

CAMPASPE SHIRE COUNCIL
MEDIA RELEASE



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**CAMPASPE SHIRE COUNCIL ADVOCATES FOR RESTORATION OF FEDERAL GOVERNMENT
FINANCIAL ASSISTANCE GRANTS**

As part of its 'Advocating for a Brighter Tomorrow' federal election advocacy campaign, Campaspe Shire Council has joined with other rural and regional councils across the nation in calling on the next Australian Government to restore local government Financial Assistance Grants (FAGs) back to 1% of commonwealth taxation revenue.

Campaspe Shire Council Mayor Cr Daniel Mackrell said councils have relied heavily on FAGs for many years but the grants have declined by about 50% over the past three decades.

'At the same time Financial Assistance Grants revenue has been cut, Victorian councils have also had to contend with imposed rate capping and ongoing cost shifting from both state and federal governments,' Cr Mackrell said.

'The compounding impacts of this situation are increased challenges for councils to find alternative revenue streams to fund services and projects, and to achieve financial sustainability.

'That's why we're seeking a commitment by the incoming Australian Government to restore Financial Assistance Grants to the 1996 level of 1% of commonwealth taxation revenue.

'As untied funding, FAGs are highly valuable to councils as they enable them to spend money where it is most needed,' he said.

'Whether it's building new infrastructure, delivering services to meet community needs, maintaining assets or investing in operational improvements, FAGs give us flexibility to allocate the funding towards our specific goals and priorities.

'Like our metropolitan counterparts, rural and regional councils also deliver more than 100 services and large-scale infrastructure projects to their communities, but they have a much smaller rates revenue base. So, any cut to commonwealth grants only adds to the financial pressure experienced by rural and regional councils.'

A recent submission by the Australian Local Government Association (ALGA) to the *Inquiry into Local Government Sustainability* highlighted the critical need for adequate and secure funding to ensure councils can effectively plan and deliver essential services. The submission also highlighted the limited revenue options available to local governments and their heavy reliance on Commonwealth FAGs.

'Financial Assistance Grants not only help councils deliver vital services, they also help councils build financial resilience for the future,' added Cr Mackrell.

For more information on Council's 'Advocating for a Brighter Tomorrow' campaign, including our advocacy booklet and video, and details about how you can become involved, visit Council's website at www.campaspe.vic.gov.au/FederalAdvocacy.

To coordinate an interview or seek further information contact:

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