
**MM4/15 FINANCIAL ASSISTANCE GRANTS TO LOCAL
GOVERNMENT - The Mayor, Councillor Bill Pickering**

File Number: CSG/14/3/22 - BP15/647

Council has received correspondence from both Councillor Keith Rhoades, President, Local Government NSW and Mayor Troy Pickard, President, Australian Local Government Association, which outlines the Commonwealth's decision to freeze indexation of its Financial Assistance Grants (FAGs). **ATTACHMENT 1**

As stated in their letters, this decision will seriously compromise Local Government's ability to provide adequate levels of infrastructure and services to various communities right across Australia. They advise that these Grants are currently valued at \$2.3 billion, however, the Federal Government's freezing of these Grants at 2014/15 levels, will result in a permanent reduction in Financial Assistance Grants of 13%.

Both Associations are requesting that all Councils pass a standard resolution that stresses the importance of these Grants in providing funds for the essential services of Council.

In 2014/15, it is estimated that the City of Ryde will receive \$3.2 million in Financial Assistance Grants. Due to these grant being 'untied', the funds play a significant part in assisting Council to balance its annual budget and provide critical services such as parks, libraries, sporting fields, various infrastructure services including roads, stormwater and cycleways etc.

As requested by the Associations, I now submit the following recommendation for Council's endorsement.

RECOMMENDATION:

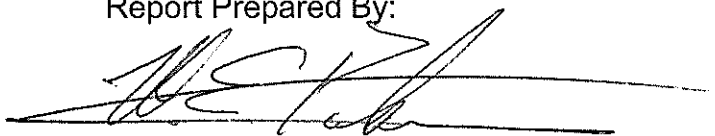
- (a) That Council acknowledge the importance of federal funding through the Financial Assistance Grants program for the continued delivery of Council services and infrastructure
- (b) That Council acknowledges that the City of Ryde will receive \$3.2 million in 2014/2015, and
- (c) That Council ensure that this federal funding, and other funding provided by the Federal Government under relevant grant programs, is appropriately identified as Commonwealth grant funding in Council publications, including annual reports.

MM4/15 (continued)

ATTACHMENTS

- 1 Financial Assistance Grants to Local Government - letter from Local Government NSW

Report Prepared By:



Councillor Bill Pickering
The Mayor

20 April 2015

Cr Bill Pickering
Mayor
Ryde City Council
Locked Bag 2069
NORTH RYDE NSW 1670

Dear Cr Pickering

Re: Financial Assistance Grants to Local Government

As you would be aware, the Commonwealth's decision to freeze indexation of its Financial Assistance Grants (FAGs) threatens to seriously compromise Local Government's ability to provide adequate levels of infrastructure and services in communities right across Australia. These untied Grants are currently valued at \$2.3 billion, but the Federal Government has frozen them at 2014/15 levels, leading to a permanent 13% reduction in the FAGs base.

We need your help if Councils such as yours are to maintain adequate funding for local roads, parks, swimming pools, and libraries. ALGA has mounted a campaign to have FAGs indexation restored immediately, and for the Commonwealth Government to consider both their adequacy and indexation methodology going forwards.

How Councils can help:

With the third quarterly FAGs payment now received, ALGA is calling on Councils across Australia to:

- pass a resolution acknowledging the importance of Financial Assistance Grants (see attached)
- acknowledge receipt of Financial Assistance Grants from the Commonwealth in media releases and council publications, including your annual report.
- illustrate the importance and impact of the Grants by identifying an individual project of a similar size to your annual or quarterly FAGs payment
- highlight this to the media and your local Federal MP and Senator in a positive story on the grant funds.

Full details on FAGs payments for the current financial year are available on the Department of Infrastructure and Regional Development website at

<http://www.regional.gov.au/local/assistance/>

Thank you for your commitment to the Local Government sector and your assistance in our campaign to restore the indexation of Federal Assistance Grants.

Yours sincerely



Cr Keith Rhoades AFSM
President
Local Government New South Wales



Mayor Troy Pickard
President
Australian Local Government Association

Council Resolution

That the Council:

1. *Acknowledges the importance of federal funding through the Financial Assistance Grants program for the continued delivery of council services and infrastructure;*
2. *Acknowledges that the council will receive \$X.Y million in 2014 - 15; and*
3. *Will ensure that this federal funding, and other funding provided by the Federal Government under relevant grant programs, is appropriately identified as Commonwealth grant funding in council publications, including annual reports.*

Rationale

FAGs are a vital part of the revenue base of all councils, and this year councils will receive \$2.3 billion from the Australian Government under this important program.

The Government's decision in the 2014 Federal Budget to freeze the indexation of FAGs for three years beginning in 2014-15 will unfortunately cost councils across Australia an estimated \$925 million by 2017-18.

ALGA and the state local government associations are seeking the support of Council for advocacy to have the Federal Government reverse the decision to freeze the indexation of FAGs.

While the FAGs are paid through each state's Local Government Grants Commission, the funding originates with the Commonwealth and it is important it is recognised as such. Council, and every other council in Australia, have been asked to pass a resolution acknowledging the importance of the Commonwealth's Financial Assistance Grants in assisting Council to provide important community infrastructure.

Council is also being asked to acknowledge the receipt of Financial Assistance Grants from the Commonwealth in media releases and council publications, including our annual report, and to highlight to the media a council project costing a similar size to the FAGs received by Council so that the importance and impact of the grants can be more broadly appreciated.