

# LOCAL GOVERNMENT WORKING FOR OUR COMMUNITIES

## FACT SHEET 2 COMMUNITY INFRASTRUCTURE

*Nationally, local government seeks the establishment of a community infrastructure renewal program of at least \$250 million per year for four years (maintained in real terms) to help address the backlog in maintenance and renewal expenditure on community infrastructure.*

Local government is responsible for delivering an increasingly diverse and important range of local level infrastructure and services to every Australian community.

Local government raises its own revenue through rates, fees and charges and while local government has sought to equitably maximise this revenue. Many councils simply cannot impose greater charges upon local taxpayers.

The Australian Local Government Association commissioned PricewaterhouseCoopers (PwC) in 2006 to undertake a national study of Local Government Financial Sustainability. PwC identified a national total backlog in local government infrastructure renewal work of some \$14.5 billion, or an annual underspend on renewals of \$1.1 billion.

PwC found that the underspend by local government is resulting in deterioration in the condition of local infrastructure that binds communities together and fosters social inclusion, such as roads, libraries, community halls, galleries, museums, swimming pools, sports fields, drainage and sea walls.

Much of this infrastructure was constructed in the 1950s, '60s and '70s as a result of capital grants from state and federal governments, and has now reached or is about to reach the end of its useful life.

To address the backlog in community infrastructure, local government seeks the establishment of a community infrastructure renewal program. This would be funded by the Federal Government with at least \$250 million per year for four years, and would be targeted at the renewal and replacement of ageing community infrastructure. Local government has already identified about 1000 examples of projects that could be funded under such a program.

The program would deliver substantial benefits, by:

- Enhancing social networks and community reliance;
- Enhancing and assisting local and regional economic development;
- Strengthening community pride and vibrancy;
- Building on the success of the Roads to Recovery program;
- Addressing the growing backlog in existing community infrastructure in order to support community activities and social interactions at the local level;
- Allowing communities to gain more value and amenity from existing infrastructure;
- Enabling local governments to improve the condition of their entire asset base by focusing on renewal rather than new infrastructure; and
- Providing a significant boost to the long-term sustainability of the local government sector.