

EMBARGO: 11.30 a.m.



PRIME MINISTER

PRESS STATEMENT NO. 307

23 August 1974

GRANTS TO LOCAL GOVERNMENT

The Australian Government has approved the first grants ever to be made to reduce inequalities between local government areas throughout Australia. For the first time since its creation in 1933, the Grants Commission has recommended grants for local government areas.

The Government, which last year empowered the Commission to recommend aid for local government areas in addition to claimant States, has approved the body's proposals.

It will grant a total of \$56,345,000 to local government organisations throughout Australia in 1974/75.

The allocations for Councils in each State are:

<u>New South Wales:</u>	\$21,359,000
<u>Victoria:</u>	\$14,630,000
<u>Queensland:</u>	\$8,954,000
<u>South Australia:</u>	\$4,774,000
<u>Western Australia:</u>	\$4,959,000
<u>Tasmania:</u>	\$1,669,000

The grants will be paid to Councils through State Governments.

The Australian Government has accepted the Commission's recommendation that no conditions be attached to the way in which local government bodies spend their allocations in 1974/75.

The acceptance of the proposals of the Commission, an independent and non-political body, represents one of the most important advances in the history of Australian local government. This major breakthrough results from legislation introduced by the Government last year to expand the Commission's functions.

The Commission was established in 1933 to provide recommendations for special grants to be paid to claimant States under Section 96 of the Constitution.

At various times in the past 41 years these States have included Queensland, South Australia, Western Australia and Tasmania.

The basis of making such grants has been the recognition that at various times some States have been less advantaged than others, both in terms of finance and services.

The Commission has served the purpose of helping to reduce such inequalities between States.

The Grants Commission Act 1973 empowered the Commission to examine not just inequalities between States but also the inequalities that exist between regions in the one State.

This recognises that while a single State may be in a strong financial position overall, some areas within it may lack adequate services and facilities.

Local Councils in such areas may not have the financial resources to overcome those deficiencies and even the relevant State Government may not be able to provide adequate assistance.

It has become quite obvious that if the disabilities of some areas of Australia are to be overcome the national Government must provide special grants.

That is the principle which has guided the Grants Commission and the Government in their deliberations.

National Government assistance for Councils is long overdue in Australia. Neither the Australian nor State Governments in the past have been prepared to provide adequate assistance to enable local government to provide the many essential services which the community now demands of it.

Local Government has indeed been neglected and downgraded since the very beginnings of our federation.

The extension of the Grants Commission's powers and the Government's acceptance of its recommendations will mean that local government, for the first time, will be given the kind of assistance that it so desperately needs.