

INQUIRY INTO LOCAL GOVERNMENT AND COST SHIFTING

Local Road Funding

A well maintained road network is vital for the economic and social livelihood of Whyalla and the greater region.

Although Council provides considerable monies for the provision of this vital infrastructure, it is clearly beyond the reasonable means of the community to maintain and upgrade the existing local road network to the identified levels required.

Many of Council's sealed roads are now reaching the end of their life.

A recent infrastructure study of Council's road network has indicated that \$1.6 million should be spent annually on maintaining and upgrading this asset.

Council's identified road grant from the Commonwealth this year totals only \$270,683 and this leaves Council the impossible task of funding the gap in its infrastructure renewal program.

South Australian Councils currently only receive a 5.5% (\$24 million) share of the Identified Roads Grant under the Local Government (Financial Assistance) Act from the Commonwealth Government.

Information obtained from the South Australian Local Government Grants Commission indicates that on a per capita basis, South Australian Councils receive the lowest quantum at \$16.11 per person. South Australian Councils also receive the lowest per kilometre allocation at \$325.64 when compared with other States (refer **Annexure "A"** and **"B"**).

Whyalla City Council expresses its strong objection to the Federal Government regarding the methodology used to calculate the distribution of Federal Road Grants allocated to the States and seeks a more equitable allocation to South Australia of Commonwealth Road Funds.

As a suggestion, a more equitable system based on equal weighting of road length and population could be used to proportion the future distribution of Road Grants from the Commonwealth to the States. This would increase South Australia's allocation from 5.5% to 9.71% (refer **Annexure "A"**).

Council is also aware that (according to figures from the Australian Automobile Association) the Federal Government collects approximately 38.1 cents per litre from petrol and diesel, annually this figure is approximately \$12 billion. In terms of dollars put back into roads only, \$1.8 billion per annum is spent nationally on road funding or 6 cents of every litre.

Council also urges the Federal Government to review and increase the total allocation of funds for road funding.

Whyalla City Council's infrastructure renewal program will increase significantly over the next 25 years. Council must at least triple its expenditure for the next 3 to 5 years.

This will only be possible if the Federal Government:

- reviews and then increases South Australia's share of the Local Road Grant Funding
- increases the total allocation of road funding available to the States from funds collected from fuel excise

Commonwealth Identified Local Road Grants for Local Government and Roads to Recovery Grants

State Entitlements 2002-03

<i>State</i>	<i>Allocation (Estimate)</i> <i>(\$mill)</i>	<i>Proportion</i> <i>(%)</i>	<i>Total Kilometres</i> <i>(30.06.01)</i>	<i>\$ per Kilometre</i>	<i>% of Local Road Network</i>	<i>Estimated Resident Population</i> <i>30.12.01</i>	<i>\$ per Capita</i>	<i>Proportion Based on Equal Weighting of Road Length and Population</i>
New South Wales	129.22	29.01	142,922	904.10	22.19	6,642,879	19.45	28.04
Victoria	91.82	20.62	128,394	715.14	19.94	4,854,133	18.92	22.35
Queensland	83.45	18.74	145,584	573.18	22.61	3,670,459	22.73	20.67
Western Australia	68.10	15.29	121,562	560.19	18.88	1,918,805	35.49	14.33
South Australia	24.48	5.50	75,163	325.64	11.67	1,518,874	16.11	9.71
Tasmania	23.60	5.30	14,054	1,679.35	2.18	473,252	49.87	2.30
Northern Territory	10.43	2.34	13,670	763.18	2.12	199,868	52.20	1.57
Australian Capital Territory	14.28	3.21	2,603	5,486.38	0.40	322,638	44.26	1.03
TOTAL	445.37	100.00	643,952	691.62	100.00	19,600,908	22.72	100.00

* Please note road kilometres for the ACT have not been updated from 1999 figures.



