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THE HON MARK COULTON MP

Minister for Regional Health, Regional Communications and Local Government

Federal Member for Parkes

Ref: MC21-002575

Cr Rachel Chambers
Mayor
North Burnett Regional Council
PO Box 390
GAYNDAH QLD 4625

23 JUN 2021

Dear Mayor

Thank you for your letter of 28 April 2021 regarding the Financial Assistance Grant program.

I note your claims about tying funding to one per cent of Commonwealth taxation revenue. You may be interested to know that the Federal Government is already providing this level of funding to local government.

I agree that we need to be looking at how programs such as Roads to Recovery and the Local Roads and Community Infrastructure program factor local road networks in their funding allocations.

Financial Assistance Grant allocations are determined by each jurisdiction's Local Government Grants Commission according to the National Principles. A key Principle is that funding is distributed to councils to ensure equitable levels of service across each jurisdiction. Additionally, these Principles ensure that all councils receive a minimum grant, currently 30 per cent on a per capita basis, including large metropolitan councils. You may be interested to know that the Victorian Local Government Minister raised an important policy discussion at a recent Local Government Ministers meeting, proposing that this minimum grant Principle be amended to allow jurisdictions the freedom to choose a minimum grant between 10 and 30 percent. This could allow jurisdictions to allocate greater funding to regional, rural and remote communities. I encourage you to engage the Queensland Local Government Minister, the Hon Steven Miles MP, as well as the Local Government Association of Queensland regarding this.

It is the priority of the Government that funding provided through the Financial Assistance Grant program sees the best return and goes to those councils where it is most needed. I firmly stand by my remarks in my first speech to Parliament in 2008, where I outlined my support for more equitable funding for regional local government. I am therefore pleased to note that the Queensland Government is currently reviewing the methodology for the allocation of Financial Assistance Grant funding in order to achieve a more equitable distribution in accordance with the National Principles.

The 2021-22 Federal Budget continues to deliver substantial support to assist North Burnett Regional Council including a third phase of the successful Local Roads and Community Infrastructure program. Under the additional phase, \$3,702,876 will be directly allocated to your council. In addition, under the Roads to Recovery program, \$1,851,438 has been allocated to your Council for 2021-22 to assist in maintaining the local road network.

The graph at **Attachment A** shows the Government has approved \$18.5 million to North Burnett Regional Council in 2020-21. Had the Commonwealth only provided financial assistance at one per cent of available CTR (based on the historical proportion of the Financial Assistance Grant pool), the Council would have received \$1.9 million less in funding. In addition, I note that Council was approved for \$2 million total funding under the Drought Communities Programme Extension.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mark Coulton', with a long horizontal flourish extending to the right.

Mark Coulton MP

Encl.

