

## **MAYORAL MINUTE**

### **MM-1 MAYORAL MINUTE - FAIRER SHARE CAMPAIGN**

#### **Summary:**

The Financial Assistance Grants program funding that is available for local governments is not keeping up with the increasing demand on local infrastructure and services and the need to build and maintain essential infrastructure to a higher standard than ever before.

#### **Recommendation**

That the Council:

- a acknowledges the importance of federal funding through the Financial Assistance Grants program for the continued delivery of council services and infrastructure
- b expresses its concern about the decline in the value of Financial Assistance Grants funding at the national level from an amount equal to around 1% of Commonwealth Taxation Revenue in 1996 to a current figure of around 0.55%.
- c calls on all political parties contesting the 2019 Federal Election and their local candidates to support the Australian Local Government Association's call to restore the national value of Financial Assistance Grants funding to an amount equal to at least 1 % of Commonwealth Taxation revenue and therefore to provide a Fairer Share of Federal funding for our local communities

#### **Report**

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FAGs are a vital part of the revenue base of all councils, and this year councils will receive \$2.4 billion from the Australian Government under this important program.

The value of the FAGs has been declining for more than 20 years. In 1996 the level of funding for the FAGs was equal to around 1% of Commonwealth Taxation Revenue but this has steadily fallen since 1996 under successive Federal Governments until it has reached a level now less than 0.55% of Commonwealth Taxation revenue. This decline was exacerbated by a three-year freeze on the indexation of FAGs from 2014-15 to 2016-17 which has cost local government an estimated \$925m in foregone FAGs funding.

FAGs are essential for many councils, particularly those in regional and remote areas of Australia which have very limited access to alternative revenue sources such as rates. These councils are dependent on the FAGs for the provision of infrastructure and services for their communities.

At the national level there has been an increasing level of demand from the community for local services and a growing expectation for a higher standard of services. This comes at the same time as cost shifting by state and territory governments onto local government continues to be a problem and state and territory governments in several states impose revenue restrictions on councils through rate capping.

The Australian Local Government Association has made the restoration of the FAGs and the provision of a Fairer Share for local communities a key election initiative and ALGA and the state and territory local government associations are seeking the support of Council for the campaign and asking Council to engage directly with local candidates in the Federal Election to seek their support for a Fairer share of Federal funding for our community.

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**Financial Implications**

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N/A

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**Policy and Legislation**

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N/A

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**Link to Strategic Plan**

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**Community Leadership and Collaboration**

Objective: We have strong leadership

Outcome: We have leaders that represent us

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**Risk Management Issues for Council**

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N/A

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**Internal / External Consultation**

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N/A

