



## South Australian Local Government Grants Commission

# 2020-21 Annual Report

South Australian Local Government Grants Commission

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To: The Hon Vickie Chapman MP  
Deputy Premier  
Attorney-General  
Minister for Planning and Local Government

As Chair of the South Australian Local Government Grants Commission, appointed under the *South Australian Local Government Grants Commission Act 1992*, I have pleasure in presenting you with the Commission's Annual Report for 2020-21.

This Annual Report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, *Public Finance and Audit Act 1987* and other relevant Acts. Incorporated in this document is annual reporting by the South Australian Local Government Grants Commission, which meets the requirements of Premier and Cabinet Circular PC013 Annual Reporting.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the South Australian Local Government Grants Commission by:

Bruce Green  
**Chair**  
**South Australian Local Government Grants Commission**



Signature

3 November 2021

Date

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## **Section A: Reporting Required under the Public Sector Act 2009, the Public Sector Regulations 2010 and the Public Finance and Audit Act 1987**

### **Agency Purpose or Role**

The main function of the South Australian Local Government Grants Commission is to make recommendations to the Minister for Planning and Local Government on the distribution of unied Commonwealth Financial Assistance Grants (FA Grants) to local governing authorities in South Australia. Recommendations are made in accordance with the Commonwealth *Local Government (Financial Assistance) Act 1995* (the Act).

In 2020-21, the Commission made recommendations on the distribution of FA Grants for 2021-22 totalling \$171.7 million. Of this, \$126.8 million was provided for general purpose grants and \$44.9 million provided for identified local road grants. This represents an increase in general purpose grants from the previous year of 2.33 percent and an increase in identified road grants of 2.24 percent, an overall increase of 2.31 percent over the previous year.

For the first time in around 30 years, the share of the general purpose grants for South Australia is increasing, due to South Australia's small increase in the share of the National population. The increasing share of the population meant that South Australia's share of general purpose grants has increased from 6.88 percent in 2020-21 to an estimated 6.89 percent of the pool of available funding for 2021-22.

In addition to the FA Grants, \$40 million was provided for 2019-20 and 2020-21 under the Supplementary Local Road Funding program, which was reinstated as part of the 2019-20 Federal Budget. 85 percent or \$34 million of the Supplementary Local Road Funding for 2019-20 and 2020-21 was paid to South Australia as a brought forward payment in June 2019 and 15 percent was distributed in 2019-20 and 2020-21 as part of the Special Local Roads Program in accordance with the approved recommendations of the Commission.

State shares for the distribution of the general purpose grants are determined on an equal per capita basis and the Act provides for the continuation of this arrangement. South Australia and the other less populous states have continued to maintain a firm stance on these arrangements for a number of years, holding the view that distribution of grant funding on an equalisation basis would be a more equitable and economically efficient method of allocating Commonwealth funding.

The Commission annually collects a broad range of financial and other data from local governing authorities in South Australia. The data collected is used primarily for the development of grant recommendations, but the Commission also provides data to assist councils, other levels of government and the private sector in planning, reporting and managing projects affecting the local government sector.

Information collected by the Commission is provided to the Local Government Association (LGA), the Office of Local Government, the Australian Bureau of Statistics, the State Government and other government organisations for planning and reporting services and the Commission continued to work closely with these organisations during 2020-21.

In keeping with progressive updates made in previous years, the Commissions Supplementary Return was again reviewed in 2020-21 to ensure that it mirrors the Model Financial Statements used by the local government sector.

2020-21 also saw further change to the membership of the Commission. The Commission's Chair, Mr Bruce Green, and Commissioner Wendy Campana were joined by Commissioner Mayor Erika Vickery in December 2020. Mayor Vickery is the nominee of the Local Government Association.

The Commission also continued its work in a separate role as the Local Government Boundaries Commission (the Boundaries Commission) during 2020-21. The Boundaries Commission received a number of enquiries regarding boundary change proposals during the year and provided feedback to a number of councils and members of the public regarding the boundary change process.

## **Objectives**

The South Australian Local Government Grants Commission makes recommendations to the Minister for Planning and Local Government on the distribution of untied Commonwealth FA Grants.

Grants for local governing authorities in South Australia are distributed in accordance with National Principles set by the Commonwealth *Local Government (Financial Assistance) Act 1995*.

All funds allocated by the Australian Government are distributed to councils as soon as the funds are received. The Commission's administrative costs are met by the State Government.

The Commission is also the body responsible for undertaking the assessment of boundary change proposals, oversee investigations and making recommendations to the Minister for Planning and Local Government in accordance with Chapter 3 of the *Local Government Act 1999*.

## **Key Strategies and their Relationship to SA Government Objectives**

The South Australian Local Government Grants Commission is an independent Statutory Authority established under the *South Australian Local Government Grants Commission Act 1992*.

The Commission's responsibilities for making recommendations on the distribution of Commonwealth FA Grants are independent of the South Australian Government's Objectives.

In accordance with Chapter 3 of the *Local Government Act 1999*, the Boundaries Commission undertakes independent assessment of proposals for structural reform of councils and makes recommendations for the Minister's consideration.

## **Agency Programs and Initiatives and their Effectiveness and Efficiency**

### **Special Local Roads Program**

As part of the Commission's responsibilities to make recommendations on the distribution of untied Commonwealth FA Grants, the Commission also makes recommendations on the distribution of grants under the Special Local Roads Program.

The Special Local Roads Program was established under the joint approvals of the South Australian Government, Commonwealth Government and Local Government. The Special Local Roads Program commenced in 1985-86 and provides funding for roads of regional significance throughout the State.

Responsibility for preparation and monitoring of a continuing program of projects rested with the Local Roads Advisory Committee until December 2004, when, at the request of the Local Government Association (the LGA), responsibility moved to the Local Government Transport Advisory Panel (LGTAP).

The LGTAP is a Panel of the LGA, which provides executive support. The Panels main role is to make recommendations to the Grants Commission on the allocation of the Identified Local Roads component of the FA Grants, the Commonwealth's Roads to Recovery Program and the Supplementary Local Road Funding Program (which was reinstated for 2019-20 and 2020-21).

The current Panel comprises Mayor Keith Parkes, (Alexandrina Council), as Chairperson, Mr Mike Wilde (Manager, Network Planning, Department for Infrastructure and Transport), Mr Richard Dodson (General Manager, Infrastructure and Works, Light Regional Council), Mr Peter Tsokas (CEO, City of Unley) and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission). The Committee's Executive Officer is Mr Lea Bacon (Acting Executive Director Public Affairs, Local Government Association).

Each year the Panel calls for submissions from Local Government Regional Associations, which are asked to determine regional priorities within their areas.

For 2021-22, \$6.732 million will be allocated to specific projects under the Identified Local Roads Component of the FA Grants program, \$6.075 million from the Special Local Roads component of the Roads to Recovery Grants and \$3 million from the Supplementary Local Road Funding program. A total of \$15.807 million will be allocated to 26 projects across the State for 2021-22. Of these projects, 6 projects will be undertaken in metropolitan councils and 20 projects will be undertaken in rural and regional councils.

### **Legislation Administered by the Agency**

The Commission is established under the *South Australian Local Government Grants Commission Act 1992* (the Act).

Grants for local governing authorities in South Australia are distributed in accordance with National Principles set by the Commonwealth *Local Government (Financial Assistance) Act 1995*.

Grants provided out of the Roads to Recovery pool of the Special Local Roads Program are made subject to the requirements of the Commonwealth *National Land Transport Act 2014*.

Recommendations on boundary change proposals are made in accordance with Chapter 3 of the *Local Government Act 1999*.

### **Organisation of the Agency**

#### **Members**

The Act provides for three members of the Commission, who are appointed in a part-time capacity by the Governor. Members are appointed for terms of up to five years. At the conclusion of this time members are eligible for renomination.

Members during 2020-21 were:

- Mr Bruce Green, Chair from 31 January 2019 to 30 January 2022, joint nominee of the Local Government Association and the Minister for Planning and Local Government;
- Mayor Dave Burgess, Commissioner from 23 May 2017 to 22 November 2020, nominee of the Local Government Association. Mayor Burgess completed his term on 22 November 2020;
- Ms Wendy Campana, Commissioner from 5 September 2019 to 4 September 2022, nominee of the Minister for Planning and Local Government; and
- Mayor Erika Vickery, Commissioner from 3 December 2020 to 2 December 2023, nominee of the Local Government Association.

#### **Administrative Support**

The Commission was provided with administrative support by the Department for Infrastructure and Transport (DIT) and the Attorney-General's Department (AGD) during 2020-21. The Commission, whose administration is part of the Office of Local Government, was moved from DIT to AGD during 2020-21 as part of machinery of government changes.

The Commission has a dedicated full time Executive Officer, Mr Peter Ilee, Senior Project Officer, Mr Alex Sgro and a Senior Administration Officer, Ms Helga Henning.

Additional support for the Boundaries Commission is provided by Mr Thomas Rossini from the Local Government Policy Unit, Office of Local Government, AGD. Ms Sharmina Ahmed has also provided support in this role during the year.

## Grants Commission Meetings

The Commission and its staff generally meet on a monthly basis and at other times, as required. A summary of Grants Commission meetings held during 2020-21 is provided below:

<b>Meeting Date</b>	<b>Meeting Participants</b>
21 July 2020	<p><b>Commissioners</b> Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Helga Henning.</p>
10 September 2020 (Teams Meeting)	<p><b>Commissioners</b> Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Helga Henning.</p>
21 October 2020 (Teams Meeting)	<p><b>Commissioners</b> Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Helga Henning.</p>
10 December 2020 (Teams Meeting)	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Helga Henning.</p>
28 January 2021	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Helga Henning.</p>
3 March 2021 (Teams Meeting)	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Helga Henning.</p>
19 May 2021	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Helga Henning.</p>



<b>Meeting Date</b>	<b>Meeting Participants</b>
16 June 2021	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Alex Sgro and Ms Helga Henning.</p>

(C) Denotes Chair (or Presiding Member).

(EO) Denotes Commission's Executive Officer

### **Boundaries Commission Meetings**

The Commission and its staff generally meet on a monthly basis and at other times, as required. A summary of Boundaries Commission meetings held during 2020-21 is provided below:

<b>Meeting Date</b>	<b>Meeting Participants</b>
21 July 2020	<p><b>Commissioners</b> Mr Bruce Green (C), Mayor Dave Burgess and Ms Wendy Campana.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Mr Thomas Rossini and Ms Helga Henning.</p>
28 January 2021	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Ms Louise Jacka and Ms Helga Henning.</p>
3 March 2021 (Teams Meeting)	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Ms Sharmina Ahmed and Ms Helga Henning.</p>
25 March 2021 (Teams Meeting)	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Alex Hart (Director, OLG), Ms Sharmina Ahmed and Ms Helga Henning.</p>
19 May 2021	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Sharmina Ahmed and Ms Helga Henning. <i>Apologies: Ms Alex Hart (Director, OLG).</i></p>

<b>Meeting Date</b>	<b>Meeting Participants</b>
16 June 2021	<p><b>Commissioners</b> Mr Bruce Green (C), Ms Wendy Campana and Mayor Erika Vickery.</p> <p><b>Attendees</b> Mr Peter Ilee (EO), Ms Sharmina Ahmed and Ms Helga Henning. <i>Apologies: Ms Alex Hart (Director, OLG).</i></p>

## **Member Profiles**

### **Mr Bruce Green**

Chair of the Local Government Grants Commission and Local Government Boundaries Commission from January 2019; Board Member, Eyre and Far North Local Health Network from July 2019; Mayor, City of Port Lincoln 2010 to 2018; President Eyre Peninsula Local Government Association 2014-2018; Board Member Local Government Association SA 2015-2018; Board Member Local Government Workers Compensation Board 2016-2018; Board Member Local Government Mutual Liabilities Scheme 2016-2018; National Logistics Manager Destiny Shipping July 2006-June 2008; Business Adviser Eyre Regional Development Board 2005-06; Manager Southern Australian Seafood's Land based abalone farm 2002-2005; Consultant: Arthur Andersen Jakarta Indonesia 2001.

### **Mayor Dave Burgess**

Commissioner of the Local Government Grants Commission from May 2017 to November 2020; Commissioner of the Local Government Boundaries Commission from January 2019 to November 2020; Mayor, Mid Murray Council since 2010; Local Government Association SA Board member 2011-18; SA Regional Organisation of Councils (SAROC) since 2011; Former Director to represent the Local Government Association SA on Board of the Australian Local Government Association; Former Chair of Local Government Workers Compensation Scheme and Local Government Mutual Liability Scheme. President of Murraylands and Riverland Local Government Association 2012-19, Vice President and member since from 2007 to 2021; Former Deputy Chairman of Regional Development Australia Murraylands and Riverland Board and Board Member from 2010 to July 2018; Past President of the Local Government Association SA; and Member of the Murray River Lakes and Coorong Tourism Alliance (previously Murraylands Tourism Partnership) for 9 years.

### **Ms Wendy Campana**

Commissioner of the Local Government Grants Commission and Local Government Boundaries Commission from September 2019; Consultant (Governance, Strategic Planning, Management/Organisational Development); Board Member, KI Tourism Food, Wine & Beverages Association; Commissioner for Kangaroo Island 2015-2020; Chief Executive Officer, Local Government Association of South Australia (LGA) 2005-2015 – which included board member roles on the LGA Mutual Liability Scheme, LGA Workers Compensation Scheme and LG Finance Authority.; Director, Strategic Development, LGA 2000-2003; Human Resources Manager, LGA – 1996-2000; Assistant Secretary-General, HR/IR Officer and HACC Training Officer, LGA, Training Officer, LG Industry Training Council; State Government Roles in the Department of Premier and Cabinet, Parliamentary Counsel and Office of Employment and Training.

**Mayor Erika Vickery**

Commissioner of the Local Government Grants Commission and Local Government Boundaries Commission from December 2020; Elected Member Naracoorte Lucindale Council since 2000; Mayor Naracoorte Lucindale Council since 2010; President of Limestone Coast Local Government Association (LCLGA) (2014-current); Committee member of LCLGA Audit and Risk committee; Chairperson South Australia Regional Organisation of Councils (SAROC) (2015 – current); Vice-President Local Government Association SA (2015 - 2018) and Board Member LGASA (2015 - current); Board Member and secretary Regional Development Association Limestone Coast (RDALC) (2010 – current); Chairman Limestone Coast Economic Development Group (2014-current); LC LGA Representative on Limestone Coast Community Service Round Table (Health) (2015 – current); NLC Development Assessment Panel: 2004 – 2007; Board member Australian Migrant Resource Centre and Country Arts SA.

**Other Agencies Related to this Agency (within the Minister’s Areas of Responsibility)**

The Commission is an independent Statutory Authority and is not related to any other State Agency. The Commission’s Staff are employees of the Attorney-General’s Department.

**Employment Opportunity Programs**

Commission members are nominees of the Minister for Planning and Local Government or the LGA or in the case of the Chair, a joint nominee of the Minister and the LGA. Members are appointed by the Governor. The Ministers Office and the LGA have systems and procedures in place for the selection of members.

The Commission’s administrative staff are managed within the human resources management framework provided by the Attorney-General’s Department.

**Agency Performance Management and Development Systems**

Agency Performance Management and Development systems are in place for the Commissions administrative staff as employees of the Attorney-General’s Department.

**Work Health, Safety and Return to Work Programs of the Agency and their Effectiveness**

The Commission is committed to ensuring that appropriate work health, safety and return to work programs are in place for Commission members and Staff.

Programs in place are determined by the Attorney-General’s Department.

**Work Health and Safety and Return to Work Performance**

The Attorney-General’s Department provides appropriate policies, procedures and systems to manage work health and safety and return to work performance on behalf of the Commission.

There have been no workplace injury claims, incidents or notices issued under the *Work, Health and Safety Act 2012* or return to work costs incurred during 2020-21.

**Fraud Detection in the Agency**

There has been no fraud detected in any of the Commission’s activities during 2020-21. The Commission and its administrative staff adhere to the financial controls of the Attorney-General’s Department.

### **Strategies Implemented to Control and Prevent Fraud**

The payment of grants and management of the Commission's finances are supported by the Attorney-General's Department financial management framework.

In respect of the payment of Commonwealth FA Grants and the Supplementary Local Road Funding, the Commission is required to submit an audited Statement of Payments to the Assistant Federal Minister for Local Government under Section 15(b) of the Commonwealth *Local Government (Financial Assistance) Act 1995*.

In relation to funding provided under the Special Local Roads Program out of the Roads to Recovery funding pool, the Commission is also required to retain Annual Reports submitted by councils in respect of grants allocated under the program and submit its own audited Annual Report to the Federal Government in accordance with Part 8 of the Commonwealth *National Land Transport Act 2014*.

### **Whistle-blowers' Disclosure**

The Commission did not receive any disclosures of public interest information under the *Whistle-blowers' Protection Act 1993* during 2020-21.

### **Executive Employment in the Agency**

There was no Executive Employment within the Commission during 2020-21.

### **Consultants and Contractors**

The Commission engaged the services of Rex Mooney (RMBAS Local Government Finance Specialist) for consulting services during 2020-21. The value of these services was under \$5,000.

The Commission also outsourced updates to its Local Government Roads Geographical Information System (GIS) to the Department of Primary Industries and Resources SA (PIRSA) during 2020-21. The value of these services in relation to the 2019-20 updates is under \$25,000.

### **Financial Performance of the Agency and Other Financial Information**

The Commission's 2020-21 Audited Financial Statements are attached – See *Appendix VIII*. Other than information presented in the Commission's Audited Financial Statements, there is no further financial information to report for 2020-21.

### **Other Information Requested by the Minister or Other Significant Issues Affecting the Agency or Reporting Pertaining to Independent Functions**

From 1 January 2019, the South Australian Local Government Grants Commission commenced its responsibilities as the body responsible for the assessment of boundary change proposals, to oversee investigations and make recommendations to the Minister for Planning and Local Government.

## **Section B: Reporting Required under any other Act or Regulation**

### **CHAPTER 1 - LEGISLATIVE FRAMEWORK**

#### **Commonwealth Local Government (Financial Assistance) Act 1995**

The Commonwealth *Local Government (Financial Assistance) Act 1995* came into effect on 1 July 1995. The Act provides for:

- a per capita distribution (to the States) for the general financial assistance component;
- the continued separate identification of local road funding and maintenance of existing state shares for that funding;
- a national report on the operation of the Act, specifically the achievement of horizontal equalisation, the methods used by the Commissions, the performance of councils including their efficiency, and the provision of services to Aboriginal & Torres Strait Islander communities; and
- a set of national principles governing the distribution of grants between councils replacing the previous state by state principles. The principles, which provide for a distribution based on horizontal fiscal equalisation (subject to the minimum grant entitlement), are discussed in detail below.

The Commission allocated the grants for 2021-22 in accordance with these principles.

Detailed information about Financial Assistance Grants to Local Government since 1976 may be found in previous annual reports of the Commission, in special reports of the Commonwealth Grants Commission and in the report of the National Inquiry into Local Government Finance, 1985.

Allocation of the general financial assistance component to States is made on a per capita basis. South Australia's share has reduced over many years as its population as a proportion of the Australian population declines.

For 2021-22, South Australia's proportion of Australian population is forecasted to increase (by a small margin) for the first time in around 30 years, see Table 1.

State shares of identified local road funding are based on those existing prior to 1991-92, and South Australia receives less than a per capita share, see Table 2.

The total level of grants to Local Government for 2021-22 has increased in line with estimated inflation and the underlying growth in Commonwealth General Purpose grants to the States.

The renewal of the Supplementary Local Road Funding program for 2021-22 and 2022-23 as part of the 2021-22 Federal Budget provided a funding boost to South Australia of \$20 million per year over the two years.

Entitlements for all States for 2020-21 and for 2021-22 are set out in Tables 1 and 2 below.

**TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2020-21 and 2021-22**

State	2020-21				
	Proportion (based on actual) (%)	Original Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Fwd Pmt from 2021-22 (\$mill)	Actual Allocation (\$mill)
New South Wales	31.93	565.44	9.42	291.54	574.86
Victoria	26.09	462.46	7.13	239.36	469.59
Queensland	20.05	356.38	4.49	185.57	360.86
Western Australia	10.30	182.77	2.68	95.32	185.45
<b>South Australia</b>	<b>6.88</b>	<b>121.99</b>	<b>1.91</b>	<b>63.25</b>	<b>123.91</b>
Tasmania	2.10	37.29	0.58	19.35	37.88
Northern Territory	0.96	17.02	0.32	8.76	17.34
Australian Capital Territory	1.68	29.82	0.45	15.41	30.26
<b>TOTAL</b>	<b>100.00</b>	<b>1,773.18</b>	<b>26.98</b>	<b>918.54</b>	<b>1,800.16</b>

State	2021-22				\$ Change 2020-21 to 2021-22 (\$)	% Change 2020-21 to 2021-22 (%)
	Proportion (based on estimates) (%)	Allocation (Estimate) (\$mill)	Brought Fwd Pmt Pmt Paid in 2020-21 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)		
New South Wales	31.78	293.29	291.54	584.82	9,960,795	1.73
Victoria	25.99	239.07	239.36	478.43	8,838,861	1.88
Queensland	20.21	186.43	185.57	372.00	11,133,298	3.09
Western Australia	10.39	95.83	95.32	191.14	5,694,367	3.07
<b>South Australia</b>	<b>6.89</b>	<b>63.55</b>	<b>63.25</b>	<b>126.80</b>	<b>2,891,752</b>	<b>2.33</b>
Tasmania	2.11	19.43	19.35	38.78	906,678	2.39
Northern Territory	0.96	8.85	8.76	17.60	260,362	1.50
Australian Capital Territory	1.68	15.48	15.41	30.89	628,633	2.08
<b>TOTAL</b>	<b>100.00</b>	<b>921.93</b>	<b>918.54</b>	<b>1,840.47</b>	<b>40,314,746</b>	<b>2.24</b>

**TABLE 2 - Commonwealth Identified Local Road Grants for Local Government, State and Territory Entitlements 2020-21 and 2021-22**

State	2020-21				
	Proportion (based on actual) (%)	Original Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Brought Fwd Pmt from 2021-22 (\$mill)	Actual Allocation (\$mill)
New South Wales	29.01	228.28	3.47	118.25	231.75
Victoria	20.62	162.21	2.47	84.03	164.68
Queensland	18.74	147.42	2.24	76.37	149.66
Western Australia	15.29	120.30	1.83	62.32	122.14
<b>South Australia</b>	<b>5.50</b>	<b>43.24</b>	<b>0.66</b>	<b>22.40</b>	<b>43.90</b>
Tasmania	5.30	41.70	0.63	21.60	42.33
Northern Territory	2.34	18.43	0.28	9.55	18.71
Australian Capital Territory	3.21	25.23	0.38	13.07	25.61
<b>TOTAL</b>	<b>100.00</b>	<b>786.81</b>	<b>11.97</b>	<b>407.58</b>	<b>798.78</b>

State	2021-22				\$ Change 2020-21 to 2021-22 (\$)	% Change 2020-21 to 2021-22 (%)
	Proportion (based on estimates) (%)	Allocation (Estimate) (\$mill)	Brought Fwd Pmt Pmt Paid in 2020-21 (\$mill)	Allocation Plus Brought Fwd Pmt (\$mill)		
New South Wales	29.01	118.69	118.25	236.94	5,190,114	2.24
Victoria	20.62	84.34	84.03	168.37	3,688,032	2.24
Queensland	18.74	76.65	76.37	153.01	3,351,713	2.24
Western Australia	15.29	62.55	62.32	124.87	2,735,230	2.24
<b>South Australia</b>	<b>5.50</b>	<b>22.48</b>	<b>22.40</b>	<b>44.88</b>	<b>983,111</b>	<b>2.24</b>
Tasmania	5.30	21.68	21.60	43.28	947,983	2.24
Northern Territory	2.34	9.58	9.55	19.13	419,044	2.24
Australian Capital Territory	3.21	13.12	13.07	26.19	574,527	2.24
<b>TOTAL</b>	<b>100.00</b>	<b>409.09</b>	<b>407.58</b>	<b>816.67</b>	<b>17,889,754</b>	<b>2.24</b>

### South Australian Local Government Grants Commission Act 1992

The original State Act was proclaimed in 1976 to establish the Commission, its membership, its functions and responsibilities in accordance with the provisions of the Commonwealth Act.

It was repealed and replaced with the present Act in 1992 to, amongst other things, embody new arrangements agreed with Local Government in the areas of membership and reporting.

### Eligible Bodies

For the 2021-22 allocations there were 68 councils, five Aboriginal Communities and the Outback Communities Authority eligible for grants.

## National Principles, General Purpose & Road Grants

The national principles contained within the *Commonwealth Local Government (Financial Assistance) Act 1995* underpin the methodology employed by the Commission in the distribution process.

There are six main principles for general purpose grants and an additional principle for the identified local road grants, listed on the following page. They are:

### General Purpose National Principles

**(i) Horizontal Equalisation**

The equalisation component of the Financial Assistance Grants will be allocated to local governing bodies, as far as practicable, on a full horizontal equalisation basis as defined by the *Local Government (Financial Assistance) Act, 1995*. This is a basis that ensures that each local governing body in the State/Territory is able to function by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue.

**(ii) Effort Neutrality**

An effort or policy neutral approach will be used in assessing expenditure requirements and revenue raising capacity of each local governing body. This means as far as practicable, policies of individual local governing bodies in terms of expenditure and revenue effort will not affect the grant determination.

**(iii) Minimum Grant**

The minimum general purpose grant allocation for a local governing body will be not less than the amount to which the local governing body would be entitled if 30% of the total amount of equalisation component funds for the State/Territory were allocated on a per capita basis.

**(iv) Other Grant Support**

Other relevant grant support provided to local governing bodies to meet any of the expenditure needs assessed should be taken into account using an inclusion approach.

**(v) Aboriginal Peoples and Torres Strait Islanders**

Financial assistance shall be allocated to councils in a way that recognises the needs of Aboriginal and Torres Strait Islander people within their boundaries.

**(vi) Council Amalgamation**

Where two or more local governing bodies are amalgamated into a single body, the general purpose grant provided to the new body for each of the four years following amalgamation, should be the total of the amounts that would have been provided to the former bodies in each of those years if they had remained separate entities.

### Identified Road Component National Principle

**(vii) Identified Road Component**

The identified road component of the Financial Assistance Grants should be allocated to local governing bodies as far as practicable on the basis of the relative needs of each local governing body for roads expenditure and to preserve its road assets. In assessing roads needs relevant considerations include length, type and usage of roads in each local governing area.

### **Local Government (Boundary Adjustment) Amendment Act 2017**

This Act appointed the South Australian Local Government Grants Commission as the body responsible for the assessment of proposals, to oversee investigations and make recommendations to the Minister. The Boundaries Commission commenced this role on 1 January 2019.

The Commission's responsibilities and procedures are set out in the *Local Government Act 1999* (Chapter 3, Part 2). The Commission also has a set of 9 Guidelines that detail the process by which it will receive, assess and progress council boundary change proposals. The Guidelines can be accessed at the following link:

[https://agd.sa.gov.au/local\\_govt/boundary\\_changes](https://agd.sa.gov.au/local_govt/boundary_changes)

### **Freedom of Information**

The Commission's Executive Officer is the Principal Officer as defined in the *Freedom of Information Act 1991*. An appointment can be made by phoning (08) 7109 7164 during office hours.

There were no requests under the *Freedom of Information Act 1991* received in 2020-21. In accordance with Section 9 of the Act an information statement is provided below.

### **Statement Section 9**

#### **Structure and functions of the Commission**

Refer to Section A of this report.

#### **Effect of Commission's decision making on members of the public**

The Commission's primary function is to make recommendations to the Minister for Planning and Local Government on the distribution of untied Commonwealth FA Grants to local governing authorities in South Australia. Consequently the Commission's decision making in relation to the FA Grants has no direct effect on members of the public.

The Boundaries Commission's primary function is to make recommendations to the Minister for Planning and Local Government on boundary change proposals. These recommendations will have a direct effect on members of the public, with the potential effect being members of the public being moved from one Council to another.

#### **Arrangements for members of the public to participate in Commission policy formulation**

As mentioned in Chapter 3 of this report, public hearings are incorporated into council visits as part of the FA Grants process. Members of the public are invited to attend these meetings and to make submissions to the Commission.

The public were invited to comment on the Boundary Commission Guidelines as part of a community consultation process which was undertaken as part of the development of the Guidelines.

Members of the Public may write to the Boundaries Commission in regards to the content of the nine Guidelines at any time. The Commission review all requests for changes to the Guidelines and determine if the changes are appropriate.



### Categories of Documents

Annual Reports of the Commission are available for perusal on the Commission's web page and at the Commission's offices. Other documents held by the Commission:

- Corporate files containing correspondence, memoranda, minutes etc. on the Commission's operations;
- Administrative Policies and Procedures (many of which are prepared by other agencies), and files;
- Registry files containing information and data returns; and
- Statistical and comparative reports prepared for councils and interested parties.

Information is stored both electronically and on hard copy.

In general, where information held by the Commission is available from a primary source, e.g. Australian Bureau of Statistics or individual councils, enquiries are redirected to that source.

The Boundaries Commission's 9 Guidelines detail the process by which it will receive, assess and progress council boundary change proposals. The Guidelines can be accessed at the following link:

<https://www.agd.sa.gov.au/lgbc>

- Received boundary reform proposals and the Commission's recommendations on these proposals are made available to the public on the Commissions webpage.

### Facilities for Access and Initial Contact Point

Inquiries concerning access to the above-mentioned documents or other matters relating to Freedom of Information should be directed to:

	The Executive Officer
	Local Government Grants Commission
	Level 3
	77 Grenfell Street
	ADELAIDE SA 5000
Postal Address	GPO Box 2329
	ADELAIDE SA 5001
Telephone	(08) 7109 7164
E-mail	<a href="mailto:grants.commission@sa.gov.au">grants.commission@sa.gov.au</a>
	<a href="mailto:boundaries.commission@sa.gov.au">boundaries.commission@sa.gov.au</a>

Business hours are 9.00 am to 5.00 pm. An appointment is necessary. The Executive Officer, as Principal Officer, has power under Section 20 of the *Freedom of Information Act 1991* to refuse access to a document.

## CHAPTER 2 – FINANCIAL ASSISTANCE GRANTS - COMMISSION METHODOLOGY

### General Purpose Grants

The methodology used to assess the general purpose component of the Local Government Financial Assistance Grants (FA Grants) is intended to achieve an allocation of grants to local governing bodies in the State consistent with the National Principles.

The over-riding principle is one of Horizontal Fiscal Equalisation, which is constrained by a requirement that each local governing body must receive a minimum per capita entitlement as prescribed in the Commonwealth legislation. Final grants provided to eligible bodies are allocated as a proportion of the final pool of available funding.

The South Australian Local Government Grants Commission uses a direct assessment approach to the calculations. This involves the separate estimation of a component revenue assessment and a component expenditure assessment for each council, which are aggregated to determine each council's overall equalisation need.

Available funds are distributed in accordance with the relativities established through this process and adjustments are made as necessary to ensure the per capita minimum entitlement is met for each council.

For local governing bodies outside the incorporated areas (the Outback Communities Authority and five Aboriginal Communities) allocations are made on a per capita basis.

A standard formula is used as a basis for both the revenue and expenditure component assessments.

## Formulae

### General Financial Assistance (General Purpose Grants)

The formula for the calculation of the raw revenue assessments can be expressed as:

$$G = P_c \times S \times \left[ \left( \frac{U_s}{P_s} \times RRI_s \right) - \left( \frac{U_c}{P_c} \times RRI_c \right) \right]$$

Similarly, the formula for the calculation of the raw expenditure assessments can be expressed as:

$$G = P_c \times S \times \left[ \left( \frac{U_c}{P_c} \times CRI_c \right) - \left( \frac{U_s}{P_s} \times CRI_s \right) \right]$$

Subscripts of s or c are used to describe whether it applies to the State or a particular council.

$G$  = council's calculated relative need assessment

$P$  = population

$U$  = unit of measure. Some units of measure are multiplied by a weight.

$S$  = standard, be it cost or revenue =  $\frac{\text{expenditure or income}}{U}$

RRI = Revenue Relativity Index. CRI = Cost Relativity Index (previously known as the disability factor). They are centred around 1.00, i.e.  $RRI_s$  or  $CRI_s$  equals 1.00. If more than one CRI exists for any function then they are multiplied together to give an overall CRI for that function.

In the revenue assessments for both residential and rural property types, the Commission has calculated a revenue relativity index based on the SEIFA Index of Economic Resources. Where no revenue relativity index exists the  $RRI_c = 1.0$ . For a list of the Revenue Relativity Indices applied to this year's valuation data, see *Appendix VIII*.

Currently, CRI's (disability factors) are only applied to the roads, stormwater drainage maintenance and waste management expenditure assessments. The remaining expenditure assessments have not been assigned a CRI and consequently,  $CRI_c = 1.0$ .

The raw calculations for all functions using the above formulae, i.e., all revenue and expenditure assessments, are then totalled to determine each council's total raw calculation. Any council whose raw calculation per head is less than the per capita minimum allocation of \$21.49 (for 2021-22), has the per capita figure applied. The balance of the pool of funding is then allocated to the remaining councils based on their assessed proportion of the raw calculation.

Commission determined limits (constraints) are then applied to minimise the impact on council's budgetary processes and account for significant changes in grants such as a methodology change.

In the calculation of the 2021-22 grants, the Commission constrained changes to grants between minus 10% and positive 40%. An iterative process is then undertaken until the full allocation is determined.

### Component Revenue Assessments

Component revenue assessments calculate whether councils **capacity to raise revenue** from rates is less than or greater than the State average. Councils with below average capacity to raise revenue receive positive component revenue assessments and councils with above average capacity receive negative component revenue assessments.

The Commission calculates each council's component revenue assessment by applying the State average rate in the dollar to the difference between the council's improved capital values per capita multiplied by the  $RRI_c$  and those for the State as a whole, and multiplying this back by the council's population.

The State average rate in the dollar is the ratio of total rate revenue to total improved capital values of rateable property. The result shows how much less (or more) rate revenue a council would be able to raise than the average for the State as a whole if it applied the State average rate in the dollar to the capital values of its rateable properties.

This calculation is repeated for each of five land use categories, namely;

- residential;
- commercial;
- industrial;
- rural; and
- other.

To overcome fluctuations in the base data, valuations, rate revenue and population are averaged over three years. Revenue Relativity Indices ( $RRI_c$ ) are only applied to the residential and rural valuations.

### Subsidies

Subsidies that are of the type that most council's receive and are not dependent upon their own special effort i.e. they are effort neutral, are treated by the "inclusion approach". That is, subsidies such as those for library services and the identified local road grants are included and assessed as a revenue function.

### Component Expenditure Assessments

Component expenditure assessments calculate whether the costs of providing a standard range of local government services can be expected to be greater than or less than the average cost for the State as a whole due to factors outside the control of councils.

The Commission assesses expenditure needs and a component expenditure assessment for each of a range of functions and these are aggregated to give a total component expenditure assessment for each council.

The methodology compares each council per capita against the State average. This enables the comparison to be consistent and to compare like with like.

Each function is identified by a main cost driver or **unit of measure**. This is divided into the total expenditure on the function for the State as a whole to determine the average or **standard cost** for the particular function. For example, in the case of the expenditure function **sealed roads built-up**, "kilometres of sealed roads built-up" is the unit of measure.

Using this example, the length of sealed roads built-up per capita for each council is compared with the State's length of sealed roads built-up per capita. The difference, be it positive, negative or zero, is then multiplied by the average cost per kilometre for construction and maintenance of sealed roads built-up for the State as a whole (standard cost). This in turn is multiplied back by the council's population to give the component expenditure assessment for the function. As already indicated this grant can be positive, negative or zero.

In addition, it is recognised that there may be other factors beyond a council's control which require it to spend more (or less) per unit of measure than the State average, in this example to reconstruct or maintain a kilometre of road. Accordingly, the methodology allows for a **cost relativity index (CRI)**, to be determined for each expenditure assessment for each council. Indices are centred around 1.0, and are used to inflate or deflate an expenditure assessment for each council. In the case of roads, CRI's measure relative costs of factors such as material haulage, soil type, rainfall and drainage.

To overcome fluctuations in the base data, inputs into the expenditure assessments (with the exception of the annually revised road lengths) are averaged over three years.

The following table details the approach taken to expenditure functions included in the methodology.

<b>Expenditure Function</b>	<b>Standard Cost</b>	<b>Units of Measure</b>
Waste Management	Reported expenditures <sup>1</sup>	Number of Residential, Rural and Commercial (Shop) Properties
Aged Care Services	Reported expenditures <sup>1</sup>	Population aged 65+ from the ABS Census and estimated resident population
Services to Families and Children	Reported expenditures <sup>1</sup>	Population aged 0-14 years from the ABS Census and estimated resident population
Health Inspection	Reported expenditures <sup>1</sup>	Establishments to inspect
Libraries	Reported expenditures <sup>1</sup>	Estimated Resident Population
Sport, Recreation & Culture	Reported expenditures <sup>1</sup>	Population aged 5-64 years from the ABS Census and Estimated Resident Population
Sealed Roads – Built-Up <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of built-up sealed road as reported in GIR
Sealed Roads - Non-built-up <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of non-built-up sealed road as reported in GIR
Sealed Roads - Footpaths etc	Reported expenditures <sup>1</sup>	Kilometres of built-up sealed road as reported in GIR
Unsealed Roads – Built-up <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of built-up unsealed road as reported in GIR
Unsealed Roads - Non-built-up <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of non-built-up unsealed road as reported in GIR
Unformed Roads <sup>5</sup>	Reported expenditures <sup>1</sup>	Kilometres of unformed road as reported in GIR Roads
Stormwater Drainage Maintenance <sup>2,3</sup>	Reported expenditures <sup>1</sup>	Number of urban properties <sup>4</sup>
Community Support	Reported expenditures <sup>1</sup>	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties, Wharves, Marinas and Boat Ramps	Reported expenditures <sup>1</sup>	Number of jetties, wharves, marinas and boat ramps
Public Order and Safety	Reported expenditures <sup>1</sup>	Total number of properties
Planning and Building Control	Reported expenditures <sup>1</sup>	Number of new developments and additions
Bridges	Reported expenditures <sup>1</sup>	Number of bridges as reported in GIR
Environment and Coastal Protection	Reported Expenditures <sup>1</sup>	Estimated Resident Population
Airports and Authorised Landing Areas	Reported Expenditures <sup>1</sup>	Number of airports and authorised landing areas
Other Needs Assessments	Set at 1.00.	Based on Commission determined relative expenditure needs in a number of areas <sup>6</sup>

- 1 Councils' expenditures reported in the Commission's Supplementary returns.
- 2 Includes both construction and maintenance activities.
- 3 The Commission has also decided, for these functions, to use CRI's based on the results of a previous consultancy by BC Tonkin and Associates.
- 4 Urban properties = sum [residential properties, commercial properties, industrial properties, exempt residential properties, exempt commercial properties, exempt industrial properties].
- 5 The Commission has for these functions, used CRI's based on the results of a consultancy led by Emcorp and Associates, in association with PPK Environment and Infrastructure. Tonkin Consulting and PIRSA have since refined the results. For a breakdown of each cost relativity indices by type of road, refer *Appendix V*.
- 6 Comprises Commission determined relative expenditure needs with respect to the following:
  - Isolation – measured as distance from the GPO to the main service centre for the council (as determined by the RAA);
  - Additional recognition of needs of councils with respect to Aboriginal people – identified by the proportion of the population identified as Aboriginal or Torres Strait Islander;
  - Unemployment – identified by the proportion of the population unemployed;

This final factor *Other Needs Assessment* (also known as *Function 50*) originates from the Commission's recognition that there are many non-quantifiable factors, which may influence a council's expenditure, and that it is not always been possible to determine objectively the extent to which a council's expenditure is affected by these factors. Therefore, in determining units of measure and cost relativity indices, the Commission must exercise its judgement based on experience, the evidence submitted to the Commission, and the knowledge gained by the Commission during visits to council areas and as a result of discussions with elected members and staff.

The calculated standards by function are outlined below.-

## Summary of figures by function

Total Population = 1764268

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
<b>Expenditure Functions</b>				
Waste Management	190.65	0.47966	837,866	No of residential, rural and commercial (shop) properties
Aged Care Services	129.45	0.18759	327,680	Population aged more than 65
Services To Families And Children	74.58	0.17633	308,004	Population aged 0 to 14
Health Inspection	580.37	0.01237	21,608	Establishments to inspect
Libraries	73.27	1.01001	1,764,268	Estimated Resident Population
Sport, Recreation & Culture	328.24	0.75553	1,319,747	Population aged 5 to 49
Sealed Roads - Built Up	13,526.56	0.00629	10,985	Kilometres of sealed builtup
Sealed Roads - Non Built Up	13,526.56	0.00460	8,041	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	19,237.00	0.00629	10,985	Kilometres of sealed builtup
Unsealed Roads - Built Up	2,070.86	0.00037	644	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	2,070.86	0.02653	46,347	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	380.99	0.00507	8,862	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	95.81	0.46458	811,517	No of urban, industrial and commercial properties including exempt
Community Support	55.43	1.00000	1,746,792	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties, Wharves, Marinas & Boat Ramps	13,787.65	0.00015	256	No of jetties, wharves, marinas & boat ramps
Public Order and Safety	29.34	0.55034	961,319	Total no of properties
Planning & Building Control	2,366.18	0.02366	41,331	No of new developments and additions
Bridges	12,107.84	0.00041	715	No of bridges
Environment & Coastal Protection	21.06	1.01001	1,764,268	Estimated Resident Population
Airports & Authorised Landing Areas	71,087.10	0.00004	63	No of Airports & Authorised Landing Areas
Other Special Needs	1.00	13.81497	24,131,800	Total of dollars attributed
<b>Revenue Functions</b>				
Rates - residential	0.0037	174,564	304,651,023,277	Valuation of residential
- commercial	0.0065	23,171	40,474,750,691	Valuation of commercial
- industrial	0.0078	3,607	6,300,246,702	Valuation of industrial
- rural	0.0034	24,790	42,667,576,979	Valuation of rural
- other	0.0043	7,147	12,483,525,975	Valuation of other
Subsidies	1.00	31.13498	54,386,160	The total of the subsidies

## Calculated Standards by Function

The Commission uses the table above to determine a council's raw calculation for each of the functions. This is done by calculating each individual council's unit of measure per capita, comparing it with the similar figure from the table and then multiplying the difference by the standard from the table and its own population. If *CRIs* are applicable then they must be included as a multiplier against the council's unit of measure per capita.

It must be stressed that this only allows the determination of the raw calculation for the individual function, not the final estimated grant. The calculation of the final estimated grant is not possible as per capita minimums need to be determined and the per capita amount applied. The remaining funding is allocated to non per capita minimum councils and constraints are applied to changes in grants where appropriate.

## **Aggregated Revenue and Expenditure Assessments**

Component assessments for all revenue and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw calculation figure.

Where the raw calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$21.49 for 2020-21), the calculation is adjusted to bring it up to the per capita minimum entitlement.

The balance of the general purpose funding pool, less the allocation to other local governing bodies outside the incorporated areas is then allocated to the remaining councils based on their assessed proportion of the raw calculation.

Commission determined limits may then be applied to minimise the impact on council's budgetary processes. In the calculation of the 2021-22 grants, the Commission constrained changes between minus 10% and positive 40%.

## **Identified Local Road Grant**

In South Australia, the identified local road grants pool is divided into formula grants (85%) and special local road grants (15%).

The formula component is divided between metropolitan and non-metropolitan councils on the basis of an equal weighting of road length and population.

In the metropolitan area, allocations to individual councils are determined again by an equal weighting of population and road length. In the non-metropolitan area, allocations are made on an equal weighting of population, road length and the area of the council.

Distribution of grants under the Special Local Roads Program is based on recommendations from the Local Government Transport Advisory Panel. This Panel is responsible for assessing submissions from regional associations on local road projects of regional significance.

## **The Outback Communities Authority**

The Outback Communities Authority (OCA) is prescribed as a local governing body in the Commission's Regulations for the purposes of the Grants Commission's recommendations.

The Authority was established on 1 July 2010 under legislation of the South Australian Parliament, replacing the Outback Areas Community Development Trust as the management and governance authority for the outback.

The OCA provides support to outback communities for the provision of public services and facilities, addresses long term requirements and maintenance of outback infrastructure, plans and consults with outback communities, advocates on behalf of outback communities and manages and maintains public assets.

Due to the lack of comparable data, the Commission is not able to calculate the grant to the OCA in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2021-22 per capita general purpose grant is \$559.32.

General purpose grants for the OCA were increased by 2.33% for 2021-22, in line with the increase in the pool of General Purpose Grants for South Australia for 2021-22.

## **Aboriginal Communities**

Since 1994-95 the Grants Commission has allocated grants to 5 specific Aboriginal communities recognised as local governing authorities for the purposes of the *Commonwealth Local Government (Financial Assistance) Act 1995*.

The Aboriginal communities are specified in the *South Australian Local Government Grants Commission Regulations 2019*, and include Anangu Pitjantjatjara Yankunytjatjara, Gerard Community Council Aboriginal Corporation, Maralinga Tjarutja, Nipapanha Community Aboriginal Corporation and Yalata Anangu Aboriginal Corporation.

Again, due to the unavailability of data, general purpose grants for these communities are not calculated in the same manner as grants to other local governing bodies.

Initially, the Commission utilised the services of a consultant, Alan Morton, of Morton Consulting Services, who completed a study on the expenditure needs of the communities and their revenue raising capacities. Comparisons were made with communities in other states and remote South Australian councils and per capita grants were established.

Grants have gradually been increased since the initial study. For 2021-22, the per capita grant allocated to Aboriginal Communities varied from \$221.70 for Gerard Community to \$1,583.97 for Maralinga Tjarutja Community.

General purpose grants for the five recognised Aboriginal Communities were increased by 2.33% for 2021-22, in line with the increase in the pool of General Purpose Grants for South Australia for 2021-22.

The Commission also recognises the needs of Aboriginal and Torres Strait Islanders as part of the assessment of each council's capacity to provide services compared to the State average for a range of aboriginal communities and homelands located within existing local government boundaries. The Commission provides an allowance to councils as part of its Other Needs Assessment (Function 50), based on the proportion of the population who identify as Aboriginal or Torres Strait Islander.

## **CHAPTER 3 – GRANTS COMMISSION ACTIVITIES 2020-21**

### **Grant Allocation**

The total 2020-21 allocation of \$165,234,754 was increased following the end of the financial year by \$2,571,873 after adjustments by the Federal Government to account for final population estimates and changes in the Consumer Price Index.

The increase will be passed on to councils in the four quarterly instalments during 2021-22. The actual allocation figure, which includes the adjusted 2020-21 allocations, is shown in *Chapter 4*.

For 2021-22, the Commission made recommendations on the distribution of \$171,681,490, including both General Purpose Grants and Identified Local Road Grants. A full list of allocations by council is contained in *Chapter 4*.

The General Purpose Grants for 2021-22 are \$126,799,812, an increase of 2.33 percent over 2020-21. The Identified Local Road Grants are \$44,881,678, an increase of 2.24 percent over 2020-21.

The Supplementary Local Road Funding program was reinstated by the Federal Government as part of the 2021-22 Federal Budget for 2021-22 and 2022-23 and will provide \$20 million per year for this period.

Allocations were prepared in accordance with national distribution principles, under the Commonwealth *Local Government (Financial Assistance) Act 1995*. The principles are detailed in *Chapter 1*.

### **Methodology Review (ongoing refinement)**

During 1997-98 the Grants Commission completed the first stage of a major review of its general purpose grant methodology. The methodology was introduced in line with the grant allocations for 1997-98. Changes were phased in over a seven-year period, concluding in 2004-05.

This comprehensive review of the general purpose grant methodology highlighted the need to focus further work on a range of factors associated with roads, in particular the differences between councils in the cost of reconstruction and maintenance of roads and accurately reflecting councils' road lengths.



During 1999-00, the Commission sought the assistance of consultants in undertaking an audit of councils' road length data. This enabled the Commission to map all councils' road network data into a Geographical Information System (GIS) format. This consistently mapped framework provided a firm foundation for future work.

The consultants worked closely with the data councils supplied to the Commission as part of their General Information Return i.e. road maps and summary data on road lengths by type. The consultants liaised with councils to ensure that the information the consultants were mapping was accurate.

While the Commission used the outcome of the road length audit in the allocation of the 2000-01 general purpose grants, the Commission believed that the data would need further refinements and an ongoing commitment to its maintenance.

Early in 2001, the Commission engaged the services of an Engineer on a part time basis to refine the road length data (following updates supplied to the Commission by councils), and address other ongoing engineering related concerns and to authenticate the data used in the calculation process.

The Commission's GIS has been updated by councils annually since it was developed and is currently maintained for the Commission by Primary Industries and Resources SA (PIRSA). Revisions to road length data as at 30 June 2020 were used in the calculation of the 2021-22 FA Grants. An updated list of road lengths can be found in *Appendix V - Units of Measure - Expenditure*.

A by-product of the road length audit process has been the production of detailed maps by council, prepared in a GIS format, consistently mapped across the State. The Commission was again able to give councils an electronic copy of their map in GIS format for their own use.

A listing of road lengths by council by surface type can be found at *Appendix I*.

Work commenced in 1999 into the factors influencing councils' road reconstruction and maintenance costs and this was continued in 2003-04. The Cost Relativity Indices (CRI's) established in 1999, took into account four of the five factors the Commission believed were influencing councils' road reconstruction and maintenance costs.

These five factors were soil, rainfall, drainage, materials haulage and traffic volume. As a result of the 1999 review, the methodology used for calculating councils' CRI's was refined, however there has been insufficient data to reliably incorporate the influence of traffic volumes in the CRI's. The Commission continues to believe that traffic volume has a significant impact on the deterioration of the local road network and will continue to explore the use of traffic volume in the future.

A project was commenced in October 2002 to review the indicator used in the methodology to reflect councils' capacity to raise revenue from its community. At the time, the Commission used property values as the sole indicator. The objective of this project was to develop an alternative indicator or an index, which could be used in conjunction with property values, and which would provide, as far as possible, an objective reflection of the capacity of individual councils to raise revenue from their communities.

Following further research, the circulation of a summary of findings paper and a consultation workshop, the review concluded in early 2004, with the Socio Economic Index for Areas (SEIFA) used in the calculations from the 2004-05 grant recommendations.

2005-06 saw the Commission embark on a project to review the expenditure assessments used in the current methodology. Tony Ward of Millburn Consulting Pty Ltd worked with the Commission to review two related aspects of the expenditure assessment.

Part one of the project involved the examination and documentation of the method of depreciation used by local government in South Australia and the benefit, or otherwise, of its inclusion into the Commission's calculations.

Part two of the project required an examination of the range of expenditure functions included in the Commission's assessments at the time and the potential to either include additional expenditure functions or expand the existing functions to include an additional range of expenditure data.

A Reference Group comprising representatives from rural and metropolitan councils, the Local Government Association and Department of Treasury and Finance was formed to assist with the process. Two workshops were conducted which involved council consultation and participation.

Work undertaken in 2006-07 saw the Commission incorporate the results from the methodology review. The inclusion of depreciation in place of capital expenditure and an expansion of the range of expenditure functions were incorporated in the assessment for the 2007-08 grant calculations.

In 2007-08, staff continued to research and develop drivers for those expenditure functions where suitable drivers were not found. As a result, the expanded expenditure functions were included in the 2008-09 grant calculations.

The Commission also undertook a review of the cost relativity indices (previously known as disability factors) for the stormwater maintenance expenditure function. The object of the review was to enhance and update the cost relativity indices (CRI's) and review the cost driver to provide a more objective and accurate assessment of the relative advantage/disadvantage experienced by each local governing authority in the State in relation to maintaining stormwater. Rod Ellis and Drew Jacobi of Tonkin Consulting worked with the Commission to review the CRI's.

As part of the review, a reference group with representatives from councils and the Department of Transport, Energy and Infrastructure was established to assist with the development of the updated CRI's.

During 2009-10, the Commission examined the effects of drought and economic conditions on property valuations and responded to calls from a number of councils experiencing growth by commencing an investigation into the effects of growth in local government.

An analysis of the effects of decreasing property valuations, revealed that no significant impact had been felt by councils in the region and that the Commission's current methodology adequately accounted for changes in councils' capacity to raise revenue if property valuations decreased.

In terms of growth within Local Government, the Commission consulted with a number of councils to gain an understanding of the impacts of growth, undertook an analysis of the use of growth within the methodologies of Grants Commissions in other jurisdictions and identified a number of options for modifying the Commission's current methodology to take into account the effects of growth.

In 2010-11, the Commission continued its work on the issue of growth within Local Government, engaging the services of Emeritus Professor Cliff Walsh to continue the work of the previous year and make a final recommendation to the Commission.

Professor Walsh undertook an in-depth investigation into the effects of growth, including the analysis of council financial data provided by the Commission, the Commission's existing methodology and population forecasts provided by the (then) Department of Planning and Local Government.

A workshop was held with Councils to identify those areas of Council operations most effected by growth and further liaison took place with the South Australian Department of Treasury and Finance, the Department of Planning and Local Government and the Commonwealth Grants Commission.

Other methodological issues addressed in 2010-11 included an analysis of the costs of airports and airstrips to Local Government, a review of the Library Services and Sport and Recreation Expenditure Functions and further work on the issue of traffic volumes.

Data provided by councils on expenditure for airports and airstrips continue to indicate that the sector makes an overall profit from this activity, i.e., the standard cost across the State is negative. The Commission resolved to undertake further work on this issue.

In terms of traffic volumes, the Executive Officer reviewed previous work undertaken in 2002-03, surveyed councils to understand the availability of current datasets and also liaised with engineering firm Tonkin Consulting in an attempt to develop a cost relativity index to account for traffic volumes on local roads. The findings of this work identified a continued lack of

consistent and regular traffic volume data from all councils as well as differing road hierarchy information across councils.

A review of the Library Services expenditure function raised significant concerns over the consistency of data on the number of library visitors provided to the Commission. The Commission decided that this function and its associated Revenue Assessment (library subsidies) would be removed from the methodology for the 2011-12 round of grants and continue to be excluded until further investigation was completed.

A review of the Sport and Recreation Expenditure Function following feedback received at council visits resulted in a change to the Unit of Measure (or cost driver) for this function. The Unit of Measure was updated from the proportion of the council's population aged between 5 and 49 years to the proportion of council's population aged between 5 and 64 years for 2011-12.

As a result of the significant amount of work done during 2010-11 and the results of the investigations into the effects of growth, the Commission resolved to undertake a major review of its methodology during the next two years.

During 2011-12, the Commission consulted with the Commonwealth Grants Commission to identify areas of the methodology that it might focus on for its full review. Terms of Reference were developed and the Commission received the approval of the Minister for State/Local Government Relations to go to open tender to engage a suitable consultant to conduct the review.

During 2012-13, KPMG were appointed to conduct the methodology review. In accordance with Terms of Reference established by the Commission, KPMG reviewed all elements of methodology used by the Commission to calculate the general purpose grants as well as grants provided to the 5 Aboriginal Communities and the Outback Communities Authority.

KPMG consulted widely during this process, engaging with stakeholders that included local governing authorities, the Local Government Association of South Australia and State and Australian Government agencies. KPMG presented its final reports and provided over 20 recommendations to the Commission for its consideration in June 2013.

During 2014-15, the Commission reviewed the recommendations made by KPMG and Commission staff tested recommendations made for changes to elements of the existing methodology. For 2015-16, the Commission committed to a number of the recommendations, including; maintaining the existing assessment process; increasing the amount of council expenditure included in the assessment process; and re-introducing the libraries expenditure function and library subsidies in the assessment process.

The Commission also included other changes to the methodology for 2015-16 as a result of its own ongoing review processes and the introduction of the new South Australian Integrated Land Information System (SAILIS). These changes included expanding the Unit of Measure for the Waste Management expenditure function to include rural and commercial (shop) properties, and reviewing its land valuation data from DPTI to reflect the implementation of SAILIS and valuation data more closely matched to local government.

During 2015-16, the Commission continued to assess recommendations from the KPMG Review, including a review of its Other Needs Assessment (Function 50). KPMG had recommended that Function 50 be removed and the Commission undertook a detailed review of elements of the function, making a number of changes for the 2016-17 grant recommendations.

Changes included removing the allowance provided to the City of Adelaide recognising its Capital City status, removing the Duplicated Facilities allowance, developing a new expenditure assessment for the Environment and Coastal Protection allowances based on population, expanding the Sport and Recreation expenditure assessment to include net expenditure from the cultural and tourism allowance in Function 50 and expanding the Isolation Allowance by a multiple of four.

During 2019-20, the Commission reviewed the methodology to assess the impacts of airports and authorised landing areas as well as a review of the jetties and wharves expenditure assessment. The Commission also undertook an initial review of its existing expenditure assessment for footpaths and other associated road ancillaries (Function 20c).

The Commission, has, over many years, received feedback from councils during visits that airports and airstrips were having a significant impact on service provision. Previous investigations by the Commission found that, on average, councils profited from airports and airstrips. The Commission re-visited this issue during 2019-20, collecting data on the number of councils with airports and airstrips and analysing operating costs, determined that there were many councils that were impacted. As a result, the Commission added a new expenditure function for 2020-21 that specifically recognises the impact of airports and airstrips.

In relation to jetties and wharves, an analysis of expenditure data from the Supplementary Return identified that the unit of measure for this function (the number of jetties and wharves) did not capture the breadth of reported expenditures. A specific data collection as part of the 2018-19 General Information Return identified marinas and boat ramps as contributing factors in this function and for 2020-21, the Commission expanded the unit of measure to include the number marinas and boat ramps with jetties and wharves.

The final element of the 2019-20 methodology review program saw the Commission undertake an initial review of the unit of measure for Function 20c – footpaths and other associated road ancillaries. The current unit of measure used by the Commission for this function is the kilometres of sealed road in a built-up area. The Commission collected a single years' data on kerbing and guttering from local government as part of the General Information Return for analysis and will continue to collect this data for a further year for further analysis.

### **Methodology Review - 2020-21**

During 2020-21, the Commission's methodology review program focussed on its roads GIS, the impacts of non-resident ratepayers on the assessment of relative need for the General Purpose Grants and non-resident use of council services.

In relation to its roads GIS, the Commission commenced work with Tonkin to review the current data collection and process for updating local road data, the accuracy of current data and options for the future collection and management of local road data. To the end of June 2021, Tonkin completed a sample audit of a council's GIS to review current differences between the Commission's Data and the Councils and establish a process for further review. The Commission acknowledges the assistance of the Wakefield Regional Council during this process. Into 2021-22, the next stage of this project will look at the future management of the Commission's local road data collection and GIS.

Following a number of submissions made by councils and the Southern and Hills LGA, the Commission engaged the services of the Emeritus Professor Cliff Walsh to review the impact of non-resident ratepayers on the Commission's assessment of General Purpose Grants. This issue has been raised by councils that experience high proportions of ratepayers who are not resident for ABS Census purposes and not being recognised in the Commission's assessment.

It is with regret that this work was not able to be completed during the year, due to the unexpected passing of Professor Walsh. The Commission wishes to acknowledge the significant contribution made by Professor Cliff Walsh to its work over many years, including the major methodology review of the late 90's, where Cliff's contribution formed the basis of the Commission's current approach to the assessment of relative need. Professor Walsh will be sadly missed.

Lastly, the Commission worked with its Staff to review the current methodology around non-resident use of council facilities – from either tourism or residents of neighbouring councils. The Commission has, for some time, sought to apply a greater level of certainty to its current assessment of non-resident use (where it applies an arbitrary allowance to its judgement of the level of non-resident use for each council).

It is widely acknowledged that insufficient data exists to provide for a detailed needs assessment for non-resident use and the Commission came to the conclusion that the existing assessment process was capturing revenue and expenditure in relation to non-resident use. As a result, the allowance provided in the Commission's "Other Needs Assessment" (Function 50) was removed for the 2021-22 FA Grant Recommendations.

The Commission will continue to consider the issue of non-resident use and non-resident ratepayers into 2021-22.

## Information Collection and Storage

In 2012, the Commission worked with the Department of Planning, Transport and Infrastructure (DPTI) and the Office of Local Government to develop and maintain an electronic database for storing data relating to local government. The information is used by the Commission for calculating grants and for providing information to councils and other users.

The database contains information including data from annual financial statements and supplements to those statements dating back to 2007-08. Data prior to 2007-08 is held in an older database, at pre-amalgamated council level where appropriate.

Other data maintained by the Commission includes:

- Rates information;
- Estimated Resident Population;
- Council Area Data;
- Valuation Data;
- Council Employee Data;
- Road Length Data;
- Health Inspection Data;
- Development Application Data;
- Waste Management Data;
- Environmental Management Data;
- Subsidiary Data; and other data collected from Commonwealth and State Government agencies.

The Commission's Database was further updated with the assistance of DPTI during 2017-18 to provide for improved reporting capability through the use of the COGNOS reporting tool. These updates have enabled the Commission to better manage changes in the data required for the grant recommendations and ad-hoc data requests from stakeholders.

Data collected by the Commission in the Supplementary Return is reconciled with Audited Financial Statements for accuracy. Data provided in the General Information Return is checked against the previous year's data for variations before being loaded into the Commission's database and reconciled for accuracy. In addition to being used by the Commission to make recommendations on the distribution of grants, the Commission and the OLG provides a significant amount of data back to stakeholders, including (but not limited to):

- Councils;
- The Local Government Association;
- The Government of South Australia;
- The Commonwealth Department of Infrastructure, Transport, Regional Development and Communications;
- The Australian Bureau of Statistics; and
- The South Australian Productivity Commission.

The Commission also maintains a Geographical Information System, road centreline database. Following the transition of the Commission to PIRSA as part of the machinery of government changes, the database was moved from Tonkin Consulting, to the Spatial Information Services unit in PIRSA. The database is updated each year based on information provided by councils.

A by-product of the road length audit process was the development of the Geographical Information System (GIS) in Arc Info. Electronic copies of each Councils GIS are provided to Councils free of charge each year. GIS data is also available in other formats, e.g. MapInfo.

As a result of the implementation of the new SAILIS system, the Commission has also reviewed and re-developed its land valuation information. The Commission now maintains its own database and reviewed previous business rules for extraction and compilation of data.

During 2020-21, the Commission worked closely with the Office of Local Government (OLG) as part of its project to develop the SA Government's *Councils in Focus* Website. Commission data provided to the OLG for this project underpins the information provided to the General Public and Council Staff and represents a renewed focus on the quality of the Commission's data Collection.

The Commission will continue to work with the OLG and the Local Government Sector to continue to maximise the quality of its data collection in coming years.

### **Council Visits**

The Commission undertakes regular visits to councils to provide information and the opportunity for discussion about the grant allocation process. The Commission greatly values these occasions because of the contribution they make to improve the relevance of the grant process.

During 2020-21, the Commission paused its visiting program during the early part of the financial year, due to COVID-19 travelling and meeting restrictions. As restrictions eased, the Commission attended 14 meetings at the councils listed below between March and June 2021. In addition to these meetings, the Commission's Executive Officer met with Finance Managers and other council staff to discuss methodological issues and grant allocations.

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#### **Visited in March 2021**

District Council of Mt Remarkable  
Clare & Gilbert Valleys Council  
Regional Council of Goyder  
Northern Areas Council  
Port Pirie Regional Council

#### **Visited in April 2021**

Yorke Peninsula Council

#### **Visited in May 2021**

City of Onkaparinga  
District Council of Grant  
City of Mount Gambier  
Wattle Range Council

#### **Visited in June 2021**

District Council of Karoonda East Murray  
Mid Murray Council  
Rural City of Murray Bridge  
Southern Mallee District Council

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### **Submissions Made to the Grants Commission by Councils**

The Commission received a number of enquiries and submissions from Councils during the year about its Methodology. Methodology issues are also raised by elected bodies and council staff when the Commission visits councils as part of its visiting program.

The Commission addressed several specific queries about the distribution of the Identified Local Road Grants and allocations made under the Special Local Roads Program.

### **Matters Referred By the Minister**

Under Section 20 of the State Act, the Minister for Planning and Local Government may refer matters to the Commission for report. The Minister made no references to the Commission under this section during 2020-21.

### **The Year Ahead**

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities.

Specific areas of focus for the Commission in the coming years are the continued work on the Commission's local road data and its GIS, understanding and improving data quality and establishing an ongoing methodology review process with local government stakeholders.

South Australia's Local Government finance statistics will continue to be a major focus, particularly as the development and use of the *Councils in Focus* Website continues to develop. The Commission will continue to work with the LGA, Office of Local Government and the SA Local Government Financial Management Group on data collection issues and understanding some of the issues around data collection and quality.

The Commission is also looking to access its local government networks to address methodology issues previously raised, including an assessment of the impacts of non-resident ratepayers on council's capacity to provide services and the impacts of non-residents more generally.

Understanding the needs and funding requirements of Aboriginal Communities is an ongoing responsibility of the Commission. The Commission will continue to monitor developments in the administration of the Aboriginal Communities in 2021-22 and respond to changes in grant funding in line with the National Principles as necessary.

The Commission will also look to continue its council visiting program in 2021-22 in line with the advice of the Department and SA Health regarding appropriate meeting protocols. These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to brief councils on methodology details, and to hear about specific issues facing Council and the Community.

## **CHAPTER 4 – BOUNDARIES COMMISSION ACTIVITIES 2020-21**

The Boundaries Commission commenced as of 1 January 2019. The Commission released nine Guidelines to assist in preparing a boundary change proposal, as outlined below. The full content of the Guidelines can be viewed at:

<https://www.agd.sa.gov.au/lgbc>

### **Guidelines**

The current guidelines are set out as follows:

- Guideline 1 – General Information
- Guideline 2 – Administrative Proposals
- Guideline 3 – General Proposals – Submitting a Proposal to the Commission
- Guideline 4 – General Proposals – Investigations
- Guideline 5 – General Proposals – Appointing Investigators
- Guideline 6 – Public Initiated Submissions
- Guideline 7 – Public Initiated Submissions – Alteration or Composition or Representative Structure of a Council
- Guideline 8 – Costs
- Guideline 9 – Engagement and Consultation

### **Proposals**

There were no formal Stage 1 Boundary Change Proposals (General or Administrative) submitted to the Commission during 2020-21.

## CHAPTER 5 – FINANCIAL ASSISTANCE GRANTS - ALLOCATIONS

### Estimated Grant Allocations for 2021-22

Local Government Authority	Population as at 30 June 2020	General Purpose Grant (\$)	Identified Local Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide	26,177	562,544	287,949		850,493
Adelaide Hills	40,162	863,081	772,205		1,635,286
Adelaide Plains	9,441	1,248,163	297,250		1,545,413
Alexandrina	27,876	1,182,171	676,609		1,858,780
Barossa	25,245	1,092,690	538,538	250,000	1,881,228
Barunga West	2,550	276,157	222,959		499,116
Berri Barmera	10,836	2,377,832	237,003		2,614,835
Burnside	46,127	991,269	535,919		1,527,188
Campbelltown	53,082	1,140,732	596,276		1,737,008
Ceduna	3,423	1,965,686	492,594		2,458,280
Charles Sturt	120,733	2,594,552	1,362,121		3,956,673
Clare & Gilbert Valleys	9,470	950,747	437,393		1,388,140
Cleve	1,780	1,058,340	442,200		1,500,540
Coober Pedy	1,820	825,597	53,389		878,986
Coorong	5,415	2,241,912	736,060		2,977,972
Copper Coast	15,128	1,824,768	369,676	267,500	2,461,944
Elliston	1,011	722,868	459,263		1,182,131
Flinders Ranges	1,688	1,178,817	335,777		1,514,594
Franklin Harbour	1,304	1,003,343	244,898		1,248,241
Gawler	24,718	1,570,842	364,965		1,935,807
Goyder	4,170	2,374,133	686,905		3,061,038
Grant	8,619	1,613,071	378,509	140,000	2,131,580
Holdfast Bay	37,784	811,978	413,553		1,225,531
Kangaroo Island	5,021	1,844,201	451,378	1,100,000	3,395,579
Karoonda East Murray	1,101	1,192,770	380,834		1,573,604
Kimba	1,056	992,779	338,435		1,331,214
Kingston	2,380	415,450	283,310	150,000	848,760
Light	15,501	644,556	469,156	44,300	1,158,012
Lower Eyre Peninsula	5,814	541,524	470,672	1,976,950	2,989,146
Loxton Waikerie	11,737	3,550,224	817,575		4,367,799
Marion	94,879	2,038,950	1,085,280	129,250	3,253,480
Mid Murray	9,143	3,313,201	736,581		4,049,782
Mitcham	67,907	1,459,321	845,995		2,305,316
Mount Barker	37,744	827,881	696,292		1,524,173
Mount Gambier	27,433	3,192,533	446,282		3,638,815
Mount Remarkable	2,913	1,620,501	413,053		2,033,554



Local Government Authority	Population as at 30 June 2020	General Purpose Grant (\$)	Identified Local Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Murray Bridge	22,847	3,475,074	551,763		4,026,837
Naracoorte Lucindale	8,574	2,716,677	540,125		3,256,802
Northern Areas	4,625	1,399,797	450,689		1,850,486
Norwood, Payneham & St Peters	37,462	805,058	400,286		1,205,344
Onkaparinga	174,575	6,192,877	2,667,781		8,860,658
Orroroo Carrieton	844	957,892	285,439		1,243,331
Peterborough	1,668	1,286,354	273,004		1,559,358
Playford	96,547	10,713,288	1,477,643	394,000	12,584,931
Port Adelaide Enfield	129,530	2,783,600	1,530,074		4,313,674
Port Augusta	13,697	2,767,032	308,113		3,075,145
Port Lincoln	14,750	1,478,180	245,023		1,723,203
Port Pirie	17,576	4,076,353	523,934		4,600,287
Prospect	21,827	469,062	226,616		695,678
Renmark Paringa	9,926	2,505,570	247,675	2,030,000	4,783,245
Robe	1,472	31,633	121,043		152,676
Roxby Downs	3,948	219,597	69,939		289,536
Salisbury	144,872	6,871,090	1,768,773		8,639,863
Southern Mallee	2,089	1,130,768	449,134		1,579,902
Streaky Bay	2,204	1,449,440	520,511		1,969,951
Tatiara	6,827	2,989,946	619,402	250,000	3,859,348
Tea Tree Gully	100,862	2,167,524	1,241,552		3,409,076
Tumby Bay	2,733	457,267	289,883		747,150
Unley	39,416	847,050	415,305		1,262,355
Victor Harbor	15,724	339,809	305,632		645,441
Wakefield	6,773	1,924,743	591,677		2,516,420
Walkerville	8,094	173,940	87,057		260,997
Wattle Range	12,060	2,977,164	603,769		3,580,933
West Torrens	61,735	1,326,685	686,625		2,013,310
Whyalla	21,506	4,267,830	413,990		4,681,820
Wudinna	1,307	1,235,661	444,398		1,680,059
Yankalilla	5,679	196,705	183,387		380,092
Yorke Peninsula	11,331	1,204,709	910,096		2,114,805
Outback Communities Authority	2,888	1,615,314	-		1,615,314
Anangu Pitjantjatjara Yankunytjatjara	2,590	1,278,140	168,690		1,446,830
Gerard Community Council Aboriginal Corporati	225	49,883	22,474		72,357
Maralinga Tjarutja	64	101,374	60,353		161,727
Nipapanha Community Aboriginal Corporation	85	31,998	22,377		54,375
Yalata Anangu Aboriginal Corporation	255	179,544	48,592		228,136
<b>STATE TOTAL</b>	<b>1,770,375</b>	<b>126,799,812</b>	<b>38,149,678</b>	<b>6,732,000</b>	<b>171,681,490</b>

## Final Grant Allocations for 2020-21

Local Government Authority	2020-21 Actual General Purpose Grant \$	2020-21 Actual Road Grant \$	2020-21 Special Road Grant \$	2020-21 Total Actual Grant \$
Adelaide	540,119	279,827	595,000	1,414,946
Adelaide Hills	848,222	759,439		1,607,661
Adelaide Plains	1,197,808	287,912		1,485,720
Alexandrina	985,142	660,909		1,646,051
Barossa	910,575	527,505		1,438,081
Barunga West	306,841	219,571		526,412
Berri Barmera	2,377,832	233,878	166,000	2,777,709
Burnside	972,112	527,017		1,499,129
Campbelltown	1,107,397	582,913	445,000	2,135,309
Ceduna	1,985,541	484,397		2,469,938
Charles Sturt	2,523,702	1,330,340		3,854,042
Clare & Gilbert Valleys	864,316	429,626		1,293,942
Cleve	1,058,340	434,647		1,492,987
Cooper Pedy	825,597	52,827		878,424
Coorong	2,359,908	723,502		3,083,410
Copper Coast	1,736,705	362,774		2,099,480
Elliston	722,868	451,058		1,173,926
Flinders Ranges	1,190,724	329,984		1,520,708
Franklin Harbour	1,013,478	240,643		1,254,121
Gawler	1,507,589	355,857		1,863,446
Goyder	2,499,088	675,362		3,174,450
Grant	1,466,428	371,905	187,000	2,025,333
Holdfast Bay	794,286	405,901		1,200,187
Kangaroo Island	1,686,832	440,108		2,126,940
Karoonda East Murray	1,192,770	374,223		1,566,993
Kimba	992,779	332,620		1,325,399
Kingston	461,611	275,790		737,401
Light	537,130	460,156	588,000	1,585,286
Lower Eyre Peninsula	492,294	462,231	1,002,000	1,956,526
Loxton Waikerie	3,550,224	804,031		4,354,255
Marion	1,982,756	1,062,273		3,045,029
Mid Murray	3,313,201	723,590		4,036,791
Mitcham	1,431,646	831,820		2,263,466
Mount Barker	775,954	668,610		1,444,563
Mount Gambier	2,990,358	438,468	380,000	3,808,827
Mount Remarkable	1,636,869	405,879		2,042,749

Local Government Authority	2020-21	2020-21	2020-21	2020-21
	Actual General Purpose Grant \$	Actual Road Grant \$	Special Road Grant \$	Total Actual Grant \$
Murray Bridge	3,475,074	538,600		4,013,675
Naracoorte Lucindale	2,744,119	531,021	300,000	3,575,140
Northern Areas	1,399,797	442,991		1,842,788
Norwood, Payneham & St Peters	786,404	392,726		1,179,130
Onkaparinga	5,629,888	2,606,160	28,000	8,264,049
Orroroo Carrieton	957,892	280,508		1,238,400
Peterborough	1,299,348	268,569		1,567,916
Playford	10,047,737	1,441,199		11,488,936
Port Adelaide Enfield	2,710,355	1,497,113	225,000	4,432,468
Port Augusta	2,767,032	306,385		3,073,416
Port Lincoln	1,478,180	241,578		1,719,758
Port Pirie	4,076,353	516,994		4,593,348
Prospect	456,606	221,893		678,499
Renmark Paringa	2,505,570	244,066	966,000	3,715,636
Robe	30,765	118,694		149,459
Roxby Downs	156,855	69,154		226,009
Salisbury	6,860,817	1,737,240	281,000	8,879,057
Southern Mallee	1,130,768	441,148		1,571,915
Streaky Bay	1,449,440	511,223		1,960,663
Tatiara	2,989,946	611,809	333,000	3,934,754
Tea Tree Gully	2,127,312	1,221,345		3,348,657
Tumby Bay	481,334	284,510		765,844
Unley	831,905	410,400	140,000	1,382,305
Victor Harbor	343,241	297,738		640,979
Wakefield	1,924,743	582,815		2,507,558
Walkerville	169,742	85,374	150,000	405,116
Wattle Range	2,832,646	593,864		3,426,510
West Torrens	1,290,930	672,313	400,000	2,363,242
Whyalla	4,188,694	411,025		4,599,718
Wudinna	1,213,079	436,352		1,649,431
Yankalilla	191,887	179,024	300,000	670,911
Yorke Peninsula	1,338,567	894,888		2,233,455
Outback Communities Authority	1,578,475	-		1,578,475
Anangu Pitjantjatjara Yankunytjatjara	1,248,991	165,431		1,414,422
Gerard Community Council Aboriginal Corporation	48,745	22,040		70,785
Maralinga Tjarutja	99,062	59,187		158,249
Nipapanha Community Aboriginal Corporation	31,268	21,945		53,213
Yalata Anangu Aboriginal Corporation	175,449	47,653		223,102
<b>STATE TOTAL</b>	<b>123,908,060</b>	<b>37,412,567</b>	<b>6,486,000</b>	<b>167,806,627</b>

### Section C: Reporting of Public Complaints as Requested by the Ombudsman

In 2020-21, the Grants Commission was not required to report any public complaints requested by the Ombudsman.

## APPENDIX I - Road Lengths by Council by Surface Type as at 30 June 2020

(Road length data includes laneways)

Council name	Sealed	Formed	Unformed	TOTAL
Adelaide	124	0	0	124
Adelaide Hills	618	395	7	1,020
Adelaide Plains	166	676	130	972
Alexandrina	564	785	39	1,389
Barossa	367	545	71	983
Barunga West	75	755	98	927
Berri Barmera	292	114	75	481
Burnside	242	5	0	247
Campbelltown	255	0	0	255
Ceduna	81	1378	257	1,715
Charles Sturt	591	0	0	591
Clare & Gilbert Valleys	247	1400	188	1,835
Cleve	115	1318	115	1,549
Cooper Pedy	32	146	259	438
Coorong	370	1519	1	1,891
Copper Coast	300	527	84	910
Elliston	67	951	136	1,155
Flinders Ranges	48	878	336	1,262
Franklin Harbour	94	655	37	787
Gawler	187	20	2	208
Goyder	167	2300	543	3,010
Grant	524	748	297	1,569
Holdfast Bay	178	0	0	178
Kangaroo Island	257	1081	62	1,400
Karoonda East Murray	130	1121	48	1,299
Kimba	100	979	636	1,716
Kingston	128	590	51	769
Light	210	1192	55	1,456
Lower Eyre Peninsula	149	1113	83	1,345
Loxton Waikerie	417	1691	198	2,306
Marion	475	0	0	475
Mid Murray	375	2055	976	3,407
Mitcham	408	5	1	414
Mount Barker	395	374	30	799
Mount Gambier	227	1	0	228
Mount Remarkable	114	1522	433	2,069

<b>Council name</b>	<b>Sealed</b>	<b>Formed</b>	<b>Unformed</b>	<b>TOTAL</b>
Murray Bridge	476	480	22	978
Naracoorte Lucindale	472	1111	36	1,618
Northern Areas	142	1787	274	2,204
Norwood, Payneham & St. Peter:	173	0	0	173
Onkaparinga	1316	208	3	1,526
Orroroo Carrieton	60	871	697	1,628
Peterborough	40	805	386	1,231
Playford	762	83	6	850
Port Adelaide Enfield	692	4	0	697
Port Augusta	197	123	92	412
Port Lincoln	153	6	2	161
Port Pirie	332	994	42	1,367
Prospect	91	0	0	91
Renmark Paringa	307	132	40	480
Robe	42	337	56	435
Roxby Downs	34	4	0	39
Salisbury	829	5	0	834
Southern Mallee	132	1057	144	1,332
Streaky Bay	102	1415	219	1,736
Tatiara	536	1135	245	1,916
Tea Tree Gully	581	10	6	597
Tumby Bay	60	921	98	1,080
Unley	171	0	0	171
Victor Harbor	260	134	3	396
Wakefield	211	2388	86	2,686
Walkerville	36	0	0	36
Wattle Range	538	1360	546	2,444
West Torrens	293	0	0	293
Whyalla	229	122	3	353
Wudinna	117	1249	321	1,686
Yankalilla	131	365	48	544
Yorke Peninsula	522	3138	239	3,900
<b>TOTAL</b>	<b>19,123</b>	<b>47,087</b>	<b>8,862</b>	<b>75,072</b>

## APPENDIX II – Cost Relativity Indices - 2021-22 Financial Assistance Grants

	Sealed Built-up Roads	Sealed Non-Built- up Roads	Unsealed Built-up Roads	Unsealed Non-Built- up Roads	Unformed Roads	Waste Management	Stormwater Maintenance
Adelaide	1.02	0.96	1.00	1.00	1.00	0.98	0.99
Adelaide Hills	1.04	1.08	1.17	1.08	1.14	1.00	0.92
Adelaide Plains	0.85	0.90	0.98	0.98	1.00	1.04	0.95
Alexandrina	0.91	0.98	1.01	1.03	1.04	1.00	0.91
Barossa	1.00	1.03	1.03	1.03	1.05	1.07	0.92
Barunga West	0.87	0.93	0.98	0.98	1.00	1.02	0.90
Berri Barmera	1.05	0.99	1.00	1.05	1.05	1.03	0.92
Burnside	1.14	0.96	0.99	0.93	0.90	0.98	0.95
Campbelltown	1.25	0.96	1.00	1.00	1.00	0.99	0.95
Ceduna	0.89	0.95	1.01	1.01	1.00	1.02	0.90
Charles Sturt	0.93	0.98	1.00	1.00	1.00	0.98	1.08
Clare & Gilbert Valleys	1.02	0.98	0.99	1.00	1.04	1.05	0.92
Cleve	0.87	0.93	0.98	0.98	1.00	1.03	0.94
Cooper Pedy	0.90	0.95	0.98	0.98	1.00	1.12	0.84
Coorong	0.90	0.95	1.00	1.00	1.02	1.02	0.95
Copper Coast	0.87	0.93	0.98	0.98	1.00	1.04	0.92
Elliston	0.84	0.84	0.96	0.95	0.92	1.16	0.94
Flinders Ranges	0.87	1.04	0.97	0.94	0.92	1.02	0.87
Franklin Harbour	0.87	0.93	0.99	0.98	1.00	1.02	0.93
Gawler	0.90	1.00	1.01	1.04	1.11	0.99	0.97
Goyder	0.89	0.91	0.99	0.99	1.00	1.06	0.89
Grant	0.88	0.87	0.98	0.94	0.93	1.04	0.95
Holdfast Bay	1.09	0.99	1.00	1.00	1.00	0.98	1.07
Kangaroo Island	0.94	0.99	1.00	1.03	0.99	1.09	0.91
Karoonda East Murray	0.87	0.91	0.98	0.98	0.99	1.06	0.87
Kimba	0.87	0.93	0.98	0.99	1.00	1.01	0.92
Kingston	1.03	1.03	1.00	0.96	1.06	0.99	0.95
Light	0.85	0.95	0.98	0.99	1.02	1.08	0.97
Lower Eyre Peninsula	0.91	0.95	0.98	0.99	1.00	1.06	0.95
Loxton Waikerie	0.88	0.98	0.98	0.98	0.98	1.08	0.90
Marion	1.09	0.96	0.98	0.98	1.00	0.98	0.97
Mid Murray	1.05	1.08	1.09	1.03	1.02	1.10	0.88
Mitcham	1.12	0.99	0.94	0.98	1.01	0.99	0.95
Mount Barker	0.97	1.00	0.98	1.00	1.03	1.01	0.99
Mount Gambier	0.81	0.80	0.99	0.89	0.90	0.99	1.00
Mount Remarkable	0.89	0.93	0.99	0.99	0.99	1.04	0.87
Murray Bridge	0.86	1.01	1.00	1.01	1.03	1.02	0.97
Naracoorte Lucindale	0.97	1.12	1.03	1.07	1.18	1.02	0.95
Northern Areas	0.89	0.92	1.01	1.01	1.01	1.04	0.91
Norwood, Payneham & St Peters	1.19	0.96	1.00	1.00	1.00	0.99	0.95
Onkaparinga	1.00	1.05	0.98	1.02	1.06	0.99	0.98
Orroroo Carrieton	0.87	0.91	0.98	0.97	0.96	1.05	0.85
Peterborough	0.88	0.92	1.00	1.00	0.96	1.00	0.89
Playford	1.10	1.03	1.06	1.01	1.05	0.99	1.08
Port Adelaide Enfield	1.06	0.98	1.19	1.00	1.00	0.99	1.15
Port Augusta	0.87	0.91	0.98	0.98	1.00	1.01	0.92
Port Lincoln	0.78	0.90	0.95	0.99	0.95	1.00	0.97
Port Pirie	0.88	0.92	1.00	1.01	1.00	0.99	1.07
Prospect	0.97	0.98	1.00	1.00	1.00	0.98	0.98
Renmark Paringa	1.22	1.21	1.20	1.08	1.09	1.06	0.98
Robe	0.98	0.95	0.98	1.04	1.08	1.01	0.94
Roxby Downs	0.89	0.90	0.99	0.98	1.00	0.99	0.91
Salisbury	1.05	0.96	1.12	1.05	1.00	0.99	1.01
Southern Mallee	0.89	0.95	1.01	1.00	0.97	1.04	0.90
Streaky Bay	0.77	0.82	0.95	0.95	0.97	1.11	0.90
Tatiara	1.06	1.08	1.15	1.04	1.05	1.02	0.92
Tea Tree Gully	1.08	1.08	1.07	1.01	1.08	0.99	0.95
Tumby Bay	0.89	0.93	1.01	1.01	1.00	1.00	0.94
Unley	1.27	0.98	1.00	1.00	1.00	0.98	0.97
Victor Harbor	0.88	0.95	0.94	0.98	0.92	1.06	0.99
Wakefield	0.88	0.91	1.00	1.01	1.00	1.02	0.92
Walkerville	1.06	0.96	1.00	1.00	1.00	0.99	0.96
Wattle Range	0.98	1.15	1.00	1.04	1.11	1.00	0.98
West Torrens	0.94	0.98	1.00	1.00	1.00	0.98	1.07
Whyalla	0.85	0.89	1.00	1.01	1.00	1.00	0.98
Wudinna	0.88	0.93	1.00	0.98	0.99	1.00	0.88
Yankalilla	1.00	1.09	0.99	1.02	1.05	1.02	0.98
Yorke Peninsula	0.87	0.89	0.99	0.99	0.97	1.06	0.95

## APPENDIX III – Revenue relativity index – 2021-22 Financial Assistance Grants

	SEIFA Index of Economic- Resources	SEIFA Index Score Centred Around 1
Adelaide	866	0.884297
Adelaide Hills	1082	1.104861
Adelaide Plains	1035	1.056868
Alexandrina	1004	1.025213
Barossa	1025	1.046657
Barunga West	974	0.994579
Berri Barmera	936	0.955776
Burnside	1047	1.069121
Campbelltown	987	1.007854
Ceduna	956	0.976199
Charles Sturt	961	0.981304
Clare & Gilbert Valleys	1005	1.026234
Cleve	1021	1.042572
Coober Pedy	889	0.907783
Coorong	964	0.984368
Copper Coast	952	0.972114
Elliston	1000	1.021128
Flinders Ranges	956	0.976199
Franklin Harbour	990	1.010917
Gawler	963	0.983347
Goyder	972	0.992537
Grant	1050	1.072185
Holdfast Bay	996	1.017044
Kangaroo Island	977	0.997642
Karoonda East Murray	990	1.010917
Kimba	1031	1.052783
Kingston	988	1.008875
Light	1057	1.079333
Lower Eyre Peninsula	1033	1.054826
Loxton Waikerie	969	0.989473
Marion	971	0.991516
Mid Murray	963	0.983347
Mitcham	1043	1.065037
Mount Barker	1036	1.057889
Mount Gambier	929	0.948628
Mount Remarkable	997	1.018065
Murray Bridge	929	0.948628
Naracoorte Lucindale	989	1.009896
Northern Areas	988	1.008875
Norwood, Payneham & St Peters	968	0.988452
Onkaparinga	987	1.007854
Orroroo Carrieton	1005	1.026234
Peterborough	864	0.882255
Playford	901	0.920037
Port Adelaide Enfield	924	0.943523
Port Augusta	899	0.917994
Port Lincoln	943	0.962924
Port Pirie	909	0.928206
Prospect	1001	1.022149
Renmark Paringa	945	0.964966
Robe	1009	1.030319
Roxby Downs	1001	1.022149
Salisbury	947	0.967009
Southern Mallee	1005	1.026234
Streaky Bay	994	1.015002
Tatiara	1011	1.032361
Tea Tree Gully	1017	1.038488
Tumby Bay	986	1.006833
Unley	1014	1.035424
Victor Harbor	969	0.989473
Wakefield	974	0.994579
Walkerville	1026	1.047678
Wattle Range	967	0.987431
West Torrens	951	0.971093
Whyalla	883	0.901656
Wudinna	1004	1.025213
Yankalilla	993	1.013980
Yorke Peninsula	975	0.995600

## APPENDIX IV –Units of Measure by function – Revenue – 2021-22

Valuation per capita (incorporating the SEIFA index of Economic Resources) - Data sourced from Valuer General as at January each year (data from 2019, 2020 and 2021 averaged).

Unit of Measure:	Residential	Commercial	Industrial	Rural	Other
Adelaide	236,846	392,390	2,627	0	44,827
Adelaide Hills	207,483	7,451	1,192	53,094	7,754
Adelaide Plains	115,084	3,659	1,777	89,159	10,448
Alexandrina	193,676	7,893	1,767	63,720	11,167
Barossa	131,949	12,922	10,001	55,113	6,307
Barunga West	128,076	6,255	1,949	359,051	7,091
Berri Barmera	75,282	12,845	4,201	20,725	4,597
Burnside	375,704	24,091	249	211	9,339
Campbelltown	221,057	8,459	1,027	101	7,631
Ceduna	97,531	19,966	1,313	34,007	7,621
Charles Sturt	222,101	23,914	3,685	26	5,568
Clare & Gilbert Valleys	96,213	13,277	3,019	192,958	6,987
Cleve	74,897	15,119	1,182	290,306	4,498
Coober Pedy	51,140	16,191	1,173	0	3,412
Coorong	74,653	12,829	732	234,108	9,549
Copper Coast	162,733	13,792	1,532	38,610	14,265
Elliston	114,930	14,273	1,168	305,278	16,064
Flinders Ranges	67,100	9,309	603	59,235	6,782
Franklin Harbour	112,612	12,484	11,902	72,001	10,575
Gawler	125,812	13,168	803	5,145	7,170
Goyder	53,849	4,993	818	251,102	5,314
Grant	83,339	2,821	3,285	204,909	6,724
Holdfast Bay	320,252	28,650	1,300	0	6,750
Kangaroo Island	134,101	15,684	1,630	115,414	26,352
Karoonda East Murray	31,456	7,477	2,039	220,754	5,340
Kimba	40,638	16,508	984	245,207	3,180
Kingston	158,962	11,427	1,389	385,871	22,148
Light	113,434	8,018	7,659	107,182	6,247
Lower Eyre Peninsula	136,413	7,194	1,322	205,789	17,730
Loxton Waikerie	79,951	7,487	2,379	73,273	4,199
Marion	189,586	21,522	1,544	78	4,471
Mid Murray	154,958	6,499	1,893	69,739	17,688
Mitcham	255,283	11,881	1,908	739	8,689
Mount Barker	152,239	15,345	2,378	34,463	9,215
Mount Gambier	97,146	18,890	5,101	674	4,510
Mount Remarkable	70,864	7,591	580	182,964	8,979
Murray Bridge	86,083	14,587	4,473	27,011	7,064
Naracoorte Lucindale	74,469	11,919	2,761	212,620	4,275
Northern Areas	61,256	9,020	1,156	268,406	9,363
Norwood, Payneham & St Peter	302,181	54,944	3,229	18	13,026
Onkaparinga	148,739	9,599	2,214	7,882	4,571
Ororoo Carrieton	54,632	6,907	740	236,265	2,496
Peterborough	42,212	6,649	829	48,117	2,428
Playford	83,602	11,956	1,736	9,879	4,020
Port Adelaide Enfield	164,290	27,878	14,950	10	7,719
Port Augusta	78,465	15,145	2,154	2,844	5,425
Port Lincoln	125,646	25,060	5,309	1,005	7,940
Port Pirie	72,432	12,494	2,773	33,198	4,094
Prospect	262,227	22,310	1,096	0	6,550
Renmark Paringa	85,255	10,822	3,379	43,924	3,807
Robe	434,748	40,339	8,101	325,518	46,141
Roxby Downs	99,285	11,286	1,657	0	3,630
Salisbury	118,698	15,984	4,996	668	3,676
Southern Mallee	34,455	10,250	1,247	222,308	2,337
Streaky Bay	112,014	14,295	1,565	114,634	20,337
Tatiara	54,637	9,066	3,932	243,478	3,398
Tea Tree Gully	167,976	13,811	1,263	949	3,324
Tumby Bay	120,450	13,062	1,638	304,752	11,973
Unley	334,408	34,202	904	0	7,375
Victor Harbor	211,473	17,463	1,038	23,190	13,219
Wakefield	65,475	9,232	1,742	239,036	6,076
Walkerville	406,158	20,648	331	0	13,150
Wattle Range	74,830	7,062	6,235	204,294	5,940
West Torrens	208,723	34,987	7,026	23	6,834
Whyalla	70,872	10,233	1,528	511	2,307
Wudinna	46,293	17,019	770	190,728	2,125
Yankalilla	244,485	10,463	1,053	93,320	21,891
Yorke Peninsula	202,944	10,826	1,342	327,518	19,173
<b>State</b>	<b>174,564</b>	<b>23,171</b>	<b>3,607</b>	<b>24,790</b>	<b>7,147</b>



## APPENDIX V – Units of Measure by function – Expenditure - 2021-22

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2020.

Function:	Waste Management	Aged Care Services	Services to Families & Children	Health Inspection	Libraries	Sport, Recreation and Culture
Unit of Measure:	Number of Residential, Rural and Commercial (shop) Properties	Population Aged > 65 years	Population Aged 0-14 years	Establishments to Inspect	Estimated Resident Population	Population Aged 5-64 years
Adelaide	15,166	3,449	1,442	1,679	26,177	21,454
Adelaide Hills	16,660	7,534	7,523	1,152	40,162	30,392
Adelaide Plains	4,415	1,381	1,701	124	9,441	7,339
Alexandrina	16,813	8,314	4,149	413	27,876	17,999
Barossa	11,710	5,105	4,630	523	25,245	18,639
Barunga West	2,492	834	355	59	2,550	1,617
Berri Barmera	5,617	2,403	1,963	252	10,836	7,850
Burnside	19,966	10,182	7,879	367	46,127	33,696
Campbelltown	23,242	10,626	8,692	401	53,082	38,809
Ceduna	1,965	597	712	64	3,423	2,566
Charles Sturt	55,508	22,654	18,634	1,311	120,733	89,909
Clare & Gilbert Valleys	6,024	2,219	1,649	337	9,470	6,727
Cleve	1,317	355	349	30	1,780	1,323
Coober Pedy	1,295	388	322	34	1,820	1,317
Coorong	3,697	1,261	973	131	5,415	3,886
Copper Coast	10,135	4,308	2,322	194	15,128	10,003
Elliston	989	188	204	26	1,011	760
Flinders Ranges	1,455	436	274	37	1,688	1,159
Franklin Harbour	982	363	229	14	1,304	880
Gawler	10,762	4,770	4,436	328	24,718	18,175
Goyder	4,036	1,037	666	143	4,170	2,956
Grant	4,995	1,549	1,510	97	8,619	6,657
Holdfast Bay	19,666	9,167	5,138	526	37,784	26,793
Kangaroo Island	4,007	1,228	821	181	5,021	3,495
Karoonda East Murray	921	293	192	31	1,101	758
Kimba	790	221	252	24	1,056	767
Kingston	2,067	696	390	34	2,380	1,551
Light	7,093	2,206	3,145	332	15,501	12,393
Lower Eyre Peninsula	3,147	1,018	1,102	48	5,814	4,447
Loxton Waikerie	6,954	2,747	2,060	265	11,737	8,361
Marion	41,912	16,710	15,722	638	94,879	71,262
Mid Murray	8,378	2,467	1,213	184	9,143	6,240
Mitcham	27,605	13,263	11,981	602	67,907	50,831
Mount Barker	15,692	5,726	7,387	780	37,744	28,523
Mount Gambier	13,071	5,096	5,477	559	27,433	20,472
Mount Remarkable	2,601	789	418	72	2,913	2,004
Murray Bridge	10,795	4,508	3,894	221	22,847	16,743
Naracoorte Lucindale	5,587	1,587	1,689	71	8,574	6,450
Northern Areas	3,732	1,120	839	43	4,625	3,223
Norwood, Payneham & St Peters	18,308	7,450	5,476	631	37,462	27,950
Onkaparinga	75,594	31,499	31,989	1,488	174,575	131,275
Orroroo Carrieton	1,177	247	151	31	844	537
Peterborough	1,525	486	217	34	1,668	1,140
Playford	39,256	11,442	22,445	560	96,547	75,716
Port Adelaide Enfield	57,860	19,949	21,870	1,332	129,530	99,684
Port Augusta	6,804	2,387	2,661	165	13,697	10,619
Port Lincoln	7,071	2,860	2,932	228	14,750	10,880
Port Pirie	9,302	3,826	3,189	238	17,576	12,777
Prospect	9,653	3,072	3,856	221	21,827	17,149
Renmark Paringa	4,965	2,133	1,702	176	9,926	7,183
Robe	1,943	375	188	24	1,472	1,011
Roxby Downs	1,857	120	1,018	43	3,948	3,466
Salisbury	57,156	20,750	28,818	999	144,872	113,078
Southern Mallee	1,483	491	361	30	2,089	1,492
Streaky Bay	1,707	450	479	22	2,204	1,613
Tatiara	4,086	1,305	1,258	94	6,827	5,162
Tea Tree Gully	41,068	19,146	17,757	826	100,862	75,690
Tumby Bay	2,009	769	462	39	2,733	1,774
Unley	17,749	7,598	6,290	556	39,416	29,809
Victor Harbor	9,640	6,245	2,072	168	15,724	8,651
Wakefield	4,839	1,412	1,295	95	6,773	4,996
Walkerville	3,774	1,758	1,224	62	8,094	5,910
Wattle Range	8,141	2,727	2,126	72	12,060	8,674
West Torrens	28,689	10,663	9,011	688	61,735	47,063
Whyalla	11,349	3,908	4,167	216	21,506	16,413
Wudinna	939	249	274	20	1,307	993
Yankalilla	4,610	1,707	799	73	5,679	3,642
Yorke Peninsula	12,054	3,863	1,587	153	11,331	6,975
<b>Total</b>	<b>837,866</b>	<b>327,680</b>	<b>308,004</b>	<b>21,608</b>	<b>1,764,268</b>	<b>1,319,747</b>

Function:	Sealed Built Up Roads	Sealed Non Built Up Roads	Sealed Built-Up Roads (Footpaths, kerbing, street lighting etc)	Unsealed Built Up Roads	Unsealed Non Built Up Roads	Unformed Roads
Unit of Measure:	Sealed Built Up Kms	Sealed Non Built Up Kms	Sealed Built Up Kms	Unsealed Built Up Kms	Unsealed Non Built Up Kms	Unformed Kms
Adelaide	120	0	120	0	0	0
Adelaide Hills	215	399	215	3	391	7
Adelaide Plains	96	70	96	35	641	130
Alexandrina	258	304	258	19	766	39
Barossa	160	207	160	8	537	71
Barunga West	33	41	33	6	748	98
Berri Barmera	71	218	71	1	101	75
Burnside	233	0	233	0	5	0
Campbelltown	255	0	255	0	0	0
Ceduna	45	35	45	4	1,374	257
Charles Sturt	586	0	586	0	0	0
Clare & Gilbert Valleys	78	169	78	12	1,388	188
Cleve	21	94	21	8	1,310	115
Cooper Pedy	29	3	29	48	99	259
Coorong	56	314	56	14	1,505	1
Copper Coast	201	98	201	44	483	84
Elliston	22	45	22	8	943	136
Flinders Ranges	26	22	26	7	871	336
Franklin Harbour	20	74	20	0	655	37
Gawler	154	31	154	2	15	2
Goyder	60	108	60	23	2,277	543
Grant	31	493	31	2	746	297
Holdfast Bay	171	0	171	0	0	0
Kangaroo Island	47	210	47	44	1,037	62
Karoonda East Murray	10	120	10	5	1,116	48
Kimba	12	88	12	10	970	636
Kingston	39	89	39	4	585	51
Light	97	112	97	6	1,184	55
Lower Eyre Peninsula	49	100	49	13	1,100	83
Loxton Waikerie	70	347	70	16	1,676	198
Marion	474	0	474	0	0	0
Mid Murray	80	293	80	28	2,028	976
Mitcham	388	17	388	0	0	1
Mount Barker	222	173	222	6	368	30
Mount Gambier	213	14	213	0	1	0
Mount Remarkable	29	85	29	13	1,509	433
Murray Bridge	150	326	150	6	473	22
Naracoorte Lucindale	73	398	73	4	1,106	36
Northern Areas	66	76	66	27	1,760	274
Norwood, Payneham & St Peters	160	0	160	0	0	0
Onkaparinga	1,062	246	1,062	7	201	3
Orroroo Carrieton	19	41	19	7	864	697
Peterborough	31	8	31	7	799	386
Playford	503	255	503	1	81	6
Port Adelaide Enfield	690	0	690	4	0	0
Port Augusta	143	54	143	25	98	92
Port Lincoln	146	7	146	3	3	2
Port Pirie	190	142	190	18	975	42
Prospect	87	0	87	0	0	0
Renmark Paringa	49	257	49	8	124	40
Robe	29	13	29	2	336	56
Roxby Downs	29	6	29	0	4	0
Salisbury	803	23	803	2	3	0
Southern Mallee	25	107	25	7	1,049	144
Streaky Bay	44	58	44	10	1,405	219
Tatiara	87	448	87	7	1,129	245
Tea Tree Gully	562	17	562	2	8	6
Tumby Bay	32	28	32	4	917	98
Unley	163	0	163	0	0	0
Victor Harbor	156	103	156	6	128	3
Wakefield	73	139	73	9	2,379	86
Walkerville	35	0	35	0	0	0
Wattle Range	148	390	148	25	1,332	546
West Torrens	290	0	290	0	0	0
Whyalla	202	24	202	5	49	3
Wudinna	18	99	18	15	1,234	321
Yankalilla	56	76	56	3	363	48
Yorke Peninsula	195	327	195	41	3,097	239
<b>Total</b>	<b>10,985</b>	<b>8,041</b>	<b>10,985</b>	<b>644</b>	<b>46,347</b>	<b>8,862</b>

Function:	Stormwater Drainage - Maintenance	Community Support	Jetties, Wharves, Marinas & Boat Ramps	Public Order and Safety	Planning & Building Control	Bridges
Unit of Measure:	No. of Urban, Industrial & Commercial Properties (excluding exempt)	Population x CRI (SEIFA Index of Advantage/ Disadvantage)	Number of Jetties, Wharves, Marinas & Boat Ramps	Total Number of Properties	Number of New Developments & Additions	Number of Bridges
Adelaide	23,375	24,591	0	25,168	849	6
Adelaide Hills	14,067	35,879	0	18,740	1,043	46
Adelaide Plains	3,127	9,221	3	5,376	470	4
Alexandrina	14,202	27,278	20	19,728	1,344	41
Barossa	10,033	24,207	0	13,493	786	52
Barunga West	1,645	2,646	3	3,014	103	0
Berri Barmera	4,968	11,618	7	6,744	198	0
Burnside	20,616	41,153	0	21,341	1,165	1
Campbelltown	23,623	50,540	0	24,888	1,189	37
Ceduna	1,657	3,524	5	2,732	95	0
Charles Sturt	57,898	118,408	0	60,397	3,051	6
Clare & Gilbert Valleys	3,897	9,222	0	7,453	251	29
Cleve	800	1,741	3	1,807	44	2
Cooper Pedy	1,385	2,022	0	2,017	23	0
Coorong	2,362	5,696	2	5,204	167	0
Copper Coast	9,739	15,937	3	12,823	537	0
Elliston	618	1,013	3	1,599	32	0
Flinders Ranges	859	1,769	0	2,165	42	0
Franklin Harbour	770	1,322	4	1,342	37	1
Gawler	10,764	25,005	0	12,033	630	9
Goyder	1,745	4,334	0	5,074	86	10
Grant	2,636	8,239	4	5,998	299	1
Holdfast Bay	20,473	35,010	19	21,177	1,065	4
Kangaroo Island	2,889	5,030	7	6,082	285	24
Karoonda East Murray	335	1,137	0	1,497	27	0
Kimba	421	1,014	0	1,081	22	0
Kingston	1,481	2,392	3	2,914	67	0
Light	5,224	14,692	0	8,365	489	17
Lower Eyre Peninsula	2,322	5,555	7	4,484	206	2
Loxton Waikerie	5,172	12,082	13	9,037	346	0
Marion	42,980	91,538	0	44,715	2,140	3
Mid Murray	5,957	9,601	35	11,492	403	16
Mitcham	28,378	61,477	0	29,731	1,346	21
Mount Barker	14,262	34,638	0	18,275	1,303	52
Mount Gambier	13,896	28,826	1	14,896	414	0
Mount Remarkable	1,351	2,917	1	3,682	83	4
Murray Bridge	9,530	24,476	20	12,578	467	6
Naracoorte Lucindale	3,331	8,606	1	6,746	165	37
Northern Areas	1,998	4,611	0	4,774	120	19
Norwood, Payneham & St Peters	19,892	35,234	0	20,534	965	0
Onkaparinga	75,928	171,760	2	82,744	2,922	58
Orroroo Carrieton	414	840	0	1,686	18	0
Peterborough	1,056	2,008	0	1,932	25	9
Playford	38,097	107,048	0	43,143	2,345	23
Port Adelaide Enfield	61,552	133,531	0	65,479	3,499	0
Port Augusta	7,107	15,176	2	8,281	199	7
Port Lincoln	7,765	15,118	5	8,741	232	1
Port Pirie	8,698	19,302	9	11,261	348	6
Prospect	9,986	20,084	0	10,237	570	0
Renmark Paringa	4,138	10,537	15	6,037	220	3
Robe	1,580	1,409	3	2,774	108	1
Roxby Downs	1,971	3,721	0	2,116	27	0
Salisbury	59,226	152,894	1	62,353	2,047	22
Southern Mallee	778	2,066	0	1,991	56	0
Streaky Bay	1,133	2,161	5	2,712	63	0
Tatiara	2,512	6,750	0	5,129	142	14
Tea Tree Gully	41,753	95,051	4	43,885	2,051	6
Tumby Bay	1,326	2,708	2	2,612	80	5
Unley	18,725	35,810	0	19,089	398	3
Victor Harbor	9,353	15,826	2	11,248	551	32
Wakefield	2,701	7,135	1	5,989	180	22
Walkerville	3,964	7,260	0	4,126	237	0
Wattle Range	5,128	12,535	0	9,950	438	0
West Torrens	30,452	59,525	0	31,432	1,210	18
Whyalla	11,737	23,810	4	12,523	254	0
Wudinna	509	1,268	0	1,361	26	0
Yankalilla	3,779	5,610	3	5,908	288	35
Yorke Peninsula	9,475	11,651	34	15,382	448	0
<b>Total</b>	<b>811,517</b>	<b>1,746,792</b>	<b>256</b>	<b>961,319</b>	<b>41,331</b>	<b>715</b>

<b>Function:</b>	<b>Environment and Coastal Protection</b>	<b>Airports &amp; Authorised Landing Areas</b>	<b>Other Needs Assessment (Function 50)</b>
<b>Unit of Measure:</b>	<b>Estimated Resident Population</b>	<b>Number of Airports &amp; Authorised Landing Areas</b>	<b>Total Derived Expenditure</b>
Adelaide	26,177	0	25,200
Adelaide Hills	40,162	0	9,500
Adelaide Plains	9,441	0	168,300
Alexandrina	27,876	0	500,800
Barossa	25,245	0	404,500
Barunga West	2,550	0	135,200
Berri Barmera	10,836	0	572,400
Burnside	46,127	0	5,900
Campbelltown	53,082	0	23,100
Ceduna	3,423	1	714,900
Charles Sturt	120,733	0	71,500
Clare & Gilbert Valleys	9,470	0	255,900
Cleve	1,780	3	189,600
Coober Pedy	1,820	1	489,400
Coorong	5,415	2	167,200
Copper Coast	15,128	1	543,200
Elliston	1,011	4	189,400
Flinders Ranges	1,688	2	196,700
Franklin Harbour	1,304	1	167,100
Gawler	24,718	0	28,500
Goyder	4,170	0	145,000
Grant	8,619	1	776,700
Holdfast Bay	37,784	0	11,300
Kangaroo Island	5,021	1	852,100
Karoonda East Murray	1,101	0	33,600
Kimba	1,056	1	98,600
Kingston	2,380	3	177,100
Light	15,501	0	240,600
Lower Eyre Peninsula	5,814	3	779,900
Loxton Waikerie	11,737	6	572,300
Marion	94,879	0	56,100
Mid Murray	9,143	0	253,300
Mitcham	67,907	0	15,100
Mount Barker	37,744	0	27,700
Mount Gambier	27,433	0	2,528,700
Mount Remarkable	2,913	1	206,000
Murray Bridge	22,847	0	429,100
Naracoorte Lucindale	8,574	2	575,600
Northern Areas	4,625	1	204,300
Norwood, Payneham & St Peters	37,462	0	9,400
Onkaparinga	174,575	0	124,400
Orroroo Carrieton	844	2	58,500
Peterborough	1,668	1	132,600
Playford	96,547	0	231,800
Port Adelaide Enfield	129,530	0	173,100
Port Augusta	13,697	1	1,130,000
Port Lincoln	14,750	0	1,980,900
Port Pirie	17,576	1	906,600
Prospect	21,827	0	7,100
Renmark Paringa	9,926	1	552,200
Robe	1,472	2	98,600
Roxby Downs	3,948	0	486,400
Salisbury	144,872	0	165,900
Southern Mallee	2,089	1	137,000
Streaky Bay	2,204	3	329,600
Tatiara	6,827	4	372,700
Tea Tree Gully	100,862	0	41,200
Tumby Bay	2,733	3	362,200
Unley	39,416	0	7,000
Victor Harbor	15,724	0	279,700
Wakefield	6,773	0	177,500
Walkerville	8,094	0	2,400
Wattle Range	12,060	2	970,500
West Torrens	61,735	0	25,100
Whyalla	21,506	3	1,797,300
Wudinna	1,307	2	183,200
Yankalilla	5,679	0	98,600
Yorke Peninsula	11,331	3	448,900
<b>Total</b>	<b>1,764,268</b>	<b>63</b>	<b>24,131,800</b>

## APPENDIX VI - Background of Financial Assistance Grants to Local Government

- i) Annual reports of the interim State Grants Commission and the South Australian Local Government Grants Commission presented since 1976 have contained detailed information on the history of the provision of Commonwealth Financial Assistance Grants to Local Government in Australia.
- ii) Further information particularly with regard to the general methodology is also available in the 1974, 1975, 1976 and 1977 reports of the Commonwealth Grants Commission dealing with financial assistance for Local Government, the Report of the National Inquiry into Local Government Finance (Self Report) published in 1985<sup>1</sup> and the 1991 report of the Commonwealth Grants Commission on the Distribution of General Purpose Grants for Local Government.<sup>2</sup>
- iii) The following is a summary of important events since the commencement of the Commonwealth's involvement in the provision of financial assistance to Local Government:
- *Commonwealth Grants Commission Act, 1973* – the Commonwealth Grants Commission was given the power to assess Financial Assistance Grants to Local Government with a view to promoting fiscal equalisation between regions. Applications for assistance under Section 96 of the Constitution could be made by 'approved regional organisations' of Local Government.
  - *1974-75* - first Commonwealth general-purpose grant of \$56.345 million distributed to local government authorities on the basis of recommendations by the Commonwealth Grants Commission. South Australia received \$4.774 million or 8.4728 per cent of the total allocation.
  - *1975-76* - \$79.908 million distributed by the Commonwealth Grants Commission. South Australia received \$6.785 million or 8.4910 per cent of the total allocation.
  - *May 1976* - special report of the Commonwealth Grants Commission included recommendations on tax-sharing grants to Local Government.
  - *Commonwealth Grants Commission Act, 1976* - Replaced the 1973 Act. Deleted reference to 'approved regional organisations'. Introduced new definition of a grant of assistance to a State or Local Government purposes.
  - *Local Government (Personal Income Tax Sharing) Act, 1976* - Provided for continuation of general-purpose grants to Local Government with the level of funding being linked to Commonwealth personal income tax collections. Relevant percentages were:
 

1976 to 1978-79	1.52%
1979-80	1.75%
1980-81 to 1984-85	2.00%

South Australia's share of funds set at 8.5178 per cent from 1 July 1976.

Each State was required to establish a Local Government Grants Commission to make recommendations on the distribution of funds. Allowed for a per capita minimum grant to councils based on at least 30 per cent of funds, with the remaining funds to be allocated on a fiscal equalisation basis.

- *July 1976* - interim SA Grants Commission established to recommend allocation of \$11.925 million in South Australia for 1976-77.
- *October 1976* - *South Australian Local Government Grants Commission Act, 1976* - Enacted 21 October 1976 and proclaimed 19 May 1977. The Commission's main function was to recommend on the distribution of grants.

<sup>1</sup> National Inquiry into Local Government Finance Report, AGPS, Canberra, 1985; Peter Self, Chairman

<sup>2</sup> Report on the Interstate Distribution of General Purpose Grants for Local Government, Commonwealth Grants Commission, AGPS, Canberra 1991

- *May 1977* - special report by Commonwealth Grants Commission concerned with the interstate distribution of funds, which established an apportionment of funds between the States and increased the share of funds to South Australia to 8.6010 per cent from 1 July 1977.
- *May 1984* - Commonwealth Government set up National Inquiry into Local Government Finance, chaired by Professor Peter Self.
- *May 1985* - Commonwealth Local Government (Personal Income Tax Sharing) Act amended to provide for an increase in funding for 1985-86 based on the 1984-85 allocation adjusted for any changes in the Consumer Price Index in the year ended March 1986, plus a 2 per cent real increase.
- *October 1985* - Self Inquiry report presented to Commonwealth Government.
- *July 1986* - *Local Government (Financial Assistance) Act, 1986* came into operation on 1 July 1986 and replaced the Local Government (Personal Income Tax Sharing) Act, 1976.

It embodied a number of the recommendations of the Self Inquiry and changed the basis of funding by the Commonwealth and included a requirement that each State develop and submit to the Commonwealth by 1 July 1987 principles for the distribution of funds amongst local governing authorities.

South Australia's share of funds set at 8.5212 per cent for 1986-87 rising to 8.7890 per cent in 1988-89. Thereafter funds to be distributed between the States on an equal per capita basis using estimated resident populations at 31 December in the previous year.

Amended in June 1988 and June 1989 to provide new base funding levels for 1988-89 and 1989-90 respectively.

Amended in June 1991 to give effect to the Special Premiers' Conference decision to untie local roads funds and pay these through general purpose grants, and to provide the Treasurer with a discretion to set base funding at a level consistent with the underlying growth in general revenue assistance to the States.

- *February 1991* – report by the Commonwealth Grants Commission on the Interstate Distribution of General Purpose Grants for Local Government.
- *May 1992* – *South Australian Local Government Grants Commission Act 1992*, was assented to on 21 May 1992, and replaced the South Australian Local Government Grants Commission Act 1976.
- *July 1995* - *Local Government (Financial Assistance) Act 1995* - Came into operation on 1 July 1995, replaced the Local Government (Financial Assistance) Act 1986 and embodied recommended arrangements contained in the Discussion Paper conducted as part of the review of the previous Act.

It retained horizontal fiscal equalisation (subject to a minimum grant entitlement) as the primary mechanism for grant distribution and an equal per capita interstate distribution and replaced state by state principles with a set of national principles prepared by the Commonwealth Minister. It provided for the making of an annual report to the Federal Parliament on the operation of the Act and the performance of councils including their efficiency and services provided for Aboriginal & Torres Strait Islander Communities.

- *April 1998* – the South Australian Local Government Grants Commission's comprehensive methodology review of the general-purpose grant calculation was completed. The revised methodology was used, albeit constrained to minus 10% and plus 20% change, for the first time for the 1998-99 allocations.
- *April 1999* – refinement of the South Australian methodology, as it relates to the differences between councils in the cost associated with the reconstruction and maintenance of roads, was completed. The newly calculated cost relativity indices (previously known as disability factors) were used in the calculation of the South Australian grant allocations for 1999-2000.
- *May 2000* – refinement of the South Australian methodology, in relation to road lengths. The Commission with the assistance of a consultant mapped all councils' roads into a Geographical Information System format. The newly calculated road lengths were used in the calculation of the South Australian grant allocations for 2001-2002.

- *June 2000* – the Commonwealth Minister announced the review into the Local Government (Financial Assistance) Act 1995. The Commonwealth Grants Commission was commissioned to undertake the review. The final report was completed in June 2001.
- *June 2001* – the Commonwealth Minister received the report from the Commonwealth Grants Commission into the operations of the Commonwealth Local Government (Financial Assistance) Act 1995.
- *June 2002* – the Commonwealth Minister announced the *'Inquiry into Local Government and Cost Shifting'*. The inquiry was conducted by the House of Representatives Standing Committee on Economics, Finance and Public Administration and was requested to inquire into, and report upon, cost shifting onto Local Government by State Governments and the financial position of Local Government.

This included an examination of: Local Government's current roles and responsibilities and current funding arrangements. It also included an assessment of the findings of the Commonwealth Grants Commission's review of the *Local Government (Financial Assistance) Act 1995* of June 2001.

- *February 2003* – the House of Representatives Standing Committee on Economics, Finance and Public Administration, as part of its *"Inquiry into Local Government and Cost Shifting"* issued a discussion paper entitled *'At the Crossroads.'*
- *October 2003* – the House of Representatives Standing Committee on Economics, Finance and Public Administration, *"Rates and Taxes: A Fair Share for Responsible Local Government, Final Report.*
- *March 2004* – the Prime Minister announced \$26.25 million (over three years) in financial assistance to Local Government in South Australia to supplement the Identified Local Road Grants. This was made up of \$4.25 million in 2004-05, \$9 million in 2005-06 and \$13 million in 2006-07.
- *June 2005* – Government Response to the Report of the House of Representatives Standing Committee on Economics, Finance and Public Administration, *Rates and Taxes.*
- *August 2005* - *Rising to the Challenge, Towards: Financially Sustainable Local Government in South Australia – final report. Overview and supporting analysis.* Commissioned by the SA Local Government Association with the support of Local Government.
- *September 2005* – Commonwealth Grants Commission asked by the Commonwealth Government to review the interstate distribution of the Identified Local Road Grants
- *June 2006* – Commonwealth Grants Commission presented its report to the Commonwealth Government into the interstate distribution of the Identified Local Road Grants.
- *November 2006* – issues Paper *"Review of the Interstate Distribution of Local Road Grants"* circulated by the Commonwealth Grants Commission.
- *January 2006* – submission by South Australia to the Commonwealth Grants Commission regarding the review of the interstate distribution of Local Road Grants.
- *June 2006* - Commonwealth Grants Commission report to the Commonwealth Government completed.
- *June 2007* – Commonwealth Government's response to the Commonwealth Grants Commission Report.
- *June 2007* – announcement of the continuation of the Roads to Recovery 2 program for the next four years (2005-06 to 2008-09). South Australia's share is worth over \$57 million indexed in line, to reflect the change in the Financial Assistance Grants.
- *July 2007* – the Commission's methodology review of the general-purpose grant calculation (inclusion of depreciation and additional expenditure functions) was completed. The revised methodology was used, albeit constrained to 0% no change and plus 10% change, for the first time for the 2007-08 allocations.

- *September 2007* – the Executive Officer and Staff of the Commission visited the Victorian Grants Commission to assess Victoria’s “Balanced Budget” methodology against the “Direct Assessment” methodology used in South Australia. Outcomes of the assessment demonstrated clear similarities between the two methodologies.
- *March 2008* – the Commission undertook a project in conjunction with the Local Government to provide grant support (approximately \$8,000) to councils identified as needing assistance with the development of their Asset Management Plans.
- *June 2008* – the Commission’s methodological review of the stormwater maintenance expenditure function was completed. The review re-assessed the cost driver for stormwater maintenance and the factors, which influence the costs associated with the maintenance of stormwater. The revised methodology was used for the 2008-09 allocations. Changes in grants were constrained to minus 1% and positive 10% as a result of the changes.
- *March 2009* – announcement of the continuation of the third Roads to Recovery program for the next 5 years (2009-10 to 2013-14). South Australia’s share over life of the program will exceed \$145 million and \$21 million will be distributed by the Grants Commission under the Special Local Roads Program.
- *June 2009* – approximately one quarter of the 2009-10 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2008-09. Allocation of the early payment of the 2009-10 grants was based on the 2008-09 distribution.
- *May 2010* – the Commission completed an investigation into the effects of decreasing property valuations on councils affected by drought and reductions in the availability of water for irrigation. The Commission found that while councils in the Riverland region were affected by drought, no specific services had been provided by councils to address the issue. The Commission concluded that its current methodology accounts for decreased capacity to raise revenue a result of decreases in property values.
- *June 2010* – approximately one quarter of the 2010-11 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2009-10. Allocation of the early payment of the 2010-11 grants was based on the 2009-10 distribution.
- *May 2011* – the Commission’s investigation into the effects of growth within local government was completed. Commencing in 2009-10, the investigation looked at the effects of the State Government’s *30 Year Plan for Greater Adelaide* and its associated regional plans on population growth within local governing authorities. The investigations included consulting with councils to establish the costs associated with population increases, residential development, the need for increased infrastructure and services and the opportunities to raise additional revenue from expanding communities. The investigation also assessed the Commission’s current methodology to recognise growth within local government.
- *May 2011* – the Commission completed a review of the effects of including depreciation into its methodology for 2007-08 and associated withdrawal of capital expenditure from its methodology.
- *May 2011* – the Commission updated the unit of measure for the Sport and Recreation expenditure function calculation by increasing the population range from 5-49 years of age to 5-64 years of age.
- *May 2011* – the Commission completed a review on work undertaken in 2002-03 to assess the costs associated with the provision of airports and airstrips by local government. Investigations confirmed earlier work that the local government sector, on average, makes a profit from the provision of airstrips and airports.
- *May 2011* – the Commission reviewed the incorporation of Cost Relativity Indices into the expenditure function calculations for roads by revisiting its work from 2002-03. The Commission was able to confirm that there continues to be a lack of clear data available across the sector to measure traffic volumes. Investigations also found that the classification of roads can vary significantly across councils based on information obtained from a survey of council’s Asset Management Plans.



- *May 2011* – the Commission withdrew all calculations (on both the revenue and expenditure sides of the methodology) relating to libraries for a period of one year, based on inconsistencies found with libraries data.
- *May 2011* – the Commonwealth announced the extension of the Supplementary Local Road Funding for a further three years from 2011-12 to 2013-14, providing an additional \$50.9 million to South Australian councils.
- *June 2011* - approximately one quarter of the 2011-12 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2010-11. Allocation of the early payment of the 2011-12 grants was based on the 2010-11 distribution.
- *May 2012* – for the 2<sup>nd</sup> year, the Commission withdrew all calculations (on both the revenue and expenditure sides of the methodology) relating to libraries due to ongoing concerns over inconsistencies found with libraries data.
- *May 2012* – as part of the 2012-13 Federal Budget, the Australian Government announced the continuation of the Roads to Recovery Program, providing \$1.75 billion over five years from 2014-15 to 2018-19 (\$350.0 million per annum).
- *June 2012* - approximately two quarters of the 2012-13 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2011-12. Allocation of the early payment of the 2012-13 grants was based on the 2011-12 distribution.
- *August 2012* – the Commission commenced work on its first full review of its methodology since 1996-97. Terms of reference were established and the Commission went out to open tender to appoint a suitable consultant. KPMG were appointed to undertake the review and the review commenced in November 2012.
- *November 2012* – issues Paper “*Review into Improving the impact of Financial Assistance Grants on Local Government Financial Sustainability*” circulated by the Commonwealth Grants Commission.
- *February 2013* – the Commission presented its submission to the Commonwealth Grants Commission on the review of Financial Assistance Grants.
- *June 2013* - approximately two quarters of the 2013-14 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2012-13. Allocation of the early payment of the 2013-14 grants was based on the 2012-13 distribution.
- *June 2013* – KPMG presented the final report of the Methodology Review and recommendations to the Commission.
- *May 2014* – as part of the 2014-15 Federal Budget, the Australian Government “paused” indexation (the annual increase in the National pool of funding based on changes in CPI and population) of the Financial Assistance Grants for a period of three years, commencing 1 July 2014.
- *May 2014* – the Australian Government elected not to renew the Supplementary Local Road Funding program to South Australia. The Supplementary Local Road Funding program was provided from 2004-05 to 2013-14, providing \$135.4 million to Local Governing Authorities in South Australia.
- *April 2015* – the Commission revised its business rules applied to valuation data provided by the SA Land Services Group following the launch of the new South Australian Integrated Land Information System (SAILIS).
- *May 2015* – the Commission completed its assessment of the Recommendations of the Methodology Review conducted by KPMG.
- *June 2015* – the Australian Government announced that in addition to the standard Roads to Recovery funding program running from 2014-15 to 2018-19, an additional \$1.105 billion would be provided to Local Governing Authorities during 2015-16 and 2016-17 as a result of the re-introduction of indexation of the Federal Fuel Excise.
- *June 2015* - approximately two quarters of the 2015-16 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2014-15. Allocation of the early payment of the 2015-16 grants was based on the 2014-15 distribution.

- *July 2015* – the Commission made changes to its methodology for the 2015-16 grant recommendations, including the re-introduction of revenue and expenditure assessments for Libraries using estimated resident population as the unit of measure and updating the unit of measure for the Waste Management expenditure function to include the number of commercial (shop) properties in the calculations.
- *May 2016* – the Commission completed the first stage of a review of its Other Needs Assessment (Function 50), making a number of changes for the 2016-17 grant recommendations. Changes included the removal of the capital city status allowance for the City of Adelaide, removal of the allowance for duplicated facilities, the creation of a new expenditure function to account for the removal of the Environment and Coastal Protection allowances in Function 50 and the removal of the Cultural and Tourism allowance from Function 50 and the inclusion of its net expenditure in the updated Sport, Recreation and Culture expenditure function.
- *May 2017* – as part of the 2017-18 Federal Budget, the Australian Government lifted the “pause” on indexation (the annual increase in the National pool of funding based on changes in CPI and population) of the Financial Assistance Grants for a period of three years.
- *May 2017* – as part of the 2017-18 Federal Budget, the Australian Government reinstated the Supplementary Local Road Funding program to South Australia. The Supplementary Local Road Funding program will provide \$20 million per year during 2017-18 and 2018-19.
- *June 2017* - approximately half of the 2017-18 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2016-17. Allocation of the early payment of the 2017-18 grants was based on the approved 2016-17 distribution.
- *January 2018* – full payment of the 2017-18 Supplementary Local Road Funding was paid to councils.
- *June 2018* - approximately half of the 2018-19 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2017-18. Allocation of the early payment of the 2018-19 grants was based on the approved 2017-18 distribution.
- *December 2018* – the Australian Government announced that the next Roads to Recovery funding program running from 2019-20 to 2023-24 would provide \$2 billion in funding to local government across Australia.
- *January 2019* – The South Australian Local Government Grants Commission, operating as the South Australian Local Government Boundaries Commission, commenced as the body responsible for the assessment of boundary change proposals under the *Local Government (Boundary Adjustment) Amendment Act 2017*.
- *June 2019* – approximately half of the 2019-20 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2018-19. Allocation of the early payment of the 2019-20 grants was based on the approved 2018-19 distribution.
- *June 2019* – The Australian Government extended the Project Agreement with the State Government to continue to provide the Supplementary Local Road Funding Program to South Australia for a further two years – 2019-20 and 2020-21. \$40 million (\$20 million each year) was paid as a brought forward payment by the Australian Government in June 2019.  
85 percent of the pool (\$34 million) was distributed to councils based on the approved distribution of the 2018-19 Identified Local Road Grants and 15 percent (\$6 million) was held by the Commission at the Local Government Finance Authority to be allocated as part of the 2019-20 and 2020-21 allocations of the Special Local Roads Program.
- *May 2020* – approximately half of the 2020-21 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2019-20. Allocation of the early payment of the 2020-21 grants was based on the approved 2019-20 distribution.

- *June 2020* – the Commission updated the methodology for the 2020-21 grant recommendations, updating the unit measure for the jetties and wharves expenditure assessment to include marinas and boat ramps and adding a new expenditure assessment to measure relative need in relation to airports and airstrips.
- *May 2021* – approximately half of the 2021-22 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2020-21. Allocation of the early payment of the 2021-22 grants was based on the approved 2020-21 distribution.
- *June 2021* – the Commission updated the methodology for the 2020-21 grant recommendations, removing the Other Special Needs allowance provided to councils recognising non-resident use of council services.

## **APPENDIX VII – 2019-20 General Information, Supplementary Return & Financial Statements**

The South Australian Local Government Grants Commission would like to extend its sincere thanks to the following councils who submitted their 2019-20 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2020 and thereby facilitated the timely determination of grants.

- |                                   |                           |
|-----------------------------------|---------------------------|
| 1. Adelaide                       | 23. Onkaparinga           |
| 2. Adelaide Hills                 | 24. Orroroo Carrieton     |
| 3. Barossa                        | 25. Playford              |
| 4. Berri Barmera                  | 26. Port Adelaide Enfield |
| 5. Burnside                       | 27. Port Lincoln          |
| 6. Ceduna                         | 28. Port Pirie            |
| 7. Charles Sturt                  | 29. Robe                  |
| 8. Cleve                          | 30. Roxby Downs           |
| 9. Coorong                        | 31. Salisbury             |
| 10. Elliston                      | 32. Southern Mallee       |
| 11. Franklin Harbour              | 33. Tatiara               |
| 12. Gawler                        | 34. Tea Tree Gully        |
| 13. Grant                         | 35. Unley                 |
| 14. Kimba                         | 36. Victor Harbor         |
| 15. Kingston                      | 37. Wakefield             |
| 16. Lower Eyre Peninsula          | 38. Walkerville           |
| 17. Loxton Waikerie               | 39. West Torrens          |
| 18. Mid Murray                    | 40. Whyalla               |
| 19. Mt Barker                     | 41. Wudinna               |
| 20. Mt Gambier                    | 42. Yankalilla            |
| 21. Mt Remarkable                 | 43. Yorke Peninsula       |
| 22. Norwood, Payneham & St Peters |                           |

**APPENDIX VIII - Financial Statements 2020-21**

**SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION**

# Financial Statements

For the Year Ended 30 June 2021

**South Australian Local Government Grants Commission**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
SA Government grants, subsidies and transfers	2.1	468	461
Interest Revenue	2.2	-	7
Resources received free of charge	2.3	33	31
<b>Total income</b>		<b>501</b>	<b>499</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	385	280
Supplies and services	4.1	87	127
<b>Total expenses</b>		<b>472</b>	<b>407</b>
<b>Net result</b>		<b>29</b>	<b>92</b>
<b>Total comprehensive result</b>		<b>29</b>	<b>92</b>

The accompanying notes form part of these financial statements.

The net result and total comprehensive result are attributable to the SA Government as owner.

**South Australian Local Government Grants Commission**  
**Statement of Financial Position**  
*as at 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	5.1	1 582	1 423
Receivables	5.2	15	-
<b>Total current assets</b>		<b>1 597</b>	<b>1 423</b>
<b>Total assets</b>		<b>1 597</b>	<b>1 423</b>
<b>Current liabilities</b>			
Payables	6.1	150	16
Employee benefits	3.5	40	37
<b>Total current liabilities</b>		<b>190</b>	<b>53</b>
<b>Non-current liabilities</b>			
Payables	6.1	12	11
Employee benefits	3.5	127	120
<b>Total non-current liabilities</b>		<b>139</b>	<b>131</b>
<b>Total liabilities</b>		<b>329</b>	<b>184</b>
<b>Net assets</b>		<b>1 268</b>	<b>1 239</b>
<b>Equity</b>			
Retained Earnings		1 268	1 239
<b>Total equity</b>		<b>1 268</b>	<b>1 239</b>

The accompanying notes form part of these financial statements.  
The total equity is attributable to the SA Government as owner.

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**South Australian Local Government Grants Commission**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2019</b>	<b>1 147</b>	<b>1 147</b>
Net result for 2019-20	92	92
<b>Total comprehensive result for 2019-20</b>	<b>92</b>	<b>92</b>
<b>Balance at 30 June 2020</b>	<b>1 239</b>	<b>1 239</b>
Net result for 2020-21	29	29
<b>Total comprehensive result for 2020-21</b>	<b>29</b>	<b>29</b>
<b>Balance at 30 June 2021</b>	<b>1 268</b>	<b>1 268</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

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**South Australian Local Government Grants Commission**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
SA Government grants, subsidies and transfers		602	461
Interest received		-	9
<b>Cash generated from operating activities</b>		<b>602</b>	<b>470</b>
<b>Cash outflows</b>			
Employee benefit payments		(374)	(285)
Payments for supplies and services		(69)	(107)
<b>Cash used in operating activities</b>		<b>(443)</b>	<b>(392)</b>
<b>Net cash provided by operating activities</b>		<b>159</b>	<b>78</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>159</b>	<b>78</b>
Cash and cash equivalents at the beginning of the reporting period		1 423	1 345
<b>Cash and cash equivalents at the end of the reporting period</b>	5.1	<b>1 582</b>	<b>1 423</b>



**SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION**

**Notes to and  
Forming Part of the  
Financial Statements**

**For the Year Ended 30 June 2021**

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**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**1. About the Local Government Grants Commission**

The South Australian Local Government Grants Commission (the Commission) is responsible for making recommendations to the Minister for Planning and Local Government on the distribution of untied Commonwealth financial assistance grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements.

**1.1. Basis of Preparation**

The financial statements of the Commission are general purpose statements and have been prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

The Commission has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Commission is a not-for-profit entity.

The financial statements have been prepared based on a twelve month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the notes.

Assets and liabilities that will be sold, consumed or realised as part of the normal operating cycle are classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Income, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred, on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of the GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Commission is a member of an approved GST group of which the Attorney-General's Department is responsible for the remittance and collection of GST.

**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**1.2. Objectives and programs**

The Commission was established pursuant to the *South Australian Local Government Grants Commission Act 1992*, which prescribes its responsibilities in accordance with the provisions of the *Commonwealth Local Government (Financial Assistance) Act 1995*.

On 1 January 2019, the Minister for Planning and Local Government under the *Local Government (Boundary Adjustment) Amendment Act 2017* appointed the Local Government Grants Commission as the body responsible to undertake assessment of boundary change proposals, oversee investigations and make recommendations to the Minister.

The Commission distributes Commonwealth financial assistance grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements. The financial assistance grants are an administered function of the Commission. All revenues and expenditures from the receipt and disbursement of grant funds, and any year end cash balances are reflected separately in note **Error! Reference source not found.**

The Commission does not control any other entity and has no interests in unconsolidated structured entities. The Commission has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

**1.3. Impact of COVID-19 pandemic on the Commission**

The COVID-19 pandemic has had no material impact on the operations of the Commission in 2020-21. At this stage, there is insufficient information to determine whether the COVID-19 pandemic will have a material impact on the operations of the Commission in 2021-22.

The Commission will continue to assess the impact of the COVID-19 pandemic on their operations in 2021-22.

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**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**2. Income**

**2.1. SA Government grants, subsidies and transfers**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
SA Government transfers	468	461
<b>Total SA Government grants, subsidies and transfers</b>	<b>468</b>	<b>461</b>

SA Government transfers are recognised on receipt.

**2.2. Interest Revenue**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from the Department of Treasury and Finance	-	7
<b>Total interest revenue</b>	<b>-</b>	<b>7</b>

**2.3. Resources received free of charge**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Resources received free of charge	33	31
<b>Total resources received free of charge</b>	<b>33</b>	<b>31</b>

Resources received free of charge relates to accommodation provided by the Department of Infrastructure and Transport (DIT).

**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**3. Board, committees and employees**

**3.1. Key Management Personnel**

Key management personnel of the Commission includes the Minister for Planning and Local Government, three Commission members and the Executive Officer who have responsibility for the strategic direction and management of the Commission.

Total compensation for the Commission's key management personnel in 2021 was \$180 461 (\$162 690). Salaries and other benefits the Minister for Planning and Local Government receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

**Transactions with Key Management Personnel and other related parties**

There were no transactions with key management personnel and other related parties during the year.

**3.2. Remuneration of Commission Members**

Members during the 2020 - 2021 financial year were:

Burgess D J (expired 22/11/20)  
 Green B  
 Campana W A  
 Vickery E J (appointed 3/12/2020)

The number of members whose remuneration received or receivable falls within the following bands:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
\$0 - \$19 999	3	3
\$20 000 - \$39 999	1	-
<b>Total number of members</b>	<b>4</b>	<b>3</b>

The total remuneration received or receivable by members was \$50 000 (\$33 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**3.3. Employee Benefit Expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	273	185
Commission fees	47	30
Employment on-costs	47	36
Annual Leave	15	19
Skills and experience retention leave	3	-
Long service leave	-	9
Other	-	1
<b>Total employee benefits expenses</b>	<b>385</b>	<b>280</b>

**3.4. Remuneration of employees**

No employees received remuneration greater than the base executive remuneration level during the year.

**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**3.5. Remuneration of employees**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	16	6
Annual leave	20	18
Long service leave	2	11
Skills and experience retention leave	2	2
<b>Total current employee benefits</b>	<b>40</b>	<b>37</b>
<b>Non-current</b>		
Long service leave	127	120
<b>Total non-current employee benefits</b>	<b>127</b>	<b>120</b>
<b>Total employee benefits</b>	<b>167</b>	<b>157</b>

Employee benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

***Salaries and wages, annual leave, skills and experience retention leave and sick leave***

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

***Long service leave***

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided in note 8.1.

**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**4. Expenses**

**4.1. Supplies and Services**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation*	33	31
Information technology and communication	20	20
Auditor's remuneration	12	11
Service contracts	9	4
Travel	8	7
Administrative costs	4	-
Service Level Agreement	-	47
Other	1	7
<b>Total supplies and services</b>	<b>87</b>	<b>127</b>

\*Accommodation is provided free of charge by the Department of Infrastructure and Transport (DIT).

**5. Financial Assets**

**5.1. Cash**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits at call with the Treasurer	1 582	1 423
<b>Total cash</b>	<b>1 582</b>	<b>1 423</b>

Cash is measured at nominal amounts. Deposits at call with the Treasurer earn a floating interest rate, based on daily banking deposit rates.

**5.2. Receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	15	-
<b>Total current receivables</b>	<b>15</b>	<b>-</b>
<b>Total receivables</b>	<b>15</b>	<b>-</b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement. Receivables are non-interest bearing. Receivables are held with the objective of collecting contractual cash flows and they are measured at amortised cost.

Collectability of receivables is reviewed on an ongoing basis.



**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**6. Liabilities**

**6.1. Payables**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Accrued expenses	11	11
Employment on-costs	5	5
Creditors	134	-
<b>Total current payables</b>	<b>150</b>	<b>16</b>
<b>Non-current</b>		
Employment on-costs	12	11
<b>Total non-current payables</b>	<b>12</b>	<b>11</b>
<b>Total payables</b>	<b>162</b>	<b>27</b>

Creditors and accruals are raised for amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

**Employment On-Costs**

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

The Commission contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave remained the same as the 2020 rate at 42%, and the average factor for the calculation of employer superannuation on-costs has increased to 10.1% (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year on employment on-costs and employee benefit expense is immaterial. The estimated impact on 2021 is not expected to be material.

**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**7. Outlook**

**7.1. Unrecognised Contractual Commitments**

	2021	2020
	\$'000	\$'000
Within one year	-	78
<b>Total commitments</b>	<b>-</b>	<b>78</b>

**7.2. Contingent Assets and Liabilities**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Commission is not aware of any contingent assets or liabilities as at 30 June 2021.

**7.3. Events After the Reporting Period**

The Commission is not aware of any events occurring after balance date.

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**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**8. Measurement and Risk**

**8.1. Long Service Leave Liability - Measurement**

*AASB 119 Employee Benefits* contains the calculation methodology for long service leave.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

*AASB 119 Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 0.75% (2020) to 1.25% (2021).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has kept the salary inflation rate the same at 2.5% for long service leave liability.

The net financial effect of the changes in the current financial year is a decrease in the long service leave liability of \$8 000 and employee benefits expense of \$8 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The long service leave liability has been allocated between current and non-current liabilities using the leave pattern history of previous years.

**8.2. Fair Value**

All financial assets and liabilities are measured at amortised cost and are current for 2020 and 2021.

**8.3. Financial Instruments**

***Financial risk management***

The Commission's exposure to financial risk (liquidity, credit and market) is low due to the nature of the financial instruments held.

***Liquidity risk***

The Commission is funded principally from revenues from SA Government. The Commission works with the Department of Treasury and Finance to determine the cash flows associated with its Ministerial approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

There have been no changes in risk exposure since the last reporting period.

**South Australian Local Government Grants Commission**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2021*

**9. Disclosure of Administered Items**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Administered Commonwealth Revenues</b>		
Commonwealth Financial Assistance Grants	166 096	166 068
Commonwealth Roads to Recovery Grants	6 075	6 075
<b>Total Administered Revenues - Commonwealth receipts</b>	<b>172 171</b>	<b>172 143</b>
<b>Interest Revenue</b>		
Interest on cash deposits	-	26
<b>Total Interest Revenue</b>	<b>-</b>	<b>26</b>
<b>Other Revenue</b>		
Other Revenue	12	-
<b>Total Other Revenue</b>	<b>12</b>	<b>-</b>
<b>Total Revenues</b>	<b>172 183</b>	<b>172 169</b>
<b>Administered Commonwealth Expenditure Grants</b>		
Commonwealth Financial Assistance Grants	166 096	166 068
Commonwealth Roads to Recovery Grants	6 075	6 075
Supplementary Local Road Funding Grants	3 025	3 000
<b>Total Administered Expenses - Commonwealth payments</b>	<b>175 196</b>	<b>175 143</b>
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
Cash	13	3 026
<b>Total Assets</b>	<b>13</b>	<b>3 026</b>
<b>Equity</b>		
Retained Earnings	13	3 026
<b>Total Equity</b>	<b>13</b>	<b>3 026</b>
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating Activities</b>		
<b>Cash Inflows</b>		
Commonwealth Grants	172 171	172 143
Interest Received	-	26
Other Revenue	12	-
<b>Cash generated from Operations</b>	<b>172 183</b>	<b>172 169</b>
<b>Cash Outflows</b>		
Commonwealth Grants	175 196	175 143
<b>Cash used in Operations</b>	<b>175 196</b>	<b>175 143</b>
<b>Net cash (used in) operating activities</b>		
<b>Net (decrease) in cash held</b>	<b>(3 013)</b>	<b>(2 974)</b>
Cash 1 July	3 026	6 000
<b>Cash 30 June</b>	<b>13</b>	<b>3 026</b>

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**South Australian Local Government Grants Commission**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

We certify that the:

- financial statements of the South Australian Local Government Grants Commission (the Commission):
  - are in accordance with the accounts and records of the department;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Commission for the financial year over its financial reporting and its preparation of financial statements have been effective.



Peter Ilee  
Executive Officer  
South Australian Local Government Grants Commission  
30 September 2021



Bruce Green  
Presiding Member  
South Australian Local Government Grants Commission  
30 September 2021

**INDEPENDENT AUDITOR'S REPORT**

**Government of South Australia**  
Auditor-General's Department

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**To the Presiding Member  
South Australian Local Government Grants Commission**

**Opinion**

I have audited the financial report of the South Australian Local Government Grants Commission (the Commission) for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Commission as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member and the Executive Officer.

**Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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**Responsibilities of the Executive Officer and members of the Commission for the financial report**

The Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Commission are responsible for overseeing the entity's financial reporting process.

**Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Commission for the financial year ended 30 June 2021.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.


As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Officer
- conclude on the appropriateness of the Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Executive Officer and members of the Commission about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

11 October 2021