

3 August 1979

FOR PRESSCOMMONWEALTH ASSISTANCE TO LOCAL GOVERNMENT

- Statement by the Hon. W.C. Fife, M.P.,
Minister Assisting the Prime Minister
in Federal Affairs.

Premiers have been advised that \$221.74 million will be made available to the States for passing to local government authorities as general revenue assistance in 1979-80 under arrangements provided by the Commonwealth in the Local Government (Personal Income Tax Sharing) Act 1976. This represents an increase of 23.6% on last year's allocation.

The amounts to be paid to each State in 1979-80, together with the corresponding amounts for 1978-79 are :

LOCAL GOVERNMENT TAX-SHARING ENTITLEMENTS

	1978-79	1979-80
	\$m	\$m
New South Wales	65.49	80.93
Victoria	45.67	56.44
Queensland	30.25	37.39
South Australia	15.43	19.07
Western Australia	16.85	20.82
Tasmania	5.74	7.09
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Total	179.43	221.74
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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.

General revenue assistance to local government has increased from \$80 million under the previous Labor Government to \$140 million in 1976-77, \$165 million in 1977-78, \$179.4 million in 1978-79 and \$221.74 million for 1979-80. As a result, local government will have received over \$700 million in untied grants in the four years of the tax sharing arrangements.

Mr Fife went on to say that the Government had increased the percentage allocation of personal income tax to local government for 1979-80 from 1.52% to 1.75% and maintained its commitment to increase the percentage to 2% by 1980-81.

In addition to the funds provided to the States, the Commonwealth has made provision, under the Memorandum of Understanding between the Commonwealth and the Northern Territory, for an amount of \$1.062 million to be made available in 1979-80 to the Northern Territory Government for on-forwarding to the local government authorities in the Territory.

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