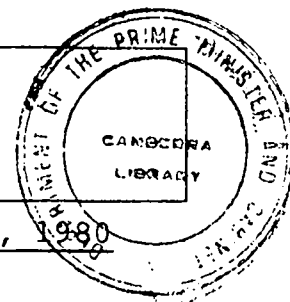




# PRIME MINISTER



FOR MEDIA

WEDNESDAY, 17 SEPTEMBER, 1980

Federal Government assistance to local bodies throughout Australia will exceed \$300 million this financial year.

This follows implementation of the Government's commitment to increase the allocation of personal income tax collections to local Government to 2 per cent.

Local authorities have received \$300.79 million compared with \$221.74 million last financial year - a massive 35.65 per cent increase in general revenue assistance.

Overall, local Government will have received over \$1,000 million in untied grants in the five years of the tax sharing arrangements under this Government.

Details of Government assistance to local Government were contained in a report of the distribution of Commonwealth funds by the States Grants Commission for the 1980-81 financial year tabled by the Prime Minister in Parliament today.

The Government has accepted the recommendations made by the States Grants Commission and the amounts to be paid to each State in 1980-81, together with corresponding amounts for 1979-80 are:

## Local Government Tax Sharing Entitlements

	<u>1979/80</u>	<u>1980/81</u>
	\$m	\$m
New South Wales	80.93	109.78
Victoria	56.44	76.55
Queensland	37.39	50.71
South Australia	19.07	25.87
Western Australia	20.82	28.24
Tasmania	7.09	9.62
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Total (rounded)	221.74	300.79
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Funds provided to the States under these arrangements are allocated to individual local Government authorities by the States.

Under Federal Government guidelines, at least 30 per cent of the funds must be distributed to Councils on a per capita basis which may be weighted for area or population density.

The balance is allocated on a needs basis which is subject to prior inquiry and report by the individual State Grants Commissions.

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, \$221.74 million in 1979-80 and \$300.79 million in 1980-81.

In addition to money provided to the States the Federal Government has made provision for an amount of \$1.440 million to be made available in 1980-81 to the Northern Territory Government for distribution to the local Government authorities in the Territory. This compares with \$1.062 million in 1979-80.

Clearly, the Federal Government tax sharing arrangements have provided a most substantial and rapidly growing source of funds for local Government bodies throughout the country.

But most importantly, the funds are provided without strings.

They have been welcomed by local Governments throughout Australia because they provide them with the freedom and the responsibility to determine their own priorities.

The Federal Government believes that local authorities - not the Government in Canberra - are best suited to decide how money is spent in local areas.