

1. A Fairer Tax Share.



Financial Assistance Grants

Restoration of Financial Assistance Grants to at least 1 percent of Commonwealth taxation revenue providing councils with untied financial assistance.*



Local government receives 3% of Commonwealth taxation revenue, yet manages 33% of public assets, while the Federal Government collects 80% of taxes and manages 11% of public assets.



Councils need reliable funding transfers from other tiers of government to ensure communities have well maintained public infrastructure and services.



The restoration of revenue will match service delivery responsibilities and allow regional economies to operate in a way that sustains communities, creates jobs and generates exports.

Many Queensland councils have identified how restored Financial Assistance Grants would increase the sustainability of their communities:

- Promoting economic development, through local employment.
- Upgrading tourism facilities such as Visitor Information Centres & Art Galleries.
- Improving liveability through increased road maintenance, enhanced footpaths, parks and open space.

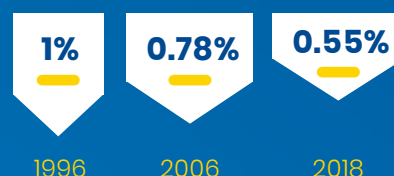


If services for our communities are to be maintained, and if councils are to have any chance of meeting demand from growth, funding transfers cannot be discretionary, or delivered to a small number of councils through competitive programs.



Like the successful Roads to Recovery program, Financial Assistance Grants transfers are based on an allocation method, and indexed to keep up with cost increases.

Financial Assistance Grants funding has been declining



resulting in cost-shifting and a reduction in vital services to communities.

A restoration of Financial Assistance Grants from 0.55% to 1 per cent of Commonwealth taxation revenue means \$400 million of extra community assets in Queensland, and an extra \$2 billion for Australia in 2018-19 terms.

Queensland **\$400 million**

Australia **\$2 billion**

This will boost regional economies and create local jobs.



Benefits of restored Financial Assistance Grants would flow disproportionately to rural and remote councils who are fighting for the survival of their communities and doing it particularly tough with drought.



Restored Financial Assistance Grants funding from the Federal Government would be publicly recognised by ALGA, the LGAQ and Queensland councils.



The economic and jobs benefit would be significant, given the current slowing of retail sales figures, construction numbers, iron ore prices and house prices.



Works for Queensland is an excellent example of an allocative program that has been exceptionally well received by communities, with wide-spread recognition of the funding provider, the Queensland Government.

Zonal Tax Rebates

Commitment to review and apply appropriate mechanisms such as zone tax rebates, other concessions and social security allowances, to better compensate people living and operating businesses in regional and remote communities for higher costs of living, distance to access essential services for their families, and for the numerous inequities experienced by them.



The LGAQ welcomes the November 2018 announcement of the Productivity Commission review and consultation process, including proposed meetings in regional communities throughout key areas of Queensland.



The LGAQ seeks a fairer go for our regional and remote communities through a bipartisan commitment to the review and implementation of recommendations from the Productivity Commission.