



PRIME MINISTER

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COMMONWEALTH ASSISTANCE TO LOCAL GOVERNMENT

The Prime Minister today has advised Premiers that \$165.3 million will be made available to the States for passing to local government authorities as general revenue assistance in 1977-78 under arrangements provided by the Commonwealth in the Local Government (Personal Income Tax Sharing) Act 1976.

The amounts to be paid to each State in 1977-78, together with the corresponding amounts for 1976-77 are:

LOCAL GOVERNMENT TAX-SHARING ENTITLEMENTS

	1976-77 \$m	1977-78 \$m
New South Wales	51.3	60.3
Victoria	35.4	42.1
Queensland	24.2	27.9
South Australia	11.9	14.2
Western Australia	13.2	15.5
Tasmania	4.0	5.3
Total	140.0	165.3

The distribution shown for 1977-78 is based on the percentage distribution recommended by the Grants Commission and accepted by all Premiers at the Premiers' Conference on 1 July 1977.

Amending legislation to give effect to this distribution will be given priority in the Budget sittings and it is not expected to cause any delays in payments to local government authorities.

"Local Government will in the light of this information now be able to reasonably estimate the amount it is likely to receive in this year", the Prime Minister said.

The funds provided to the States under these arrangements are allocated to individual local government authorities by the States. Under general guidelines provided in the Commonwealth legislation, at least 30% of the funds are to be distributed to all Councils on a per capita basis, which may be weighted for area or population density, with the balance being allocated on a needs basis which is the subject of prior inquiry and report by the individual State Grants Commissions.

The funds will be made available to the States for payment to each local government authority as soon as possible after the States Grants Commissions have completed their assessments and the Minister Assisting the Prime Minister in Federal Affairs has been notified that the proposed distribution is in accordance with the legislation.

The general revenue assistance to local government has increased from \$80 million under the previous government to \$140 million last year - the first year of the new tax sharing arrangements - and \$165 million this year. The Commonwealth Government's tax sharing arrangements have thus provided a very substantial and rapidly growing source of funds to local government bodies throughout the country. Just as importantly, the funds are provided without strings - giving local governments the freedom, and the responsibility, to determine their own expenditure priorities.

Canberra

1/August 1977