



FACT SHEET 3

# LOCAL GOVERNMENT AND THE ECONOMY

PLANNING, ECONOMIC  
DEVELOPMENT AND EMPLOYMENT

Local government plays an important part in Australia's economy. It manages physical assets worth about \$212 billion and each year spends around \$25 billion, or 6 per cent, of total public sector spending.

The core infrastructure services provided by local government, such as roads and bridges, facilitate economic activity and strengthen the Australian economy in the long term.

Around Australia, over 560 local government bodies are playing their part in assisting communities to grow and prosper. They are the glue that holds communities together so that they are able to respond to economic challenges and opportunities. Strong local communities build a strong national economy.

Local government assists the Australian Government in delivering national programs. Each of these programs boosts local economies and relies on local government's unique knowledge and closeness to community – local councils know their communities.

Local government played a critical role in helping Australians through the Global Financial Crisis in 2008 - 2009, by delivering 3,300 small community infrastructure projects to local communities across Australia. Delivering programs such as these helped the community to respond to difficult economic circumstances.

Councils encourage and attract economic expansion in the community. Local planning decisions shape and support commercial growth, opportunities and investment, which are integral to the economic wellbeing and future of local communities.

Local government employs around 178,000 people, or almost 10 per cent of the public sector nationwide. Council employees are drawn from around 400 professions including engineers, town planners, aged care workers, rangers, building surveyors, librarians, youth workers, social workers, waste collectors and many more, all working for their local community.

Some workers in local government are voluntary, helping their communities on a daily basis, doing valuable work and contributing to the local economy in their own way, providing community transport, meals on wheels, counselling, teaching and assistance following disasters.

In rural and regional areas local government is one of the largest employers, and has a significant impact on the local economy.

Only 3 per cent of Australia's total taxation revenue is raised by local government. Of the estimated 260 taxes nationally, local government has just one tax – the rates levied on property. This equates to between 1.3 and 1.9 per cent of household income, or an average of \$1645 per household per year. Over the last decade, local government has consistently raised more than 80 per cent of its total revenue from its own sources.

Over 560 local councils in Australia provide vital public services every day of the year. After 170 years it is time to include local government in the nation's Constitution as the third level of government. Constitutional recognition will protect what we already take for granted and give local government the funding security to better deliver the services that the community needs and deserves.

