

LGNSW PRE-BUDGET SUBMISSION

**2024-25 State Budget NSW
Local Government Priorities**

February 2024



Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

OVERVIEW OF THE LOCAL GOVERNMENT SECTOR



Local government in NSW employs **55,000 people**



Local government in NSW is responsible for about **90% of the state's roads and bridges**



Local government in NSW looks after more than **\$177 billion** of community assets



NSW councils manage an estimated **4 million tonnes of waste** each year



Local government in NSW spends more than **\$2.2 billion** each year on caring for the environment



NSW councils own and manage more than **600 museums, galleries, theatres and art centres**



NSW has more than **350 council-run libraries** that attract tens of millions of visits each year



NSW has more than **400 public swimming and ocean pools**

Table of Contents

<u>Introduction</u>	4
<u>Background</u>	4
<u>2024-25 - A significant year for local government</u>	5
<u>NSW Budget Funding Recommendations 2024-25</u>	6
<u>Financial Sustainability</u>	6
<u>Natural Disaster Resilience</u>	7
<u>Water and Roads Infrastructure</u>	7
<u>Housing Supply</u>	8
<u>Environment</u>	9
<u>Biosecurity & Companion Animals</u>	11
<u>Stronger Country Communities Fund</u>	12
<u>Rural Health Care</u>	12
<u>Skills and Labour Shortages</u>	13
<u>Caring and Liveable Communities</u>	14
<u>Conclusion</u>	16

Introduction

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing all NSW general purpose councils and related entities. LGNSW facilitates the development of an effective, community-based system of local government in the State.

Collectively, NSW councils:

- Employ over 55,000 people. Many of these jobs are in rural and regional NSW, where councils are often the largest single employer and underpin the local economy.
- Spend more than \$12 billion each year.
- Manage and maintain infrastructure and land assets worth more than \$180 billion.

The unique breadth of essential infrastructure and services delivered by local government to the people of NSW makes the sector a critical partner in the economic stewardship of the State. LGNSW welcomes the opportunity to present the NSW Budget priorities of the local government sector.

Please note this is a draft submission that is subject to LGNSW Board approval.

Background

The NSW economy has demonstrated resilience, sustained by population growth and a robust labour market. Despite persistent state budget deficits, the NSW Government is projected to achieve a surplus of an estimated \$476 million in 2024-25, with an average surplus of \$700 million forecasted over the next three years until 2026-27.

The economic outlook is showing signs of improvement, with forecasted declines in inflation and interest rates. This positive trend is expected to bolster the government's capacity to respond to the budget priorities of the local government sector. While economic growth may remain below trend in the short term, the anticipated easing in inflation and interest rates will create a conducive environment for a gradual return to stronger long-term economic growth. Nevertheless, geopolitical risks are increasing, particularly with ongoing conflicts, which could disrupt global supply chains and commodity markets, posing potential challenges to NSW's fiscal position.

Local government has been an essential partner of the NSW Government in tackling unprecedented challenges facing NSW in recent years such as successive natural disasters and the COVID pandemic. Local Government has welcomed the assistance provided by the NSW Government and councils have effectively and efficiently allocated government funding to restore local community infrastructure and services, drive recovery and foster resilience. This partnership between local and state governments has been crucial in providing essential support to NSW communities. This submission outlines local government's funding priorities for the 2024-25 financial year and

underscores the critical need for continued support from the NSW Government given the continued challenges that the sector faces.

2024-25 - A significant year for local government


The 2024-25 economic landscape presents unique challenges for local government, compounded by the significance of this year as it an election year for the sector that may result in realignments of council policies and priorities. All levels of Government are expected to address pressing issues, including the rising cost of living, ongoing skills shortages, and the supply of affordable housing, underscoring the importance of making strategic budgetary and fiscal decisions to effectively tackle these challenges.

Like the NSW Government, councils are grappling with inflationary pressures, which are expected to continue impacting council costs. At the same time, council costs remain under the pressure of ongoing disaster recovery and resilience building efforts while infrastructure maintenance and renewal backlogs remain high. Cost shifting remains a persistent issue for the sector further amplifying the financial sustainability concerns of local government. For the 2021/2022 financial year, cost shifting represented a total of \$1.36 billion of unfunded costs passed onto councils and their communities. This represents \$461 per ratepayer per year. The impending review of the financial model for local government, presents an opportunity to address the longstanding impacts on the sector's financial sustainability are highlighted and resolved.

Despite these economic challenges, critical investment in infrastructure, including roads and water, remains one of the priorities for local government. Additionally, collaborative efforts between state and local governments are essential, encompassing climate change mitigation, public and affordable housing, waste management, and social services. These investments not only support job creation and businesses but also contribute to the public good and the attainment of state outcomes. Funding for pressing social priorities in the areas of health, including mental health, domestic violence, Aboriginal communities, building regulation and community services delivers similar benefits, while helping to prevent future remedial costs. And as councils continue to play their role in enabling housing supply, it is vitally important that the NSW Government funds the necessary infrastructure that will support greater density and growing populations.

The 2024-25 NSW Budget presents an opportunity for the state to further solidify its leadership in managing economic and social impacts, both at a state and national level. Collaborative and constructive partnerships between all levels of government will be instrumental in driving productivity, supporting job growth, and ensuring the resilience of communities. LGNSW stands ready to work alongside the NSW Government to achieve these shared objectives.

NSW Budget Funding Recommendations 2024-25

Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
FINANCIAL SUSTAINABILITY		
Emergency Services Levy (ESL)	Fund the cost of fully removing the ESL from councils through the foreshadowed review of the ESL.	<p>The levy increases for the State’s 128 councils in 2023-2024 amounts to almost \$77 million, with the total cost imposed on the local government sector increasing from \$143 million in the 2022-2023 financial year to \$219 million in 2023-2024. This represents a 53.1 per cent increase, completely dwarfing the base rate peg of 3.7 per cent, as set by the Independent Pricing and Regulatory Tribunal (IPART) for 2023-2024.</p> <p>LGNSW has welcomed the NSW Government’s decision to undertake a broad review the ESL. It is a long-established position of LGNSW that the ESL should be removed from councils and insurance policies and replaced with a broad-based property levy which would be revenue neutral for the NSW Government and provide a fairer and more transparent mechanism to collect this sum. The NSW Budget should provision for this review.</p>
Cost of local government elections	Commit to funding any increases in the cost of local government elections in excess of the rate peg imposed on councils.	<p>The increasing cost of local government elections has resulted in greater spend by councils on their elections. Although the State Government has historically contributed to the running costs, the proportion paid by ratepayers continues to increase. It is acknowledged that this is a result of several increasing cost input factors, including venue hire and staffing costs. Given the costs increase, the NSW Government should commit to funding any increase in the cost of running the local government elections in excess of the rate peg imposed on councils.</p>
Audit costs for local government	Provide \$30 million over four years to cover the escalating costs of local government financial audits	<p>Since the NSW Audit Office became the auditor for all NSW councils in 2016, the baseline costs of audits have continued to increase. Councils are experiencing unsustainable audit fee increases well in excess of CPI and far beyond the baseline government rate peg.</p>

Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
<h2 style="margin: 0;">NATURAL DISASTER RESILIENCE</h2>		
<h3 style="margin: 0;">Infrastructure betterment and resilience</h3>	<p>Provide \$400 million in grant funding to councils to support infrastructure betterment to withstand future natural disasters while delivering benefits associated with improved resilience and productivity, economic and social outcomes.</p>	<p>Every local government area within NSW has experienced a natural disaster over the past 3 years and the majority of government expenditure is on clean up and recovery, not on preparedness and resilience. There is a pressing and significant need for the NSW Government to deliver pre-emptive disaster risk reduction planning, resources and investment to local councils and communities. For example, communities across NSW suffered catastrophic devastation by flood in 2022, resulting in the loss of lives and homes, businesses, livestock, grazing land, crops, machinery, and infrastructure damaged, destroyed, or lost. In line with the NSW State Disaster Mitigation Plan, the NSW Government should extend funding and support for local government, including for the betterment and improved resilience of essential community infrastructure.</p>
<h3 style="margin: 0;">Executive level Local Emergency Management Officers (LEMOs)</h3>	<p>Commit to the funding of executive level Local Emergency Management Officers (LEMOs).</p>	<p>Over time the expectations from the State Government and the community on local government related to emergency management have increased yet there are not the resources available to meet the needs for emergency management planning, response, and recovery. Council resourcing and support of emergency management is highly variable and relies on already stretched resourcing constraints in local government.</p>
<h2 style="margin: 0;">WATER AND ROADS INFRASTRUCTURE</h2>		
<h3 style="margin: 0;">Bolstering water security</h3>	<p>Commit a further \$1 billion over 5 years for the renewal of the Safe and Secure Water Program (SSWP).</p>	<p>Funding provided under the SSWP has been critical in delivering reticulated water and sewerage infrastructure, and water security. Without significant further investment communities across NSW will be left vulnerable to running out of water as they did in the last serious drought from 2017–2020. Climate change and changing weather patterns are predicted to deliver larger and more frequent extreme weather events in future. As such, the continuance of funding in the SSWP program is fundamental in assisting local water utilities to provide essential water services to communities.</p>




Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
<p>Roads</p>	<p>Increased funding for the \$1.1 billion Fixing Local Roads Program and Fixing Country Bridges program to help address the estimated \$1.9 billion road maintenance and infrastructure backlog faced by councils in rural and regional NSW.</p> <p>Maintain Regional Emergency Road Repair Fund (RERRF)</p> <p>Increase Road Block Grant funding in line with current CPI rate</p> <p>Increase funding for the Regional and Local Roads Repair Program (RLRRP)</p>	<p>These road programs are substantial, and therefore a continued acceleration of program funding is required just to address road maintenance issues compounded by rising construction costs due to the current high inflation environment. This does not include funding to address upgrades needed to improve freight access on the local and regional road network. Funding should also be increased to include road and bridge upgrades to enable the transport of required infrastructure and equipment such as wind turbines to Renewable Energy Zones.</p> <p>Maintaining this funding will enable councils to continue vital repair and maintenance work from natural disasters and severe weather in the past.</p> <p>Road Block Grants remains a vital source of recurrent road funding for councils with the backlog in road maintenance on local and regional roads estimated by the NRMA to be \$2.3 billion due to the impacts of recent year floodings. Increasing the Road Block allocation by a minimum of 4.1% aligns with the current inflation rates is fully justified.</p> <p>This program is essential in assisting councils to undertake significant upgrades to the local and regional roads network deal with the growing demands of the freight task.</p>
<p>Bus services and related infrastructure</p>	<p>Adopt the recommendations of the Bus Industry Taskforce and commit to the required funding of over \$5 billion worth of recurrent and capital spending over the short-term including funding for local infrastructure to support improvements to bus services such as local road improvements, bus shelters, lay-by bus stops and other facilities.</p>	<p>Bus services are critical to the effective functioning of local communities in both metropolitan and regional areas. Current service levels are lacking and have been deteriorating for many years due to lack of investment as identified in the Bus Industry Taskforce report.</p> <p>LGNSW has consistently pressed the case that councils cannot meet the costs of the required infrastructure.</p>
<p>HOUSING SUPPLY</p>		
<p>Housing supply</p>	<p>An additional \$1 billion annually for enabling local infrastructure to support more housing and greater density in metropolitan and regional areas to meet the NSW Government’s commitments under the National Housing Accord.</p>	<p>In assisting the NSW Government to meet its commitments under the National Housing Accord, councils across NSW are required to deliver infrastructure (such as local roads, drainage, water, and sewerage that enables more housing. Access to grant funding for these projects should be made available to councils in metropolitan and regional areas through mechanisms such as the Housing Acceleration Fund (HAF) and the Housing and Productivity Contribution.</p>

Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
<p>Public and social housing</p>	<p>Invest at least \$2 billion annually for 10 years to build 5,000 additional units of public and social housing each year.</p>	<p>The Federal and State governments need to urgently increase the stock of public and social housing.</p> <p>NSW Government funding should be used alongside federal funding from the Housing Australia Future Fund to urgently deliver this public and social housing. There is also an urgent need for existing public and social housing stock to be redeveloped to meet current and future needs, right across NSW.</p>
<p>Planning Portal funding</p>	<p>\$20 million in direct grant funding to councils to support the costs incurred by councils for the ongoing implementation and operation of council systems with the NSW Planning Portal.</p> <p>Commit \$10 million towards a full review and upgrade of the Planning Portal to make it fit for purpose to support delivery of the NSW Government’s National Housing Accord commitments.</p>	<p>On 1 July 2021, councils were mandated to use the Planning Portal by the NSW Government despite previous commitments that the use of the Portal would be optional. Implementation of the portal has resulted in significant adverse cost and efficiency impacts on councils and communities and additional expense to ratepayers but has failed to generate the promised cost savings to councils in return for these expenses. Additional expenses shifted to councils for running the portal include the costs of additional staff, systems and process amendments, digital integration, maintenance, and licensing costs.</p> <p>This funding would help to relieve councils of administrative burden associated with the Planning Portal and permit them to focus their efforts on the assessment process contributing to improved processing times and assist them in expediting approvals for housing delivery.</p>
<p>ENVIRONMENT</p>		
<p>Waste Levy</p>	<p>Reinvest the waste levy in full to assist in transition to circular economy, including:</p> <ul style="list-style-type: none"> • funding (over and above current funding) to offset council costs of implement the Food Organics Garden Organics (FOGO) mandate • Increased funding for compliance (e.g., illegal dumping teams) • state-wide education campaign • priority infrastructure 	<p>The NSW Government forecast it would collect \$873 million through the waste levy in 2022/23 and has budgeted to collect \$894 million in 2023/24. LGNSW calls on the government to fully use the waste levy for the purpose it was collected, i.e., to reduce waste and support the diversion of material from landfill back into productive use, effectively promoting a circular economy.</p> <p>For example, the implementation of the Government’s FOGO collection mandate requires considerable additional costs. A 2022 feasibility study found that implementing a FOGO service will increase the average cost of waste services by \$3.2 million per council whereas the EPA’s contestable FOGO grant program makes the equivalent of \$760,000 available per council. There is a considerable funding shortfall between what has been allocated to support the FOGO mandate.</p> <p>The NSW Auditor General found in her 2020 report that the NSW Government has collected almost \$4 billion from the waste levy in the last five years, but only about a third of this has been reinvested into waste and environmental programs.</p>



Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
<p>Asbestos</p>	<p>Make asbestos disposal simpler, cheaper, and safer through:</p> <ul style="list-style-type: none"> • \$1.8 million per year for ongoing uncontested grants to all NSW councils to deliver on the ground asbestos awareness campaigns. • \$8 million per year for: <ul style="list-style-type: none"> • Removal of the waste levy on household quantities of asbestos. • Ongoing funding of council run householders’ asbestos disposal schemes (HADS) • NSW Government to provide portable asbestos disposal facilities (e.g., skip bins or similar) at key council locations in each LGA for use by local residents, to accept plastic wrapped asbestos products that can be relocated to an approved landfill when full, with the costs covered by the NSW Government. • \$6 million per year for council exemption from the requirement for local government to be required to pay the waste levy in circumstances where they have unwittingly received contaminated waste, or where they have undertaken a clean-up of unlawfully dumped contaminated waste such as asbestos. • Dedicated, uncontested funding to councils to remove asbestos from all council buildings over a 10-year period - \$150 million per year. 	<p>Research by the EPA has shown that illegal dumping of asbestos can be reduced by making asbestos disposal easier and cheaper. The EPA trial of a household asbestos disposal scheme across 23 councils involved waiving the waste levy and reduced tip fees, at a cost of \$781,000.</p> <p>Social research in NSW and nationally shows the community is not aware of where asbestos could be in buildings, how to identify it or how to be safe around asbestos when they do come across it. They also do not know where to source reliable information. Councils are the level of government closest to community and best placed to deliver asbestos awareness campaigns.</p> <p>Councils do not have a mechanism to raise money for asbestos removal and therefore require financial support from the NSW Government.</p>
<p>Climate change</p>	<p>Invest \$8 million annually for 3 years to complete urban tree canopy mapping and support rural and regional councils to build urban tree canopy across their urban centres.</p> <p>Invest \$8 million over 4 years to implement actions that address climate risks to improve the resilience of council’s \$178 billion worth of assets and increase the community resilience to respond to climate risks.</p> <p>Invest \$12 million over 4 years to assist councils transition to net zero emissions and drive local economies.</p>	<p>Funding is needed to undertake mapping of current urban canopy levels in rural and regional NSW councils and to focus an investment in increasing urban tree canopy. This investment will reduce urban heat, improve air quality, provide shade, and build resilience to climate change.</p> <p>Council programs supported by the Climate Change Fund are ending. Additional funding for programs such as the Increasing Resilience to Climate Change program would continue to improve the resilience of local government assets and services.</p> <p>Local governments and their communities are on the frontline when dealing with the risks and impacts of climate change. As climate change impacts will be experienced at regional and local levels, councils may be best placed to manage these risks. Local government has shown that by working in partnership with the NSW Government, they can deliver highly effective climate change projects that can reduce greenhouse gas emissions, and greatly assist the community to be better prepared and better able to adapt to future climatic conditions.</p>

Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
<h2 style="margin: 0;">BIOSECURITY & COMPANION ANIMALS</h2>		
<p>Companion animal pound and rehoming funding</p>	<p>Increase capital and operational funding to enable upgrading of pound facilities, provision of support services to facilitate rehoming and to assist with educating the community about responsible pet ownership.</p> <p>\$50 million capital injection over 5 years plus \$20 million annual for operating, support services and education</p>	 <p>Registration fees for companion animals are pooled into the Companion Animals Fund managed by the Office of Local Government, which returns approximately 80% of fees to the council where the animal was registered. In 2018-19 approximately \$7 million was distributed to councils from the Fund to support councils in their work to regulate companion animals and encourage responsible pet ownership. This represents just 16% of the costs incurred by councils.</p> <p>There is a need for capital injection to update and increase pound and rehoming facilities, and increased support for councils to operate facilities to the community's expectations and undertake education and awareness in responsible pet ownership.</p>
<p>Biosecurity</p>	<p>\$5 million per year to increase capacity for invasive species identification and undertake widespread community education programs to increase awareness of biosecurity responsibilities, risks, and responses.</p> <p>Provide a contemporary and consistent funding stream to local control authorities (LCAs) for weed management and regulatory functions through the Weed Action Program that is:</p> <ol style="list-style-type: none"> a) increased to \$20 million per year b) indexed to inflation c) awarded to LCAs for a (minimum) 3-year horizon to enable forward planning. <p>Establish a Biosecurity Prosecution Fund with \$0.5 million in seed funding, to be administered by the Department of Primary Industries.</p>	<p>There is a lack of general community awareness of what the General Biosecurity Duty is, what it entails and what would constitute someone fulfilling their duty. In addition, there is poor understanding of the risks/threats posed by invasive species. More resources are needed for:</p> <ul style="list-style-type: none"> • Broader community and land manager education and awareness, including for absentee landowners. • Invasive species identification and control by all land managers. • Compliance and enforcement. <p>Current funding under the Weed Action Program (WAP) has not kept pace with inflation, nor the increasing threats posed by weeds to production and the environment. For example, the cost of labour and materials continues to rise however WAP funding has remained relatively flat since 2018/19 despite the inflation rate between 2018 and 2022 totalling 12.4% (average 3% pa).</p> <p>Once successful prosecutions and recovery actions are undertaken these funds could be returned to the Fund along with penalties awarded.</p>

Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
<p>STRONGER COUNTRY COMMUNITIES FUND</p>		
<p>Stronger Country Communities Fund</p>	<p>Continue committing at least \$160 million annually towards the Stronger Country Communities Fund.</p>	<p>Regional councils have embraced and relied on grant programs such as the Stronger Country Communities Fund to provide new or upgraded social and sporting infrastructure and deliver community projects aligned to their Community Strategic Plans. Many of the projects delivered under this program assist the community both socially and economically by providing community infrastructure.</p>
<p>RURAL HEALTH CARE</p>		
<p>Greater financial support for rural and regional healthcare.</p>	<p>Establish an annual \$5 million local government rural and regional health reimbursement scheme.</p>	<p>Regional and rural councils have recognised there is more to do to attract suitably qualified health practitioners to their communities. This includes both incentives for practitioners to relocate to rural NSW, as well as ensuring medical centres are financially sustainable and maintained.</p> <p>However, this cost shifting of health responsibilities onto local government means already stretched councils are having to divert funds from much needed local infrastructure and community services.</p> <p>Council expenditure includes health infrastructure, health scholarships, subsidising running costs of medical facilities and providing housing and accommodation incentives for the medical workforce. A local government health reimbursement scheme would allow councils to invest in important community infrastructure and services.</p>

Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
<h2>SKILLS AND LABOUR SHORTAGES</h2>		
<h3>Skills and labour shortages</h3>	<p>Allocate \$20m over 3 years to a Skills Development Fund that supports education and employment in areas of skills and labour shortages in local government. This includes:</p> <ul style="list-style-type: none"> • Initiatives such as tax incentives, housing subsidies and bonus payments, to incentivise professional staff to work in rural and regional councils. • Initiatives to increase trainee and apprentice employment across the breadth of local government operations and including early childhood education. • Creation of a dedicated pool of Smart and Skilled funding for local government to support skills development of new and existing staff in critical areas such as water, planning support, and early childhood education. 	<p>Over 90% of councils in NSW are experiencing skills shortages across professional, trades and community services roles. This is hampering the ability of councils to deliver the level of services their communities require. With its diversity of functions, councils provide many entry-level employment and training opportunities for young people, ultimately benefiting other businesses in the local community. Incentives to attract staff to work in councils and extra funding to create employment pathways into local government will drive the sustainability of councils and their communities.</p>
<h3>Domestic and family violence</h3>	<p>Invest \$12 million over four years to fund Domestic Violence prevention measures at a local government level:</p> <ul style="list-style-type: none"> • Establish a grant fund for councils to implement the Domestic and Family Violence Prevention Toolkit for Local Government (\$2.8 million per year for four years). • Create a dedicated Domestic and Family Violence Prevention Officer in LGNSW to build the capacity of councils across the state, in line with similar successful positions in the Victorian and Queensland Local Government Associations (\$0.2 million per year for four years). 	<p>The 2020 House of Representatives inquiry into family, domestic and sexual violence called for a dedicated domestic violence prevention officer in every state and territory local government association. As demonstrated in Victoria and Queensland, a dedicated officer in the state local government association has made an enormous difference in increasing the capacity of councils in those States to counter domestic and family violence at the local level through targeted, ongoing support. The Inquiry also recommended additional resources for local government to take a more active role in preventing and responding to family, domestic and sexual violence.</p>

Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
CARING AND LIVEABLE COMMUNITIES		
Closing the Gap	<p>Allocate \$20 million annually for four years to establish a local government Closing the Gap grant program</p>	<p>Councils have an important role in working in partnership with other spheres of government and Aboriginal communities to drive Closing the Gap outcomes. Council initiatives that are place-based and adapted to local need will be key in achieving these outcomes, but councils must be supported by the NSW Government to make this important contribution.</p> <p>In February 2024, LGNSW joined the NSW Coalition of Aboriginal Peak Organisations and the NSW Government in signing a new NSW Partnership Agreement for Closing the Gap. A grant program for councils will ensure local government can further contribute to the success of Closing the Gap and the NSW Implementation Plan.</p>
Community safety and crime prevention	<p>Immediately re-instate the Crime Prevention Fund and Graffiti Initiatives Fund previously administered by the Department of Communities and Justice, providing \$20 million in grant funding over four years for projects that address local crime hot spots and promote safe and inclusive use of public space</p>	<p>In recent years some councils have experienced increased crime rates. Youth crime and drug use are serious concerns for many NSW citizens, and this is especially the case in rural and regional areas where police and other youth services are critically under resourced.</p> <p>While policing is not a local government responsibility, councils have an important role to play in crime prevention when supported by the NSW Government and NSW Police Force. At a time of heightened concern about crime, it is critical that Crime Prevention Grants and the Graffiti Initiatives Fund are reinstated as a priority.</p>
Dedicated funding opportunities for councils providing Early Childhood Education and Care sector	<p>Establish a dedicated local government funding stream to support the continuation and growth of councils' significant role and status in the provision of early childhood education and care.</p>	<p>The cost of care has significantly increased; administrative, regulatory, and quality assurance processes are complex and unnecessarily laborious; coordinated planning to ensure adequate supply is largely absent; and providers are struggling to attract qualified staff.</p>

Areas of council funding need – LGNSW Priorities	Budget funding recommendation	Supporting case
<p>Funding to implement Council Disability Inclusion Action Plans</p>	<p>Establish a \$20 million grant program for NSW Councils that would enable councils to implement actions in their Disability Inclusion Action Plans.</p>	<p>Disability Inclusion Action Plans are the primary way in which councils can reduce and remove barriers for people with disability and foster more accessible and inclusive communities. Assistance from the state government in the form of a grant program would enable more councils to implement more of their actions in a timely manner and for the benefit of local communities. More than 4 million Australians, or around 18% of the population have a disability.</p>
<p>Funding for council-run art galleries, performing arts facilities, cultural events, and museums.</p>	<p>\$10 million annually for the introduction of a model of funding for council-run art galleries, performing arts facilities and museums that is similar to the NSW Library Annual Funding and Subsidy Adjustment Calculation.</p>	<p>Local government owns and manages much of the cultural infrastructure in NSW and is a critical enabler of the cultural vibrancy of communities right across NSW. Councils own more than 600 museums and galleries as well as keeping places, theatres and performing arts centres, and must be supported with transparent and equitable funding.</p> <p>The model for public library funding in NSW uses a transparent and equitable methodology that recognises that all residents deserve access to library services wherever they live in NSW.</p> <p>The NSW Government should introduce a similar model for annual funding of council's arts and cultural facilities and events, which will make an important contribution towards ensuring that the NSW Government's new Arts, Culture and Creative Industries Policy can be activated beyond the major state-owned cultural institutions.</p> <p>\$10 million annually would ensure that each council would receive an average of \$75,000 for cultural programming and the arts, driving the visitor economy and ensuring that residents of even the smallest rural and regional communities have access to a key element of what makes communities liveable.</p>

Conclusion

The 2024-25 NSW Budget submission by LGNSW underscores the critical need for sustained support and strategic investment in the face of economic challenges and inflationary pressures. The partnership between local government and the NSW Government has been instrumental in addressing community challenges in the past, demonstrating the power of collaboration in fostering community resilience. By maintaining and expanding economic support measures, prioritising investment in critical local infrastructure, and addressing areas of previous budget neglect, the NSW Government can position itself as a leader in strong fiscal management.

LGNSW urges the government against winding down existing support and recovery programs. Instead, the NSW Budget should continue focusing on bolstering community resilience and strengthening local economies which will pave the way for a robust and sustainable local government sector. By investing in key sectors, supporting essential services, and preparing for future disruptions, the NSW Government can ensure the well-being of its citizens and position the state for long-term economic success.

Local government is well positioned to play a major role, providing an effective conduit for delivering assistance and targeted initiatives to strengthen our communities, bolster the resilience of our infrastructure, services, and systems, protect the environment and ensure the most vulnerable members of our community are supported.

LGNSW remains committed to working in partnership with the NSW Government to address the economic challenges and opportunities that lie ahead.

For further information in relation to this submission, please contact:

- Anthony Luu, Senior Policy Officer: anthony.luu@lgnsw.org.au
- Shaun McBride, Chief Economist: shaun.mcbride@lgnsw.org.au