



Circular Details	GC 148 / 18 June 2019 / A647720
Who should read this	Councillors / General Managers / Finance Managers
Contact	Helen Pearce – 02 4428 4131 / helen.pearce@olg.nsw.gov.au
Action required	Information

2019-20 Financial Assistance Grants (FAGs) – advance payment and on-going transition to implement improvements to the existing allocation model

- The Deputy Prime Minister, Minister for Infrastructure, Transport and Regional Development, the Hon Michael McCormack MP has advised that the Australian Government will again bring forward the first two instalments of the estimated 2019-20 FAGs.
- The advance payment will represent approximately 52% of the amount council is entitled to. Further adjustments will need to be made to the remaining payments to take into account:
 1. the determination by the Commonwealth Treasurer of the final adjustments for 2018-19
 2. the Grants Commission's recommendations for 2019-20.
- While transition arrangements remain in place, the Commission is continuing to consider ways to re-direct the General Purpose Component (GPC) of the grant towards councils with the greatest relative disadvantage.
- The 2019-20 GPC grant will be calculated using the 2018-19 year's allocation. No council will receive less than in 2018-19.
- The Commission is currently finalising the 2019-20 FAGs and will advise councils of the outcome when the grant recommendations have been adopted.

What this will mean for your council

- The advance payment amount, as set out in the indicative table (attached), is anticipated to be paid to councils on 18 June 2019.
- The balance of the grant will be paid with a corresponding reduction to the quarterly instalments during 2019-20.
- The first quarterly instalment is expected to be paid to councils in mid-August 2019, with subsequent instalments in November 2019; February 2020; and May 2020.
- All councils will be advised by letter of individual council's estimated entitlements for 2019-20 FAGs.

Key points

- The grants are paid under the provisions of the *Local Government (Financial Assistance) Act 1995* (Cwlth) (Commonwealth Act).

Where to go for further information

- Updates about the transition and general information are available on the Office of Local Government Website:
<https://www.olg.nsw.gov.au/commissions-and-tribunals/grants-commission>
- Please contact Helen Pearce, Executive Officer, if you require any further information.

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