



<b>Circular Details</b>	GC151 / 12 April 2022 / A814632
<b>Previous Circular</b>	GC 150
<b>Who should read this</b>	Councillors / General Managers / Finance Managers
<b>Contact</b>	Helen Pearce / 02 4428 4131 / <a href="mailto:olg@olg.nsw.gov.au">olg@olg.nsw.gov.au</a>
<b>Action required</b>	Information

## 2022-23 Financial Assistance Grants (FAGs) – advance payment

### What's new or changing

- The Federal Budget for 2022-23 released 29 March again provided for an advance payment of the estimated 2022-23 FAGs.
- The advance payment will represent approximately 75% 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 2021-22,
  2. the Grants Commission's recommendations for 2022-23.
- The Commission will advise councils of the recommendations when they have been finalised after the Commonwealth advises the amount of the final adjustments.

### What this will mean for your council

- The advance payment amount, as set out in the attached schedule, was paid to councils on 12 April 2022.
- The balance of the grants will be paid with a corresponding reduction to the quarterly instalments during 2022-23.
- The first quarterly instalment is expected to be paid to councils in mid-August 2022, with subsequent instalments in November 2022, February 2023 and May 2023.
- All councils will be advised by letter of individual councils' estimated entitlements for 2022-23 FAGs.

### Key points

- The grants are paid under the provisions of the *Local Government (Financial Assistance) Act 1995* (Cwlth).
- The total amount of the annual FAGs, and whether an advance payment is made, is determined by the Commonwealth.
- The NSW FAGs have been in transition to an improved, revised model for four years.
- The transition conditions provide an upper limit of +5% and lower limit 0% on an individual council's' general purpose component when compared year on year. No council has been receiving a lower grant than the previous year.

- The NSW Grants Commission is working in consultation with local councils on a strategy to restore former upper and lower limits, including a range of +5% to -2%, to +6 to -4%.
- The FAGs will remain in transition with a 0% lower limit in 2022-23.

#### **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.

*Helen Pearce*

**Helen Pearce  
Executive Officer  
Grants Commission**