

Resolutions referred to the Hon Kristy McBain MP

Commonwealth financial assistance for local government and ratepayers

Resolutions: 2, 4, 5, 6, 20, 31, 34, 38, 43, 44, 45, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 60, 61, 64, 69, 73, 74, 81, 82, 83, 84, 85, 86, 87, 88, 89, 103, 104, 106, 109, 110, 114, 115, 116, 117, 118, 119, 120, 129, 131, 132, 136, 137, 138, 156, 157, 158, and 159

The Australian Government is committed to optimising our support for a strong and sustainable local government sector. In 2025-26, the Government has committed over \$3.4 billion in untied funding under the Financial Assistance Grant program (FA Grant). This includes the bring forward payment of \$1.726 billion, being 50% of the 2025-26 estimate, which was paid to states and territories on 20 June 2025 to be passed onto every local government in Australia.

The Government recognises the ongoing pressures on local government financial sustainability, including in the provision of community infrastructure, disaster readiness and response, workforce skills shortages, provision of health, education and care services, and supporting communities through the energy transition. This is why, during the last Parliament, we referred the matter of local government sustainability to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport.

The resulting inquiry has ensured that the views of the widest possible range of stakeholders can contribute to a robust, evidence-based examination of the contemporary factors affecting local government sustainability, and options to address these issues. The Committee's interim report of 14 February 2025 reflects concerns shared by more than 280 stakeholders in their written submissions, along with matters raised in 16 public hearings. While that inquiry lapsed when Parliament was prorogued ahead of the federal election, on 6 November 2025 the Committee agreed to the Government's request to adopt a new inquiry into Local Government Funding and Fiscal Sustainability.

The Committee will draw upon the evidence provided to the previous inquiry and will examine the system of funding for local governments, including the FA Grant, and will inform the Government's approach to supporting the sector.

Disaster preparedness and response

Resolutions: 11, 12, 13, 24, and 28

The Australian Government recognises the pressure on local government finances, resources, and infrastructure created by the effects of climate change and the increased frequency of natural disasters in our communities.

The Government has invested a billion dollars over five years in the Disaster Ready Fund (DRF), administered through the National Emergency Management Agency, to help communities mitigate against the effects of natural disasters. In partnership with the state and territory government agencies responsible for emergency management, the DRF increases disaster resilience, reduces exposure to risk, and increases our understanding of disaster impacts. Rounds One and Two of the

DRF have already delivered approximately \$400 million in Australian Government funding to over 350 projects. Round Three had a particular focus on infrastructure, with a dedicated funding stream made available.

We have also built the first National Emergency Management Stockpile to help Australian communities hit by disaster and supplement community resources by providing critical goods and services including safe emergency shelter, emergency power, and clean water.

Local governments are a vital partner in building ongoing resilience to natural disasters and responding to the ongoing challenges of climate change in our communities. The Government commissioned the Independent Review of Commonwealth Disaster Funding (also known as the Colvin Review) to improve disaster management arrangements. The review examined how the Government spends money on disasters, making several recommendations focused on strengthening disaster recovery, reducing risks and supporting community resilience. A number of submissions from ALGA and local governments informed the review itself.

Consultations and the NGA listening sessions on emergency management are informing the Government's consideration of its findings, alongside the recently released National Climate Risk Assessment and National Adaptation Plan, with work underway through the Local Government Funding and Fiscal Sustainability inquiry and other parliamentary inquiries focused on insurance affordability.