



FOR IMMEDIATE RELEASE

Media Release

10 May 2017

Tasmanian Councils Welcome Budget Announcement to Restore Indexation to Financial Assistance Grants

The Local Government Association of Tasmania has welcomed the Australian Government's announcement in the Budget to restore indexation to Financial Assistance Grants (FAGs) from 1 July 2017, following a three-year freeze.

According to the Federal Government's own estimates, nationally, the 2014 budget move to freeze indexation to FAGs cost local communities more than \$600 million worth of services and infrastructure over the three years, with the biggest impact felt by councils in regional and remote Australia. In Tasmania, it is estimated that the decision cost almost \$12 million over the three-year period.

Mayor Daryl Quilliam, Vice President of the Local Government Association of Tasmania (LGAT) welcomed the Federal Government's decision to restore the indexation and said councils could now begin to address key projects that had been awaiting funding in order to proceed.

"Councils utilise Financial Assistance Grants to provide better infrastructure and services for our local communities," Mayor Quilliam said.

"By restoring indexation to this important untied payment, the Federal Government is honouring its commitment to communities to ensure that, as far as possible, every citizen regardless of where they live can have equitable access to municipal services."

"However, it will be some time before councils recover from the freeze to Financial Assistance Grants as it permanently reduced the base level of the payments," he said.

Ends....

**For media enquiries, contact LGAT CEO, Katrena Stephenson
on 0488 610 341**