



CENTRAL NSW
COUNCILS

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MEDIA RELEASE

For immediate release

Date of Release: 23 June 2014

Approved by: Cr Ken Keith Chair of Centroc and Mayor of Parkes Shire Council

COUNCILS UNITE TO SAVE ESSENTIAL FINANCIAL ASSISTANCE GRANTS

Mayors of Central NSW Councils (Centroc) are supporting the Australian Local Government Association's call for the Commonwealth Government to immediately reverse its decision to freeze the indexation of the local government Financial Assistance Grants (FAGs).

The decision, announced in the Federal Budget, will cost councils an estimated \$925 million in grants used to maintain essential infrastructure such as local roads, bridges, parks, swimming pools, libraries, community halls, and services for the young, the elderly and community groups.

"Financial Assistance Grants are a vital part of the revenue base of all councils," said Cr Ken Keith, Chair of Centroc. "For example, when the current extension of Roads to Recovery (R2R) is due to end in 2018-19, the loss of FAGs will be the equivalent of 95% of R2R funding."

"For many smaller rural and remote councils, FAGs form the majority of their revenue," Cr Keith said. "Those communities will be the hardest hit by these funding reductions."

President of the Australian Local Government Association, Dr Felicity-ann Lewis, says the Federal Government is effectively forcing councils to cut services or consider rate rises.

"This is grossly unfair given that our local residents have already paid taxes to the Federal Government and expect an adequate level of that revenue to be returned to councils to provide local services and infrastructure," Dr Lewis said.

The ALGA has resolved to call on the Government to immediately restore indexation of FAGs in line with CPI and population growth and will take the matter directly to Federal Government Ministers.

ENDS

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