



Stronger local government revenues

How all local councils in Australia might independently generate greater income to meet the ongoing and emerging needs of their local communities is the subject of a new report published today by Australian Centre of Excellence for Local Government (ACELG).

Entitled *In Our Hands: Strengthening Local Government Revenue for the 21st Century*, the research provides sound evidence for how councils might improve revenue streams in the medium to long term, drawing upon available information, new ideas and recommendations.

The report covers a wide range of issues concerning property tax and other sources of revenue and has an applied focus for council leaders who are considering the issue in their organisation.

The report's lead researcher and author, John Comrie, said that the need for further research on local government revenues has been recognised for some time.

"Some councils need and deserve more financial support from other spheres of government but it's unlikely the sector as a whole will realise significant additional financial support in the foreseeable future," he said. "While local government has made progress in improving financial performance in recent years, more needs to be done both by the sector and with other spheres of government to further strengthen the revenue raising and overall financial capabilities of local governments."

"In the main, local governments have a large degree of control over the level of services they provide (and therefore the costs they incur) and the revenue they generate. So there are many opportunities for councils to take the lead on this issue."

Key guestions answered in the report are:

- What do we know about the sustainability of local government revenue to date?
- Is the revenue base adequate and appropriate?
- Are rates being effectively utilised?
- Where the revenue base is inadequate, what are the best options for local government to increase and sustain own-source revenue to meet current and future needs?
- How can we sustain smaller rural and remote councils through increased external support?
- What have we have learned about how increased and sustained revenue for local government is achieved with least political fallout?

The project has been a collaborative venture between ACELG and its partners in local government, federal and state agencies, universities and consulting firms, and builds upon an earlier ACELG background paper.

The paper can be downloaded here: http://www.acelg.org.au/news-detail.php?id=307

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