

## **Council Resolution**

That the Council:

1. Agrees to send a letter of congratulation to [...] on his/her election as the Member for [local electorate] in the 46th Parliament which also highlights the importance to the community of a partnership with the Australian Government and the support received through the Financial Assistance Grants (FAGs).
2. Seeks a meeting with our local Federal Member to acknowledge the importance of the FAGs for local communities and raise concerns about the decline in the value of FAGs 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%.
3. Commits to keeping the local Federal Member informed of what Council is using the FAGs funding for at present and what Council could use future funds for – highlighting what could be achieved if these funds were doubled.
4. Note that the Australian Local Government Association and our state/territory local government association will continue to provide updated materials for Council's use in support of the Fairer Share advocacy campaign.

## **Rationale**

FAGs are a vital part of the revenue base of all councils, and this year councils will receive \$2.5 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 and infrastructure. This comes at the same time when 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 of Federal funding for local communities a key advocacy 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 Federal MPs to ensure they understand the importance of FAGs funding for unlocking the potential of the local community and seeing their support for a Fairer share of Federal funding for the community.

The advocacy campaign has several phases over a long-term approach and Council's ongoing support and participation is critical if we are to achieve the aim of increased Federal funding for local communities.