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ACTING **PRIME MINISTER**

FOR MEDIA

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COMMONWEALTH ASSISTANCE TO LOCAL GOVERNMENT

The Acting Prime Minister, John Howard, announced today that local authorities will this year receive from the Commonwealth an increase in general revenue assistance.

Premiers have been advised that \$424.49 million will be made available to the states for passing to local government authorities as general revenue assistance in 1982-83 under arrangements provided by the Commonwealth in the Local Government (Personal Income Tax Sharing) Act 1976. This represents an increase of almost 21% over the allocation for 1981-82.

The amounts to be paid to each State in 1982-83, together with the corresponding amounts for 1981-82 are:

Local Government tax sharing entitlements

| | <u>1981-82</u> \$m | <u>1982-83</u> \$m |
|-------------------|-----------------------|-----------------------|
| New South Wales | 128.06 | 154.93 |
| Victoria | 89.30 | 108.04 |
| Queensland | 59.16 | 71.57 |
| South Australia | 30.18 | 36.51 |
| Western Australia | 32.95 | 39.86 |
| Tasmania | 11.23 | 13.58 |
| | <hr/> | <hr/> |
| TOTAL (rounded) | 350.87 | 424.49 |

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 States Grants Commission.

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 assessment 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, \$165.33 million in 1977-78, \$179.43 million in 1978-79, \$221.74 million in 1979-80, \$300.79 million in 1980-81, \$350.87 million in 1981-82 and \$424.49 million in 1982-83. As a result, local government will have received about \$1783 million in untied grants in the seven years of the tax sharing arrangements.

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 \$2.03 million to be made available in 1982-83 to the Northern Territory Government for onforwarding to the local government authorities in the Territory (\$1.68 million in 1981-82).

The Commonwealth Government's tax sharing arrangements have thus provided a very substantial 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.

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