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Media Release

Local government welcomes increase in grant funding

With the next Federal Election just weeks away, the Local Government Association of Tasmania (LGAT) is calling on all parties and candidates to support an increase of Financial Assistance Grants to local government.

LGAT President, Australian Local Government Association Vice President and West Tamar Mayor Christina Holmdahl said restoring Financial Assistance Grants to at least one per cent of Commonwealth taxation revenue will ensure every community can participate in and benefit from Australia's economic recovery.

"We welcome the Federal Government's budget commitment of \$2.8 billion in untied Financial Assistance Grants, which is up from \$2.65 billion," Mayor Holmdahl said.

"Though we are disappointed the amount is short of the ask and there is no commitment to work towards the level of investment needed to ensure communities are not left behind," she said.

"Financial Assistance Grants play a vital role in maintaining services and infrastructure for many Tasmanian councils, especially the smaller and rural councils," she said.

"Local councils continue to support communities through challenges, like the impacts of border closures on revenue, and any financial assistance we receive will help people living in those communities," she said.

These grants, when untied, play a significant role in making sure that councils have the flexibility to respond to community needs, improving their wellbeing and local services.

"Local government collects just 3.5 per cent of all taxes nationally with money provided to the sector spent locally, where local communities need local solutions," she said.

Independent analysis shows increasing Financial Assistance Grants to at least one per cent of Commonwealth taxation revenue would also create 16,000 jobs and add around \$2.37 billion per year to Australia's GDP.

Providing councils with increased Financial Assistance Grants will create thousands of new jobs right across our state.

"We know that increased funding for local government will deliver long term benefits for every community that will outlast once-off cash payments and temporary excise cuts," Mayor Holmdahl said.

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