FINANCIAL ASSISTANCE GRANTS FOR 2017-2018

For 2017-18, the Australian Government will distribute a total of $2.37 billion to the States. South Australia will receive $155.8 million, which includes both a general purpose grant and local roads grant.

The general purpose funding for South Australia is $115.77 million. This funding is distributed to States on a per capita basis. South Australia’s share has been reducing as its population as a proportion of the national population declines.

The local roads funding for South Australia is $39.99 million, which includes special local road funding of $5.99 million. Local road funding is distributed to States based on those roads existing prior to the 1991-92 financial year. South Australia receives less than a per capita share of this funding.

In the 2017-18 Federal Budget, the Federal Government announced an end to the ‘pause’ in indexation of the total grant pool that has been in place for three years since 2014-15. The indexation of Financial Assistance Grants is an annual increase in grants based on population changes and increases in the Consumer Price Index.

In 2017-18, there were 68 councils, the Outback Communities Authority and five Aboriginal communities eligible for grants in South Australia.
ROADS TO RECOVERY - SPECIAL LOCAL ROADS PROGRAM FOR 2017-18

The Australian Government requires that the structure of the Roads to Recovery Grants for South Australia replicate that of the Identified Local Road Grants, ie, 85% formulae grants and 15% special local road grants. The formulae component of these grants is allocated by the Australian Government direct to councils, with the remaining 15% special local road grants component based on the recommendations of the Grants Commission.

Funding from the special projects component of the Roads to Recovery Program for the 2017-18 Special Local Roads Program is provided out of two distinct pools of funding.

In 2017-18, an allocation of $4.26 million is available from the standard Roads to Recovery Program and a further $4.26 million is available from the additional Roads to Recovery funding, which is provided from the reintroduction of the indexation of the Federal Fuel Excise.

Projects may be funded out of each of these pools of funding or a combination of both pools and grants are tied for the specific project.

SUPPLEMENTARY LOCAL ROAD FUNDING

The Supplementary Local Road Funding was reinstated in the 2017-18 Federal Budget after not being included as part of the 2015-16 or 2016-17 Federal Budgets.

The Supplementary Local Road Funding Program is an additional allocation of road funding provided only to South Australia. This funding is provided to address (in part) the inequity that exists in the allocation of local roads funding to South Australia.

South Australian councils maintain 11.8% of the nation’s local road network and receive only 5.5% of the national pool of grant funding.

The Supplementary Local Road Funding will provide an additional $40.0 million in road funding to South Australia up to June 2019. Local Governing Authorities will receive $20.0 million in 2017-18 and $20.0 million in 2018-19.

Summary of Grants for 2017-18: Based on Final Estimates – July 2017

Roads to Recovery (Standard Program) ($2.1 billion nationally from 2014-15 to 2018-19)

Roads to Recovery (Fuel Excise) $1.1 billion nationally from 2015-16 to 2017-18

Local Government Financial Assistance Grants

- Total SA Allocation $155.8 million (6.58%)
- General Purpose Grants $115.77 million (7.08%)
- Identified Local Road Grants $39.99 million (5.5%)
- Formulae Grants $35.0 million (85%)
- SLRP $5.99 million (85%)

Summary of Grants for 2017-18: Based on Final Estimates – July 2017

Roads to Recovery (Fuel Excise) $1.1 billion nationally from 2015-16 to 2017-18

Supplementary Local Road Funding (SA Only) $40 million ($20m for 2017-18 & $20m for 2018-19)

- Formulae Grants $17 million (85%)
- Special Local Roads Program $3 million (15%)

- Local Government Financial Assistance Grants
- Roads to Recovery (Standard Program) ($2.1 billion nationally from 2014-15 to 2018-19)
- Roads to Recovery (Fuel Excise) $1.1 billion nationally from 2015-16 to 2017-18
- Supplementary Local Road Funding (SA Only) $40 million ($20m for 2017-18 & $20m for 2018-19)

General Purpose Grants $115.77 million (7.08%)
Identified Local Road Grants $39.99 million (5.5%)
Formulae Grants $35.0 million (85%)
SLRP $5.99 million (85%)

Total SA Allocation $28.4 million pa (8.3%) (with $56.8m paid in 2015-16)

Total SA Allocation $89.5 million pa (6.3%) (with $56.8m paid in 2015-16)

Total SA Allocation $28.4 million pa (6.3%) (with $56.8m paid in 2015-16)

Total SA Allocation $23.91m for 2017-18 (85%)

Total SA Allocation $89.5 million pa (6.3%) (with $56.8m paid in 2015-16)

Total SA Allocation $36.9m in 2016-17 and $28.2m in 2017-18

Total SA Allocation $24.4m for 2015-16

Formule Grants $8.52m for 2015-16 (15%)

Supplementary Local Roads Program $4.26m for 2017-18 (15%)

Roads to Recovery Allocations for South Australia do not include amounts allocated to DPTI