



ALGA

Australian Local
Government Association

2025-26 Federal Budget Submission

National Priorities Need Local Solutions

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 President and two Vice Presidents.



Message from the ALGA President



Australia's 537 local governments reach into every corner of our nation, providing everyday services that support the health, wellbeing and liveability of our communities.

Our libraries, community centres, playgrounds and sporting grounds are vital in helping Australians stretch their dollar further during this cost-of-living crisis.

But we are also playing an increasingly larger role addressing national priorities at a local level.

Delivering more affordable housing, preparing for and responding to natural disasters, addressing the unacceptable national road toll, and adapting to our changing climate are all critical pressure points for our nation, and it is councils that can deliver tailored, place-based solutions.

This submission outlines five opportunities where councils are keen to work with the Australian Government to address our shared national challenges at a local level. It seeks a significant funding commitment from the government to recognise the size of these policy challenges and its implementation across 537 councils. We have a strong track record of spending wisely, and driving economic development in our communities.

Many councils are already active in these areas, but are constrained by a lack of funding support. They are also constrained in doing the essential long-term planning for their communities when funding is only provided in an ad hoc way. This submission seeks longer-term funding envelopes where councils can work with the federal government to meet growing community pressures.

Importantly, we are seeking these new federal funding programs to be distributed across all councils, for the benefit of every community.

It is non-competitive funding – provided to all councils on a formula-basis, similar to the Commonwealth's Roads to Recovery program – that will make the biggest difference, and enable local government to play a meaningful role addressing the challenges facing our nation.

Mayor Matt Burnett
ALGA President



Summary of 2025-25 Budget Commitments Sought

Issue	Portfolio	Funding ask	Distribution method
Housing Infrastructure	Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA)	\$1.1 billion per year for enabling infrastructure that will unlock housing supply	Formula based funding provided to all councils
Community Infrastructure	DITRDCA	\$500 million per year to support councils to build, maintain and revitalise community infrastructure	Formula based funding provided to all councils
Safer Roads	DITRDCA	\$600 million per year for local government to deliver safer roads	Formula based funding provided to all councils
Emergency Management	Department of Home Affairs	\$900 million per year for natural disaster mitigation and resilience, and to improve local government's emergency management capacity and capability	Formula based funding provided to all councils
Climate adaptation	Department of Climate Change, Energy, the Environment and Water	\$400 million per year for local government climate adaptation initiatives	Formula based funding provided to all councils



Priority 1 – Housing Infrastructure

Commitment sought

\$1.1 billion per year to be distributed to all councils to fund enabling infrastructure that will unlock housing supply

What is the issue?

Australia's housing crisis is resulting in more people experiencing housing insecurity, homelessness and affordability pressures.

Why does it matter to local government?

ALGA's research shows that a lack of funding for enabling infrastructure – including roads, and water and sewerage treatment connections and facilities – is a significant barrier to facilitating new housing developments.

Further information statement

Research from [Equity Economics](#) found that 40 per cent of local governments have cut back on new infrastructure developments because of inadequate enabling infrastructure funding.

This research also shows that achieving the National Housing Accord's housing targets would incur an additional \$5.7 billion funding shortfall on top of infrastructure funding gaps already being felt by councils and their communities.

To support local government to address this gap, and unlock new housing across the country, ALGA is proposing a new five year, \$1.1 billion per annum funding program, to be provided to all councils on a formula basis.

ALGA would also welcome further investigation into permanent infrastructure funding solutions, to relieve local government's reliance on short-term grants, subsidies, funds and loans. Longer-term secure funding is critical to sequencing the budgets and works required to support new housing.



Priority 2 – Community Infrastructure

Commitment sought

\$500 million per year for councils to build, maintain and revitalise community infrastructure

What is the issue?

ALGA's 2024 State of the Assets Report shows that \$8.3 billion worth of local government buildings and facilities are in poor condition.

In times of tight personal budgets, access to free community assets like libraries and parks, are essential to the wellbeing of all residents. The surge in housing supply needs to be supported by access to community infrastructure that creates livable communities.

Why does it matter to local government?

The local facilities that councils provide – including libraries, recreation centres, bike paths and sporting facilities – are vital to the livability, wellbeing and productivity of every Australia community.

Further information [statement](#)

Australia's 537 councils maintain more one third of Australia's public infrastructure, including more than \$100 billion worth of buildings and facilities and \$32 billion worth of parks and recreation assets.

The Local Roads and Community Infrastructure Program, introduced in 2020, provided councils with \$3.25 billion to build, maintain and revitalise local roads and community facilities. This program had a significant impact on the condition of local government buildings and facilities, with the 2024 National State of the Assets report highlighting a \$1 billion improvement since 2021.

However, this report also highlighted that \$8.3 billion of local government facilities, as well as \$2.9 billion worth of parks and recreation assets, are in poor condition and require attention.

A new \$500 million per year community infrastructure funding program – provided to all councils on a formula basis – would support all councils to build, maintain and revitalise the community infrastructure that Australians rely on.



Priority 3 – Safer Roads

Commitment sought

\$600 million for councils to deliver safer roads, including \$500 million for road safety infrastructure funding and \$100 million for road safety programs that uplift local government leadership and planning capacity

What is the issue?

Each year, nearly 40,000 Australians suffer serious injuries from road crashes, with an economic and social impact exceeding \$30 billion annually.

Why does it matter to local government?

Local roads comprise over 75% of Australia's road network, and more than half of fatal crashes occur on local government roads. Funding for roads is critical to local government, and despite significant recent improvements to funding, there is still a shortfall.

Further information Statement

During the 12 months ending September 2024, the [Bureau of Infrastructure and Transport Research Economics \(BITRE\)](#) identified there were 1,288 road deaths in Australia – an increase of 5.6% from the 12-month period ending September 2023. The rate of annual deaths is 4.7 per 100,000 population, which is a 3.2% increase compared to the rate for the 12-month period ending September 2023.

Local government has an important part to play in addressing Road Safety, but direct support is needed from the Commonwealth. To address road safety, local governments require a nationally coordinated capability and capacity uplift.

Councils would also benefit from a federally developed, nationally consistent road safety support framework that provides advice on best practice approaches for road safety across varying local government areas (eg remote, regional, peri-urban and city).

The doubling of the Roads to Recovery Program announced in November 2023 was welcomed by councils, but independent research from the Grattan Institute indicates this will only go halfway to meeting the current annual funding backlog.



Priority 4 – Emergency Management

Commitment sought

\$900 million per year in dedicated funding for councils to improve mitigation and resilience, and build their capacity and capability to undertake the emergency management role required of them

What is the issue?

Australia is experiencing weather events of greater intensity and frequency – which leads to increased impacts on communities and council resources.

Why does it matter to local government?

Local governments play a critical role in supporting communities in all stages of disasters. However, under the current funding arrangements, local governments lack the capacity and resources to prepare their communities and respond to disasters.

Further information statement

Over the past two years, more than 60 per cent of local government areas have been declared natural disaster areas, with many of them multiple times.

In 2021, Deloitte Access Economics estimated natural disasters cost Australia \$38 billion per year, which is predicted to rise to \$73 billion per year by 2060

Local governments in regional areas are typically those most exposed to natural disasters and have the lowest capacity to invest in new programs or initiatives due to restrained revenue.

Recent independent emergency management reviews by [Colvin](#) and [Glasser](#) have both recommended a strategic shift towards disaster risk and mitigation, with the Colvin review also supporting a major capacity uplift for local government and an enhanced national training and exercise regime which tests and builds local government capacity.

The first two rounds of the Government's Disaster Ready fund have supported hundreds disaster mitigation and resilience projects, but both rounds have been heavily oversubscribed meaning worthwhile projects have missed out.



Priority 5 – Climate Adaptation

Commitment sought

A \$400 million per year climate adaptation fund, provided to all councils, which allows them to implement a place-based approach to climate adaptation

What is the issue?

Climate change creates increasingly acute (e.g. more frequent and severe disasters) and chronic impacts (eg coastal erosion and rising heat) which is impacting on the liveability of Australian communities.

Why does it matter to local government?

Councils need support to adequately assess climate risk and vulnerabilities and adequately address them in plans, policies investment decisions and engagement with communities. Funding and support from other levels of government has failed to keep pace, placing an inequitable burden on the sector.

Further information statement

Councils are at the forefront of grappling with climate impacts as asset managers, land use decision makers, and the closest tier of government to the community.

Local government requires consistent funding for adaptation given that climate change impacts will continue.

The 2024 [Local Government Climate Review](#) found that of the 120 council respondents:

- Two-thirds have done a climate risk assessment and 72% are implementing initiatives.
- Barriers to adaptation include internal resourcing (70%), funding (67%), complexity and not knowing how to respond (53%), and limited technical expertise and capacity (48%).

ALGA is calling for the Government to establish a local government climate adaptation fund which allows councils to implement a place-based approach to adaptation. The fund should be a minimum 10-year formula-based program with funding provided to every council.