



GOLDEN PLAINS SHIRE

ATTACHMENTS

**Under Separate Cover
Ordinary Council Meeting**

6.00pm Tuesday 24 September 2019

Table of Contents

7.12	Financial Assistance Grants - Final 2019-20 Allocation	
	Attachment 1 Victorian Grants Commission Letter	4
	Attachment 2 Financial Assistance Grants Fact Sheet	6

Victoria Grants Commission

Department of Environment,
Land, Water & Planning
Level 35, 2 Lonsdale Street
GPO Box 500
East Melbourne Vic 8002
Telephone (03) 9948 8503

Chief Executive Officer
(as addressed)

Dear Sir/Madam

CIRCULAR 5 – FINANCIAL ASSISTANCE GRANTS: FINAL 2019-20 ALLOCATION

The Commonwealth Government has now approved the Victoria Grants Commission's final recommendations for the allocation of financial assistance grants to Victorian councils for 2019-20, and I am writing to provide you with information about your Council's final grant outcome for 2019-20.

Allocations

The Commonwealth Department of Infrastructure, Regional Development and Cities has advised the Commission that the final total amount to be allocated to Victorian councils for 2019-20 is \$616.317 million, comprising general purpose grants of \$455.581 million and local road grants of \$160.736 million. In aggregate, this is a decrease of \$3.313 million compared to the estimate contained in the 2019 Federal Budget which formed the basis of the estimates provided to individual councils in May 2019. The Commission understands that this adjustment is largely due to the rate of inflation for the year to 31 March 2019 being significantly less than the rate that was forecast by the Commonwealth Treasury in June 2018 for that period.

We have also been advised that \$6.012 million will be subtracted from the 2019-20 payments for Victoria as a result of an overpayment by the Commonwealth Government of the 2018-19 allocation to Victoria. The total payments to Victorian councils for 2019-20 have been decreased by this amount which has been distributed on a pro rata basis between councils in line with their 2018-19 allocations.

Please find the following attached to this letter:

- An *Allocations and Payment Schedule* detailing your Council's allocation and payments for 2019-20. Please provide a copy to your accounts section.
- An *Individual Council Report* which provides general information about the Commission as well as specific information in relation to the calculation of your Council's grant allocation for 2019-20.
- A *2019-20 Financial Assistance Grants Fact Sheet* which contains general information about the grants as well as a summary of your council's grant outcomes and trends (15 copies attached). I ask that a copy of the fact sheet is provided to all councillors.

Payments

As you would be aware, the Commonwealth Government decided to bring forward approximately half of the 2019-20 financial assistance grants payments to the 2018-19 financial year. Those payments were made to councils on 17 June 2019.

The Commonwealth Government has advised that the remainder of the 2019-20 grant payments will be made across four equal quarterly instalments as outlined in the attached Allocations and Payment Schedule. The first of these instalments is due to be made on 15 August 2019.

All funds provided by the Commonwealth are allocated by the Victoria Grants Commission and paid to Victorian local governments. Neither the Commission, nor the Victorian Government, retain any component of this funding.

Regional Sessions

Further details about the 2019-20 financial assistance grants will be provided to councils at the upcoming Regional Information Sessions, to be held in late August and September 2019 at five venues across Victoria. A letter was sent to all Victorian councils recently inviting attendance at these sessions. I strongly encourage you to ensure that your Council is represented at one of the sessions.

If you have any queries please contact Colin Morrison, Executive Officer tel 03 9948 8503 or email colin.morrison@delwp.vic.gov.au

Yours sincerely



John Watson
Chairperson
Victoria Grants Commission

13/8/2019



Financial Assistance Grants

2019-20

The Victoria Grants Commission allocates financial assistance grants to support councils in delivering services to their communities.

In 2019-20, Victorian councils will receive a total of \$616.3 million in financial assistance grants:

- \$455.6 million in general purpose grants
- \$160.7 million in local roads grants.

These funds are provided annually by the Australian Government.
 All of this funding is "untied" – i.e. councils can use the grants at their discretion.
 Grants are paid in quarterly instalments.

Victoria Grants Commission

The Victoria Grants Commission is a three-member, independent statutory body.

The Commission is responsible for recommending how the financial assistance grants should be allocated between the state's 79 councils.

The current members are

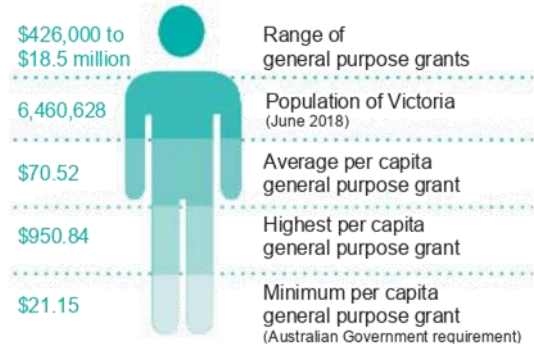
- John Watson (Chair)
- Julie Eisenbise
- Michael Ulbrick

Funds are allocated on the basis of a formula which is reviewed annually. Councils are able to have input into the way the grants are allocated through submissions or meetings with the Commission.

General Purpose Grants (\$455.6 million)

General purpose grants are allocated based on an assessment of councils' relative needs.

This takes account of a range of data for each council including population, number of dwellings, valuations, socio-economic disadvantage, population growth, population dispersion, regional significance and tourism.



Local Roads Grants (\$160.7 million)

Local roads grants are allocated based on an assessment of councils' relative needs in maintaining their local roads.

This takes account of roads lengths and traffic volumes for each council, as well as other factors including climate, freight and sub-grades.



Victoria Grants Commission, c/o Local Government Victoria
 Department of Environment, Land, Water and Planning
 T: 03 9948 8530 E: local.government@delwp.vic.gov.au www.delwp.vic.gov.au/local-government



Golden Plains Shire Council



2019-20 Financial Assistance Grants Golden Plains Shire Council

General Purpose Grant \$	Local Roads Grant \$	Financial Assistance Grants Total \$
3,861,218	2,102,030	5,963,248

Population (June 2018)
23,120



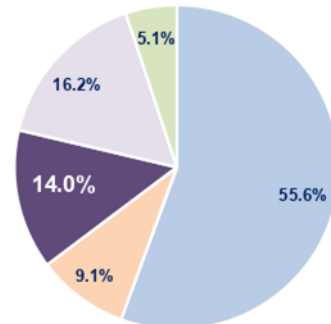
General purpose grant equivalent to:
\$167.01 per capita



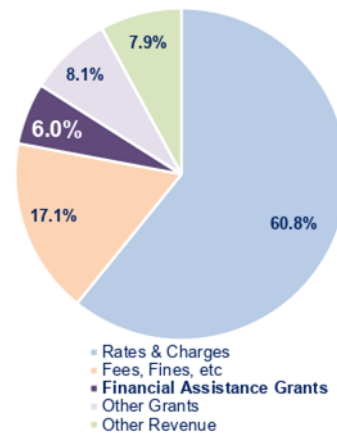
Road length (2018)
1859 km

Local roads grant equivalent to:
1131 per km

Financial assistance grants represents approximately 14% of Golden Plains Shire Council recurrent revenue



This compares to an average of 6.0% for Victoria



Ten-Year Grants Trend Golden Plains Shire Council

