safety on National and State Highways. Analysis across 163 Regional Road Safety Program projects over the last two years shows positive outcomes, with a 50% reduction in fatalities and 35% reduction in serious injuries observed compared to the previous five years. Extending this proven approach to regional roads managed by Local Governments can deliver significant benefits.

This proposal represents the first stage of a program developed through a business case led by the RAC in partnership with WALGA and Main Roads WA. The Business Case identified and prioritised 8,200km of roads for safety improvements.

By June 2030 the proposed staged and targeted approach would deliver:

- Nearly 1,500km of roads with safety treatments including widening lanes, widening and sealing of shoulders and application of audio tactile edge lines and centre lines.
- A notable uplift in the safety rating of the network, with 317km improving from the lowest 1-star rating, and the length that achieves a minimum of 3 stars almost doubling to 103km.
- An average Star Rating Score (SRS) reduction (improvement) of 44.4%.
- An estimated benefit cost ratio of 2.48.

Over a 30-year period, the proposed countermeasures from treatments in this Stage 1 are forecast to prevent an estimated 145 fatalities and 377 serious injuries. This reduction in run-off road and head-on crashes will create a safer, more forgiving road environment and directly contribute to achieving the national and State road safety strategy goals of reducing deaths and serious injuries by 2030 and zero KSI by 2050.

¹ Road Safety Commission 2024 Regional Western Australian Road Statistics

² Australian Automobile Association 04.2025



This project contributes to the National Road Safety Strategy 2021-30 objective to reduce fatalities by 50% and serious injuries by 30% by 2030, with a longer-term aspiration of eliminating KSI (Killed or Seriously Injured) crashes by 2050. It also supports Western Australia's Driving Change Road Safety Strategy 2020-30, which seeks a 50 to 70% reduction in KSI outcomes by 2030. Both strategies emphasise systemic safety upgrades to regional roads, recognising that 70% of all fatal and serious injury crashes in WA regions are the result of run-off road or head-on crashes.

Infrastructure Australia (IA) recognises the poor quality of parts of Australia's regional road network and, more specifically, single vehicle, run-off road crashes in WA, as issues of national significance. This business case follows the Regional and Rural WA Road Network Safety Improvements proposal already identified at a national level in IA's Infrastructure Priority List.

This business case also aligns with the Regional Road Network Safety Improvements proposal, which is also listed on the Infrastructure Australia Priority List, and includes treatments such as sealing shoulders, wide centre lines and audible line marking to attain safer road cross-sections. The investment proposal 'recognises the need to continue identifying, assessing and prioritising high-risk sections of regional roads across Australia' and 'calls for program submissions that relate to improving road safety in each jurisdiction'.

This business case also has linkages to the Road Access Improvements for Remote WA Communities proposal which aims to increase transport access and freight connectivity in remote areas with improvements to the quality of roads and associated infrastructure.



City of Greater Geraldton

COASTAL AREAS ARE VITAL TO AUSTRALIA'S ENVIRONMENT, ECONOMY, AND SOCIETY, YET FACE ESCALATING THREATS FROM SEA LEVEL RISE, EROSION, AND INUNDATION

COASTAL MANAGEMENT

Funding Required

- ▼ \$50 million per annum from 2026-27 for a dedicated Coastal Hazard Adaptation program

Benefits

- ▼ Ensure a nationally consistent approach to address and manage coastal hazards
- ▼ Protect nationally significant assets and industries from the impacts of coastal erosion and inundation

Coastal areas are vital to Australia's environment, economy, and society, yet face escalating threats from sea level rise, erosion, and inundation. The *National Climate Risk Assessment* (2025) identified coastal settlements as a priority risk, with low lying communities and assets near soft shorelines particularly vulnerable. By 2050, high risk areas are projected to expand significantly, and by 2090 up to 34% of coastal communities – over 3 million people – may be at high or very high risk.

The *National Climate Risk Assessment* did not evaluate the total value of at-risk assets. The last national estimate in *Climate Change Risks to Coastal Buildings and Infrastructure* (2011) projected \$226 billion in exposed assets over 80 years. However, a recent Victorian study, *Economic Impacts from Sea Level Rise and Storm Surge in Victoria, Australia over the 21st Century* (2020) estimated losses of over \$337 billion by 2100, demonstrating that the national figure is significantly out of date.

In WA, where 80% of the population live within 10km of the coast, a total of 55 locations (15 metropolitan and 40 regional) have been identified as 'coastal erosion hotspots' by the State Government. An additional 31 locations (eight metropolitan and 23 regional) have been placed on a watch-list for future consideration. The State Government also mapped coastal inundation risk, identifying 23 Local Government areas requiring active management over the next 25 years.

The *Review of Impacts, Management Actions and Funding 2018-19 and 2024-25* (2024), found:

- Through the CoastWA program, Local and State Government invested over \$40 million on local coastal adaptation projects. The funding shortfall during this time was nearly \$18 million, representing a 189% oversubscription ratio.
- An additional \$11.8 million was spent on specific coastal adaptation projects through the Royalties for Regions and WA Recovery Plan.
- In 2024-25 eleven WA coastal management and adaptation projects (valued at \$26.8 million) applied for funding to the national Disaster Ready Fund and only four were successful (\$5.5 million) equating to an oversubscription ratio of 490%.

This highlights a need for coastal adaptation and management funding that cannot be met through existing programs and cannot be funded by Local and State Government alone.

Despite coastal communities being identified as a priority risk in the *National Climate Risk Assessment*, the *National Adaptation Plan* (2025) does not adequately address how Australia will adapt to this risk and does not identify any new programs or funding. While Local Governments are largely responsible for managing coastal hazards, they do not have the financial and technical capacity to do so at the scale required or to provide the transformational change that the *National Adaptation Plan* says is needed.



Risk to coastal areas is a national issue involving complex strategic planning, costly adaptation works, potential relocation of communities and consideration of equity and social justice issues. This requires adequate resourcing and a coordinated response across Local, State and the Australian Government.

The work being undertaken by the States, Territories and the Australian Local Government Association (with funding from the Australian Government) to develop a National Coastal Hazards Management Framework, is an important first step and will incorporate an integrated coastal management vision, goals and principles.

Additional steps are required to ensure Australia can adapt to future coastal risk:

- Updated climate change coastal risk assessment – to identify and value the assets, communities and critical infrastructure at risk.

- Development of a National Coastal Hazards Adaptation Strategy – to form the basis of coordinated action to address and manage coastal hazards over the next 15 years. The need for a national strategy was identified by Infrastructure Australia as a priority initiative in 2020 and recommended by the Intergovernmental Coastal Hazards Working Group in 2023.
- A dedicated Coastal Hazard Adaptation funding program to support Local Governments efforts to plan and implement significant and more complex adaptation projects and achieve the objectives of the National Coastal Hazards Adaptation Strategy.

This approach will ensure Australia's coastal cities, towns and regions remain resilient to future coastal hazards and can adapt in a planned, strategic, effective and equitable manner.

ACTIVE TRANSPORT

Funding Required

- ▼ \$20 million per annum for four years from 2026-27, to address gaps in the Long-Term Cycle Network

Benefits

- ▼ Build and maintain safe dedicated active transport infrastructure
- ▼ Connect active transport routes and remove barriers to active transport modes
- ▼ Promote active and healthy lifestyles
- ▼ Increase community use of walking, cycling, and other active transport options

The Long-Term Cycle Network (LTCN), developed in partnership with Local Governments under the Perth and Peel @ 3.5 million framework, provides a strategic blueprint for delivering continuous, safe, and accessible cycling and walking routes across the region. However, critical gaps remain. Many users are unable to safely reach key destinations such as train stations, community centres, and primary paths due to missing links in the network. These persistent gaps in WA's LTCN are hindering the development of a safe, continuous, and appealing active transport system for the broader community.

The State Government's Stage 1 submission to Infrastructure Australia highlights the scale of the challenge: only 41% of the 1,297km of identified primary network and 34% of the 1,564km of secondary network are currently complete. The remainder either does not exist or requires substantial upgrades. Feedback from WA Local Governments also highlights fragmented networks, safety concerns, and limited resources as persistent barriers. While Local Governments have delivered and maintained paths, progress remains inconsistent and underfunded.

Accelerating the delivery of the LTCN through increased funding from the Australian Government will support Local Governments to complete missing links and deliver safe, convenient, and equitable active transport options. This investment will support construction and upgrade of cycling paths, pedestrian walkways and related infrastructure, creating a safer, more convenient, and comfortable experience for users. By addressing missing links, Local Governments can integrate upgraded sections into the broader LTCN, creating a cohesive, statewide network.

A well-connected active transport network is essential to building a healthier, more sustainable, and more liveable WA. It delivers long-term benefits by easing traffic congestion, reducing greenhouse gas emissions, and improving public health outcomes through increased physical activity.





EMERGENCY MANAGEMENT

Funding Required

- ▼ \$900 million per annum from 2026-27 in dedicated funding for Councils across Australia to improve mitigation and resilience and build their capacity and capability to respond to emergencies in their communities

Benefits

- ▼ Support implementation of the Colvin and Glasser independent reviews
- ▼ Provide a major capacity uplift for Local Government
- ▼ Enable a strategic shift towards disaster risk reduction and resilience

Australia is experiencing more frequent and severe disasters driven by climate change. Since 2020, WA has faced 48 declared disasters, creating significant challenges for 82 Local Governments across the State.

Local Governments, alongside the Australian and State Governments, play a critical role in emergency management through prevention, preparedness, response, and recovery activities.

WA is the only jurisdiction where Local Governments manage Volunteer Bush Fire Brigades and are a controlling agency for bushfire. In WA, 111 Local Governments oversee

563 Volunteer Bush Fire Brigades, comprising approximately 20,000 volunteers who are the first responders to fires across 91.8% of the State's geographical area. However, Local Governments in WA have varying levels of emergency management capacity and capability. A 2023 survey by WALGA highlighted that community preparedness and the ability of Local Governments to respond to and recover from major emergencies are critical issues for most Councils. Currently, when disasters significantly impact essential public assets in WA, there is no funding available for reconstruction to be more resilient, leaving infrastructure vulnerable to repeated damage.

To improve the capacity of communities to withstand, adapt and positively recover from future events, it is critical that there is increased emphasis and investment in reducing risk, enhancing Local Government emergency management capabilities and reducing the vulnerability of essential public infrastructure through dedicated betterment funding. This approach will not only reduce the impact of natural hazards but will reduce the cost of recovery when the next event occurs.

A strategic shift towards disaster risk reduction and resilience is supported by the recommendations of the reviews of Commonwealth Disaster Funding and National Natural Disaster Governance. The Colvin Review recommends investment in a significant capacity uplift for Local Government, an enhanced national training and exercise regime to build Local Government capacity, and reforms to Commonwealth disaster funding. These measures aim to create a disaster management system that is scalable, sustainable, effective, equitable, transparent, and accessible, and should urgently be implemented.

Reforming the Commonwealth – State Disaster Recovery Funding Arrangements (DRFA) is particularly important to Local Governments. DRFA administrative arrangements should be simplified and streamlined with consistency and equity between different States and different disasters. Adequate investment must be maintained to meet the needs of disaster impacted communities. Local Governments must receive consistent and timely reimbursements for recovery costs outlaid.

ALL AUSTRALIANS, REGARDLESS OF WHERE THEY LIVE, DESERVE EQUITABLE ACCESS TO PRIMARY HEALTHCARE SERVICES



RURAL AND REMOTE HEALTH

Funding Required

- ▼ \$9.5 million per annum from 2026-27, to help rural and remote Local Governments in Western Australia to cover the costs of providing essential primary healthcare services, until long-term funding and workforce solutions are in place

Benefits

- ▼ Reduced public hospital pressures and costs
- ▼ Improved health outcomes for rural and remote communities
- ▼ Sustainable and equitable access to primary healthcare services for local communities
- ▼ Ensure Local Government funds are not diverted away from the provision of essential community services and infrastructure

All Australians, regardless of where they live, deserve equitable access to primary healthcare services. However, the current system is failing to provide adequate healthcare for many of the 7 million Australians and over 500,000 Western Australians who live in rural, regional and remote areas.

These individuals experience poorer health outcomes and are more likely to die at a younger age from disease than people living elsewhere in Australia, with poorer access to primary healthcare services contributing to higher rates of hospitalisations, deaths, and injuries⁴.

The burden of disease from many preventable, chronic illnesses is higher and the prevalence of people living with two or more long-term health conditions is highest in regional areas. Despite this inequitable distribution of disease, GP availability is lower in rural and remote areas.

The Australian Government is responsible for developing national health policy, the funding and regulation of primary healthcare through Medicare and the funding of public hospital services in conjunction with State Governments.

The systemic failure of the health system to deliver adequate primary healthcare services in many parts of rural Western Australia, in particular GPs, is forcing Local Governments to step in to secure these services for their communities. This includes funding for accommodation, vehicles, medical centre operations, as well as competing in the open market for healthcare professionals. According to WALGA's Local Government General Practice Support Survey, in 2024-25, 41 Local Governments spent \$9.5 million to support the provision of general practice services in their communities, an increase from \$7.8 million in 2021-22. Of that expenditure, 91% (\$8.6 million) was committed by Local Governments with populations under 5,000.

The need for Local Governments to fund this essential service for their communities is placing significant pressure on their already stretched budgets, diverting funds away from the provision of other essential community services and infrastructure. Local Governments should not, and cannot, continue to bear this cost. According to the National Rural Health Alliance (NRHA), there is a national rural health spending deficit of \$8.35 billion \$1,090.47 per capita, per year⁵.

The Government must take action to close this gap and implement system-wide, long-term reforms that support and incentivise the equitable provision of general practice and primary healthcare for regional, rural and remote communities. This must include adequate and appropriate funding models and workforce training, recruitment and retention strategies.

⁴ Australian Institute of Health and Welfare, 2022, 2024

⁵ National Rural Health Alliance, 2025, *The Forgotten Health Spend: A report on the Expenditure Deficit in Rural Australia*



TELECOMMUNICATIONS

Funding Required

- ▼ \$20 million per year from 2026-27 to extend and expand the Mobile Network Hardening Program

Benefits

- ▼ Reliable and resilient telecommunications
- ▼ Equitable access to mobile coverage

Reliable telecommunications are essential for Local Governments to fulfil their emergency management responsibilities, economic development objectives, and community aspirations for safe, attractive, and liveable places. However, Local Governments in peri-urban, rural, regional and remote areas are concerned about the adequacy of telecommunications services, specifically:

- **Reliability and resilience of telecommunications services**
Power outages, which are more frequent and prolonged in rural areas, heavily impact telecommunications services. During emergencies such as bushfires and storms, the lack of reliable telecommunications hampers effective response and communication.
- **Inequitable access to mobile service coverage**
Many areas lack adequate service, and the current mobile coverage maps are often inaccurate, failing to reflect the true service availability at a local level. Feedback indicates that the shutdown of 3G networks in November 2024 resulted in coverage not being provided where it previously was.
- **Poor mobile and internet performance**
Performance is a key concern during peak tourist seasons or increased mining activities. The telecommunications infrastructure often cannot handle the increased demand during these periods, affecting businesses and residents.

A key recommendation of the 2021 and 2023 Regional Telecommunications Reviews was to redefine and modernise the Universal Service Obligation to focus on service levels, cost, reliability, and resilience, allowing for flexible technology solutions. This remains a priority. Specific service standards for mobile and broadband services in regional Australia should be included.

DURING EMERGENCIES SUCH AS BUSHFIRES AND STORMS, THE LACK OF RELIABLE TELECOMMUNICATIONS HAMPERS EFFECTIVE RESPONSE AND COMMUNICATION



WHEATBELT SECONDARY FREIGHT ROUTES

Funding Required

- ▼ \$140 million over four years from 2026-27 for Stage 2 of the Wheatbelt Secondary Freight Routes

Benefits

- ▼ Strengthen the international competitiveness and sustainability of the agricultural and mining sectors in the Wheatbelt region of Western Australia, which currently generate over \$9.5 billion per year in economic output, by reducing supply chain costs
- ▼ Improve the safety of regionally significant road freight routes for all road users

Internationally competitive agricultural and mining industries are critical to the economic performance of the Western Australian Wheatbelt Region and the State.

The grain production industry is strong and growing, with average annual grain receivals in the region in the past five years being 37% higher than the previous five-year period⁶.

Competitive supply chain costs, including freight from farm to receival point and receival point to port, are important to maintain viability of the industry, which is the largest employer in the region⁷. Maintaining downward pressure on the costs of moving farm inputs including lime, fertilizer and fuel are also important to industry sustainability.

Increased productivity continues to drive down freight and handling costs in real terms. This has manifested as larger, heavier trucks, moving grain and other products longer distances to more efficient, large-scale storage and handling facilities. The Kwinana grain terminal exports approximately double the annual tonnage of the next largest grain facility in Australia.

Improvements in freight and handling productivity are expected to continue, provided that the transport infrastructure can support these changes. The average size of a load delivered to CBH has increased nearly 3% pa compound over the past 20 years. This now exceeds 52 tonnes, and will likely continue to grow.

Recognising this opportunity and challenge, the 42 Local Governments in the Wheatbelt region collaboratively identified a connected 4,400km secondary freight routes network serving the grain and mining industries, linking to the State and National highway network. The program of works involves:

- Widening pavements to 10 metres, with an 8-metre-wide seal to support high productivity vehicles.
- Strengthening pavements to support the freight tonnage.
- Installing centre and edge line marking to reduce the risk of run-off road and head-on crashes, which cause the vast majority of deaths and serious injuries from road crashes in the region.
- Routes and sections being upgraded on a prioritised basis.

The program secured \$175 million in financial support from the Australian and State Government in 2019. To June 2025, 520km of reconstruction has been completed and a further 560km will be completed within the existing \$187.5 million total funding allocation.

The proposed Stage 2 will continue this work, leveraging the now established governance and construction capability.

⁶ CBH Annual Reports 2017-2025 and 2026 estimates

⁷ Australian Export Grains Innovation Centre Australia's Grain Supply Chains: Costs, Risks and Opportunities

2026-27 **Federal Budget Submission**

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