



Local Government Grants Commission  
South Australia

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**Annual Report**  
**2009 - 10**

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The Honourable Bernard Finnigan MLC  
Minister for State/Local Government Relations  
Parliament House  
ADELAIDE SA 5000

Dear Minister

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 2009-10.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mary Patetsos', with a long horizontal line extending to the right.

Mary Patetsos  
CHAIR

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## CHAIR'S INTRODUCTION

The main function of the South Australian Local Grants Commission is to make recommendations to the Minister for State/Local Government Relations on the distribution of untied Commonwealth Financial Assistance 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 2009-10, the Commission made recommendations on the distribution of Financial Assistance Grants for 2010-11 totalling over \$139 million. Of this, \$104.9 million was provided for general financial assistance and \$34.7 million provided for identified local road funding. This represents an increase in general financial assistance from the previous year's grants of 3.74 per cent and an increase in identified local road funding of 5.03 per cent.

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 more equitable and economically efficient method of allocating Commonwealth funding.

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities and work was undertaken on the impacts of decreasing valuations and growth during 2009-10.

An analysis of the effects of decreasing property valuations, particularly in the riverland councils affected by drought, 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.

The Commission also undertook an investigation into the effects of growth on local government during 2009-10. This included consulting with a number of councils to get an understanding of the impacts of growth, an analysis of the use of growth within the methodologies of Grants Commissions in other jurisdictions and identifying options for modifying the Commissions current methodology to take into account the effects of growth.

The Commission considered the outcomes of this investigation prior to finalising its recommendations for distribution of the 2010-11 financial assistance grants and resolved to undertake further analysis of the options identified in the investigation before incorporating any specific measures in the methodology.

The Commission will finalise its investigations into the issue of growth during 2010-11, in time for the 2011-12 round of grants. The Commission also intend to review its position on the provision of airports and landing strips by local government and the impact of traffic volumes on local roads during 2010-11.

The Commission recommended no council receive a decreased grant in 2010-11 greater than minus 5%, and increases in grant were capped at 12%. This approach has ensured that the outcomes of the expenditure review in 2006-07 were phased into the grant allocation process in the following years, which aims minimise the impact on council budgetary processes.

The Commission annually collects a broad range of financial and other data from local governing authorities in South Australia. Fundamentally, this data is used in the grant calculations, but can also assist councils and 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 used by the Local Government Association (LGA), the Australian Bureau of Statistics and other government organisations for planning and reporting services and the Commission continued to work closely with these organisations during 2009-10.

Further work was undertaken throughout 2009-10 to ensure that the Commission's financial data collection form aligned with the sector's Model Financial Statements as they are updated each year. The Commission gratefully acknowledge Mr Max King from the Australian Bureau of Statistics for his ongoing contribution to the development and refinement of the Commission's data collection tools and processes. Changes to the Supplementary Return are designed to reflect the current reporting practices in place in councils and make the process of preparing the next round of returns easier.

Staffing for the Commission underwent significant changes in 2009-10. The Commission's work is supported by the Department of Planning and Local Government (DPLG) and staff provided to the Commission are State Government Employees. In line with a review of the relationship between the Commission and the Department and a reduction in departmental resources, the Commission entered into a Service Level Agreement with DPLG in 2009-10. Staffing commitments were limited to an Executive Officer and one part-time Project Officer. Other staff were provided to the Commission by negotiation with the Department, as needed.

Despite these challenges, Commission staff have continued to provide excellent ongoing support to data collection, the development of grant recommendations and the provision of data to stakeholders. We were very pleased to see our Project Officer, Lyn Skouborg return to part time duties after a long term illness. Project Officer Patricia Lyons provided valuable support working with the Commission on a temporary contract and returned to her role with the Department of Families and Communities in April 2010. We wish Patricia well.

As the 2009-10 financial year drew to a close, the most significant change to the Commission was the retirement of Malcolm Germein. Malcolm completed his current term at the end of July 2010 after 15 years as Chairman and 18 years as a Member of the Commission.

During this period there has been significant reform in Local Government and in the methodology used to allocate the Commonwealth Local Government (Financial Assistance) Grants. Malcolm guided the major changes that have occurred in the allocation methodology to ensure both its conformity with national distribution principles and reflect the changing structure of Local Government in South Australia.

Implementation of these reforms was no mean feat. Under Malcolm's Chairmanship the reforms resulted in significant changes in grant funding for many councils over a number of years, which Malcolm managed effectively due to the respect with which he is held by the local government sector, the efforts made to explain the reasons for the changes and the personal and direct meetings with all councils involved.

On top of all of this Malcolm was the Chairman of the Local Government Disaster Fund from 1991 to 2009, a member of the Local Government Reform Board during the mid 1990's, which saw Councils amalgamate from 118 to 68 and a farmer on the Yorke Peninsula. Malcolm has been involved in farming related businesses including exporting products overseas to countries such as Japan (he was involved in an Australian delegation securing overseas markets). He retired to Adelaide to run a small business shortly afterwards, has been a husband and a father and a well respected member of the community.

From everyone involved with the Commission over many years, we wish Malcolm and his family well. He will be sorely missed.

In closing, I would like to acknowledge the efforts of the outgoing Chairman Malcolm Germein and Commissioner John Ross and thank Commission staff, Executive Officer Peter Ilee and Project Officers Lyn Skouborg and Patricia Lyons for their contributions during the year. I look forward to the role of Chair over the coming years and working with incoming Commissioner Jane Gascoigne.

MARY PATETSOS  
CHAIR

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## CHAPTER 1 - THE COMMISSION

### Membership

The South Australian Local Government Grants Commission is an independent statutory authority established under the *South Australian Local Government Grants Commission Act 1992*, which provides for three members who are appointed in a part-time capacity by the Governor. Members are appointed for a term of up to five years. At the conclusion of this time members are eligible for renomination.

Members during 2009-10 were:

- Malcolm Germein, Chairperson from 1 August 1995 until 31 July 2010, joint nominee of the Local Government Association and Minister for State/Local Government Relations. (Commissioner since 1992);
- Mary Patetsos, Commissioner from 8 August 2002 until 31 August 2012, nominee of the Minister for Local Government; and
- John Ross, Commissioner from 11 August 2005 until 31 July 2010, nominee of the Local Government Association

For member profiles see *Appendix I*.

### Location

The Commission's offices are located on Level 7 Roma Mitchell House, 136 North Terrace, Adelaide. Telephone (08) 8204 8719, Fax (08) 8204 8735. E-mail: [grants.commission@sa.gov.au](mailto:grants.commission@sa.gov.au)

### Staff

The Commission is provided with support by the Department of Planning and Local Government. The Commission has a dedicated full time Executive Officer – Peter Ilee and part-time Project Officer – Lyn Skouborg.

Additional support for the Commission is provided as needed by the Department under the terms of a Service Level Agreement. Staff supporting the Commission are employees of the Department of Planning and Local Government.

### Purpose

The Commission is responsible for making recommendations to the Minister for State/Local Government Relations on the distribution of untied Commonwealth Financial Assistance Grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements, which are set out in *Chapter 3*.

### Reporting Arrangements and Funding

Administratively, staff of the Commission report to the Director, Office for State/Local Government Relations.

The Commission's operations are funded by the State Government from annual budget appropriations. A copy of the Commission's Financial Statements is included in *Appendix XI* of this report.

### 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) 8204 8719 during office hours.

No requests under the *Freedom of Information Act 1991* were received in 2009-10. In accordance with Section 9 of the Act an information statement is provided at *Appendix II*.

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## CHAPTER 2 - COMMISSION ACTIVITIES 2009-10

### Grant Allocation

The total 2009-10 allocation of \$132,361,238 was increased following the end of the financial year by \$1,849,598 after adjustment for CPI and population. This increase will be passed on to councils in the four quarterly instalments during 2010-11. The actual allocation figure, which includes the adjusted 2009-10 allocations, is shown in *Appendix III*.

For 2010-11 the Commission made recommendations on the distribution of \$139,657,480 that included both the general financial assistance and identified local road grants. A full list of allocations is contained in *Chapter 6*.

The general financial assistance component was \$104,909,059, an increase of 3.74 per cent on 2009-10. The identified local road component was \$34,748,421, an increase of 5.03 per cent.

Allocations were prepared in accordance with national distribution principles, under the Commonwealth *Local Government (Financial Assistance) Act 1995*. The principles are detailed in *Chapter 4*.

The Grants Commission also distributed approximately one quarter of the estimated 2010-11 Financial Assistance Grants during 2009-10 in accordance with a request from the Commonwealth. On 28 June 2010, \$34,590,208 was forwarded by the Grants Commission to local governing authorities in South Australia.

### 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 new methodology was introduced in line with the grant allocations for 1998-99. 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' hard copy 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 then liaised with councils over the data, 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 revisions to the road length data (as at 30 June 2009) were used in the calculation of the 2009-10 financial assistance grants. An updated list of road lengths can be found in *Appendix VIII - 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 a copy of their map for their own use, either in hard copy or GIS format.

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

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, circulation of a summary of findings paper and consultation workshop, the review concluded in early 2004, with the outcomes used in the calculations for the 2004-05 and 2005-06 grant recommendations.

2005-06 saw the Commission embark on a project to review the expenditure assessments used in the current methodology. Tony Ward of Milbur 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 Commissions current methodology to take into account the effects of growth.

The Commission considered the outcomes of this investigation prior to finalising its recommendations for distribution of the 2010-11 financial assistance grants and resolved to undertake further analysis of the options identified in the investigation before incorporating any specific measures in the methodology for the 2011-12 round of grants.

### **Information Collection and Storage**

The Commission maintains an electronic database for calculating grants and for providing information to councils and other users. The current database contains information including data from annual financial statements and supplements to those statements dating back to 1997-98. Data prior to 1997-98 is at pre-amalgamated council level where appropriate.

Other data maintained by the Commission includes rates information, estimated resident population, council area data, valuation data, various statistical data contained in the General Information Return (in relation to employees, road lengths, health inspections, development applications, waste management, environmental management, subsidiaries etc.) and other data collected from Commonwealth and State Government agencies.

Data collected by the Commission is reconciled with Audited Financial Statements (Supplementary Return), checked against the previous years data for variations (General Information Return), 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 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 Regional Australia, Regional Development and Local Government;
- The Commonwealth Department of Infrastructure and Transport; and
- The Australian Bureau of Statistics.

During 2009-10, the Commission commenced work with the Department of Planning and Local Government on the development of a new database for data collected by the Commission and the Department. The new database will be developed in modules, commencing with loading and storage of the Supplementary Return and further developed for all other data in the coming years.

The Commission also maintains a Geographical Information System, road centreline database, off site at Tonkin Consulting, which 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 ArcInfo. Each year, the Commission produces detailed hard copy maps and/or data files by council, prepared in a GIS format, consistently mapped across the State. GIS data is also available in other formats, e.g. MapInfo.

### **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 2009-10, reduced resources limited the Commission's ability to maintain its desired visiting program. Commission members and staff attended 12 meetings at the councils listed below. In addition to these meetings the Grants Commission Executive Officer met with some Chief Executive Officers and Finance Managers to discuss methodological issues.

<b>Visited in September 2009</b> District Council of Cleve District Council of Elliston District Council of Lower Eyre Peninsula City of Port Lincoln District Council of Tumby Bay	<b>Visited in October 2009</b> City of Tea Tree Gully  <b>Visited in November 2009</b> City of Prospect  <b>Visited in February 2010</b> City of Norwood, Payneham & St Peters	<b>Visited in March 2010</b> District Council of Karoonda East Murray Mid Murray Council Rural City of Murray Bridge Southern Mallee District Council
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## Special Local Roads Program and the Local Government Transport Advisory Panel

The Special Local Roads Program was established under the joint approvals of the South Australian Government, Commonwealth Government and Local Government. The program commenced in 1985-86 and facilitates funding of significant works 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 LGA, responsibility moved to the Local Government Transport Advisory Panel.

The Local Government Transport Advisory Panel is a Committee of the LGA and the LGA provide executive support to the Committee. The Committee's main role is to make recommendations to the South Australian Local Government Grants Commission on the allocation of the Special Local Roads component of the Financial Assistance Grants. Formal reporting of funding allocations is contained within *Chapter 6* of this report.

The Committee comprises Mayor Brian Hurn, (Mayor, Barossa Council), as Chairperson, Mr Mark Elford (Director, Road Transport Planning, Department of Transport Energy and Infrastructure), Wally Iasiello (Director, Technical Services, City of Port Adelaide Enfield), Mayor Kym McHugh (Alexandrina Council) and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission). The Committee's Executive Officer is Mr David Hitchcock, an officer of the Local Government Association.

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

For 2010-11, \$5.21 million was allocated to specific projects under the Financial Assistance Grants program, \$2.34 million under the Supplementary Local Road Funding Grant and \$4.26 million from the Special Projects component of the Roads to Recovery Grants. In total \$11.81 million was allocated for 2010-11.

## Local Roads Advisory Committee

The Local Roads Advisory Committee is a committee of Transport SA. It no longer has a role to play in making recommendations to the Grants Commission on the prioritisation of roads for funding under the Special Local Roads Program.

It does however still have responsibility for advising the Minister for Transport, Energy and Infrastructure on the reclassification of roads. For example, where a council wishes a road to be reclassified from local to arterial, this request would go to the Local Roads Advisory Committee.

The Committee comprises Mayor Brian Hurn, (Mayor of the Barossa Council) as Chairperson, Mr Mark Elford (Director, Road Transport Planning, Department of Transport, Energy and Infrastructure), and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission). The Committee's Executive Officer is Mr Silvio Visentin, an officer of the Department of Transport, Energy and Infrastructure.

## Matters Referred By the Minister

Under Section 20 of the State Act, the Minister for State/Local Government Relations may refer matters to the Commission for report. There were no references to the Commission under this section during 2009-10.

## **The Year Ahead**

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities. Work will continue in 2010-11, with the completion of the investigation of growth within local government, which commenced in 2009-10. The goal of this project is to incorporate appropriate changes to the Commission's methodology to reflect growth. Changes to the methodology may include the establishment of relevant cost relativity indices for existing expenditure functions, an additional expenditure function or some other recognition of the impacts of growth in either the revenue or expenditure assessments.

The Commission will also re-visit the issue of traffic volumes during 2010-11. This work will review the work undertaken in 2002-03, consult with councils on current traffic monitoring practices and determine if appropriate cost relativity indices can be developed to reflect traffic volume.

Working with the Department of Planning and Local Government, the Commission will continue to provide assistance to the development of its new database. The database will be run in parallel with the existing system during the 2009-10 data collection (Supplementary Return) and then expanded to cater for all of the Council Returns as well as other information collected by the Commission in stages during 2010-11 and beyond.

Collection and dissemination of South Australia's Local Government Finance Statistics will again be a major focus in 2010-11. The Commission will continue to work with the LGA, Office for State/Local Government Relations, Local Government Financial Management Group and the Australian Bureau of Statistics on standardising data collection forms and making the provision of information as easy as possible for councils.

Accurate road length data is an essential element in the grant calculations. Existing data stored on the Commission's offsite Geographical Information System (GIS) will continue to be refined in association with councils during the year. The Commission will offer the road length data to councils in either CD format or hard copy map.

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 2010-11 and respond to changes in grant funding in line with the National Principles as necessary.

The Commission will sustain its active council visiting program in 2010-11, with an increased number of visits planned following the 2010 local government elections. These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to educate councils on methodology details, and be educated on specific issues facing council.

## **Local Government Disaster Fund**

The South Australian Local Government Grants Commission no longer provides administrative support for the Local Government Disaster Fund. This function has been taken over by the Department of Planning and Local Government.

## CHAPTER 3 - 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 in *Chapter 4*.

The Commission allocated the grants for 2010-11 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.

Distribution of the general financial assistance component to States is on a per capita basis. South Australia's share has been reducing as its population as a proportion of the Australian population declines, (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 in 2010-11 has increased in line with estimated inflation and the underlying growth in Commonwealth General Purpose payments to the States.

Entitlements for all States for 2009-10 and for 2010-11 are set out in Tables 1 and 2.

**TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2009-10 and 2010-11**

State	2009-10					
	Proportion (%)	Original Allocation (Estimate) (\$mill)	Revised Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Advance Pmt from 2010-11 (\$mill)	Allocation (Actual) (\$mill)
New South Wales	32.53	435.67	327.58	7.09	114.47	442.76
Victoria	24.79	331.96	249.58	4.10	87.94	336.06
Queensland	20.10	269.19	202.35	2.82	72.00	272.01
Western Australia	10.18	136.38	102.54	1.20	36.65	137.58
<b>South Australia</b>	<b>7.45</b>	<b>99.71</b>	<b>74.99</b>	<b>1.42</b>	<b>25.95</b>	<b>101.13</b>
Tasmania	2.31	30.93	23.27	0.50	8.02	31.43
Northern Territory	1.02	13.71	10.31	0.17	3.66	13.88
Australian Capital Territory	1.61	21.54	16.18	0.28	5.66	21.82
<b>TOTAL</b>	<b>100.00</b>	<b>1,339.08</b>	<b>1,006.82</b>	<b>17.58</b>	<b>354.34</b>	<b>1,356.67</b>

State	2010-11					% change 09/10 to 10/11 (%)
	Proportion (%)	Allocation (Estimate) (\$mill)	Advance Pmt Paid in 2009-10 (\$mill)	Allocation Plus Advance Payment (\$mill)	Cash Payment (\$mill)	
New South Wales	32.46	347.55	114.47	462.02	354.64	4.35
Victoria	24.81	265.63	87.94	353.57	269.72	5.21
Queensland	20.19	216.17	72.00	288.16	218.98	5.94
Western Australia	10.25	109.72	36.65	146.36	110.92	6.38
<b>South Australia</b>	<b>7.38</b>	<b>78.96</b>	<b>25.95</b>	<b>104.91</b>	<b>80.38</b>	<b>3.74</b>
Tasmania	2.28	24.42	8.02	32.44	24.93	3.22
Northern Territory	1.03	11.00	3.66	14.66	11.17	5.64
Australian Capital Territory	1.60	17.15	5.66	22.81	17.43	4.54
<b>TOTAL</b>	<b>100.00</b>	<b>1,070.60</b>	<b>354.34</b>	<b>1,424.94</b>	<b>1,088.18</b>	<b>5.03</b>

**TABLE 2 - Commonwealth Identified Local Road Grants for Local Government, State and Territory Entitlements 2009-10 and 2010-11**

State	2009-10					
	Proportion (%)	Original Allocation (Estimate) (\$mill)	Revised Allocation (Estimate) (\$mill)	Adjustment (\$mill)	Advance Pmt from 2010-11 (\$mill)	Allocation (Actual) (\$mill)
New South Wales	29.01	172.39	129.62	2.26	45.62	174.66
Victoria	20.62	122.50	92.10	1.61	32.42	124.11
Queensland	18.74	111.33	83.71	1.46	29.46	112.79
Western Australia	15.29	90.85	68.31	1.19	24.04	92.05
<b>South Australia</b>	<b>5.50</b>	<b>32.65</b>	<b>24.55</b>	<b>0.43</b>	<b>8.64</b>	<b>33.08</b>
Tasmania	5.30	31.49	23.67	0.41	8.33	31.90
Northern Territory	2.34	13.92	10.47	0.18	3.68	14.10
Australian Capital Territory	3.21	19.05	14.33	0.25	5.04	19.30
<b>TOTAL</b>	<b>100.00</b>	<b>594.19</b>	<b>446.76</b>	<b>7.80</b>	<b>157.23</b>	<b>601.99</b>

State	2010-11					% change 09/10 to 10/11 (%)
	Proportion (%)	Allocation (Estimate) (\$mill)	Advance Pmt Paid in 2009-10 (\$mill)	Allocation Plus Advance Payment (\$mill)	Cash Payment (\$mill)	
New South Wales	29.01	137.83	45.62	183.45	140.09	5.03
Victoria	20.62	97.94	32.42	130.35	99.55	5.03
Queensland	18.74	89.01	29.46	118.47	90.47	5.03
Western Australia	15.29	72.64	24.04	96.68	73.83	5.03
<b>South Australia</b>	<b>5.50</b>	<b>26.11</b>	<b>8.64</b>	<b>34.75</b>	<b>26.54</b>	<b>5.03</b>
Tasmania	5.30	25.17	8.33	33.51	25.59	5.03
Northern Territory	2.34	11.13	3.68	14.81	11.31	5.03
Australian Capital Territory	3.21	15.23	5.04	20.27	15.48	5.03
<b>TOTAL</b>	<b>100.00</b>	<b>475.05</b>	<b>157.23</b>	<b>632.29</b>	<b>482.86</b>	<b>5.03</b>

### South Australian Local Government Grants Commission Act 1992

The original State Act was proclaimed in 1976 to establish the Commission, its membership, 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 2010-11 allocations there were 68 councils, the Outback Communities Authority and five Aboriginal communities eligible for grants.

## **CHAPTER 4 - 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 one for road grants. 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 function 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.

## CHAPTER 5 - METHODOLOGY

### General Purpose Grant

The methodology used to assess the general purpose component of the Local Government Financial Assistance 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 entitlement per head of population as prescribed in the Commonwealth legislation.

The South Australian Local Government Grants Commission uses a direct assessment approach to the calculations. This involves the separate estimation of a component revenue grant and a component expenditure grant 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 Areas Community Development Trust 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 grants.

### Formulae

#### *General financial assistance*

The formula for the calculation of the raw revenue grants 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 grants 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, ie  $RRI_s$  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 calculations for both residential and rural assessments, 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 VI*.

Currently in all expenditure calculations with the exception of roads, stormwater and waste management there are no disability factors applied, and consequently  $CRI_c = 1.0$ .

The raw grants, calculated for all functions using the above formulae, both on the revenue and expenditure sides, are then totalled to give each council's total raw grant figure. Any council whose raw calculation per head is less than the per capita figure, (\$19.38 for 2010-11), then has the per capita figure applied. The balance of the allocated amount is then apportioned to the remaining councils based on their calculated proportion of the raw grant. Commission determined limits are then applied to minimise the impact on council's budgetary processes.

In the calculation of the 2010-11 grants, the Commission constrained changes to councils between positive 12% and minus 5%. An iterative process is then undertaken until the full allocation is determined.

### ***Component Revenue Grants***

Component revenue grants compensate or penalise councils according to whether their **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 grants and councils with above average capacity receive negative assessments.

The Commission estimates each council's component revenue grant 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 councils 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 roads are included as a revenue function.

### ***Component Expenditure Grants***

Component expenditure grants compensate or penalise councils according to 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 grant for each of a range of functions and these are aggregated to give a total component expenditure grant 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 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 **built-up sealed roads**, "kilometres of built-up sealed roads" is the unit of measure.

Using this example, the length of built-up sealed roads per capita for each council is compared with the State's length of built-up sealed road per capita. The difference, be it positive, negative or zero, is then multiplied by the average cost per kilometre for construction and maintenance of built up sealed roads for the State as a whole (standard cost). This in turn is multiplied back by the council's population to give the component expenditure grant 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 function for each council. Indices are centred around 1.0, and are used to inflate or deflate the component grant 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 newly 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 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 yrs from the ABS Census and estimated resident population
Health Inspection	Reported expenditures <sup>1</sup>	Establishments to inspect
Libraries	Reported expenditures <sup>1</sup>	Number of library visitors
Sport and Recreation	Reported expenditures <sup>1</sup>	Population aged 5-49 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 2,3	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 and Wharves	Reported expenditures <sup>1</sup>	Number of jetties and wharves
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
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 has 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:
  - Non-Resident Use / Tourism / Regional Centre – assessed to be high, medium or low;
  - Duplication of Facilities – identified by the number of urban centres and localities (as determined by the Australian Bureau of Statistics (ABS));
  - 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;
  - Capital City status – gives recognition to such things as the ability of the council to raise revenue from sources other than rates i.e. car parking and from the Wingfield dump, and their extraordinary expenditure need i.e. due to the requirement that they maintain the entire road network within the City, and due to the daily influx of non-resident population;
  - Environment and Coastal Protection - assessed to be high, medium or low; and
  - The provision of Cultural and Tourist Facilities – assessed to be high, medium or low.

This final factor *Other Needs Assessment* (also known as *Function 50*) originates from awareness by the Commission that there are many non-quantifiable factors, which may influence a council's expenditure, and that it is not always 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 in the next section.-

## Summary of figures by function

Total Population = 1623590

Function	Standard in Dollars	Unit of Measure per Capita	Total Units of Measure	Unit of Measure
<b>Expenditure Functions</b>				
Waste Management	139.32	0.40739	650,777	No of residential properties
Aged Care Services	113.07	0.15356	245,297	Population aged more than 65
Services To Families And Children	49.20	0.18072	288,697	Population aged 0 to 14
Health Inspection	296.22	0.01282	20,472	Establishments to inspect
Libraries	5.46	7.46612	11,926,736	Number of visitors
Sport and Recreation	135.76	0.59868	956,364	Population aged 5 to 49
Sealed Roads - Built Up	8,464.62	0.00644	10,282	Kilometres of sealed builtup
Sealed Roads - Non Built Up	8,464.62	0.00452	7,218	Kilometres of sealed non-builtup
Sealed Roads - Footpaths etc	10,322.25	0.00644	10,282	Kilometres of sealed builtup
Unsealed Roads - Built Up	1,397.56	0.00047	746	Kilometres of formed and surfaced, and natural surface formed builtup road
Unsealed Roads - Non Built Up	1,397.56	0.02955	47,197	Kilometres of formed and surfaced, and natural surface formed non-builtup road
Roads - Unformed	313.35	0.00566	9,048	Kilometres of natural surfaced unformed road
Stormwater Drainage - Maintenance	51.60	0.44003	702,921	No of urban, industrial and commercial properties including exempt
Community Support	25.95	0.99980	1,597,133	3yr average population * SEIFA Advantage Disadvantage CRI
Jetties and Wharves	16,897.44	0.00005	78	Number of jetties and wharves
Public Order and Safety	15.92	0.56130	896,644	Total no of properties
Planning And Building Control	741.59	0.03434	54,857	No of new developments and additions
Bridges	2,984.62	0.00073	1,166	Number of bridges
Other Special Needs	1.00	28.50364	45,533,100	Total of dollars attributed
<b>Revenue Functions</b>				
Rates - residential	0.0029	132,315	210,457,607,100	Valuation of residential
- commercial	0.0055	16,669	26,627,532,550	Valuation of commercial
- industrial	0.0079	2,620	4,185,804,787	Valuation of industrial
- rural	0.0030	19,279	30,448,830,144	Valuation of rural
- other	0.0020	9,237	14,755,350,412	Valuation of other
Subsidies	1.00	25.41816	40,604,211	The total of the subsidies

## Calculated standards by function

The Commission uses the above table to enable it to calculate a council's raw grant for each of the given 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 calculation of the raw grant for the individual function, not the estimated grant. The calculation of the estimated grant is not possible as per capita minimums need to be applied and the total allocation apportioned to the remaining councils.

### ***Aggregated Revenue and Expenditure Grants***

Component grants for all revenue categories and expenditure functions, calculated for each council using the method outlined above, are aggregated to give each council's total raw grant figure. Where the raw grant calculation per head of population for a council is less than the per capita minimum established as set out in the Act, (\$19.38 for 2010-11), the grant is adjusted to bring it up to the per capita minimum entitlement. The balance of the allocated amount, less allocation to other local governing bodies outside the incorporated areas, is then apportioned to the remaining councils based on their calculated proportion of the raw grant. Commission determined limits may then be applied to minimise the impact on council's budgetary processes. In the calculation of the 2010-11 grants, the Commission constrained changes between positive 12% and minus 5%. An iterative process is then undertaken until the full allocation is determined.

### **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 area of council.

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

### **Outback Communities Authority**

The Outback Communities Authority is prescribed as a local governing body 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 Authority 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 Authority in the same manner as grants to other local governing bodies. Rather, a per capita grant has been established. The 2010-11 per capita general purpose grant is \$353.87.

### **Aboriginal Communities**

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

The Aboriginal communities are Anangu Pitjantjatjara Yankunytjatjara, Gerard Community Council Inc., Maralinga Tjarutja, Nipapanha Community Council Inc., and Yalata Community Council Inc.

Again, due to the unavailability of data, 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 per capita grants were established. Grants have gradually been increased since the initial study. For 2010-11 the per capita grant varied from \$315.04 for Nipapanha Community Council to \$1,393.82 for Yalata Community Council.

## CHAPTER 6 – GRANT ALLOCATIONS FOR 2010-11

Local Government Authority	Population as at 30-Jun-09	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Adelaide City	19,444	376,825	209,636		586,461
Adelaide Hills Council	39,852	772,332	634,061	250,000	1,656,393
Alexandrina Council	23,160	500,611	486,393		987,004
Barossa Council	22,514	436,321	402,461		838,782
Barunga West District	2,631	323,471	182,720		506,191
Berri Barmera Council	11,240	2,188,038	196,416		2,384,454
Burnside City	44,300	858,534	426,357		1,284,891
Campbelltown City	49,281	955,066	469,827		1,424,893
Ceduna District	3,797	2,087,420	392,315		2,479,735
Charles Sturt City	106,995	2,073,563	1,029,974		3,103,537
Clare and Gilbert Valleys District	8,743	394,043	339,806		733,849
Cleve District	1,908	910,425	316,448	766,000	1,992,873
Cooper Pedy	1,913	760,560	42,269		802,829
Coorong District	5,825	2,073,322	587,992		2,661,314
Copper Coast District	12,901	1,646,991	270,015		1,917,006
Elliston District	1,169	747,382	362,962		1,110,344
Flinders Ranges Council	1,784	1,051,220	266,169		1,317,389
Franklin Harbour District	1,355	899,878	227,099		1,126,977
Gawler Town	20,730	932,962	254,761	399,000	1,586,723
Goyder Regional Council	4,285	2,304,079	598,346		2,902,425
Grant District	8,652	751,657	305,275	175,000	1,231,932
Holdfast Bay City	35,683	691,537	329,413		1,020,950
Kangaroo Island Council	4,612	1,364,145	351,437	800,000	2,515,582
Karoonda East Murray District	1,193	1,090,078	301,703	190,000	1,581,781
Kimba District	1,125	873,215	267,709		1,140,924
Kingston District	2,469	587,857	222,888		810,745
Light Regional	13,658	264,692	354,681		619,373
Lower Eyre Peninsula District	4,820	372,012	360,134		732,146
Loxton Waikerie District	12,043	2,985,280	654,932	767,000	4,407,212
Mallala District	8,385	888,780	219,800		1,108,580
Marion City	84,142	1,630,672	832,032		2,462,704
Mid Murray Council	8,511	2,806,668	574,005		3,380,673
Mitcham City	65,315	1,265,805	669,244		1,935,049
Mount Barker District	29,864	578,764	464,028	1,070,000	2,112,792
Mount Gambier City	25,216	1,726,379	336,156		2,062,535
Mount Remarkable District	2,951	1,455,613	323,619		1,779,232

Local Government Authority	Population as at 30-Jun-08	General Purpose Grant (\$)	Identified Road Grant (\$)	Special Local Road Grant (\$)	Total Estimated Grant (\$)
Murray Bridge Rural City	19,402	2,872,216	403,799		3,276,015
Naracoorte Lucindale District	8,489	1,730,689	429,108		2,159,797
Northern Areas Council	4,866	1,114,635	359,634		1,474,269
Norwood, Payneham and St. Peters	36,128	700,161	320,173		1,020,334
Onkaparinga City	160,404	6,144,618	2,032,638	175,000	8,352,256
Orroroo Carrieton District	938	765,122	226,173		991,295
Peterborough District	1,973	1,194,072	219,512	27,000	1,440,584
Playford City	77,469	7,547,492	1,046,716		8,594,208
Port Adelaide Enfield	111,455	2,159,998	1,136,221		3,296,219
Port Augusta City	14,669	2,873,381	258,939		3,132,320
Port Lincoln City	14,593	862,880	199,143		1,062,023
Port Pirie City And Districts	18,076	3,822,828	386,862		4,209,690
Prospect City	20,910	405,236	181,661		586,897
Renmark Paringa District	9,882	2,148,744	200,771		2,349,515
Robe District	1,480	28,682	96,548		125,230
Roxby Downs Municipality	4,484	86,900	64,025		150,925
Salisbury City	130,022	7,686,001	1,299,953		8,985,954
Southern Mallee District	2,189	1,030,822	356,812		1,387,634
Streaky Bay District	2,181	1,267,486	407,825		1,675,311
Tatiara District	7,118	1,846,964	499,577	353,000	2,699,541
Tea Tree Gully City	100,155	1,941,004	1,007,308		2,948,312
Tumby Bay District	2,757	547,812	233,073		780,885
Unley City	38,465	745,452	338,037		1,083,489
Victor Harbor District	13,608	263,723	221,413		485,136
Wakefield Regional Council	6,756	1,390,514	445,016	240,000	2,075,530
Walkerville Town	7,338	142,210	67,669		209,879
Wattle Range Council	12,554	1,450,904	489,744		1,940,648
West Torrens City	55,620	1,077,916	532,204		1,610,120
Whyalla City	23,028	4,165,506	355,539		4,521,045
Wudinna District	1,345	1,257,661	349,260		1,606,921
Yankalilla District	4,577	106,643	133,871		240,514
Yorke Peninsula District	11,736	1,271,685	724,435		1,996,120
Outback Communities Authority	3,690	1,305,773			1,305,773
Anangu Pitjantjatjara Yankunytjatjara	2,388	1,031,922	130,605		1,162,527
Gerard City Council	83	40,272	17,401		57,673
Maralinga Tjarutja	110	84,148	46,727		130,875
Nipapanha City Council	82	25,833	17,325		43,158
Yalata City Council	104	144,957	37,621		182,578
<b>STATE TOTAL</b>	<b>1,623,590</b>	<b>104,909,059</b>	<b>29,536,421</b>	<b>5,212,000</b>	<b>139,657,480</b>

## **APPENDIX I - Member profiles**

### **Malcolm Germein AM**

Small business owner living in Adelaide; Councillor of the District Council of Central Yorke Peninsula 1978-95; Chair of the Council Planning Committee 1989-92; Vice President of the SA Local Government Association 1986-88; President of the SA Local Government Association 1988-90; Chair of the Local Government Workers Compensation Scheme 1988 to 1997; Chair of the Local Government Mutual Liability Scheme 1990 to 1997; Chair of the Council Purchasing Authority 1991 to 1997, Vice President of the Australian Local Government Association 1990-92; Chair of the Local Roads Advisory Committee 1988-93; Member of the Development Policy Advisory Committee; Chair of the Yorke Peninsula Regional Development Board 1994 to 1996; Chair of the Local Government Disaster Fund 1991 to 2009 and Chairman of the SA Local Government Grants Commission 1995 to July 2010.

### **Mary Patetsos BSW Grad Dip Sociology, JP**

Prior employment as Principal Consultant, Optimum Outcomes Consultancy (NSW); Senior Policy Adviser Aged Care Australia (ACT); Senior Adviser to the Department Secretary Health Department (WA); Senior Policy Officer Western Australian Municipal Association; Research and Development Officer City of Wanneroo (WA); Project Co-ordinator Royal Prince Alfred Hospital (NSW); Board Member Greek Community of SA – Ridleyton Nursing Home 2004 to 2008.

Principal Consultant Synthesis Consultancy from 1996; Board Member SA Housing Trust from 2005; South Australian Affordable Housing Board from 2006; Department of Families and Communities – Risk Management and Audit Committee – External Consultant from 2006; SA Social Inclusion Board from 2007 and Public Space Advisory Committee from 2007.

Current Board member of ACH group from 2008 and Port Adelaide Community Engagement Committee from 2009; Current Acting CEO of the Migrant Resource Centre of SA and Commissioner of the Local Government Grants Commission from 2002 to 2010. Chair of the Local Government Grants Commission from August 2010.

### **John Ross, Cr**

Councillor of Tatiara Council since 1979; Chairman of Tatiara Council 1989-1992 and 2003-2006; President of the SA Local Government Association 1995-1997; President of the Australian Local Government Association 1999-2002; President of the South East Local Government Association 1990-1995; Chair of the Local Government Mutual Liability Scheme since 1997; Chair of the Local Government Workers Compensation Scheme since 1997; Australian Transport Council member 1997-2002; Austroads board member 1997-2002; Chair of Forestry SA board since 2005; Member of Council of Australian Governments 1999-2002; LGA representative on State Water Resources Council 1990-1996; Chairman of STEDs scheme 1992-1996; Chairman of South East Relief Trust 1993-1995; Chairman of SA Council Purchasing Co-Op 1997-1998; and Commissioner of the SA Local Government Grants Commission August 2005 to present.

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## **APPENDIX II - Freedom of Information Act 1991**

### **Statement Section 9**

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

Refer Chapter 1 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 responsible Minister on the distribution of untied Commonwealth financial assistance grants to local governing authorities in South Australia. Consequently the Commission's decision making has no direct effect on members of the public.

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

As mentioned in Chapter 2 of this report, public hearings are incorporated into council visits. Members of the public are invited to attend these meetings and to make submissions to the Commission.

#### *Categories of documents*

Annual reports of the Commission are available for perusal 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.

#### *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 7, Roma Mitchell House 136 North Terrace ADELAIDE SA 5000
Postal Address	GPO Box 1815 ADELAIDE SA 5001
Telephone	(08) 8204 8719
Fax	(08) 8204 8735
E-mail	Grants.Commission@sa.gov.au

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.



**APPENDIX III - Final allocations for 2009-2010**

<b>Local Government Authority</b>	<b>2009-10 Actual General Purpose Grant \$</b>	<b>2009-10 Actual Road Grant \$</b>	<b>2009-10 Special Road Grant \$</b>	<b>2009-10 Total Actual Grant \$</b>
Adelaide City	359,403	200,624	150,000	710,027
Adelaide Hills Council	751,415	608,413	246,000	1,605,829
Alexandrina Council	446,974	460,340		907,314
Barossa Council	419,626	382,700		802,325
Barunga West District	288,814	177,580	187,000	653,394
Berri Barmera Council	2,007,375	189,390		2,196,765
Burnside City	832,930	410,036		1,242,966
Campbelltown City	919,666	450,355	96,000	1,466,021
Ceduna District	1,915,065	373,694		2,288,758
Charles Sturt City	1,998,065	989,004	29,000	3,016,069
Clare And Gilbert Valleys District	351,824	324,268		676,092
Cleve District	835,252	302,070	434,000	1,571,322
Coober Pedy	772,143	40,985		813,128
Coorong District	1,902,130	561,418		2,463,548
Copper Coast District	1,511,001	254,260		1,765,260
Elliston District	685,672	346,112		1,031,784
Flinders Ranges Council	964,422	254,471		1,218,893
Franklin Harbour District	825,576	216,468		1,042,044
Gawler Town	881,040	244,446	332,000	1,457,485
Goyder Regional Council	2,113,834	571,130	156,000	2,840,964
Grant District	763,104	290,781	513,000	1,566,885
Holdfast Bay City	672,343	317,780		990,124
Kangaroo Island Council	1,384,919	334,771	694,000	2,413,690
Karoonda East Murray District	1,018,221	287,596		1,305,817
Kimba District	801,115	255,495		1,056,609
Kingston District	539,318	212,110		751,428
Light Regional Council	252,055	335,807		587,863
Lower Eyre Peninsula District	338,193	342,411		680,603
Loxton Waikerie District	2,738,789	626,422	632,000	3,997,211
Mallala District	815,394	210,446		1,025,841
Marion City	1,570,302	795,771		2,366,073
Mid Murray Council	2,574,925	547,756		3,122,681
Mitcham City	1,228,121	642,900		1,871,021
Mount Barker District	565,556	437,060	1,000,000	2,002,616
Mount Gambier City	1,583,834	320,598		1,904,432
Mount Remarkable District	1,335,425	309,083		1,644,507

<b>Local Government Authority</b>	<b>2009-10 Actual General Purpose Grant \$</b>	<b>2009-10 Actual Road Grant \$</b>	<b>2009-10 Special Road Grant \$</b>	<b>2009-10 Total Actual Grant \$</b>
Murray Bridge Rural City	2,751,599	383,977		3,135,576
Naracoorte Lucindale District	1,587,788	409,702		1,997,491
Northern Areas Council	1,022,601	343,550	133,000	1,499,151
Norwood, Payneham and St Peters	679,307	308,185		987,492
Onkaparinga City	6,334,658	1,928,437	200,000	8,463,095
Ororoo Carrieton District	701,946	215,899		917,846
Peterborough District	1,212,256	209,971		1,422,227
Playford City	7,780,920	986,427		8,767,347
Port Adelaide Enfield	2,080,374	1,086,089		3,166,463
Port Augusta City	2,917,138	247,549		3,164,687
Port Lincoln City	791,633	190,335		981,969
Port Pirie City and Districts	3,640,978	369,955		4,010,933
Prospect City	391,956	174,451		566,407
Renmark Paringa District	1,971,325	192,677		2,164,002
Robe District	27,499	91,954		119,453
Roxby Downs Municipality	84,277	61,305		145,582
Salisbury City	8,090,527	1,232,929		9,323,456
Southern Mallee District	945,708	339,988		1,285,696
Streaky Bay District	1,162,831	388,661		1,551,492
Tatiara District	1,679,058	476,982		2,156,040
Tea Tree Gully City	1,890,434	968,010		2,858,444
Tumby Bay District	489,118	221,982		711,100
Unley City	721,947	325,134		1,047,081
Victor Harbor District	250,711	208,738		459,450
Wakefield Regional Council	1,275,701	424,402		1,700,103
Walkerville Town	137,364	64,971		202,335
Wattle Range Council	1,319,004	468,241	96,000	1,883,245
West Torrens City	1,042,136	511,721		1,553,857
Whyalla City	4,228,940	339,013		4,567,953
Wudinna District	1,153,817	332,537		1,486,354
Yankalilla District	95,216	127,282		222,498
Yorke Peninsula District	1,166,683	691,695		1,858,378
				-
Outback Communities Authority	1,258,698			1,258,698
Anangu Pitjantjatjara Yankunytjatjara	994,720	124,632		1,119,352
Gerard Cty Council	38,820	16,606		55,426
Maralinga Tjarutja	81,115	44,590		125,705
Nipapanha Cty Council	24,902	16,532		41,434
Yalata Cty Council	139,731	35,900		175,631
<b>STATE TOTAL</b>	<b>101,127,276</b>	<b>28,185,560</b>	<b>4,898,000</b>	<b>134,210,836</b>

## APPENDIX IV - Road lengths by council by surface type at 30 June 2009

(Road length data includes laneways)

Council name	Sealed	Formed	Unformed	TOTAL
Adelaide City	134	0	0	134
Adelaide Hills Council	607	476	9	1,091
Alexandrina Council	530	785	24	1,338
Barossa Council	335	558	70	964
Barunga West District	75	854	85	1,015
Berri Barmera Council	259	117	38	414
Burnside City	234	5	0	239
Campbelltown City	255	0	0	255
Ceduna District	72	1380	257	1,709
Charles Sturt City	565	2	0	568
Clare and Gilbert Valleys District	218	1421	187	1,826
Cleve District	62	1217	116	1,396
Cooper Pedy	29	129	263	421
Coorong District	336	1547	1	1,884
Copper Coast District	267	554	128	950
Elliston District	44	967	136	1,148
Flinders Ranges Council	19	906	336	1,262
Franklin Harbour District	76	822	37	935
Gawler Town	159	20	2	181
Goyder Regional Council	151	2871	226	3,248
Grant District	464	818	316	1,598
Holdfast Bay City	178	1	0	179
Kangaroo Island Council	242	1070	51	1,362
Karoonda East Murray District	95	1155	48	1,299
Kimba District	83	997	636	1,716
Kingston District	125	559	57	741
Light Regional	166	1228	59	1,454
Lower Eyre Peninsula District	136	1115	127	1,377
Loxton Waikerie District	399	1716	200	2,316
Mallala District	130	689	136	956
Marion City	471	0	0	471
Mid Murray Council	323	2075	985	3,383
Mitcham City	395	6	2	403
Mount Barker District	330	366	30	726
Mount Gambier City	197	1	0	198
Mount Remarkable District	91	1541	432	2,064

<b>Council name</b>	<b>TOTAL</b>			
Murray Bridge Rural City	405	545	25	974
Naracoorte Lucindale District	489	1085	41	1,614
Northern Areas Council	125	1798	274	2,197
Norwood, Payneham and St. Peters	170	0	0	170
Onkaparinga City	1240	199	3	1,441
Orroroo Carrieton District	45	886	696	1,628
Peterborough District	40	805	385	1,230
Playford City	670	101	6	777
Port Adelaide Enfield City	662	4	0	666
Port Augusta City	180	136	93	409
Port Lincoln City	149	7	2	158
Port Pirie City and Districts	322	639	212	1,174
Prospect City	90	0	0	90
Renmark Paringa District	307	138	51	496
Robe District	42	337	56	435
Roxby Downs Municipality	34	4	0	39
Salisbury City	739	7	0	746
Southern Mallee District	107	1085	144	1,336
Streaky Bay District	72	1438	219	1,728
Tatiara District	503	1204	225	1,932
Tea Tree Gully City	573	10	6	589
Tumby Bay District	51	962	95	1,108
Unley City	170	0	0	170
Victor Harbor City	240	135	2	377
Wakefield Regional Council	191	2178	313	2,681
Walkerville Town	36	0	0	36
Wattle Range Council	511	1389	559	2,460
West Torrens City	293	0	0	293
Whyalla City	219	127	3	349
Wudinna District	81	1269	357	1,707
Yankalilla District	128	367	48	542
Yorke Peninsula District	451	3197	236	3,884
<b>TOTAL</b>	<b>17,583</b>	<b>48,024</b>	<b>9,048</b>	<b>74,654</b>

## APPENDIX V –Cost Relativity Indices - 2010-11 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 City	1.02	0.96	1.00	1.00	1.00	0.97	1.00
Adelaide Hills Council	1.04	1.07	1.17	1.08	1.14	1.04	0.92
Alexandrina Council	0.91	0.98	1.02	1.03	1.04	1.06	0.91
Barossa Council	1.00	1.02	1.03	1.03	1.05	1.09	0.92
Barunga West District	0.87	0.92	0.98	0.98	1.00	1.01	0.90
Berri Barmera Council	1.05	0.99	1.01	1.05	1.05	1.06	0.92
Burnside City	1.14	0.96	0.99	0.93	0.90	1.01	0.96
Campbelltown City	1.24	0.96	1.00	1.00	1.00	1.01	0.95
Ceduna District	0.89	0.95	1.01	1.01	1.00	1.15	0.90
Charles Sturt City	0.93	0.97	1.00	1.00	1.00	0.97	1.08
Clare And Gilbert Valleys Dc	1.01	0.97	0.99	1.00	1.04	1.08	0.92
Cleve District	0.87	0.92	0.98	0.98	1.00	0.98	0.94
Coober Pedy	0.90	0.94	0.98	0.98	1.00	1.14	0.84
Coorong District	0.90	0.95	1.00	1.00	1.02	1.12	0.95
Copper Coast District	0.87	0.92	0.98	0.98	1.00	1.02	0.92
Elliston District	0.84	0.83	0.96	0.95	0.92	1.06	0.94
Flinders Ranges Council	0.86	1.04	0.97	0.94	0.92	1.02	0.87
Franklin Harbour District	0.87	0.92	0.99	0.98	1.00	1.04	0.93
Gawler Town	0.90	1.00	1.01	1.04	1.11	1.01	0.98
Goyder Regional Council	0.89	0.91	0.99	0.99	1.00	1.15	0.89
Grant District	0.88	0.86	0.98	0.94	0.93	1.10	0.96
Holdfast Bay City	1.09	0.98	1.00	1.00	1.00	0.97	1.07
Kangaroo Island Council	0.94	0.99	1.00	1.03	0.99	1.16	0.91
Karoonda East Murray District	0.87	0.90	0.98	0.98	0.99	1.29	0.87
Kimba District	0.87	0.92	0.98	0.99	1.00	1.06	0.92
Kingston District	1.03	1.03	1.00	0.96	1.06	1.06	0.95
Light Regional Council	0.85	0.94	0.98	0.99	1.02	1.09	0.98
Lower Eyre Pen Dc	0.91	0.95	0.98	0.99	1.00	1.20	0.95
Loxton Waikerie District	0.88	0.98	0.98	0.99	0.98	1.16	0.90
Mallala District	0.84	0.90	0.98	0.98	1.00	1.16	0.95
Marion City	1.08	0.96	0.98	0.98	1.00	0.97	0.98
Mid Murray Council	1.05	1.08	1.09	1.03	1.02	1.04	0.88
Mitcham City	1.11	0.99	0.94	0.98	1.01	1.00	0.96
Mount Barker District	0.96	0.99	0.98	1.00	1.03	1.01	1.00
Mount Gambier City	0.81	0.79	0.99	0.89	0.90	0.98	1.00
Mount Remarkable District	0.88	0.93	0.99	0.99	0.99	1.12	0.87
Murray Bridge District	0.85	1.01	1.00	1.01	1.03	1.01	0.98
Naracoorte Lucindale Dc	0.96	1.11	1.03	1.07	1.18	1.06	0.95
Northern Areas Council	0.88	0.92	1.01	1.01	1.01	1.06	0.91
Norwood, Payneham And St. Peters	1.18	0.96	1.00	1.00	1.00	0.98	0.95
Onkaparinga City	1.00	1.04	0.99	1.02	1.06	0.99	0.99
Orroroo/Carrieton District	0.87	0.90	0.98	0.97	0.96	1.21	0.85
Peterborough Dc	0.88	0.91	1.01	1.00	0.96	1.02	0.89
Playford City	1.09	1.03	1.07	1.01	1.05	0.98	1.08
Port Adelaide Enfield	1.05	0.97	1.19	1.00	1.00	0.98	1.15
Port Augusta City	0.87	0.90	0.98	0.98	1.00	1.00	0.92
Port Lincoln City	0.78	0.89	0.95	0.99	0.95	1.01	0.98
Port Pirie City And Districts	0.88	0.91	1.01	1.01	1.00	1.00	1.07
Prospect City	0.97	0.97	1.00	1.00	1.00	0.98	0.99
Renmark Paringa District	1.22	1.20	1.21	1.08	1.09	0.99	0.99
Robe District	0.98	0.94	0.98	1.04	1.07	1.03	0.94
Roxby Downs Municipality	0.88	0.90	0.99	0.98	1.00	0.98	0.91
Salisbury City	1.05	0.95	1.12	1.05	1.00	0.98	1.01
Southern Mallee District	0.88	0.95	1.01	1.00	0.97	1.11	0.90
Streaky Bay District	0.76	0.82	0.95	0.95	0.96	0.99	0.90
Tatiara District	1.06	1.07	1.15	1.04	1.05	1.04	0.92
Tea Tree Gully City	1.08	1.07	1.07	1.01	1.08	0.98	0.96
Tumby Bay District	0.88	0.92	1.01	1.01	1.00	1.09	0.94
Unley City	1.26	0.97	1.00	1.00	1.00	0.98	0.98
Victor Harbor District	0.88	0.95	0.94	0.98	0.92	1.02	1.00
Wakefield Regional Council	0.88	0.90	1.01	1.01	1.00	1.07	0.92
Walkerville Town	1.06	0.96	1.00	1.00	1.00	0.97	0.97
Wattle Range Council	0.98	1.15	1.00	1.04	1.11	1.13	0.99
West Torrens City	0.94	0.97	1.00	1.00	1.00	0.98	1.07
Whyalla City	0.84	0.89	1.01	1.01	1.00	0.99	0.99
Wudinna District	0.88	0.92	1.00	0.98	0.99	1.01	0.88
Yankalilla District	0.99	1.08	0.99	1.02	1.05	1.03	0.99
Yorke Peninsula District	0.87	0.89	0.99	0.99	0.97	1.02	0.95

## APPENDIX VI – Revenue relativity index – 2010-11 Financial Assistance Grants

	SEIFA Index of Economic-Resources	Converted to be centred around 1
Adelaide City	951.11	0.973417
Adelaide Hills Council	1069.99	1.095085
Alexandrina Council	988.1	1.011275
Barossa Council	1021.27	1.045223
Barunga West District	967.33	0.990017
Berri Barmera Council	947.31	0.969528
Burnside City	1065.01	1.089988
Campbelltown City	990.31	1.013536
Ceduna District	920.64	0.942232
Charles Sturt City	952.64	0.974983
Clare and Gilbert Valleys District	993.95	1.017262
Cleve District	1010.93	1.034640
Cooper Pedy	894.23	0.915203
Coorong District	962.75	0.985330
Copper Coast District	936.8	0.958771
Elliston District	995.54	1.018889
Flinders Ranges Council	939.05	0.961074
Franklin Harbour District	991.4	1.014652
Gawler Town	970.07	0.992822
Goyder Regional Council	967.07	0.989751
Grant District	1044.65	1.069151
Holdfast Bay City	997.53	1.020926
Kangaroo Island Council	981.13	1.004141
Karoonda East Murray District	999.18	1.022614
Kimba District	1016.05	1.039880
Kingston District	981.58	1.004602
Light Regional Council	1043.81	1.068291
Lower Eyre Peninsula District	1003.64	1.027179
Loxton Waikerie District	968.68	0.991399
Mallala District	1027.89	1.051998
Marion City	964.74	0.987367
Mid Murray Council	954.92	0.977316
Mitcham City	1038.94	1.063307
Mount Barker District	1016.11	1.039941
Mount Gambier City	929.33	0.951126
Mount Remarkable District	982.3	1.005339
Murray Bridge Rural City	928.11	0.949878
Naracoorte Lucindale District	995.36	1.018705
Northern Areas Council	966.66	0.989332
Norwood, Payneham and St. Peters	981.1	1.004110
Onkaparinga City	985.26	1.008368
Orroroo Carrieton District	979.27	1.002237
Peterborough District	867.29	0.887631
Playford City	910.3	0.931650
Port Adelaide Enfield	909	0.930319
Port Augusta City	898.93	0.920013
Port Lincoln City	941.06	0.963131
Port Pirie City and Districts	903.01	0.924189
Prospect City	999.75	1.023198
Renmark Paringa District	955.91	0.978330
Robe District	1014.07	1.037854
Roxby Downs Municipality	1075.47	1.100694
Salisbury City	960.02	0.982536
Southern Mallee District	1000.9	1.024375
Streaky Bay District	959.79	0.982301
Tatiara District	1008.23	1.031877
Tea Tree Gully City	1017.72	1.041589
Tumby Bay District	985.66	1.008777
Unley City	1025.68	1.049736
Victor Harbor District	974.8	0.997663
Wakefield Regional Council	979.23	1.002197
Walkerville Town	1039.27	1.063645
Wattle Range Council	964.48	0.987101
West Torrens City	950.11	0.972394
Whyalla City	868.22	0.888583
Wudinna District	970.6	0.993364
Yankalilla District	985.05	1.008153
Yorke Peninsula District	955.41	0.977818

## APPENDIX VII– Revenue Units of Measure by function - Valuation per capita (incorporating the SEIFA index of Economic Resources)

Data sourced from Valuer General as at January each year (data from 2008, 2009 and 2010 averaged)

Unit of Measure :	Residential	Commercial	Industrial	Rural	Other
Adelaide City	211,702	294,198	957	1	78,654
Adelaide Hills Council	151,094	4,661	555	42,261	6,170
Alexandrina Council	152,559	6,193	1,318	63,497	22,374
Barossa Council	100,798	9,381	11,247	48,637	7,785
Barunga West District	107,158	4,956	1,253	189,223	8,614
Berri Barmera Council	61,024	9,007	2,282	20,851	7,088
Burnside City	282,177	17,408	171	108	9,762
Campbelltown City	154,952	5,647	637	85	8,585
Ceduna District	55,910	11,094	436	18,692	8,179
Charles Sturt City	158,047	18,108	3,268	33	7,517
Clare and Gilbert Valleys District	76,574	10,530	1,436	141,313	7,502
Cleve District	58,223	12,995	35	134,276	5,616
Cooper Pedy	46,917	13,546	57	-	3,366
Coorong District	53,800	5,465	357	151,792	7,870
Copper Coast District	129,664	11,379	926	22,105	27,406
Elliston District	84,405	9,238	111	156,046	11,846
Flinders Ranges Council	61,804	5,686	388	33,984	8,104
Franklin Harbour District	88,059	8,211	311	67,493	16,463
Gawler Town	101,843	10,394	387	6,194	8,949
Goyder Regional Council	43,206	3,966	387	153,329	2,728
Grant District	62,981	2,797	2,878	180,276	6,668
Holdfast Bay City	233,096	20,365	816	-	12,229
Kangaroo Island Council	145,767	15,729	1,095	133,682	30,969
Karoonda East Murray District	21,369	4,454	2,284	154,234	2,974
Kimba District	33,928	12,229	-	142,182	5,122
Kingston District	108,291	7,477	494	176,368	24,666
Light Regional Council	89,537	6,088	6,732	91,115	7,274
Lower Eyre Peninsula District	106,821	6,494	289	149,150	22,569
Loxton Waikerie District	60,608	5,592	1,595	51,661	4,764
Mallala District	80,308	1,723	447	63,179	8,503
Marion City	141,510	15,884	1,877	81	5,939
Mid Murray Council	129,946	4,801	782	61,474	19,135
Mitcham City	181,227	9,937	1,342	643	8,568
Mount Barker District	108,987	13,026	1,228	34,844	9,790
Mount Gambier City	81,136	14,204	2,598	248	6,021
Mount Remarkable District	60,329	4,519	155	96,625	6,703
Murray Bridge Rural City	71,829	10,738	4,034	21,921	8,020
Naracoorte Lucindale District	58,649	8,762	1,031	178,013	5,993
Northern Areas Council	43,143	6,774	662	169,929	4,055
Norwood, Payneham and St. Peters	205,036	38,571	2,473	14	10,999
Onkaparinga City	113,886	7,665	1,627	7,103	7,279
Orroroo Carrieton District	36,529	3,649	272	114,009	2,611
Peterborough District	35,211	4,611	311	28,751	2,359
Playford City	73,291	9,128	2,211	11,748	5,078
Port Adelaide Enfield	124,311	22,491	10,875	37	10,464
Port Augusta City	77,484	12,782	401	917	6,755
Port Lincoln City	105,789	20,883	3,529	1,014	11,072
Port Pirie City And Districts	64,007	8,299	1,144	14,265	4,887
Prospect City	186,988	15,508	171	-	4,186
Renmark Paringa District	62,548	9,011	1,374	34,212	2,887
Robe District	277,681	22,695	1,841	208,552	50,460
Roxby Downs Municipality	132,007	15,256	283	-	10,476
Salisbury City	97,266	12,354	3,075	691	6,187
Southern Mallee District	30,804	6,613	294	155,669	3,351
Streaky Bay District	76,911	10,081	323	66,454	18,832
Tatiara District	42,244	7,335	1,771	177,346	5,111
Tea Tree Gully City	125,066	10,069	859	825	4,549
Tumby Bay District	96,851	10,225	182	148,365	13,708
Unley City	239,765	25,316	358	2	9,838
Victor Harbor District	181,335	14,655	711	24,283	26,938
Wakefield Regional Council	51,187	7,274	806	165,001	5,156
Walkerville Town	291,377	8,702	-	-	13,638
Wattle Range Council	62,859	6,089	7,427	158,266	5,385
West Torrens City	151,938	24,547	6,285	100	8,954
Whyalla City	74,995	10,358	929	492	4,503
Wudinna District	25,577	10,707	61	106,762	2,785
Yankalilla District	203,932	10,843	535	92,705	40,156
Yorke Peninsula District	169,347	7,774	777	171,233	15,279
<b>State</b>	<b>132,315</b>	<b>16,669</b>	<b>2,620</b>	<b>19,279</b>	<b>9,237</b>

## APPENDIX VIII – Units of Measure by function - Expenditure

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2009.

<i>Function</i> :	Waste Management	Aged Care Services	Services to Families & Children	Health Inspection	Libraries	Sport and Recreation
<i>Unit of Measure</i> :	Number of Residential Properties	Population Aged > 65 years	Population Aged 0-14 years	Establishments to Inspect	Number of Library Visitors	Population Aged 5-49 years
Adelaide City	8,761	2,011	1,010	1,394	721,398	13,650
Adelaide Hills Council	12,322	4,728	7,644	1,135	350,990	23,517
Alexandrina Council	10,820	4,675	3,884	194	270,427	11,430
Barossa Council	7,643	3,376	4,359	587	160,004	12,982
Barunga West District	1,491	555	425	66	76,936	1,280
Berri Barmera Council	3,989	1,755	2,267	217	191,315	6,544
Burnside City	18,316	8,339	6,795	469	365,607	24,298
Campbelltown City	19,638	9,003	8,016	379	214,187	28,756
Ceduna District	1,212	426	866	50	45,000	2,290
Charles Sturt City	45,855	19,636	16,590	710	779,383	60,755
Clare And Gilbert Valleys Dc	2,911	1,522	1,638	222	110,746	4,687
Cleve District	650	322	394	30	21,000	1,105
Coober Pedy	1,235	335	297	37	1,999	953
Coorong District	1,905	979	1,183	133	90,391	3,261
Copper Coast District	7,138	2,879	2,141	172	210,418	6,263
Elliston District	520	161	259	29	30,065	715
Flinders Ranges Council	730	372	368	38	94,500	912
Franklin Harbour District	569	238	268	21	93,031	713
Gawler Town	8,047	3,488	3,804	402	91,025	12,097
Goyder Regional Council	1,519	780	838	54	67,932	2,353
Grant District	2,337	923	1,887	150	48,226	5,280
Holdfast Bay City	17,020	7,614	4,336	487	335,661	18,889
Kangaroo Island Council	2,797	694	871	172	31,703	2,496
Karoonda East Murray District	407	230	224	13	9,000	618
Kimba District	323	218	204	32	15,084	629
Kingston District	1,125	488	399	35	74,000	1,251
Light Regional Council	3,919	1,373	3,082	212	55,310	8,619
Lower Eyre Pen Dc	1,627	607	1,003	27	60,674	2,817
Loxton Waikerie District	4,288	2,023	2,443	252	56,000	6,829
Mallala District	2,511	783	1,809	152	4,629	5,425
Marion City	35,651	13,831	13,459	667	442,921	49,130
Mid Murray Council	4,984	1,600	1,317	229	70,730	4,257
Mitcham City	24,939	11,128	10,975	860	503,566	37,524
Mount Barker District	9,346	3,056	6,400	719	205,340	18,539
Mount Gambier City	10,750	3,547	5,024	271	96,452	15,312
Mount Remarkable District	1,322	549	534	48	13,510	1,472
Murray Bridge District	7,243	3,087	3,750	234	121,197	11,308
Naracoorte Lucindale Dc	2,652	1,150	1,705	159	60,492	5,214
Northern Areas Council	1,617	933	954	47	23,400	2,655
Norwood, Payneham And St. Peters	16,380	6,495	4,822	577	187,604	21,612
Onkaparinga City	61,276	19,675	30,945	1,476	1,075,733	97,396
Orroroo/Carrieton District	369	229	160	30	7,190	472
Peterborough District	958	435	367	59	14,419	994
Playford City	27,660	9,089	17,221	658	315,386	48,966
Port Adelaide Enfield	48,082	17,135	18,933	1,207	845,166	67,020
Port Augusta City	6,106	1,803	3,103	219	108,000	8,909
Port Lincoln City	6,163	2,135	3,028	175	97,209	8,839
Port Pirie City and Districts	7,480	3,236	3,768	243	109,942	10,205
Prospect City	8,562	2,621	3,569	195	124,846	13,475
Renmark Paringa District	3,431	1,574	2,024	170	55,109	5,787
Robe District	1,184	279	264	27	36,000	789
Roxby Downs Municipality	1,609	35	1,136	39	59,385	3,579
Salisbury City	48,947	14,328	25,887	1,010	613,232	82,378
Southern Mallee District	649	369	476	28	22,831	1,251
Streaky Bay District	908	335	464	26	47,670	1,170
Tatiara District	1,873	968	1,526	166	133,538	4,433
Tea Tree Gully City	37,108	12,503	18,456	669	396,473	61,631
Tumby Bay District	1,041	622	458	31	48,000	1,282
Unley City	16,135	5,713	5,998	544	339,064	23,144
Victor Harbor District	7,016	4,215	1,818	267	131,891	5,393
Wakefield Regional Council	2,264	1,079	1,346	161	122,240	3,752
Walkerville Town	3,111	1,514	1,067	56	64,502	3,940
Wattle Range Council	4,650	1,882	2,607	142	175,036	7,351
West Torrens City	25,004	10,375	8,095	735	226,956	33,403
Whyalla City	10,516	3,096	4,820	197	82,702	14,177
Wudinna District	388	182	303	28	21,540	784
Yankalilla District	2,963	1,028	711	91	73,405	2,142
Yorke Peninsula District	8,817	2,928	1,906	143	177,418	5,260



<i>Function</i> :	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
<i>Unit of Measure</i> :	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 City	130	-	130	-	-	-
Adelaide Hills Council	205	398	205	6	469	9
Alexandrina Council	239	289	239	20	765	24
Barossa Council	140	195	140	10	548	70
Barunga West District	33	42	33	7	847	85
Berri Barmera Council	68	191	68	1	116	38
Burnside City	228	-	228	-	5	0
Campbelltown City	254	-	254	-	0	-
Ceduna District	37	35	37	4	1,377	257
Charles Sturt City	563	-	563	2	-	0
Clare And Gilbert Valleys Dc	76	142	76	13	1,408	187
Cleve District	21	41	21	8	1,210	116
Cooper Pedy	25	3	25	28	101	263
Coorong District	55	282	55	10	1,537	1
Copper Coast District	159	105	159	44	506	128
Elliston District	22	22	22	8	960	136
Flinders Ranges Council	19	-	19	12	894	336
Franklin Harbour District	18	57	18	-	822	37
Gawler Town	127	30	127	3	16	2
Goyder Regional Council	67	84	67	33	2,838	226
Grant District	31	433	31	3	815	316
Holdfast Bay City	171	-	171	-	-	-
Kangaroo Island Council	52	189	52	56	1,013	51
Karoonda East Murray District	8	87	8	6	1,149	48
Kimba District	12	71	12	10	988	636
Kingston District	42	83	42	5	554	57
Light Regional Council	72	94	72	25	1,203	59
Lower Eyre Pen Dc	47	88	47	17	1,098	127
Loxton Waikerie District	68	332	68	16	1,701	200
Mallala District	71	59	71	49	641	136
Marion City	470	-	470	0	-	-
Mid Murray Council	73	248	73	27	2,048	985
Mitcham City	377	15	377	1	1	2
Mount Barker District	162	166	162	17	350	30
Mount Gambier City	189	8	189	-	1	0
Mount Remarkable District	23	68	23	20	1,520	432
Murray Bridge District	143	262	143	7	537	25
Naracoorte Lucindale Dc	80	408	80	3	1,082	41
Northern Areas Council	61	63	61	32	1,766	274
Norwood, Payneham And St. Peters	157	-	157	-	-	-
Onkaparinga City	986	248	986	8	191	3
Orroroo/Carrieton District	18	27	18	7	879	696
Peterborough District	31	8	31	7	799	385
Playford City	430	239	430	1	101	6
Port Adelaide Enfield	660	-	660	4	-	-
Port Augusta City	138	42	138	28	108	93
Port Lincoln City	142	6	142	4	3	2
Port Pirie City and Districts	181	142	181	11	629	212
Prospect City	87	-	87	-	-	-
Renmark Paringa District	50	257	50	5	133	51
Robe District	29	13	29	2	336	56
Roxby Downs Municipality	29	6	29	-	4	-
Salisbury City	715	22	715	3	4	-
Southern Mallee District	25	83	25	7	1,077	144
Streaky Bay District	41	31	41	12	1,426	219
Tatiara District	82	421	82	11	1,193	225
Tea Tree Gully City	553	17	553	2	8	6
Tumby Bay District	30	21	30	4	957	95
Unley City	164	-	164	-	-	-
Victor Harbor District	129	111	129	11	124	2
Wakefield Regional Council	67	124	67	7	2,170	313
Walkerville Town	35	-	35	-	-	-
Wattle Range Council	142	367	142	36	1,351	559
West Torrens City	290	-	290	0	-	-
Whyalla City	200	16	200	5	55	3
Wudinna District	17	64	17	8	1,261	357
Yankalilla District	52	76	52	3	363	48
Yorke Peninsula District	161	290	161	58	3,139	236

<i>Function :</i>	<b>Stormwater Drainage - Maintenance</b>	<b>Community Support</b>	<b>Jetties and Wharves</b>	<b>Public Order and Safety</b>	<b>Planning &amp; Building Control</b>	<b>Bridges</b>
<i>Unit of Measure :</i>	<b>No. of Urban, Industrial &amp; Commercial Properties (excluding exempt)</b>	<b>Population x CRI (SEIFA Index of Advantage/Disadvantage)</b>	<b>Number of Jetties and Wharves</b>	<b>Total Number of Properties</b>	<b>Number of New Developments &amp; Additions</b>	<b>Number of Bridges</b>
Adelaide City	17,965	16,734	-	21,993	1,333	11
Adelaide Hills Council	12,956	35,780	-	18,273	1,327	107
Alexandrina Council	11,345	23,101	3	18,299	2,245	34
Barossa Council	8,312	22,023	-	12,381	998	30
Barunga West District	1,552	2,815	-	2,853	139	-
Berri Barmera Council	4,428	12,011	5	6,616	270	-
Burnside City	19,353	37,637	-	21,704	798	6
Campbelltown City	20,279	47,282	-	22,782	1,320	75
Ceduna District	1,381	3,981	3	2,498	132	-
Charles Sturt City	49,129	106,363	-	54,717	3,445	-
Clare And Gilbert Valleys De	3,291	8,849	-	7,172	533	29
Cleve District	736	1,972	1	1,670	65	-
Cooper Pedy	1,352	2,115	-	1,972	54	-
Coorong District	2,070	6,236	4	4,792	199	1
Copper Coast District	7,586	13,575	1	11,642	820	-
Elliston District	576	1,209	1	1,537	50	-
Flinders Ranges Council	786	1,940	-	2,246	71	-
Franklin Harbour District	606	1,410	-	1,279	80	2
Gawler Town	8,535	20,774	-	10,261	822	8
Goyder Regional Council	1,685	4,566	-	4,934	136	10
Grant District	2,456	8,600	-	5,909	352	1
Holdfast Bay City	18,376	33,089	2	21,547	1,155	3
Kangaroo Island Council	3,006	4,671	1	5,838	313	32
Karoonda East Murray District	441	1,245	-	1,458	40	-
Kimba District	377	1,167	-	1,062	26	-
Kingston District	1,221	2,566	1	2,731	122	-
Light Regional Council	4,281	13,278	-	7,599	643	21
Lower Eyre Pen De	1,726	4,826	3	3,890	300	2
Loxton Waikerie District	4,654	12,786	1	8,662	326	-
Mallala District	2,582	8,735	-	4,777	374	3
Marion City	37,350	82,267	-	41,576	2,670	11
Mid Murray Council	5,177	9,101	12	10,890	658	12
Mitcham City	26,200	58,194	-	29,325	1,799	21
Mount Barker District	10,126	28,246	-	14,482	1,217	143
Mount Gambier City	11,860	26,306	-	13,637	632	1
Mount Remarkable District	1,409	3,101	1	3,499	135	9
Murray Bridge District	7,805	20,780	5	11,498	817	7
Naracoorte Lucindale De	2,983	8,604	-	6,660	270	27
Northern Areas Council	1,782	5,115	-	4,550	207	17
Norwood, Payneham And St. Peters	18,659	33,116	-	20,667	1,128	-
Onkaparinga City	64,373	158,581	1	75,388	4,957	49
Orroroo/Carrieton District	416	987	-	1,638	17	-
Peterborough District	1,042	2,297	-	1,942	36	-
Playford City	28,708	82,705	-	35,203	2,866	8
Port Adelaide Enfield	52,482	115,080	-	60,111	3,754	-
Port Augusta City	6,575	15,544	3	7,923	511	9
Port Lincoln City	6,954	15,072	2	8,534	394	1
Port Pirie City and Districts	8,005	19,660	5	10,942	538	6
Prospect City	9,167	19,086	-	10,050	530	-
Renmark Paringa District	3,744	10,568	1	5,577	270	5
Robe District	1,285	1,489	1	2,637	125	1
Roxby Downs Municipality	1,715	3,946	-	2,017	200	-
Salisbury City	51,394	133,332	1	57,113	3,443	22
Southern Mallee District	739	2,288	-	2,005	60	-
Streaky Bay District	991	2,266	1	2,538	124	-
Tatiara District	2,150	7,300	-	5,020	175	16
Tea Tree Gully City	38,565	95,884	-	41,939	2,253	5
Tumby Bay District	1,116	2,848	2	2,385	123	240
Unley City	17,631	33,746	-	19,321	1,144	47
Victor Harbor District	7,451	13,577	-	10,528	755	30
Wakefield Regional Council	2,467	7,119	-	5,787	220	54
Walkerville Town	3,231	6,377	-	3,615	348	-
Wattle Range Council	5,063	13,285	-	9,853	402	-
West Torrens City	27,328	54,532	-	30,890	1,479	15
Whyalla City	11,150	24,825	3	12,327	851	-
Wudinna District	457	1,396	-	1,336	26	-
Yankalilla District	3,116	4,667	2	5,631	362	35
Yorke Peninsula District	9,210	12,516	12	14,514	873	-

## APPENDIX IX - 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* - Commonwealth Grants Commission 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.
- *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.
- *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.
- *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.
- *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.

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## APPENDIX X - 2009 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 2009 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2009 and thereby facilitated the timely determination of grants.

- |                             |                                  |
|-----------------------------|----------------------------------|
| 1. Adelaide City            | 33. Mount Barker                 |
| 2. Adelaide Hills           | 34. Mount Gambier                |
| 3. Alexandrina              | 35. Mount Remarkable             |
| 4. Barossa                  | 36. Murray Bridge                |
| 5. Barunga West             | 37. Naracoorte Lucindale         |
| 6. Berri Barmera            | 38. Northern Areas               |
| 7. Campbelltown             | 39. Norwood Payneham & St Peters |
| 8. Ceduna                   | 40. Onkaparinga                  |
| 9. Charles Sturt            | 41. Orroroo Carrieton            |
| 10. Clare & Gilbert Valleys | 42. Playford                     |
| 11. Cleve                   | 43. Port Adelaide Enfield        |
| 12. Coober Pedy             | 44. Port Augusta                 |
| 13. Coorong                 | 45. Port Lincoln                 |
| 14. Copper Coast            | 46. Port Pirie                   |
| 15. Elliston                | 47. Prospect                     |
| 16. Flinders Ranges         | 48. Renmark Paringa              |
| 17. Franklin Harbour        | 49. Robe                         |
| 18. Gawler                  | 50. Salisbury                    |
| 19. Goyder                  | 51. Streaky Bay                  |
| 20. Grant                   | 52. Tatiara                      |
| 21. Holdfast Bay            | 53. Tea Tree Gully               |
| 22. Kangaroo Island         | 54. Tumby Bay                    |
| 23. Karoonda East Murray    | 55. Unley                        |
| 24. Kimba                   | 56. Victor Harbor                |
| 25. Kingston                | 57. Wakefield Regional           |
| 26. Light                   | 58. Walkerville                  |
| 27. Lower Eyre Peninsula    | 59. Wattle Range                 |
| 28. Loxton Waikerie         | 60. West Torrens                 |
| 29. Mallala                 | 61. Whyalla                      |
| 30. Marion                  | 62. Wudinna                      |
| 31. Mid Murray              | 63. Yankalilla                   |
| 32. Mitcham                 | 64. Yorke Peninsula              |

**APPENDIX XI - Financial Statements**

**SA LOCAL GOVERNMENT GRANTS COMMISSION**

# **FINANCIAL STATEMENTS**

For the year ended

30 June 2010



## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Note	2010 \$' 000	2009 \$' 000
<b>Expenses</b>			
Employee benefits expenses	5	267	477
Supplies and services	6	141	154
Grants and subsidies	7	-	190
<b>Total expenses</b>		<b>408</b>	<b>821</b>
<b>Income</b>			
Revenue from fees and charges	9	20	20
Interest revenue	10	74	139
Sale of goods	11	5	-
<b>Total income</b>		<b>99</b>	<b>159</b>
<b>Net cost of providing services</b>		<b>309</b>	<b>662</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	12	463	452
<b>Net result</b>		<b>154</b>	<b>(210)</b>
<b>Total comprehensive result</b>		<b>154</b>	<b>(210)</b>

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

The above statement should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	2010 \$' 000	2009 \$' 000
<b>Current assets</b>			
Cash	13	526	463
Receivables	14	6	4
<b>Total current assets</b>		<b>532</b>	<b>467</b>
<b>Total assets</b>		<b>532</b>	<b>467</b>
<b>Current Liabilities</b>			
Payables	15	13	25
Employee benefits	16	24	61
<b>Total current liabilities</b>		<b>37</b>	<b>86</b>
<b>Non-current liabilities</b>			
Payables	15	6	10
Employee benefits	16	60	96
<b>Total non-current liabilities</b>		<b>66</b>	<b>106</b>
<b>Total liabilities</b>		<b>103</b>	<b>192</b>
<b>Net assets</b>		<b>429</b>	<b>275</b>
<b>Equity</b>			
Retained earnings		429	275
<b>Total equity</b>		<b>429</b>	<b>275</b>

**The total equity is attributable to the SA Government as owner.**

Unrecognised contractual commitments	17
Contingent assets and liabilities	18

The above statement should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

	Retained earnings	Total
	\$'000	\$'000
<b>Balance at 30 June 2008</b>	<b>485</b>	<b>485</b>
Net result for 2008-09	(210)	(210)
<b>Total comprehensive result for 2008-09</b>	<b>(210)</b>	<b>(210)</b>
<b>Balance at 30 June 2009</b>	<b>275</b>	<b>275</b>
Net result for 2009-10	154	154
<b>Total comprehensive result for 2009-10</b>	<b>154</b>	<b>154</b>
<b>Balance at 30 June 2010</b>	<b>429</b>	<b>429</b>

**All changes in equity are attributable to the SA Government as owner.**

The above statement should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2010

	Note	2010 \$' 000	2009 \$' 000
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Payment for employee benefits		(350)	(416)
Payment for supplies and services		(147)	(172)
Payments of grants and subsidies		-	(190)
<b>Cash used in operations</b>		<b>(497)</b>	<b>(778)</b>
<b>Cash inflows</b>			
Fees and charges		20	20
Interest received		72	146
Sale of goods		5	-
<b>Cash generated from operations</b>		<b>97</b>	<b>166</b>
<b>Cash Flows From SA Government</b>			
Receipts from SA Government		463	456
<b>Cash generated from SA Government</b>		<b>463</b>	<b>456</b>
<b>Net cash provided/(used in) by operating activities</b>	19	<b>63</b>	<b>(156)</b>
<b>Net increase/(decrease) in cash</b>		<b>63</b>	<b>(156)</b>
Cash at the beginning of the period		463	619
<b>Cash at the end of the period</b>	13	<b>526</b>	<b>463</b>

The above statement should be read in conjunction with the accompanying notes.

**SA LOCAL GOVERNMENT GRANTS COMMISSION**

**NOTES TO &  
FORMING PART OF  
THE FINANCIAL STATEMENTS**

Financial Year Ended 30 June 2010

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**Note 1 Objectives of the SA Local Government Grants Commission**

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

**Note 2 Summary of significant accounting policies**
**a) Statement of compliance**

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with the applicable Australian Accounting Standards, Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Except for the amendments to Australian Accounting Standards, AASB 2009-12, which the Commission has early adopted, Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Commission for the reporting period ending 30 June 2010. Refer to Note 4.

**b) Basis of preparation**

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Commission's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable notes; and
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, that have been included in these financial statements:
  - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items applies;
  - b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
  - c) employees whose normal remuneration is \$100,000 or more (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
  - d) Commission member and remuneration information, where a member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Commission's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

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The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information presented.

**c) Reporting Entity**

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

The Commission distributes Commonwealth financial assistance grants to local governing authorities in South Australia in accordance with State and Federal legislative requirements. The 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 21.

**d) Transferred Functions**

There have been no transferred functions to or from the Commission during 2009-10.

**e) Comparative Information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in the financial statements unless impracticable.

Where the Commission has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, it has provided two Statements of Financial Position and related notes.

The restated comparative amounts do not replace the original financial statements for the preceding period.

**f) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

**g) Taxation**

The Commission is not subject to income tax. The Commission is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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, 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; and
- receivables and payables, which are stated with the amount of GST included.



The net amount of the GST receivable/payable to the Australian Taxation Office 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 Department of Planning and Local Government is responsible for the remittance and collection of GST.

There are no cash flows relating to GST transactions with the Australian Taxation Office in the Statement of Cash Flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

#### **h) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June. Refer to Note 22.

#### **i) Income**

Income is recognised to the extent that it is probable that the flow of economic benefits to the Commission will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose income where the counterparty / transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100,000 have been included with the non-government transactions, classified according to their nature.

The following are specific recognition criteria:

##### ***Revenues from SA Government***

Appropriations for program funding are recognised as revenues when the Commission obtains control over the funding. Control over appropriations is normally obtained upon receipt.

##### ***Fees and charges***

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

##### ***Sale of goods***

Revenues from sale of goods are derived from the provision of statistical information to councils.

##### ***Administered grants revenue***

Grants revenue from the Commonwealth Government is recognised when the Commission obtains control over the grants. Control over the grants is normally obtained upon receipt.

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**j) Expenses**

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Commission will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose expenses where the counterparty / transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100,000 have been included with the non-government transactions, classified according to their nature.

The following are specific recognition criteria:

***Employee benefits costs***

Employee benefit expenses includes all cost related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

***Superannuation***

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Commission to the superannuation plan in respect of current services of current staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

***Grants and subsidies***

Grants and subsidies are recognised as a liability and expense when the Commission has a present obligation to pay the contribution and the expense recognition criteria are met.

All grants and subsidies paid by the Commission have been contributions with unconditional stipulations attached.

***Administered grants expense***

Administered grants expenses are recognised when paid.

**k) Current and non-current classification**

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line item's combined amounts are expected to be realised within twelve months and more than twelve months, the Commission has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

**l) Assets**

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item's combined amount is expected to be settled within twelve months and more than twelve months, the Commission has separately disclosed the amounts expected to be recovered after more than twelve months.

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The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

**Cash**

Cash in the Statement of Financial Position includes cash at bank.

For the purposes of the Statement of Cash Flows, cash consists of cash as defined above.

Cash is measured at nominal value.

**Receivables**

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally due within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Commission will not be able to collect the debt. Bad debts are written off when identified.

**m) Liabilities**

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item's combined amount is expected to be settled within twelve months and more than twelve months, the Commission has separately disclosed the amounts expected to be settled after more than twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

**Payables**

Payables include accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Commission.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefit on-costs include payroll tax, WorkCover and superannuation contributions on outstanding liabilities for salaries and wages, long service leave and annual leave.

The Commission makes contributions 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 contributions due but not yet paid to the superannuation scheme managers.

**Employee benefits**

These benefits accrue for employees as a result of services provided 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.

Wages, salaries, annual leave and sick leave

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

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. Where salary and wages and annual leave are payable later than 12 months, the liability will be measured at present value.

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 recognised after an employee has completed 5.5 years of service. An actuarial assessment of long service leave undertaken by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the Commission's experience of employee retention and leave taken.

The unconditional portion of the long service leave provision is classified as current as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after ten years of service.

**n) Unrecognised contractual commitments and contingent assets and liabilities**

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

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.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

**Note 3 Financial risk management**

The Commission does not have financial assets and liabilities that satisfy the definition in AASB 139 Financial Instruments: Recognition and Measurement.

**Note 4 New and revised accounting standards and policies**

Except for AASB 2009-12, which the Commission has early-adopted, the Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Commission for the period ending 30 June 2010. The Commission has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Commission.

<b>5 Employee benefits expenses</b>		
	2010	2009
	\$' 000	\$' 000
Salaries and wages	183	288
Annual leave	6	31
Long service leave	5	54
Employment on-costs - superannuation	17	36
Employment on-costs - other	10	22
Commission fees	46	46
<b>Total employee benefits expenses <sup>(1)</sup></b>	<b>267</b>	<b>477</b>

#### Targeted voluntary separation packages (TVSPs)

There were no TVSPs paid to employees during the reporting period.

#### Remuneration of employees

	2010	2009
	Number of Employees	Number of Employees
The number of employees whose total remuneration received or receivable falls within the following bands:		
\$100 000 - \$109 999	1	-
\$130 000 - \$139 999	-	1
<b>Total number of employees</b>	<b>1</b>	<b>1</b>

<sup>(1)</sup> Includes salaries of \$50,000 incurred for project work.

The table includes all employees who received remuneration of \$100,000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by the above employees for the year was \$102,895 (2009: \$131,890).

<b>6 Supplies and services</b>		
	2010	2009
	\$' 000	\$' 000
<b>Supplies and services provided by entities within SA Government</b>		
Professional and technical services <sup>(1)</sup>	88	78
Computing and communication costs	1	4
Vehicle and equipment operating costs	2	13
<b>Total supplies and services - SA Government entities</b>	<b>91</b>	<b>95</b>
<b>Supplies and services provided by entities external to the SA Government</b>		
Professional and technical services	38	37
Administrative and operating costs	4	8
Travel	7	12
Staff development and safety	1	2
<b>Total supplies and services - non SA Government entities</b>	<b>50</b>	<b>59</b>
<b>Total supplies and services</b>	<b>141</b>	<b>154</b>

<sup>(1)</sup> Includes audit fees paid/payable to the Auditor-General (refer Note 8). The 2009 comparative has been restated.

The number and dollar amount of consultancies paid (included in supplies and services expense) fell within the following band:

	2010	2010	2009	2009
	Number	\$' 000	Number	\$' 000
Below \$10,000	1	5	-	-
<b>Total paid to the consultant engaged</b>	<b>1</b>	<b>5</b>	<b>-</b>	<b>-</b>

<b>7 Grants and subsidies</b>		
	2010	2009
	\$' 000	\$' 000
<b>Grants and subsidies paid/payable to entities external to the SA Government</b>		
Asset Management Financial Assistance	-	190
<b>Total grants and subsidies</b>	<b>-</b>	<b>190</b>

<b>8 Auditor's remuneration</b>		
	2010	2009
	\$' 000	\$' 000
Audit fees payable to the Auditor-General's Department for 2009-10	8	8
(Over)/Under accrued audit fees for previous year	(1)	3
<b>Total audit fees</b>	<b>7</b>	<b>11</b>

#### Other services

No other services were provided by the Auditor-General's Department.

<b>9 Revenues from fees and charges</b>		
	2010	2009
	\$' 000	\$' 000
<b>Charges and fees received/receivable from entities within SA Government</b>		
Consultancy and service fees	20	20
<b>Total revenue from fees and charges</b>	<b>20</b>	<b>20</b>

<b>10 Interest revenue</b>		
	2010	2009
	\$' 000	\$' 000
Interest from entities within the SA Government	74	139
<b>Total interest revenue</b>	<b>74</b>	<b>139</b>

<b>11 Sale of goods</b>		
	2010	2009
	\$' 000	\$' 000
<b>Sale of goods received/receivable from entities external to SA Government</b>		
Sale of database reports	5	-
<b>Total sale of goods</b>	<b>5</b>	<b>-</b>

<b>12 Revenues from SA Government</b>		
	2010	2009
	\$' 000	\$' 000
<b>Revenues from SA Government</b>		
Appropriations from consolidated account pursuant to the Appropriation Act	463	452
<b>Total revenues from SA Government</b>	<b>463</b>	<b>452</b>

Appropriation for the Administered Items for the Department of Planning and Local Government is received into a special deposit account and paid across as an intra-government transfer to the Local Government Grants Commission.

<b>13 Cash</b>		
	2010	2009
	\$' 000	\$' 000
Deposits with the Treasurer	526	463
<b>Total cash</b>	<b>526</b>	<b>463</b>

**Interest rate risk**

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer are bearing a floating interest rate between 2.85% (August 2009) and 4.07% (May 2010). The carrying amount of cash and cash equivalents approximates fair value.

<b>14 Receivables</b>		
	2010	2009
	\$' 000	\$' 000
<b>Current</b>		
Accrued interest on deposits	6	4
<b>Total current receivables</b>	<b>6</b>	<b>4</b>

**Interest rate and credit risk**

No trade receivables or prepayments exist as at 30 June 2010. The accrued interest on deposit represents interest on deposits with the Treasurer.

**Bad and doubtful debts**

There were no bad debts or doubtful debts recognised during the year (2009: nil).

<b>15 Payables</b>		
	2010	2009
	\$' 000	\$' 000
<b>Current</b>		
Accrued expenses	9	15
Employment on-costs	4	10
<b>Total current payables</b>	<b>13</b>	<b>25</b>
<b>Non-current</b>		
Employment on-costs	6	10
<b>Total non-current payables</b>	<b>6</b>	<b>10</b>
<b>Total payables</b>	<b>19</b>	<b>35</b>

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave is 45% and the average factor for the calculation of employer superannuation on-cost is 10.57%, as determined by actual employee superannuation contribution rates. These rates are used in the employment oncost calculation.

#### Interest rate risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the related employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

<b>16 Employee benefits</b>		
	2010	2009
	\$' 000	\$' 000
<b>Current</b>		
Annual leave	17	46
Long service leave	2	5
Accrued salaries and wages	5	10
<b>Total current employee benefits</b>	<b>24</b>	<b>61</b>
<b>Non-current</b>		
Long service leave	60	96
<b>Total non-current employee benefits</b>	<b>60</b>	<b>96</b>
<b>Total employee benefits</b>	<b>84</b>	<b>157</b>

The total current and non-current employee liability (i.e. aggregate employee benefits in Note 16 plus related on-costs in Note 15) for 2010 is \$28,000 and \$66,000 respectively.

Based on an actuarial assessment performed by the Department of Treasury and Finance, the benchmark for the measurement of the long service leave liability has changed from the 2009 benchmark 6.5 years to 5.5 years. The change has no financial impact on the long service leave liability for the 2009-10 reporting period.

In addition, the actuarial assessment performed by the Department of Treasury and Finance has determined the salary inflation rate as 4% for 2009-10 (2008-09: 4%). There is no financial impact on the long service leave liability as at 30 June 2010.

<b>17 Unrecognised contractual commitments</b>		
<b>Remuneration commitments</b>		
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:		
	2010	2009
	\$' 000	\$' 000
Within one year	-	141
Later than one year but not longer than five years	-	349
<b>Total remuneration commitments</b>	<b>-</b>	<b>490</b>

Amounts disclosed include commitments arising from executive and other service contracts. The department does not offer fixed-term remuneration contracts greater than five years.

#### Other commitments

Within one year	-	9
Later than one year but not longer than five years	-	8
<b>Total other commitments</b>	<b>-</b>	<b>17</b>

No material commitments exist as at 30 June 2010.

Other commitments as at 30 June 2009 include agreements with Fleet SA for long term hire of light vehicles.

**18 Contingent assets and contingent liabilities**

The SA Local Government Grants Commission is not aware of any contingent assets or liabilities.

**19 Cash flow reconciliation**

	2010	2009
	\$' 000	\$' 000
<b>Reconciliation of cash at 30 June</b>		
Cash disclosed in the Statement of Financial Position	526	463
<b>Balance as per the Statement of Cash Flows</b>	<b>526</b>	<b>463</b>
<b>Reconciliation of net cash provided by/(used in) operating activities to net cost of providing services:</b>		
Net cash provided by/(used in) operating activities	63	(156)
Less: revenue from SA Government	(463)	(452)
<b>Changes in assets/liabilities</b>		
Increase/(decrease) in receivables	2	(11)
Decrease in payables	16	12
Decrease/(Increase) in employee benefits	73	(55)
<b>Net cost of providing services</b>	<b>(309)</b>	<b>(662)</b>

**20 Remuneration of commission members**

Members of the SA Local Grants Commission were:

Germein M  
Patetsos M  
Ross J

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

	2010	2009
	Number of members	Number of members
\$10 000 - \$19 999	2	2
\$20 000 - \$29 999	1	1
<b>Total number of members</b>	<b>3</b>	<b>3</b>

Remuneration of members reflects all costs of performing member's duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$49,860 (2009: \$50,630).

Total amount paid to a superannuation plan for commission members was \$4,117 (2009: \$4,180).

In accordance with the Department of Premier and Cabinet Circular No.016, government employees are not entitled to receive any remuneration for commission duties. There are no members who are government employees in 2009-10 and 2008-09.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

**21 Disclosure of administered items**

	2010	2009
	\$' 000	\$' 000
<b>Administered revenues - Commonwealth receipts</b>		
Commonwealth Financial Assistance Grants	124,820	163,223
Commonwealth Roads to Recovery Grants	2,897	4,287
Commonwealth Specific Purpose Grants	23,461	14,267
<b>Total administered revenues - Commonwealth receipts</b>	<b>151,178</b>	<b>181,777</b>
<b>Administered expenses - Commonwealth payments</b>		
Local Government Financial Assistance Grants	124,820	163,223
Local Government Roads to Recovery Grants	2,897	4,287
Commonwealth Specific Purpose Grants	23,461	14,267
<b>Total administered expenses - Commonwealth payments</b>	<b>151,178</b>	<b>181,777</b>
<b>Net operating surplus</b>	<b>-</b>	<b>-</b>
Cash held at the commencement of the year	1,028	1,028
<b>Cash held at the end of the year</b>	<b>1,028</b>	<b>1,028</b>

**22 Events after the reporting period**

No events have occurred after the reporting period that would affect the financial statements of the SA Local Government Grants Commission as at 30 June 2010.



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**SA LOCAL GOVERNMENT GRANTS COMMISSION**

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**Certification of the Financial Statements**

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We certify that the attached general purpose financial statements for the SA Local Government Grants Commission :

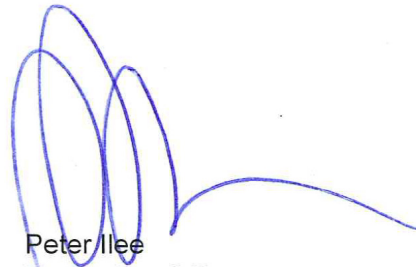
- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian accounting standards;
- are in accordance with the accounts and records of the Commission; and
- presents a true and fair view of the financial position of the SA Local Government Grants Commission as at 30 June 2010 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the SA Local Government Grants Commission for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Mary Patetsos  
**Chairperson**  
**SA Local Government**  
**Grants Commission**

22 December 2010



Peter Ilee  
**Executive Officer**  
**SA Local Government**  
**Grants Commission**

22 December 2010

**INDEPENDENT AUDITOR'S REPORT**

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

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**To The Chairperson  
South Australian Local Government Grants Commission**

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial statements of the South Australian Local Government Grants Commission for the financial year ended 30 June 2010. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Notes to and forming part of the Financial Statements
- A Certificate from the Chairperson and the Executive Officer.

**The Responsibility of the South Australian Local Government Grants Commission for the Financial Report**

The Commission is responsible for the preparation and the fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as the overall presentation of the financial statements.

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

**Auditor's opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the South Australian Local Government Grants Commission as at 30 June 2010, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
6 January 2011