

Victoria Grants Commission

Department of Environment,
Land, Water & Planning
Level 35, 2 Lonsdale Street
GPO Box 500
East Melbourne Vic 8002
Telephone (03) 9948 8530

Chief Executive Officer (as addressed)

Dear Sir/Madam

FINANCIAL ASSISTANCE GRANTS: FINAL 2017-18 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 2017-18, and I am writing to provide you with information about your Council's final grant outcome for 2017-18.

As previously advised, the 2017-18 Federal Budget, which was delivered on 9 May 2017, confirmed that the Commonwealth Government would resume indexation of the national pool of financial assistance grants in 2017-18.

Allocations

The Commonwealth Department of Infrastructure and Regional Development has advised the Commission that the final total amount to be allocated to Victorian councils for 2017-18 is \$565.772 million, comprising general purpose grants of \$415.741 million and local roads grants of \$150.031 million. In aggregate, this is an increase of \$4.478 million compared with the estimate contained in the 2017 Federal Budget which formed the basis of the estimates provided to individual councils in May 2017.

In addition, \$8.191 million will be added to the 2017-18 payments for Victoria as a result of an underpayment by the Commonwealth Government of the 2016-17 allocation to Victoria. This revision is a consequence of higher than anticipated population figures for Victoria as at December 2015. The total payments to Victorian councils for 2017-18 have been increased by this amount which has been distributed on a pro rata basis between councils in line with their 2016-17 allocations.

Please find the following attached to this letter:

- An *Allocations and Payment Schedule* detailing your Council's allocation and payments for 2017-18. Please provide a copy of this schedule 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 2017-18 (two copies attached).
- A *2017-18 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 2017-18 financial assistance grants payments to the 2016-17 financial year. Those payments were made to councils on 7 June 2017.

The Commonwealth Government has advised that the remainder of the 2017-18 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 2017.

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 2017-18 financial assistance grants will be provided to councils at the upcoming Regional Information Sessions, to be held in late August and September 2017 at five venues across Victoria. A letter has recently been sent to all Victorian councils 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 in relation to the matters raised in this letter please contact Brendan Devlin, Senior Analyst on telephone on (03) 9948 8530 or via email on brendan.devlin@delwp.vic.gov.au.

Yours sincerely



John Watson
Chairperson
Victoria Grants Commission

10 / 08 / 2017