



KEMPSEY
Shire Council

GENERAL MANAGER'S REPORT

11th September 2007

GM6

FINANCIAL ASSISTANCE GRANT

FILE: 238

AVB

{Folio No. *}

SUMMARY:

To notify Council of the 2007 / 08 Financial Assistance Grant allocation.

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DESCRIPTION:

Advice has been received from the Minister for Local Government that he has recently approved recommendations by the NSW Local Government Grants Commission for the distribution of financial assistance grants to Local Government Authorities in New South Wales for 2007-08.

The grant to Kempsey Shire Council of \$4,504,611 consists of two components, a General Purpose component of \$3,184,584 and a Local Roads component of \$1,320,027. Council budgeted for a total amount of \$4,562,000.

Council's budgeted figure was based on the Federal budget announcement "this week's Federal budget revealed that Financial Assistance Grant (FAG) funding Councils would be \$65.2 million or 3.9% higher than in 2006 / 07". In fact, Council's increase has only been 2.6%. MIDGOC is writing to the Minister to enquire as to why the grants distributed to Councils are less than that outlined in the Federal budget papers.

REPORT IMPLICATIONS:

- *Environmental*

Nil

- *Social*

Nil

- *Economic (Financial)*

The budget will need to be adjusted resulting in a reduction to working funds of \$57,389.

- *Policy or Statutory*

Nil

- *General Manager's Review*

Nil

RECOMMENDATION:

That the information be noted.

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A V Burgess
GENERAL MANAGER