



South Australian
Local Government Grants Commission

Annual Report 2015 - 16

The Hon Geoff Brock MP
Minister for Local Government
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 2015-16.

Yours sincerely

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

Mary Patetsos
CHAIR

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CHAIR'S INTRODUCTION

The main function of the South Australian Local Government Grants Commission is to make recommendations to the Minister for Local Government 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 2015-16, the Commission made recommendations on the distribution of Financial Assistance Grants for 2016-17 totalling almost \$151.5 million. Of this, \$112.8 million was provided for general purpose grants and \$38.7 million provided for identified road grants. This represents a decrease in general purpose grants from the previous year of -0.58 percent and the same proportion of identified road grants as the previous year, resulting in an overall decrease of -0.43 percent over the previous year.

The decrease in grant funding is attributable to the measures originally announced as part of the 2014-15 Federal Budget, where the Australian Government "paused" the indexation (the annual increase in the pool of available funding based on both CPI changes and population growth) of the Financial Assistance Grants programme for three years to 2016-17.

The share of the pool of funding for South Australia is decreasing, due to South Australia's reducing share of the National population. The reducing share of grants meant that South Australia's share of grant funding reduced by \$0.7 million for 2016-17. In addition, funding provided under the Supplementary Local Roads Funding program was not reinstated as part of the 2016-17 Federal Budget.

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

The Commission endeavours to continually improve its methodology in allocating funds to local governing authorities and a major review of the Commission's methodology was undertaken during 2012-13 by KPMG. Further work on some recommendations from this review were assessed by the Commission during 2015-16 and incorporated into the 2016-17 grants.

In line with the KPMG recommendations, the Commission has reviewed its other needs assessment, (known as Function 50), removing outdated elements for capital city status and duplicated facilities, creating a new expenditure assessment to cater for the costs of environmental and coastal protection, incorporating the cultural and tourism allowance into the existing sport and recreation expenditure assessment and increasing the allowance for isolation.

As a result of the reduced pool of grant funding for 2016-17, the Commission reduced general purpose grants to over three quarters of the States local governing authorities and small increases in grants were provided to just under one quarter of councils assessed as having the greatest need.

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 the Commission also provides data to 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, the State Government and other government organisations for planning and reporting services and the Commission continued to work closely with these organisations during 2015-16.

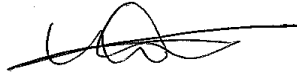
In keeping with progressive updates made in previous years, the Commissions Supplementary Return was again updated in 2015-16 to reflect changes in the Model Financial Statements used by the local government sector.

The Commission's work was supported by resources provided by the Department of Planning, Transport and Infrastructure (DPTI) and the Commission's annual work program and additional staffing requirements were supported under the terms of a Service Level Agreement.

Staff committed to support the Commission includes our Executive Officer, Peter Ilee and Senior Project Officer, Alex Sgro. Additional resources from DPTI were provided as needed by the Department. Sharon Underwood provided additional support for much of the year.

My term as Chair and joint nominee of the Minister and the LGA was extended in July 2015 for a further three years, providing important stability to the Commission's membership.

In closing, I would like to acknowledge the efforts of Commissioners Jane Gascoigne and Luke Hutchinson and Commission staff; Peter, Alex and Sharon for their contributions during the year.



MARY PATETSOS
CHAIR

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 terms of up to five years. At the conclusion of this time members are eligible for renomination.

Members during 2015-16 were:

- Mary Patetsos, Chair from 11 August 2010 until 10 August 2015 and reappointed during 2015-16 for a further three years to 12 August 2018, joint nominee of the Local Government Association and Minister for Local Government and a Commissioner since 2002;
- Jane Gascoigne, Commissioner from 1 August 2010 to 31 July 2016, nominee of the Minister for Local Government; and
- Cr Luke Hutchinson from 2 April 2015 to 1 April 2017, nominee of the Local Government Association.

For member profiles see *Appendix 1*.

Location

The Commission's office is located on Level 9, Roma Mitchell House, 136 North Terrace, ADELAIDE. Telephone (08) 7109 7164. E-mail: grants.commission@sa.gov.au.

Staff

The Commission is provided with administrative support by the Department of Planning, Transport and Infrastructure (DPTI). The Commission has a dedicated full time Executive Officer, Peter Ilee, Senior Project Officer, Alex Sgro and a part-time Project Officer, Sharon Underwood.

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 DPTI.

Purpose

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

Reporting Arrangements and Funding

Administratively, staff of the Commission report to the Manager, Office of Local Government. 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) 7109 7164 during office hours.

No requests under the *Freedom of Information Act 1991* were received in 2015-16. In accordance with Section 9 of the Act an information statement is provided at *Appendix II*.

Commission Meetings

The Commission and its staff generally meet on a monthly basis and at other times, as required. A summary of Commission meetings held during 2015-16 is provided below.

| Meeting Date | Meeting Participants |
|----------------|--|
| 17 August 2015 | Commissioners Ms Mary Patetsos (C) and Ms Jane Gascoigne. <i>Apologies:</i> Mr Luke Hutchinson Attendees Mr Peter Ilee (EO). |

| Meeting Date | Meeting Participants |
|---------------------|---|
| 23 September 2015 | <p>Commissioners Ms Mary Patetsos (C), Ms Jane Gascoigne and Mr Luke Hutchinson.</p> <p>Attendees Mr Peter Ilee (EO), Mr Alex Sgro, Ms Sharon Underwood and Ms Alex Hart (Manager, Office of Local Government - OLG).</p> |
| 15 December 2015 | <p>Commissioners Ms Mary Patetsos (C), Ms Jane Gascoigne and Mr Luke Hutchinson.</p> <p>Attendees Mr Peter Ilee (EO), Mr Alex Sgro, Ms Sharon Underwood and Ms Alex Hart (Manager, OLG).</p> |
| 24 February 2016 | <p>Commissioners Ms Mary Patetsos (C), Ms Jane Gascoigne and Mr Luke Hutchinson.</p> <p>Attendees Mr Peter Ilee (EO), Mr Alex Sgro, Ms Sharon Underwood and Ms Alex Hart (Manager, OLG). District Council of Franklin Harbour – Mayor Robert Starr, Mr Chris Smith (CEO) and Cr Robert Walsh. LGA – Ms Andrea Malone.</p> |
| 23 March 2016 | <p>Commissioners Ms Mary Patetsos (C), Ms Jane Gascoigne and Mr Luke Hutchinson.</p> <p>Attendees Mr Peter Ilee (EO), Mr Alex Sgro, Ms Sharon Underwood, Ms Alex Hart (Manager, OLG) and Mr Don Hogben (General Manager, Planning & Transport Policy, DPTI).</p> |
| 27 April 2016 | <p>Commissioners Ms Mary Patetsos (C), Ms Jane Gascoigne and Mr Luke Hutchinson.</p> <p>Attendees Mr Peter Ilee (EO).</p> |
| 25 May 2016 | <p>Commissioners Ms Mary Patetsos (C), Ms Jane Gascoigne and Mr Luke Hutchinson.</p> <p>Attendees Mr Peter Ilee (EO), Mr Alex Sgro, Ms Sharon Underwood and Ms Alex Hart (Manager, OLG).</p> |
| 17 June 2016 | <p>Commissioners Ms Mary Patetsos (C), Ms Jane Gascoigne and Mr Luke Hutchinson.</p> <p>Attendees Mr Peter Ilee (EO), Mr Alex Sgro and Ms Sharon Underwood. <i>Apologies:</i> Ms Alex Hart (Manager, OLG).</p> |
| 22 June 2016 | <p>Commissioners Ms Mary Patetsos (C), Ms Jane Gascoigne and Mr Luke Hutchinson.</p> <p>Attendees Mr Peter Ilee (EO), Mr Alex Sgro, Ms Katherine Edwards and Ms Alex Hart (Manager, OLG).</p> |

(C) Denotes Chair (or Presiding Member).

(EO) Denotes Commission's Executive Officer

CHAPTER 2 - COMMISSION ACTIVITIES 2015-16

Grant Allocation

The total 2015-16 allocation of \$152,087,235 was increased following the end of the financial year by \$30,705 after adjustments for rounding by the Australian Government. This rounding increase will be passed on to councils in the four quarterly instalments during 2016-17. The actual allocation figure, which includes the adjusted 2015-16 allocations, is shown in *Appendix III*.

For 2016-17, the Commission made recommendations on the distribution of \$151,426,454 that included both general financial assistance grants and identified local road grants. A full list of allocations is contained in *Chapter 6*.

The pool of grant funding for South Australia reduced for 2016-17 due to the Australian Government pausing the indexation (increases in grants based on CPI and population growth) of the Financial Assistance Grants programme for three years to from 2014-15 to 2016-17 as part of the 2014-15 Federal Budget.

The Supplementary Local Road Funding program was not reinstated by the Australian Government as part of the 2016-17 Federal Budget.

The general financial assistance component was \$112,768,578, a reduction of -0.58 percent over 2015-16. The identified local road component was \$38,657,876, a zero percent increase over the 2015-16 road component.

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*.

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' 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 2015) were used in the calculation of the 2016-17 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, the circulation of a summary of findings paper and a 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 Millburn Consulting Pty Ltd worked with the Commission to review two related aspects of the expenditure assessment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In terms of traffic volumes, the Executive Officer reviewed previous work undertaken in 2002-03, surveyed councils to understand the availability of current datasets and also liaised with engineering firm Tonkin Consulting in an attempt to develop a cost relativity index to account for traffic volumes on local roads. The findings of this work identified a continued lack of consistent and regular traffic volume data from all councils as well as differing road hierarchy information across councils.

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

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

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

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

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

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

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

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

data from DPTI to reflect the implementation of SAILIS and valuation data more closely matched to local government.

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

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

Information Collection and Storage

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

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

Other data maintained by the Commission includes:

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

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

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

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

A by-product of the road length audit process was the development of the Geographical Information System (GIS) in Arc Info. This year, the updated information was disseminated via a secure workspace electronically; however hard copy maps and/or data files were made available to councils by request. GIS data is also available in other formats, e.g. MapInfo.

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

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 2015-16, the Commission continued with its visiting program. Commission members and staff attended 19 meetings at the councils listed below. In addition to these meetings, the Commission's Executive Officer met with some Chief Executive Officers and Finance Managers at the Commission's city offices to discuss methodological issues and grant allocations.

| | | |
|--|--|--|
| Visited in July 2015 City of Marion | Visited in November 2015 District Council of Grant City of Mount Gambier Wattle Range Council | Visited in June 2016 Coorong District Council District Council of Kingston District Council of Naracoorte Lucindale District Council of Robe District Council of Tatiara |
| Visited in August 2015 The Flinders Ranges Council The District Council of Mount Remarkable The District Council of Ororoo Carrieton The District Council of Peterborough The City of Port Augusta | Visited in April 2016 The District Council of Cleve The District Council of Elliston The District Council of Lower Eyre Peninsula The City of Port Lincoln The District Council of Tumby Bay | |

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 Special Local Roads 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 (LGTAP).

The LGTAP is a Panel of the LGA, who provide executive support. The Panel's main role is to make recommendations to the Grants Commission on the allocation of the Special Local Roads component of the Financial Assistance Grants and the Commonwealth's Roads to Recovery Program. Formal reporting of funding allocations is contained within *Chapter 6* of this report.

The Panel comprises Mayor Ray Agnew, (Mayor, Yorke Peninsula Council), as Chairperson, Mr Don Hogben (General Manager, Planning and Transport, Department of Planning, Transport and Infrastructure), Wally Iasiello (Director, Technical Services, City of Port Adelaide Enfield), Mr Richard Dodson (General Manager, Infrastructure and Works, Light Regional Council) and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission). The Committee's Executive Officer is Mr David Hitchcock, Director, Infrastructure, Local Government Association.

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

For 2016-17, \$5.799 million will be allocated to specific projects under the Financial Assistance Grants program, \$4.26 million from the Special Projects component of the Standard Roads to Recovery Grants and \$5.583 million from the Special Projects component of the Additional Roads to Recovery Grants (Fuel Excise). \$200,000 not drawn down during 2015-16 will also be allocated in 2016-17. A total of \$15.84 million will be allocated to 28 projects across the State for 2016-17.

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 Planning, Transport 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 Cr Michael (Bim) Lange (Barossa Council) as Chairperson, Mr Don Hogben (General Manager, Planning and Transport Policy, Department of Planning, Transport and Infrastructure), and Mr Peter Ilee (Executive Officer, SA Local Government Grants Commission).

The Committee's Executive Officer is Mr Silvio Visentin, a Senior Project Officer of the Department of Planning, Transport and Infrastructure.

Matters Referred By the Minister

Under Section 20 of the State Act, the Minister for Local Government may refer matters to the Commission for report. The Minister made no references to the Commission under this section during 2015-16.

The Year Ahead

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

During 2016-17, the Commission plan to continue with the review of its "other needs assessment" (otherwise known as Function 50).

Collection and dissemination of South Australia's Local Government Finance Statistics will again be a major focus in 2016-17. The Commission will continue to work with the LGA, Office of Local Government, 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.

The Commission also continued a strong collaborative relationship with the LGA during 2015-16, maintaining a number of strategies to improve its data collection and reduce its reliance on the Australian Bureau of Statistics. This will continue in 2016-17.

Accurate road length data is an essential element in the grant calculations. Existing data stored on the Commission's Geographical Information System (GIS) will continue to be refined in association with councils during the year.

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 2016-17 and respond to changes in grant funding in line with the National Principles as necessary.

The Commission will also continue with its council visiting program in 2016-17 and is planning to visit a number of regional Councils, the remote Aboriginal Communities, Coober Pedy, Roxby Downs councils and the Outback Communities Authority.

These sessions provide a unique opportunity to discuss the grant allocation process. The Commission values the chance to brief councils on methodology details, and to hear about specific issues facing Council and the Community.

CHAPTER 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 2016-17 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 South Australia for 2016-17 was reduced due to the Australian Government paused indexation of the Financial Assistance Grants. The Supplementary Local Road Funding program was also not reinstated in the 2016-17 Federal Budget, significantly impacting on the grant allocations to South Australia.

Entitlements for all States for 2015-16 and for 2016-17 are set out in Tables 1 and 2 below and overleaf.

TABLE 1 - Commonwealth General Purpose Financial Assistance for Local Government, State and Territory Entitlements 2015-16 and 2016-17

| State | 2015-16 | | | | | |
|------------------------------|--|---|--|--|------------------------|----------------------------------|
| | Proportion (adjusted for actual) (%) | Original Allocation (Estimate) (\$mill) | Brought Fwd Pmt Paid in 2014-15 (\$mill) | Revised Allocation (Estimate) (\$mill) | Adjustment (\$mill) | Allocation Actual (\$mill) |
| New South Wales | 32.03 | 507.43 | 253.60 | 253.83 | 0.09 | 507.52 |
| Victoria | 24.92 | 394.78 | 197.29 | 197.49 | 0.10 | 394.88 |
| Queensland | 20.11 | 318.72 | 159.34 | 159.38 | 0.03 | 318.75 |
| Western Australia | 10.93 | 173.83 | 87.23 | 86.60 | (0.24) | 173.59 |
| South Australia | 7.16 | 113.40 | 56.65 | 56.75 | 0.03 | 113.43 |
| Tasmania | 2.18 | 34.54 | 17.26 | 17.29 | 0.01 | 34.55 |
| Northern Territory | 1.03 | 16.46 | 8.27 | 8.20 | (0.03) | 16.43 |
| Australian Capital Territory | 1.64 | 26.01 | 13.00 | 13.01 | 0.01 | 26.02 |
| TOTAL | 100.00 | 1,585.18 | 792.63 | 792.55 | (0.00) | 1,585.18 |

| State | 2016-17 | | | | \$ Change 15/16 to 16/17 (\$) | % Change 15/16 to 16/17 (%) |
|------------------------------|---|--------------------------------------|--|-----------------------------|--|--------------------------------------|
| | Proportion (based on estimates) (%) | Allocation (Estimate) (\$mill) | Allocation Plus Brought Fwd Pmt (\$mill) | Cash Payment (\$mill) | | |
| New South Wales | 32.05 | 508.00 | 508.00 | 508.10 | 479,495 | 0.09 |
| Victoria | 25.05 | 397.12 | 397.12 | 397.22 | 2,235,784 | 0.57 |
| Queensland | 20.09 | 318.47 | 318.47 | 318.49 | (284,396) | (0.09) |
| Western Australia | 10.88 | 172.45 | 172.45 | 172.21 | (1,146,998) | (0.66) |
| South Australia | 7.11 | 112.77 | 112.77 | 112.80 | (662,511) | (0.58) |
| Tasmania | 2.16 | 34.27 | 34.27 | 34.28 | (288,532) | (0.84) |
| Northern Territory | 1.02 | 16.16 | 16.16 | 16.13 | (271,044) | (1.65) |
| Australian Capital Territory | 1.64 | 26.03 | 26.03 | 26.04 | 9,209 | 0.04 |
| TOTAL | 100.00 | 1,585.25 | 1,585.25 | 1,585.25 | 71,007 | 0.00 |

TABLE 2 - Commonwealth Identified Local Road Grants for Local Government, State and Territory Entitlements 2014-15 and 2015-16

| State | 2015-16 | | | | | |
|------------------------------|--|---|--|--|------------------------|----------------------------------|
| | Proportion (adjusted for actual) (%) | Original Allocation (Estimate) (\$mill) | Brought Fwd Pmt Paid in 2014-15 (\$mill) | Revised Allocation (Estimate) (\$mill) | Adjustment (\$mill) | Allocation Actual (\$mill) |
| New South Wales | 29.01 | 204.08 | 102.04 | 102.03 | - | 204.08 |
| Victoria | 20.62 | 145.01 | 72.51 | 72.50 | - | 145.01 |
| Queensland | 18.74 | 131.79 | 65.90 | 65.89 | - | 131.79 |
| Western Australia | 15.29 | 107.55 | 53.78 | 53.77 | - | 107.55 |
| South Australia | 5.50 | 38.66 | 19.33 | 19.33 | - | 38.66 |
| Tasmania | 5.30 | 37.27 | 18.64 | 18.64 | - | 37.27 |
| Northern Territory | 2.34 | 16.48 | 8.24 | 8.24 | - | 16.48 |
| Australian Capital Territory | 3.21 | 22.55 | 11.28 | 11.28 | - | 22.55 |
| TOTAL | 100.00 | 703.39 | 351.72 | 351.68 | - | 703.39 |

| State | 2016-17 | | | | \$ Change 15/16 to 16/17 (\$) | % Change 15/16 to 16/17 (%) |
|------------------------------|---|--------------------------------------|--|-----------------------------|--|--------------------------------------|
| | Proportion (based on estimates) (%) | Allocation (Estimate) (\$mill) | Allocation Plus Brought Fwd Pmt (\$mill) | Cash Payment (\$mill) | | |
| New South Wales | 29.01 | 204.09 | 204.09 | 204.09 | 9,142 | 0.00 |
| Victoria | 20.62 | 145.02 | 145.02 | 145.02 | 6,496 | 0.00 |
| Queensland | 18.74 | 131.80 | 131.80 | 131.80 | 5,904 | 0.00 |
| Western Australia | 15.29 | 107.55 | 107.55 | 107.55 | 4,817 | 0.00 |
| South Australia | 5.50 | 38.66 | 38.66 | 38.66 | 1,730 | 0.00 |
| Tasmania | 5.30 | 37.28 | 37.28 | 37.28 | 1,670 | 0.00 |
| Northern Territory | 2.34 | 16.48 | 16.48 | 16.48 | 738 | 0.00 |
| Australian Capital Territory | 3.21 | 22.56 | 22.56 | 22.56 | 1,011 | 0.00 |
| TOTAL | 100.00 | 703.42 | 703.42 | 703.42 | 31,508 | 0.00 |

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 2016-17 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 Communities Authority and five Aboriginal Communities) allocations are made on a per capita basis.

A standard formula is used as a basis for both the revenue and expenditure component 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, i.e. RRI_s or CRI_s equals 1.00. If more than one CRI exists for any function then they are multiplied together to give an overall CRI for that function.

In the revenue 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, (\$19.92 for 2016-17), 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 2016-17 grants, the Commission constrained changes to grants between minus 1% and positive 0.5%. An iterative process is then undertaken until the full allocation is determined.

Component Revenue Grants

Component revenue grants assess whether councils **capacity to raise revenue** from rates is less than or greater than the State average. Councils with below average capacity to raise revenue receive positive component revenue 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 council's receive and are not dependent upon their own special effort i.e. they are effort neutral, are treated by the "inclusion approach". That is, subsidies such as those for library services and roads are included as a revenue function.

Component Expenditure Grants

Component expenditure grants assess 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.

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

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;
 - Isolation – measured as distance from the GPO to the main service centre for the council (as determined by the RAA);
 - Additional recognition of needs of councils with respect to Aboriginal people – identified by the proportion of the population identified as Aboriginal or Torres Strait Islander;
 - Unemployment – identified by the proportion of the population unemployed;

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

The calculated standards by function are outlined in the next section.-

Summary of figures by function

Total Population = 1698660

| Function | Standard in Dollars | Unit of Measure per Capita | Total Units of Measure | Unit of Measure |
|-----------------------------------|---------------------|----------------------------|------------------------|--|
| Expenditure Functions | | | | |
| Waste Management | 179.21 | 0.45692 | 766,637 | No of residential, rural and commercial (shop) properties |
| Aged Care Services | 175.30 | 0.17104 | 286,974 | Population aged more than 65 |
| Services To Families And Children | 72.44 | 0.17632 | 295,836 | Population aged 0 to 14 |
| Health Inspection | 352.64 | 0.01204 | 20,207 | Establishments to inspect |
| Libraries | 60.57 | 1.00812 | 1,691,443 | Estimated Resident Population |
| Sport, Recreation & Culture | 257.57 | 0.76916 | 1,290,509 | Population aged 5 to 49 |
| Sealed Roads - Built Up | 11,902.82 | 0.00638 | 10,706 | Kilometres of sealed builtup |
| Sealed Roads - Non Built Up | 11,902.82 | 0.00455 | 7,639 | Kilometres of sealed non-builtup |
| Sealed Roads - Footpaths etc | 17,008.21 | 0.00638 | 10,706 | Kilometres of sealed builtup |
| Unsealed Roads - Built Up | 1,750.99 | 0.00043 | 714 | Kilometres of formed and surfaced, and natural surface formed builtup road |
| Unsealed Roads - Non Built Up | 1,750.99 | 0.02816 | 47,249 | Kilometres of formed and surfaced, and natural surface formed non-builtup road |
| Roads - Unformed | 128.56 | 0.00512 | 8,591 | Kilometres of natural surfaced unformed road |
| Stormwater Drainage - Maintenance | 84.87 | 0.44815 | 751,912 | No of urban, industrial and commercial properties including exempt |
| Community Support | 50.48 | 0.99996 | 1,677,749 | 3yr average population * SEIFA Advantage Disadvantage CRI |
| Jetties and Wharves | 18,661.56 | 0.00005 | 79 | Number of jetties and wharves |
| Public Order and Safety | 27.91 | 0.55617 | 933,149 | Total no of properties |
| Planning And Building Control | 1,793.62 | 0.02629 | 44,116 | No of new developments and additions |
| Bridges | 8,769.77 | 0.00050 | 839 | Number of bridges |
| Environment & Coastal Protection | 21.89 | 1.00812 | 1,691,443 | Estimated Resident Population |
| Other Special Needs | 1.00 | 19.29232 | 32,369,000 | Total of dollars attributed |
| Revenue Functions | | | | |
| Rates - residential | 0.0036 | 150,632 | 252,436,205,275 | Valuation of residential |
| - commercial | 0.0065 | 20,153 | 33,813,030,164 | Valuation of commercial |
| - industrial | 0.0078 | 3,243 | 5,441,713,210 | Valuation of industrial |
| - rural | 0.0033 | 20,491 | 33,882,846,412 | Valuation of rural |
| - other | 0.0041 | 7,684 | 12,891,566,871 | Valuation of other |
| Subsidies | 1.00 | 26.25244 | 44,046,825 | 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, (\$19.92 for 2016-17), 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 2016-17 grants, the Commission constrained changes between minus 1% and positive 0.5%.

Identified Local Road Grant

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

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

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

Distribution of 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 2016-17 per capita general purpose grant is \$383.54.

General purpose grants for the Authority reduced by 0.03%, due to the Australian Government pausing the indexation of the Financial Assistance Grants for 3 years to 2016-17.

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 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 remote South Australian councils and per capita grants were established. Grants have gradually been increased since the initial study. For 2016-17 the per capita grant varied from \$194.64 for Gerard Community to \$1,236.35 for Maralinga Tjarutja Community.

General purpose grants for the Aboriginal communities were held to the same levels as last year due to the Australian Government pausing the indexation of the Financial Assistance Grants for 3 years to 2016-17.

CHAPTER 6 – GRANT ALLOCATIONS FOR 2016-17

| Local Government Authority | Population as at 30-Jun-15 | General Purpose Grant (\$) | Identified Road Grant (\$) | Special Local Road Grant (\$) | Total Estimated Grant (\$) |
|----------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| Adelaide | 23,169 | 461,526 | 240,985 | | 702,511 |
| Adelaide Hills | 40,031 | 811,281 | 683,429 | | 1,494,710 |
| Alexandrina | 25,449 | 658,412 | 564,929 | | 1,223,341 |
| Barossa | 23,104 | 546,736 | 447,440 | 345,000 | 1,339,176 |
| Barunga West | 2,434 | 347,366 | 186,350 | | 533,716 |
| Berri Barmera | 10,419 | 2,398,707 | 204,681 | | 2,603,388 |
| Burnside | 45,034 | 897,077 | 464,129 | | 1,361,206 |
| Campbelltown | 51,889 | 1,033,629 | 520,757 | | 1,554,386 |
| Ceduna | 3,716 | 2,043,437 | 429,602 | | 2,473,039 |
| Charles Sturt | 114,209 | 2,275,043 | 1,161,193 | | 3,436,236 |
| Clare & Gilbert Valleys | 9,057 | 559,663 | 375,910 | | 935,573 |
| Cleve | 1,795 | 961,577 | 382,591 | | 1,344,168 |
| Coober Pedy | 1,801 | 804,945 | 44,510 | | 849,455 |
| Coorong | 5,556 | 2,404,672 | 642,123 | | 3,046,795 |
| Copper Coast | 14,114 | 1,445,402 | 311,240 | | 1,756,642 |
| Elliston | 1,066 | 729,214 | 397,287 | 281,000 | 1,407,501 |
| Flinders Ranges | 1,608 | 1,201,177 | 289,586 | | 1,490,763 |
| Franklin Harbour | 1,234 | 1,032,702 | 210,162 | | 1,242,864 |
| Gawler | 22,618 | 1,171,281 | 302,801 | | 1,474,082 |
| Goyder | 4,232 | 2,653,713 | 654,608 | | 3,308,321 |
| Grant | 8,235 | 984,074 | 325,387 | 150,000 | 1,459,461 |
| Holdfast Bay | 37,263 | 742,279 | 363,725 | | 1,106,004 |
| Kangaroo Island | 4,611 | 1,448,435 | 384,996 | | 1,833,431 |
| Karoonda East Murray | 1,014 | 1,203,241 | 328,475 | | 1,531,716 |
| Kimba | 1,097 | 1,001,494 | 293,218 | | 1,294,712 |
| Kingston | 2,363 | 538,741 | 243,007 | 40,000 | 821,748 |
| Light | 14,841 | 295,633 | 403,803 | 270,000 | 969,436 |
| Lower Eyre Peninsula | 5,087 | 472,611 | 399,342 | | 871,953 |
| Loxton Waikerie | 11,462 | 3,581,392 | 708,104 | | 4,289,496 |
| Mallala | 8,750 | 1,048,465 | 245,924 | | 1,294,389 |
| Marion | 88,983 | 1,772,541 | 927,045 | | 2,699,586 |
| Mid Murray | 8,243 | 3,086,197 | 626,829 | 662,000 | 4,375,026 |
| Mitcham | 66,347 | 1,321,632 | 735,831 | | 2,057,463 |
| Mount Barker | 32,558 | 666,988 | 547,143 | | 1,214,131 |
| Mount Gambier | 26,348 | 2,195,539 | 383,924 | | 2,579,463 |
| Mount Remarkable | 2,773 | 1,651,239 | 353,420 | | 2,004,659 |

| Local Government Authority | Population as at 30-Jun-15 | General Purpose Grant (\$) | Identified Road Grant (\$) | Special Local Road Grant (\$) | Total Estimated Grant (\$) |
|-------------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| Murray Bridge | 20,971 | 3,154,315 | 462,330 | | 3,616,645 |
| Naracoorte Lucindale | 8,390 | 2,265,829 | 468,828 | 32,000 | 2,766,657 |
| Northern Areas | 4,488 | 1,394,916 | 388,754 | | 1,783,670 |
| Norwood, Payneham & St Peters | 37,350 | 744,012 | 353,544 | | 1,097,556 |
| Onkaparinga | 168,798 | 5,282,477 | 2,274,292 | | 7,556,769 |
| Ororoo Carrieton | 852 | 966,301 | 246,862 | | 1,213,163 |
| Peterborough | 1,673 | 1,323,995 | 236,536 | | 1,560,531 |
| Playford | 88,222 | 8,524,943 | 1,237,470 | 1,850,000 | 11,612,413 |
| Port Adelaide Enfield | 123,754 | 2,465,180 | 1,311,785 | | 3,776,965 |
| Port Augusta | 14,522 | 2,653,616 | 280,614 | | 2,934,230 |
| Port Lincoln | 14,984 | 1,096,218 | 222,045 | | 1,318,263 |
| Port Pirie | 17,540 | 3,920,687 | 451,577 | | 4,372,264 |
| Prospect | 21,416 | 426,607 | 198,486 | | 625,093 |
| Renmark Paringa | 9,230 | 2,527,565 | 209,483 | | 2,737,048 |
| Robe | 1,428 | 29,185 | 105,003 | | 134,188 |
| Roxby Downs | 5,078 | 101,154 | 77,790 | | 178,944 |
| Salisbury | 138,535 | 6,240,061 | 1,519,333 | | 7,759,394 |
| Southern Mallee | 2,058 | 1,120,686 | 389,283 | | 1,509,969 |
| Streaky Bay | 2,249 | 1,462,164 | 448,779 | | 1,910,943 |
| Tatiara | 6,631 | 2,418,057 | 540,742 | 183,000 | 3,141,799 |
| Tea Tree Gully | 98,861 | 1,969,311 | 1,085,864 | | 3,055,175 |
| Tumby Bay | 2,668 | 532,193 | 254,754 | | 786,947 |
| Unley | 39,324 | 783,334 | 368,768 | | 1,152,102 |
| Victor Harbor | 15,169 | 302,166 | 264,915 | 636,000 | 1,203,081 |
| Wakefield | 6,886 | 1,820,469 | 513,677 | | 2,334,146 |
| Walkerville | 7,673 | 152,846 | 74,738 | | 227,584 |
| Wattle Range | 11,460 | 1,934,547 | 519,504 | 100,000 | 2,554,051 |
| West Torrens | 58,964 | 1,174,563 | 592,045 | 1,250,000 | 3,016,608 |
| Whyalla | 22,759 | 3,846,915 | 383,738 | | 4,230,653 |
| Wudinna | 1,282 | 1,223,728 | 383,305 | | 1,607,033 |
| Yankalilla | 4,700 | 127,325 | 148,000 | | 275,325 |
| Yorke Peninsula | 11,018 | 1,435,599 | 783,782 | | 2,219,381 |
| Outback Communities Authority | 3,747 | 1,437,109 | | | 1,437,109 |
| Anangu Pitjantjatjara | 2,792 | 1,137,134 | 145,296 | | 1,282,430 |
| Gerard City Council | 228 | 44,379 | 19,358 | | 63,737 |
| Maralinga Tjarutja | 75 | 92,726 | 51,983 | | 144,709 |
| Nipapanha Comm Inc | 77 | 28,468 | 19,274 | | 47,742 |
| Yalata City Council | 298 | 159,737 | 41,853 | | 201,590 |
| STATE TOTAL | 1,698,660 | 112,768,578 | 32,858,876 | 5,799,000 | 151,426,454 |

APPENDIX I - Member profiles

Mary Patetsos BSW Grad Dip Sociology, JP

Commissioner of the Local Government Grants Commission since 2002 and Commission Chair since 2010. Current positions include Deputy Chair ACH Group since 2009; Chair SA Housing Trust, 2005, including Chair of the Department of Communities and Social Inclusion Audit and Finance Committees. She Deputy Chair of the SA Health Performance Council and the Aged Care Financing Authority since 2013. Mary is also a Director on numerous not for profit Boards including Director for Common Ground Adelaide, Multicultural Communities Council SA, Chair of the FECCA Healthy Ageing Reference Committee and Chairperson Power Community Limited, Port Adelaide Football Club.

Jane Gascoigne, BBus BEd

Commissioner of the SA Local Government Grants Commission since 2010; Executive Manager of the Institute of Public Works Engineering Australia (SA Division). Prior employment as Director, Local Government Grants and Regional Communities, Department of Planning and Local Government; Executive Officer, South Australia Local Government Grants Commission; Executive Officer, South Australian Local Government Disaster Fund; Lecturer, Department of Technical and Further Education. Previous Board Membership: National Steering Committee overseeing the implementation of the National Framework for Women in Local Government (ALGWA); National Steering Committee overseeing the implementation of the Year of Women in Local Government (LGMA); Local Roads Advisory Committee; Local Government Transport Advisory Panel; and South Australian Local Government Disaster Fund.

Luke Hutchinson MBA BBus GAICD

Commissioner of the Local Government Grants Commission since April 2015; Elected Council Member, City of Marion since 2010; Deputy Mayor City of Marion 2014 to 2015; City of Marion Development Assessment Panel Member since 2015; Chair Urban Planning Committee since 2016; City of Marion People & Culture Committee; and Manager, Stakeholder Engagement, Attorney-General's Department, Government of South Australia. Previous positions include various roles within the Higher Education Sector between 2000-2015 at UniSA, University of Adelaide and Flinders University.

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 on the Commission's web page and at the Commission's offices. Other documents held by the Commission:

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

Information is stored both electronically and on hard copy.

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

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 9, Roma Mitchell House |
| | 136 North Terrace |
| | ADELAIDE SA 5000 |
| Postal Address | GPO Box 2329 |
| | ADELAIDE SA 5001 |
| Telephone | (08) 7109 7164 |
| 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 Grant Allocations For 2015-16

| Local Government Authority | 2015-16 Actual General Purpose Grant \$ | 2015-16 Actual Road Grant \$ | 2015-16 Special Road Grant \$ | 2015-16 Total Actual Grant \$ |
|-----------------------------------|--|---|--|--|
| Adelaide | 458,008 | 239,417 | 298,000 | 995,425 |
| Adelaide Hills | 819,476 | 693,117 | | 1,512,593 |
| Alexandrina | 655,136 | 562,352 | | 1,217,488 |
| Barossa | 544,016 | 446,849 | | 990,865 |
| Barunga West | 350,875 | 186,857 | | 537,732 |
| Berri Barmera | 2,422,936 | 206,875 | | 2,629,811 |
| Burnside | 902,976 | 464,615 | | 1,367,591 |
| Campbelltown | 1,036,403 | 520,478 | | 1,556,881 |
| Ceduna | 2,064,078 | 429,933 | | 2,494,011 |
| Charles Sturt | 2,275,185 | 1,157,022 | | 3,432,207 |
| Clare & Gilbert Valleys | 556,879 | 376,292 | | 933,171 |
| Cleve | 956,793 | 367,233 | | 1,324,026 |
| Cooper Pedy | 813,076 | 44,766 | | 857,842 |
| Coorong | 2,428,962 | 643,454 | | 3,072,416 |
| Copper Coast | 1,460,002 | 309,597 | | 1,769,599 |
| Elliston | 736,579 | 397,790 | | 1,134,369 |
| Flinders Ranges | 1,213,310 | 290,352 | 565,000 | 2,068,662 |
| Franklin Harbour | 1,043,133 | 226,510 | | 1,269,643 |
| Gawler | 1,165,453 | 299,046 | | 1,464,499 |
| Goyder | 2,680,519 | 655,514 | | 3,336,033 |
| Grant | 979,178 | 325,226 | 205,000 | 1,509,404 |
| Holdfast Bay | 746,983 | 364,049 | | 1,111,032 |
| Kangaroo Island | 1,441,229 | 385,219 | | 1,826,448 |
| Karoonda East Murray | 1,215,395 | 329,011 | | 1,544,406 |
| Kimba | 1,011,610 | 293,605 | | 1,305,215 |
| Kingston | 544,183 | 243,445 | 60,000 | 847,628 |
| Light | 295,677 | 402,101 | | 697,778 |
| Lower Eyre Peninsula | 470,259 | 399,886 | | 870,145 |
| Loxton Waikerie | 3,617,567 | 709,603 | | 4,327,170 |
| Mallala | 1,046,005 | 245,404 | | 1,291,409 |
| Marion | 1,782,215 | 926,177 | | 2,708,392 |
| Mid Murray | 3,117,371 | 627,973 | | 3,745,344 |
| Mitcham | 1,335,915 | 737,444 | 400,000 | 2,473,359 |
| Mount Barker | 666,894 | 540,781 | | 1,207,675 |
| Mount Gambier | 2,184,616 | 384,182 | 175,000 | 2,743,798 |
| Mount Remarkable | 1,667,918 | 354,601 | | 2,022,519 |

| Local Government Authority | 2015-16 Actual General Purpose Grant \$ | 2015-16 Actual Road Grant \$ | 2015-16 Special Road Grant \$ | 2015-16 Total Actual Grant \$ |
|---------------------------------------|--|---|--|--|
| Murray Bridge | 3,138,622 | 460,700 | 400,000 | 3,999,322 |
| Naracoorte Lucindale | 2,254,556 | 470,012 | 180,000 | 2,904,568 |
| Northern Areas | 1,409,006 | 389,624 | | 1,798,630 |
| Norwood, Payneham & St Peters | 748,356 | 353,749 | | 1,102,105 |
| Onkaparinga | 5,335,835 | 2,268,570 | 600,000 | 8,204,405 |
| Orroroo Carrieton | 976,061 | 247,259 | | 1,223,320 |
| Peterborough | 1,337,369 | 237,229 | | 1,574,598 |
| Playford | 8,611,054 | 1,230,251 | | 9,841,305 |
| Port Adelaide Enfield | 2,466,765 | 1,307,623 | 625,000 | 4,399,388 |
| Port Augusta | 2,680,421 | 282,097 | | 2,962,518 |
| Port Lincoln | 1,090,764 | 221,678 | | 1,312,442 |
| Port Pirie | 3,960,290 | 454,384 | | 4,414,674 |
| Prospect | 428,880 | 198,628 | | 627,508 |
| Renmark Paringa | 2,553,096 | 211,024 | | 2,764,120 |
| Robe | 29,480 | 105,216 | | 134,696 |
| Roxby Downs | 101,573 | 77,489 | | 179,062 |
| Salisbury | 6,303,092 | 1,515,792 | | 7,818,884 |
| Southern Mallee | 1,132,006 | 390,026 | 422,000 | 1,944,032 |
| Streaky Bay | 1,476,934 | 449,359 | | 1,926,293 |
| Tatiara | 2,406,027 | 542,123 | 362,000 | 3,310,150 |
| Tea Tree Gully | 1,989,783 | 1,089,669 | 97,000 | 3,176,452 |
| Tumby Bay | 537,569 | 254,765 | | 792,334 |
| Unley | 787,516 | 368,870 | | 1,156,386 |
| Victor Harbor | 301,531 | 262,583 | 979,000 | 1,543,114 |
| Wakefield | 1,811,412 | 514,296 | | 2,325,708 |
| Walkerville | 149,392 | 73,575 | | 222,967 |
| Wattle Range | 1,924,922 | 521,924 | | 2,446,846 |
| West Torrens | 1,183,373 | 592,960 | 175,000 | 1,951,333 |
| Whyalla | 3,885,773 | 385,281 | | 4,271,054 |
| Wudinna | 1,236,089 | 383,819 | 255,000 | 1,874,908 |
| Yankalilla | 126,691 | 147,374 | | 274,065 |
| Yorke Peninsula | 1,450,096 | 785,662 | | 2,235,758 |
| Outback Communities Authority | 1,437,498 | | | 1,437,498 |
| Anangu Pitjantjatjara Yankunytjatjara | 1,137,134 | 145,293 | | 1,282,427 |
| Gerard Cty Council | 44,379 | 19,358 | | 63,737 |
| Maralinga Tjarutja | 92,726 | 51,982 | | 144,708 |
| Nipapanha Community Inc. | 28,468 | 19,274 | | 47,742 |
| Yalata Community Inc. | 159,737 | 41,852 | | 201,589 |
| STATE TOTAL | 113,431,089 | 32,858,146 | 5,798,000 | 152,087,235 |

APPENDIX IV - Road Lengths by Council by Surface Type as at 30 June 2015

(Road length data includes laneways)

| Council name | Sealed | Formed | Unformed | TOTAL |
|-------------------------|--------|--------|----------|-------|
| Adelaide | 127 | 0 | 0 | 127 |
| Adelaide Hills | 616 | 380 | 8 | 1,005 |
| Alexandrina | 557 | 791 | 26 | 1,374 |
| Barossa | 346 | 557 | 71 | 974 |
| Barunga West | 72 | 755 | 99 | 926 |
| Berri Barmera | 273 | 134 | 77 | 485 |
| Burnside | 235 | 5 | 0 | 240 |
| Campbelltown | 255 | 0 | 0 | 255 |
| Ceduna | 77 | 1381 | 257 | 1,715 |
| Charles Sturt | 579 | 1 | 0 | 580 |
| Clare & Gilbert Valleys | 234 | 1410 | 187 | 1,832 |
| Cleve | 101 | 1329 | 115 | 1,546 |
| Cooper Pedy | 30 | 128 | 263 | 421 |
| Coorong | 361 | 1531 | 1 | 1,894 |
| Copper Coast | 278 | 548 | 131 | 957 |
| Elliston | 44 | 967 | 136 | 1,148 |
| Flinders Ranges | 38 | 888 | 336 | 1,262 |
| Franklin Harbour | 76 | 670 | 37 | 783 |
| Gawler | 177 | 21 | 2 | 200 |
| Goyder | 160 | 2862 | 226 | 3,248 |
| Grant | 492 | 770 | 307 | 1,569 |
| Holdfast Bay | 179 | 1 | 0 | 179 |
| Kangaroo Island | 256 | 1056 | 51 | 1,362 |
| Karoonda East Murray | 130 | 1121 | 48 | 1,299 |
| Kimba | 100 | 979 | 636 | 1,716 |
| Kingston | 126 | 559 | 60 | 744 |
| Light | 176 | 1229 | 56 | 1,461 |
| Lower Eyre Peninsula | 144 | 1117 | 83 | 1,344 |
| Loxton Waikerie | 415 | 1690 | 199 | 2,304 |
| Mallala | 156 | 675 | 130 | 961 |
| Marion | 475 | 0 | 0 | 475 |
| Mid Murray | 334 | 2084 | 976 | 3,394 |
| Mitcham | 405 | 5 | 1 | 411 |
| Mount Barker | 353 | 393 | 30 | 776 |
| Mount Gambier | 222 | 1 | 1 | 224 |
| Mount Remarkable | 110 | 1525 | 433 | 2,067 |

| Council name | Sealed | Formed | Unformed | TOTAL |
|-----------------------------|---------------|---------------|-----------------|---------------|
| Murray Bridge | 440 | 515 | 21 | 976 |
| Naracoorte Lucindale | 477 | 1102 | 36 | 1,615 |
| Northern Areas | 137 | 1791 | 274 | 2,202 |
| Norwood, Payneham & St. Pet | 172 | 0 | 0 | 172 |
| Onkaparinga | 1284 | 191 | 3 | 1,478 |
| Orroroo Carrieton | 59 | 872 | 697 | 1,628 |
| Peterborough | 40 | 805 | 386 | 1,231 |
| Playford | 734 | 91 | 6 | 830 |
| Port Adelaide Enfield | 682 | 4 | 0 | 686 |
| Port Augusta | 196 | 123 | 92 | 411 |
| Port Lincoln | 151 | 6 | 2 | 159 |
| Port Pirie | 309 | 997 | 49 | 1,354 |
| Prospect | 91 | 0 | 0 | 91 |
| Renmark Paringa | 307 | 132 | 40 | 480 |
| Robe | 42 | 337 | 56 | 435 |
| Roxby Downs | 34 | 4 | 0 | 39 |
| Salisbury | 819 | 6 | 0 | 824 |
| Southern Mallee | 115 | 1073 | 144 | 1,332 |
| Streaky Bay | 96 | 1418 | 219 | 1,733 |
| Tatiara | 519 | 1188 | 225 | 1,932 |
| Tea Tree Gully | 581 | 10 | 6 | 597 |
| Tumby Bay | 52 | 967 | 90 | 1,110 |
| Unley | 170 | 0 | 0 | 170 |
| Victor Harbor | 256 | 143 | 2 | 402 |
| Wakefield | 206 | 2394 | 86 | 2,686 |
| Walkerville | 36 | 0 | 0 | 36 |
| Wattle Range | 518 | 1374 | 555 | 2,447 |
| West Torrens | 293 | 0 | 0 | 293 |
| Whyalla | 224 | 125 | 3 | 352 |
| Wudinna | 82 | 1278 | 330 | 1,690 |
| Yankalilla | 129 | 367 | 48 | 544 |
| Yorke Peninsula | 474 | 3180 | 236 | 3,891 |
| TOTAL | 18,434 | 48,062 | 8,591 | 75,086 |

APPENDIX V – Cost Relativity Indices - 2016-17 Financial Assistance Grants

| | Sealed Built-up Roads | Sealed Non-Built- up Roads | Unsealed Built-up Roads | Unsealed Non-Built- up Roads | Unformed Roads | Waste Management | Stormwater Maintenance |
|-------------------------------|-----------------------------|----------------------------------|-------------------------------|------------------------------------|-------------------|---------------------|---------------------------|
| Adelaide | 1.02 | 0.96 | 1.00 | 1.00 | 1.00 | 0.97 | 0.99 |
| Adelaide Hills | 1.04 | 1.08 | 1.17 | 1.08 | 1.14 | 1.02 | 0.92 |
| Alexandrina | 0.91 | 0.98 | 1.01 | 1.03 | 1.04 | 1.07 | 0.91 |
| Barossa | 1.00 | 1.03 | 1.03 | 1.03 | 1.05 | 1.11 | 0.92 |
| Barunga West | 0.87 | 0.92 | 0.98 | 0.98 | 1.00 | 1.02 | 0.90 |
| Berri Barmera | 1.05 | 0.99 | 1.00 | 1.05 | 1.05 | 1.05 | 0.92 |
| Burnside | 1.14 | 0.96 | 0.99 | 0.93 | 0.90 | 0.97 | 0.96 |
| Campbelltown | 1.24 | 0.96 | 1.00 | 1.00 | 1.00 | 1.01 | 0.95 |
| Ceduna | 0.89 | 0.95 | 1.01 | 1.01 | 1.00 | 1.07 | 0.90 |
| Charles Sturt | 0.93 | 0.97 | 1.00 | 1.00 | 1.00 | 0.98 | 1.08 |
| Clare & Gilbert Valleys | 1.02 | 0.98 | 0.99 | 1.00 | 1.04 | 1.06 | 0.92 |
| Cleve | 0.87 | 0.93 | 0.98 | 0.98 | 1.00 | 1.04 | 0.94 |
| Coober Pedy | 0.90 | 0.94 | 0.98 | 0.98 | 1.00 | 1.14 | 0.84 |
| Coorong | 0.90 | 0.95 | 1.00 | 1.00 | 1.02 | 1.03 | 0.95 |
| Copper Coast | 0.87 | 0.92 | 0.98 | 0.98 | 1.00 | 1.01 | 0.92 |
| Elliston | 0.84 | 0.83 | 0.96 | 0.95 | 0.92 | 1.21 | 0.94 |
| Flinders Ranges | 0.87 | 1.04 | 0.97 | 0.94 | 0.92 | 1.05 | 0.87 |
| Franklin Harbour | 0.87 | 0.92 | 0.99 | 0.98 | 1.00 | 1.03 | 0.93 |
| Gawler | 0.90 | 1.00 | 1.01 | 1.04 | 1.11 | 0.98 | 0.98 |
| Goyder | 0.89 | 0.91 | 0.99 | 0.99 | 1.00 | 1.09 | 0.89 |
| Grant | 0.88 | 0.87 | 0.98 | 0.94 | 0.93 | 1.04 | 0.96 |
| Holdfast Bay | 1.09 | 0.99 | 1.00 | 1.00 | 1.00 | 0.97 | 1.07 |
| Kangaroo Island | 0.94 | 0.99 | 1.00 | 1.03 | 0.99 | 1.12 | 0.91 |
| Karoonda East Murray | 0.87 | 0.91 | 0.98 | 0.98 | 0.99 | 1.15 | 0.87 |
| Kimba | 0.87 | 0.93 | 0.98 | 0.99 | 1.00 | 1.02 | 0.92 |
| Kingston | 1.03 | 1.03 | 1.00 | 0.96 | 1.06 | 0.99 | 0.95 |
| Light | 0.85 | 0.94 | 0.98 | 0.99 | 1.02 | 1.03 | 0.98 |
| Lower Eyre Peninsula | 0.91 | 0.95 | 0.98 | 0.99 | 1.00 | 1.09 | 0.95 |
| Loxton Waikerie | 0.88 | 0.98 | 0.98 | 0.98 | 0.98 | 1.11 | 0.90 |
| Mallala | 0.84 | 0.90 | 0.98 | 0.98 | 1.00 | 1.04 | 0.95 |
| Marion | 1.09 | 0.96 | 0.98 | 0.98 | 1.00 | 0.97 | 0.98 |
| Mid Murray | 1.05 | 1.08 | 1.09 | 1.03 | 1.02 | 1.03 | 0.88 |
| Mitcham | 1.12 | 0.99 | 0.94 | 0.98 | 1.01 | 0.98 | 0.96 |
| Mount Barker | 0.96 | 1.00 | 0.98 | 1.00 | 1.03 | 1.02 | 0.99 |
| Mount Gambier | 0.81 | 0.80 | 0.99 | 0.89 | 0.90 | 0.98 | 1.00 |
| Mount Remarkable | 0.88 | 0.93 | 0.99 | 0.99 | 0.99 | 1.11 | 0.87 |
| Murray Bridge | 0.86 | 1.01 | 1.00 | 1.01 | 1.03 | 1.03 | 0.98 |
| Naracoorte Lucindale | 0.96 | 1.12 | 1.03 | 1.07 | 1.18 | 1.03 | 0.95 |
| Northern Areas | 0.88 | 0.92 | 1.01 | 1.01 | 1.01 | 1.18 | 0.91 |
| Norwood, Payneham & St Peters | 1.19 | 0.96 | 1.00 | 1.00 | 1.00 | 0.98 | 0.95 |
| Onkaparinga | 1.00 | 1.04 | 0.98 | 1.02 | 1.06 | 0.98 | 0.98 |
| Orroroo Carrieton | 0.87 | 0.90 | 0.98 | 0.97 | 0.96 | 1.08 | 0.85 |
| Peterborough | 0.88 | 0.92 | 1.00 | 1.00 | 0.96 | 1.00 | 0.89 |
| Playford | 1.10 | 1.03 | 1.06 | 1.01 | 1.05 | 0.99 | 1.08 |
| Port Adelaide Enfield | 1.05 | 0.97 | 1.18 | 1.00 | 1.00 | 0.98 | 1.15 |
| Port Augusta | 0.87 | 0.90 | 0.98 | 0.98 | 1.00 | 0.98 | 0.92 |
| Port Lincoln | 0.78 | 0.90 | 0.95 | 0.99 | 0.95 | 1.00 | 0.98 |
| Port Pirie | 0.88 | 0.92 | 1.00 | 1.01 | 1.00 | 0.99 | 1.07 |
| Prospect | 0.97 | 0.97 | 1.00 | 1.00 | 1.00 | 0.98 | 0.98 |
| Renmark Paringa | 1.22 | 1.21 | 1.20 | 1.08 | 1.09 | 1.07 | 0.98 |
| Robe | 0.98 | 0.94 | 0.98 | 1.04 | 1.08 | 1.01 | 0.94 |
| Roxby Downs | 0.89 | 0.90 | 0.99 | 0.98 | 1.00 | 1.02 | 0.91 |
| Salisbury | 1.05 | 0.96 | 1.12 | 1.05 | 1.00 | 0.98 | 1.01 |
| Southern Mallee | 0.88 | 0.95 | 1.01 | 1.00 | 0.97 | 1.05 | 0.90 |
| Streaky Bay | 0.76 | 0.82 | 0.95 | 0.95 | 0.97 | 1.15 | 0.90 |
| Tatiara | 1.06 | 1.07 | 1.15 | 1.04 | 1.05 | 0.98 | 0.92 |
| Tea Tree Gully | 1.08 | 1.07 | 1.07 | 1.01 | 1.08 | 0.98 | 0.96 |
| Tumby Bay | 0.88 | 0.93 | 1.01 | 1.01 | 1.00 | 1.04 | 0.94 |
| Unley | 1.26 | 0.97 | 1.00 | 1.00 | 1.00 | 0.98 | 0.98 |
| Victor Harbor | 0.88 | 0.95 | 0.94 | 0.98 | 0.92 | 1.07 | 0.99 |
| Wakefield | 0.88 | 0.91 | 1.00 | 1.01 | 1.00 | 1.04 | 0.92 |
| Walkerville | 1.06 | 0.96 | 1.00 | 1.00 | 1.00 | 0.98 | 0.97 |
| Wattle Range | 0.98 | 1.15 | 1.00 | 1.04 | 1.11 | 1.00 | 0.98 |
| West Torrens | 0.94 | 0.97 | 1.00 | 1.00 | 1.00 | 0.98 | 1.07 |
| Whyalla | 0.84 | 0.89 | 1.00 | 1.01 | 1.00 | 0.99 | 0.98 |
| Wudinna | 0.88 | 0.92 | 1.00 | 0.98 | 0.99 | 1.00 | 0.88 |
| Yankalilla | 0.99 | 1.09 | 0.99 | 1.02 | 1.05 | 1.10 | 0.98 |
| Yorke Peninsula | 0.87 | 0.89 | 0.99 | 0.99 | 0.97 | 1.08 | 0.95 |

APPENDIX VI – Revenue relativity index – 2016-17 Financial Assistance Grants

| | SEIFA Index of Economic- | Converted to be centred around |
|-------------------------------|-------------------------------------|---|
| Adelaide | 874.303814 | 0.891089 |
| Adelaide Hills | 1082.609514 | 1.103394 |
| Alexandrina | 1000.020953 | 1.019220 |
| Barossa | 1027.978887 | 1.047715 |
| Barunga West | 980.9946496 | 0.999828 |
| Berri Barmera | 927.2674587 | 0.945070 |
| Burnside | 1044.495148 | 1.064548 |
| Campbelltown | 989.5761623 | 1.008575 |
| Ceduna | 940.5006614 | 0.958557 |
| Charles Sturt | 957.1495661 | 0.975525 |
| Clare & Gilbert Valleys | 1003.054095 | 1.022311 |
| Cleve | 1021.336811 | 1.040945 |
| Coober Pedy | 870.3099372 | 0.887019 |
| Coorong | 965.6347135 | 0.984173 |
| Copper Coast | 955.1868559 | 0.973525 |
| Elliston | 977.6215957 | 0.996390 |
| Flinders Ranges | 968.7272326 | 0.987325 |
| Franklin Harbour | 982.6914905 | 1.001558 |
| Gawler | 973.1754286 | 0.991859 |
| Goyder | 972.1563996 | 0.990820 |
| Grant | 1046.171585 | 1.066257 |
| Holdfast Bay | 991.2308372 | 1.010261 |
| Kangaroo Island | 981.868702 | 1.000719 |
| Karoonda East Murray | 999.3817604 | 1.018568 |
| Kimba | 1037.835826 | 1.057761 |
| Kingston | 988.2700091 | 1.007243 |
| Light | 1056.244704 | 1.076523 |
| Lower Eyre Peninsula | 1033.366189 | 1.053205 |
| Loxton Waikerie | 960.8397234 | 0.979286 |
| Mallala | 1034.815823 | 1.054683 |
| Marion | 973.5054207 | 0.992195 |
| Mid Murray | 965.0141507 | 0.983541 |
| Mitcham | 1041.458803 | 1.061453 |
| Mount Barker | 1036.286437 | 1.056182 |
| Mount Gambier | 930.5433756 | 0.948408 |
| Mount Remarkable | 990.4350978 | 1.009450 |
| Murray Bridge | 932.0791852 | 0.949974 |
| Naracoorte Lucindale | 1004.369538 | 1.023652 |
| Northern Areas | 990.4230851 | 1.009438 |
| Norwood, Payneham & St Peters | 964.4938816 | 0.983011 |
| Onkaparinga | 995.9685131 | 1.015090 |
| Ororoo Carrieton | 1008.015134 | 1.027368 |
| Peterborough | 872.5901497 | 0.889343 |
| Playford | 913.51491 | 0.931053 |
| Port Adelaide Enfield | 921.1271858 | 0.938811 |
| Port Augusta | 917.3554576 | 0.934967 |
| Port Lincoln | 943.5970164 | 0.961713 |
| Port Pirie | 914.110516 | 0.931660 |
| Prospect | 997.2775652 | 1.016424 |
| Renmark Paringa | 943.422715 | 0.961535 |
| Robe | 1013.996017 | 1.033463 |
| Roxby Downs | 1065.932651 | 1.086397 |
| Salisbury | 960.0576162 | 0.978489 |
| Southern Mallee | 995.5140484 | 1.014626 |
| Streaky Bay | 978.6484046 | 0.997437 |
| Tatiara | 1012.933867 | 1.032381 |
| Tea Tree Gully | 1026.322911 | 1.046027 |
| Tumby Bay | 988.6547181 | 1.007635 |
| Unley | 1012.910478 | 1.032357 |
| Victor Harbor | 974.4160325 | 0.993123 |
| Wakefield | 972.6787744 | 0.991353 |
| Walkerville | 1028.544517 | 1.048291 |
| Wattle Range | 968.5380501 | 0.987133 |
| West Torrens | 949.0343584 | 0.967254 |
| Whyalla | 904.5504938 | 0.921916 |
| Wudinna | 1007.87963 | 1.027229 |
| Yankalilla | 989.5225783 | 1.008520 |
| Yorke Peninsula | 968.5541511 | 0.987149 |

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 2014, 2015 and 2016 averaged)

| Unit of Measure: | Residential | Commercial | Industrial | Rural | Other |
|-------------------------------|----------------|---------------|--------------|---------------|--------------|
| Adelaide | 200,630 | 352,499 | 2,233 | 0 | 51,871 |
| Adelaide Hills | 176,789 | 6,176 | 816 | 48,273 | 6,678 |
| Alexandrina | 178,275 | 7,371 | 1,734 | 65,213 | 15,222 |
| Barossa | 124,492 | 11,238 | 10,280 | 50,305 | 7,890 |
| Barunga West | 134,462 | 6,695 | 2,032 | 273,992 | 7,818 |
| Berri Barmera | 69,359 | 11,005 | 2,718 | 19,815 | 5,207 |
| Burnside | 312,392 | 20,958 | 212 | 144 | 8,271 |
| Campbelltown | 178,967 | 6,937 | 865 | 89 | 7,074 |
| Ceduna | 85,651 | 16,840 | 930 | 25,429 | 9,479 |
| Charles Sturt | 184,501 | 20,866 | 3,447 | 21 | 5,840 |
| Clare & Gilbert Valleys | 91,008 | 13,530 | 2,867 | 150,298 | 7,429 |
| Cleve | 73,893 | 15,079 | 682 | 217,901 | 5,544 |
| Coober Pedy | 62,982 | 19,325 | 820 | - | 5,686 |
| Coorong | 58,358 | 5,996 | 645 | 163,726 | 7,539 |
| Copper Coast | 162,240 | 14,212 | 1,338 | 30,884 | 20,356 |
| Ellistown | 107,927 | 12,068 | 852 | 207,890 | 16,318 |
| Flinders Ranges | 73,747 | 8,172 | 526 | 50,471 | 8,048 |
| Franklin Harbour | 118,490 | 11,893 | 945 | 63,042 | 15,059 |
| Gawler | 117,916 | 12,606 | 694 | 5,514 | 8,894 |
| Goyder | 53,441 | 4,986 | 748 | 188,504 | 4,744 |
| Grant | 72,368 | 2,626 | 3,029 | 173,846 | 5,332 |
| Holdfast Bay | 259,892 | 23,590 | 1,063 | - | 7,946 |
| Kangaroo Island | 137,321 | 16,756 | 1,502 | 128,238 | 31,683 |
| Karoonda East Murray | 32,407 | 7,015 | 2,816 | 205,047 | 5,349 |
| Kimba | 49,874 | 15,514 | 638 | 196,344 | 4,571 |
| Kingston | 142,912 | 10,414 | 1,087 | 243,221 | 26,269 |
| Light | 104,661 | 7,685 | 6,964 | 96,278 | 5,809 |
| Lower Eyre Peninsula | 137,572 | 7,235 | 1,015 | 192,463 | 22,098 |
| Loxton Waikerie | 71,597 | 7,102 | 2,230 | 60,443 | 4,933 |
| Mallala | 99,460 | 2,974 | 1,431 | 80,158 | 8,657 |
| Marion | 162,726 | 18,233 | 1,669 | 67 | 4,486 |
| Mid Murray | 150,074 | 6,399 | 1,044 | 68,673 | 21,123 |
| Mitcham | 213,274 | 10,586 | 1,535 | 666 | 6,810 |
| Mount Barker | 134,976 | 14,582 | 1,845 | 36,124 | 9,523 |
| Mount Gambier | 88,873 | 18,512 | 3,850 | 836 | 5,549 |
| Mount Remarkable | 76,479 | 7,244 | 377 | 124,607 | 10,301 |
| Murray Bridge | 80,055 | 13,405 | 4,383 | 23,108 | 7,442 |
| Naracoorte Lucindale | 68,057 | 11,328 | 2,291 | 167,531 | 4,532 |
| Northern Areas | 63,282 | 8,809 | 1,031 | 223,110 | 6,468 |
| Norwood, Payneham & St Peters | 233,161 | 46,448 | 2,646 | 15 | 10,484 |
| Onkaparinga | 131,522 | 8,660 | 1,993 | 7,151 | 5,227 |
| Orroroo Carrieton | 51,657 | 6,009 | 525 | 151,736 | 2,934 |
| Peterborough | 43,747 | 6,529 | 800 | 38,725 | 3,089 |
| Playford | 77,882 | 10,190 | 2,015 | 11,247 | 4,921 |
| Port Adelaide Enfield | 135,183 | 23,905 | 13,547 | 11 | 8,153 |
| Port Augusta | 81,508 | 15,352 | 1,883 | 1,399 | 6,729 |
| Port Lincoln | 117,388 | 23,795 | 4,377 | 989 | 8,614 |
| Port Pirie | 71,874 | 10,785 | 2,144 | 24,684 | 4,477 |
| Prospect | 209,698 | 16,519 | 561 | - | 4,661 |
| Renmark Paringa | 74,879 | 10,599 | 2,480 | 36,772 | 4,376 |
| Robe | 374,487 | 35,629 | 4,185 | 220,168 | 45,540 |
| Roxby Downs | 120,558 | 15,275 | 1,337 | - | 4,823 |
| Salisbury | 107,164 | 14,311 | 4,373 | 627 | 4,546 |
| Southern Mallee | 32,233 | 9,089 | 834 | 162,780 | 2,781 |
| Streaky Bay | 98,382 | 12,629 | 1,066 | 86,097 | 23,527 |
| Tatiara | 50,361 | 8,993 | 3,660 | 171,030 | 4,102 |
| Tea Tree Gully | 146,936 | 11,803 | 1,134 | 875 | 3,798 |
| Tumby Bay | 121,070 | 12,500 | 838 | 214,085 | 14,698 |
| Unley | 273,269 | 29,518 | 572 | 1 | 9,288 |
| Victor Harbor | 193,360 | 15,918 | 825 | 21,490 | 17,276 |
| Wakefield | 59,304 | 8,739 | 1,420 | 179,955 | 6,771 |
| Walkerville | 336,269 | 19,407 | 140 | - | 13,400 |
| Wattle Range | 71,494 | 7,662 | 6,719 | 148,593 | 6,729 |
| West Torrens | 169,779 | 30,073 | 7,002 | 32 | 6,953 |
| Whyalla | 84,229 | 11,805 | 1,615 | 517 | 3,741 |
| Wudinna | 43,680 | 16,122 | 437 | 148,173 | 3,348 |
| Yankalilla | 245,029 | 10,738 | 787 | 103,594 | 31,600 |
| Yorke Peninsula | 203,961 | 10,410 | 1,215 | 234,306 | 23,490 |
| State | 150,632 | 20,153 | 3,243 | 20,491 | 7,684 |

APPENDIX VIII – Units of Measure by function - Expenditure

Data sourced from Councils and the Australian Bureau of Statistics as at 30 June 2015.

| Function: | Waste Management | Aged Care Services | Services to Families & Children | Health Inspection | Libraries | Sport, Recreation and Culture |
|-------------------------------|---|----------------------------|---------------------------------|---------------------------|-------------------------------|-------------------------------|
| Unit of Measure: | Number of Residential, Rural and Commercial (shop) Properties | Population Aged > 65 years | Population Aged 0-14 years | Establishments to Inspect | Estimated Resident Population | Population Aged 5-64 years |
| Adelaide | 12,273 | 2,874 | 1,297 | 1,641 | 23,169 | 19,206 |
| Adelaide Hills | 15,034 | 6,345 | 7,736 | 703 | 40,031 | 31,362 |
| Alexandrina | 14,664 | 6,565 | 3,985 | 422 | 25,449 | 17,354 |
| Barossa | 10,249 | 4,254 | 4,469 | 305 | 23,104 | 17,314 |
| Barunga West | 2,171 | 686 | 384 | 85 | 2,434 | 1,641 |
| Berri Barmera | 5,101 | 2,078 | 2,062 | 257 | 10,419 | 7,838 |
| Burnside | 19,345 | 9,677 | 6,972 | 401 | 45,034 | 33,291 |
| Campbelltown | 21,454 | 10,294 | 8,409 | 281 | 51,889 | 38,371 |
| Ceduna | 1,705 | 499 | 744 | 403 | 3,716 | 2,971 |
| Charles Sturt | 51,108 | 20,762 | 17,921 | 859 | 114,209 | 85,674 |
| Clare & Gilbert Valleys | 5,060 | 1,782 | 1,851 | 110 | 9,057 | 6,668 |
| Cleve | 1,096 | 359 | 377 | 28 | 1,795 | 1,312 |
| Cooper Pedy | 1,270 | 378 | 275 | 66 | 1,801 | 1,324 |
| Coorong | 3,052 | 1,216 | 1,028 | 140 | 5,556 | 4,049 |
| Copper Coast | 9,141 | 3,537 | 2,319 | 124 | 14,114 | 9,597 |
| Elliston | 834 | 132 | 204 | 34 | 1,066 | 872 |
| Flinders Ranges | 1,212 | 349 | 273 | 38 | 1,608 | 1,202 |
| Franklin Harbour | 847 | 237 | 228 | 135 | 1,234 | 916 |
| Gawler | 9,556 | 4,161 | 3,909 | 304 | 22,618 | 16,679 |
| Goyder | 3,191 | 942 | 765 | 79 | 4,232 | 3,079 |
| Grant | 4,065 | 1,203 | 1,574 | 232 | 8,235 | 6,488 |
| Holdfast Bay | 18,508 | 8,280 | 4,611 | 395 | 37,263 | 27,268 |
| Kangaroo Island | 3,402 | 960 | 783 | 138 | 4,611 | 3,381 |
| Karoonda East Murray | 747 | 211 | 194 | 26 | 1,014 | 740 |
| Kimba | 638 | 215 | 202 | 36 | 1,097 | 806 |
| Kingston | 1,751 | 582 | 339 | 113 | 2,363 | 1,688 |
| Light | 6,038 | 1,762 | 3,214 | 164 | 14,841 | 11,966 |
| Lower Eyre Peninsula | 2,643 | 753 | 1,074 | 91 | 5,087 | 4,013 |
| Loxton Waikerie | 5,998 | 2,399 | 2,077 | 173 | 11,462 | 8,414 |
| Mallala | 3,703 | 1,101 | 1,791 | 342 | 8,750 | 7,046 |
| Marion | 39,433 | 14,817 | 14,357 | 502 | 88,983 | 68,224 |
| Mid Murray | 7,190 | 1,951 | 1,173 | 339 | 8,243 | 5,982 |
| Mitcham | 26,629 | 12,315 | 11,458 | 752 | 66,347 | 50,084 |
| Mount Barker | 12,891 | 4,255 | 6,786 | 446 | 32,558 | 25,484 |
| Mount Gambier | 12,371 | 4,356 | 5,296 | 239 | 26,348 | 20,117 |
| Mount Remarkable | 2,155 | 679 | 433 | 129 | 2,773 | 1,991 |
| Murray Bridge | 9,495 | 3,795 | 3,919 | 186 | 20,971 | 15,694 |
| Naracoorte Lucindale | 4,592 | 1,484 | 1,568 | 121 | 8,390 | 6,437 |
| Northern Areas | 3,033 | 1,040 | 802 | 250 | 4,488 | 3,180 |
| Norwood, Payneham & St Peters | 17,339 | 6,660 | 5,267 | 926 | 37,350 | 28,552 |
| Onkaparinga | 70,115 | 25,907 | 31,858 | 951 | 168,798 | 130,995 |
| Orroroo Carrieton | 910 | 220 | 132 | 40 | 852 | 594 |
| Peterborough | 1,333 | 449 | 281 | 199 | 1,673 | 1,187 |
| Playford | 34,913 | 10,097 | 19,813 | 872 | 88,222 | 69,134 |
| Port Adelaide Enfield | 53,788 | 18,250 | 21,103 | 734 | 123,754 | 96,061 |
| Port Augusta | 6,607 | 2,244 | 2,842 | 216 | 14,522 | 11,335 |
| Port Lincoln | 6,735 | 2,492 | 2,948 | 251 | 14,984 | 11,336 |
| Port Pirie | 8,721 | 3,502 | 3,340 | 224 | 17,540 | 13,105 |
| Prospect | 9,075 | 2,714 | 3,498 | 185 | 21,416 | 17,302 |
| Renmark Paringa | 4,338 | 1,752 | 1,653 | 114 | 9,230 | 7,020 |
| Robe | 1,691 | 314 | 202 | 31 | 1,428 | 1,041 |
| Roxby Downs | 1,842 | 53 | 973 | 413 | 5,078 | 4,551 |
| Salisbury | 54,537 | 18,457 | 26,470 | 804 | 138,535 | 109,153 |
| Southern Mallee | 1,208 | 424 | 396 | 28 | 2,058 | 1,526 |
| Streaky Bay | 1,423 | 413 | 440 | 79 | 2,249 | 1,717 |
| Tatiara | 3,388 | 1,153 | 1,350 | 414 | 6,631 | 5,091 |
| Tea Tree Gully | 39,540 | 16,226 | 17,371 | 494 | 98,861 | 76,597 |
| Tumby Bay | 1,664 | 685 | 479 | 197 | 2,668 | 1,839 |
| Unley | 17,171 | 6,327 | 6,291 | 425 | 39,324 | 30,591 |
| Victor Harbor | 8,735 | 5,546 | 1,843 | 199 | 15,169 | 8,824 |
| Wakefield | 3,978 | 1,358 | 1,390 | 111 | 6,886 | 5,048 |
| Walkerville | 3,452 | 1,648 | 1,226 | 65 | 7,673 | 5,532 |
| Wattle Range | 6,869 | 2,167 | 2,150 | 279 | 11,460 | 8,767 |
| West Torrens | 27,154 | 10,160 | 8,707 | 514 | 58,964 | 45,073 |
| Whyalla | 11,063 | 3,646 | 4,305 | 134 | 22,759 | 17,586 |
| Wudinna | 741 | 187 | 337 | 42 | 1,282 | 933 |
| Yankalilla | 3,994 | 1,295 | 660 | 93 | 4,700 | 3,092 |
| Yorke Peninsula | 10,667 | 3,348 | 1,652 | 88 | 11,018 | 7,204 |
| Total | 766,637 | 286,974 | 295,836 | 20,207 | 1,691,443 | 1,290,509 |

| Function: | Sealed Built Up Roads | Sealed Non Built Up Roads | Sealed Built-Up Roads (Footpaths, kerbing, street lighting etc) | Unsealed Built Up Roads | Unsealed Non Built Up Roads | Unformed Roads |
|-------------------------------|-----------------------|---------------------------|---|-------------------------|-----------------------------|----------------|
| Unit of Measure: | Sealed Built Up Kms | Sealed Non Built Up Kms | Sealed Built Up Kms | Unsealed Built Up Kms | Unsealed Non Built Up Kms | Unformed Kms |
| Adelaide | 123 | - | 123 | - | - | - |
| Adelaide Hills | 213 | 401 | 213 | 3 | 376 | 8 |
| Alexandrina | 252 | 302 | 252 | 19 | 772 | 26 |
| Barossa | 148 | 198 | 148 | 10 | 547 | 71 |
| Barunga West | 34 | 38 | 34 | 7 | 749 | 99 |
| Berri Barmera | 71 | 201 | 71 | 1 | 121 | 77 |
| Burnside | 229 | - | 229 | - | 5 | 0 |
| Campbelltown | 255 | - | 255 | - | - | - |
| Ceduna | 42 | 35 | 42 | 4 | 1,377 | 257 |
| Charles Sturt | 576 | - | 576 | 1 | - | 0 |
| Clare & Gilbert Valleys | 76 | 157 | 76 | 13 | 1,397 | 187 |
| Cleve | 21 | 81 | 21 | 8 | 1,321 | 115 |
| Cooper Pedy | 27 | 3 | 27 | 27 | 101 | 263 |
| Coorong | 55 | 306 | 55 | 14 | 1,517 | 1 |
| Copper Coast | 175 | 100 | 175 | 42 | 502 | 131 |
| Elliston | 22 | 22 | 22 | 8 | 960 | 136 |
| Flinders Ranges | 22 | 15 | 22 | 10 | 879 | 336 |
| Franklin Harbour | 18 | 58 | 18 | - | 670 | 37 |
| Gawler | 146 | 30 | 146 | 2 | 16 | 2 |
| Goyder | 67 | 93 | 67 | 33 | 2,829 | 226 |
| Grant | 29 | 463 | 29 | 2 | 768 | 307 |
| Holdfast Bay | 172 | - | 172 | - | - | - |
| Kangaroo Island | 53 | 203 | 53 | 55 | 1,000 | 51 |
| Karoonda East Murray | 10 | 120 | 10 | 5 | 1,116 | 48 |
| Kimba | 12 | 88 | 12 | 10 | 970 | 636 |
| Kingston | 43 | 83 | 43 | 5 | 554 | 60 |
| Light | 80 | 96 | 80 | 20 | 1,207 | 56 |
| Lower Eyre Peninsula | 45 | 99 | 45 | 16 | 1,101 | 83 |
| Loxton Waikerie | 68 | 347 | 68 | 16 | 1,674 | 199 |
| Mallala | 89 | 67 | 89 | 35 | 640 | 130 |
| Marion | 474 | - | 474 | 0 | - | - |
| Mid Murray | 76 | 255 | 76 | 28 | 2,057 | 976 |
| Mitcham | 385 | 17 | 385 | 0 | 0 | 1 |
| Mount Barker | 186 | 166 | 186 | 14 | 379 | 30 |
| Mount Gambier | 204 | 18 | 204 | 0 | 1 | 1 |
| Mount Remarkable | 27 | 82 | 27 | 15 | 1,510 | 433 |
| Murray Bridge | 147 | 292 | 147 | 7 | 508 | 21 |
| Naracoorte Lucindale | 72 | 404 | 72 | 5 | 1,097 | 36 |
| Northern Areas | 64 | 73 | 64 | 31 | 1,760 | 274 |
| Norwood, Payneham & St Peters | 160 | - | 160 | - | - | - |
| Onkaparinga | 1,029 | 247 | 1,029 | 6 | 185 | 3 |
| Orroroo Carrieton | 19 | 41 | 19 | 7 | 865 | 697 |
| Peterborough | 31 | 8 | 31 | 7 | 799 | 386 |
| Playford | 482 | 248 | 482 | 1 | 90 | 6 |
| Port Adelaide Enfield | 680 | - | 680 | 4 | - | - |
| Port Augusta | 143 | 53 | 143 | 26 | 98 | 92 |
| Port Lincoln | 144 | 7 | 144 | 3 | 3 | 2 |
| Port Pirie | 178 | 131 | 178 | 20 | 977 | 49 |
| Prospect | 87 | - | 87 | - | - | - |
| Renmark Paringa | 50 | 257 | 50 | 9 | 124 | 40 |
| Robe | 29 | 13 | 29 | 2 | 336 | 56 |
| Roxby Downs | 29 | 6 | 29 | - | 4 | - |
| Salisbury | 794 | 23 | 794 | 3 | 3 | - |
| Southern Mallee | 25 | 90 | 25 | 7 | 1,066 | 144 |
| Streaky Bay | 44 | 52 | 44 | 10 | 1,407 | 219 |
| Tatiara | 83 | 436 | 83 | 10 | 1,178 | 225 |
| Tea Tree Gully | 562 | 17 | 562 | 2 | 8 | 6 |
| Tumby Bay | 31 | 21 | 31 | 4 | 963 | 90 |
| Unley | 165 | - | 165 | - | - | - |
| Victor Harbor | 140 | 115 | 140 | 10 | 133 | 2 |
| Wakefield | 72 | 134 | 72 | 10 | 2,384 | 86 |
| Walkerville | 35 | - | 35 | - | - | - |
| Wattle Range | 149 | 368 | 149 | 34 | 1,338 | 555 |
| West Torrens | 290 | - | 290 | 0 | - | - |
| Whyalla | 202 | 19 | 202 | 5 | 52 | 3 |
| Wudinna | 18 | 64 | 18 | 15 | 1,262 | 330 |
| Yankalilla | 53 | 76 | 53 | 3 | 364 | 48 |
| Yorke Peninsula | 177 | 297 | 177 | 51 | 3,130 | 236 |
| Total | 10,706 | 7,639 | 10,706 | 714 | 47,249 | 8,591 |

| Function: | Stormwater Drainage - Maintenance | Community Support | Jetties and Wharves | Public Order and Safety | Planning & Building Control | Bridges | Environment and Coastal Protection |
|-------------------------------|---|--|-------------------------------|----------------------------|--|-------------------|------------------------------------|
| Unit of Measure: | No. of Urban, Industrial & Commercial Properties (excluding exempt) | Population x CRI (SEIFA Index of Advantage/Disadvantage) | Number of Jetties and Wharves | Total Number of Properties | Number of New Developments & Additions | Number of Bridges | Estimated Resident Population |
| Adelaide | 20,131 | 21,270 | - | 23,896 | 1,291 | 8 | 23,169 |
| Adelaide Hills | 13,337 | 35,716 | - | 18,351 | 971 | 72 | 40,031 |
| Alexandrina | 12,773 | 25,281 | 3 | 19,106 | 1,176 | 36 | 25,449 |
| Barossa | 9,130 | 22,439 | - | 13,107 | 761 | 62 | 23,104 |
| Barunga West | 1,655 | 2,535 | - | 2,963 | 105 | - | 2,434 |
| Berri Barmera | 4,724 | 11,343 | 4 | 6,684 | 173 | - | 10,419 |
| Burnside | 19,837 | 39,458 | - | 21,378 | 1,251 | 1 | 45,034 |
| Campbelltown | 21,496 | 49,914 | - | 23,554 | 1,151 | 30 | 51,889 |
| Ceduna | 1,516 | 3,894 | 3 | 2,648 | 131 | - | 3,716 |
| Charles Sturt | 52,825 | 113,192 | - | 57,287 | 3,144 | 3 | 114,209 |
| Clare & Gilbert Valleys | 3,689 | 8,943 | - | 7,383 | 298 | 29 | 9,057 |
| Cleve | 762 | 1,767 | 1 | 1,753 | 57 | 2 | 1,795 |
| Coober Pedy | 1,357 | 1,994 | - | 1,979 | 60 | - | 1,801 |
| Coorong | 2,170 | 5,801 | 3 | 4,968 | 150 | - | 5,556 |
| Copper Coast | 8,807 | 14,840 | 1 | 12,493 | 503 | - | 14,114 |
| Elliston | 611 | 1,064 | 1 | 1,573 | 14 | - | 1,066 |
| Flinders Ranges | 816 | 1,682 | - | 2,178 | 54 | - | 1,608 |
| Franklin Harbour | 689 | 1,264 | - | 1,318 | 74 | 1 | 1,234 |
| Gawler | 9,368 | 22,669 | - | 11,196 | 770 | 9 | 22,618 |
| Goyder | 1,783 | 4,428 | - | 5,008 | 138 | 10 | 4,232 |
| Grant | 2,423 | 7,976 | - | 5,822 | 256 | 1 | 8,235 |
| Holdfast Bay | 19,119 | 34,769 | 2 | 21,098 | 1,052 | 4 | 37,263 |
| Kangaroo Island | 2,666 | 4,638 | 1 | 5,953 | 171 | 25 | 4,611 |
| Karoonda East Murray | 414 | 1,022 | - | 1,488 | 29 | - | 1,014 |
| Kimba | 403 | 1,051 | - | 1,073 | 24 | - | 1,097 |
| Kingston | 1,330 | 2,427 | 1 | 2,863 | 88 | - | 2,363 |
| Light | 4,857 | 14,127 | - | 8,070 | 522 | 19 | 14,841 |
| Lower Eyre Peninsula | 2,057 | 4,957 | 3 | 4,346 | 268 | 2 | 5,087 |
| Loxton Waikerie | 4,883 | 11,968 | 1 | 8,862 | 309 | - | 11,462 |
| Mallala | 2,796 | 8,795 | - | 5,016 | 320 | 3 | 8,750 |
| Marion | 39,896 | 86,928 | - | 43,228 | 2,286 | 3 | 88,983 |
| Mid Murray | 5,536 | 8,749 | 11 | 11,342 | 439 | 12 | 8,243 |
| Mitcham | 27,094 | 59,797 | - | 29,420 | 1,507 | 22 | 66,347 |
| Mount Barker | 11,756 | 30,428 | - | 16,130 | 1,417 | 177 | 32,558 |
| Mount Gambier | 12,986 | 27,943 | - | 14,606 | 421 | 1 | 26,348 |
| Mount Remarkable | 1,416 | 2,810 | 1 | 3,633 | 93 | 4 | 2,773 |
| Murray Bridge | 8,505 | 22,624 | 10 | 12,217 | 545 | 6 | 20,971 |
| Naracoorte Lucindale | 3,142 | 8,423 | - | 6,686 | 209 | 24 | 8,390 |
| Northern Areas | 1,925 | 4,550 | - | 4,676 | 155 | 18 | 4,488 |
| Norwood, Payneham & St Peters | 19,005 | 34,997 | - | 20,258 | 1,004 | - | 37,350 |
| Onkaparinga | 69,810 | 167,657 | 1 | 79,815 | 3,008 | 48 | 168,798 |
| Orroroo Carrieton | 425 | 851 | - | 1,654 | 27 | - | 852 |
| Peterborough | 1,049 | 2,015 | - | 1,927 | 40 | 9 | 1,673 |
| Playford | 33,689 | 96,257 | - | 40,401 | 1,783 | 20 | 88,222 |
| Port Adelaide Enfield | 56,417 | 127,809 | - | 63,452 | 3,131 | 1 | 123,754 |
| Port Augusta | 6,877 | 15,722 | 3 | 8,198 | 304 | 7 | 14,522 |
| Port Lincoln | 7,323 | 15,534 | 2 | 8,636 | 325 | 1 | 14,984 |
| Port Pirie | 8,384 | 19,283 | 5 | 11,176 | 388 | 6 | 17,540 |
| Prospect | 9,391 | 19,839 | - | 9,951 | 302 | - | 21,416 |
| Renmark Paringa | 3,802 | 9,932 | 1 | 5,849 | 221 | 3 | 9,230 |
| Robe | 1,448 | 1,393 | 1 | 2,676 | 98 | 1 | 1,428 |
| Roxby Downs | 1,969 | 4,469 | - | 2,133 | 88 | - | 5,078 |
| Salisbury | 55,786 | 144,343 | - | 60,663 | 3,338 | 22 | 138,535 |
| Southern Mallee | 771 | 2,074 | - | 1,997 | 50 | - | 2,058 |
| Streaky Bay | 1,071 | 2,275 | 1 | 2,680 | 67 | - | 2,249 |
| Tatiara | 2,335 | 6,654 | - | 5,110 | 115 | 16 | 6,631 |
| Tea Tree Gully | 39,928 | 94,170 | - | 43,065 | 2,141 | 6 | 98,861 |
| Tumby Bay | 1,210 | 2,709 | 2 | 2,513 | 76 | 4 | 2,668 |
| Unley | 18,069 | 35,177 | - | 19,144 | 1,060 | 8 | 39,324 |
| Victor Harbor | 8,456 | 15,327 | - | 10,966 | 529 | 26 | 15,169 |
| Wakefield | 2,600 | 7,208 | - | 5,942 | 187 | 24 | 6,886 |
| Walkerville | 3,446 | 6,703 | - | 3,872 | 253 | - | 7,673 |
| Wattle Range | 4,902 | 12,141 | - | 9,914 | 333 | - | 11,460 |
| West Torrens | 28,513 | 57,736 | - | 30,895 | 1,246 | 18 | 58,964 |
| Whyalla | 11,403 | 24,494 | 3 | 12,543 | 501 | - | 22,759 |
| Wudinna | 458 | 1,251 | - | 1,357 | 33 | - | 1,282 |
| Yankalilla | 3,449 | 4,714 | 2 | 5,811 | 294 | 35 | 4,700 |
| Yorke Peninsula | 9,246 | 11,539 | 12 | 15,197 | 788 | - | 11,018 |
| Total | 751,912 | 1,677,749 | 79 | 933,149 | 44,116 | 839 | 1,691,443 |

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 1985¹ and the 1991 report of the Commonwealth Grants Commission on the Distribution of General Purpose Grants for Local Government.²
- iii) The following is a summary of important events since the commencement of the Commonwealth's involvement in the provision of financial assistance to Local Government:
 - *Commonwealth Grants Commission Act, 1973* – the Commonwealth Grants Commission was given the power to assess Financial Assistance Grants to Local Government with a view to promoting fiscal equalisation between regions. Applications for assistance under Section 96 of the Constitution could be made by 'approved regional organisations' of Local Government.
 - *1974-75* - First Commonwealth general-purpose grant of \$56.345 million distributed to local government authorities on the basis of recommendations by the Commonwealth Grants Commission. South Australia received \$4.774 million or 8.4728 per cent of the total allocation.
 - *1975-76* - \$79.908 million distributed by the Commonwealth Grants Commission. South Australia received \$6.785 million or 8.4910 per cent of the total allocation.
 - *May 1976* - Special report of the Commonwealth Grants Commission included recommendations on tax-sharing grants to Local Government.
 - *Commonwealth Grants Commission Act, 1976* - Replaced the 1973 Act. Deleted reference to 'approved regional organisations'. Introduced new definition of a grant of assistance to a State or Local Government purposes.
 - *Local Government (Personal Income Tax Sharing) Act, 1976* - Provided for continuation of general-purpose grants to Local Government with the level of funding being linked to Commonwealth personal income tax collections. Relevant percentages were:

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

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

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

- *July 1976* - Interim SA Grants Commission established to recommend allocation of \$11.925 million in South Australia for 1976-77.
- *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.

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

² 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.
- *May 2011* – the Commission’s investigation into the effects of growth within local government was completed. Commencing in 2009-10, the investigation looked at the effects of the State Government’s *30 Year Plan for Greater Adelaide* and its associated regional plans on population growth within local governing authorities. The investigations included consulting with councils to establish the costs associated with population increases, residential development, the need for increased infrastructure and services and the opportunities to raise additional revenue from expanding communities. The investigation also assessed the Commissions current methodology to recognise growth within local government.
- *May 2011* – The Commission completed a review of the effects of including depreciation into its methodology for 2007-08 and associated withdrawal of capital expenditure from its methodology.
- *May 2011* – the Commission updated the unit of measure for the Sport and Recreation expenditure function calculation by increasing the population range from 5-49 years of age to 5-64 years of age.
- *May 2011* – The Commission completed a review on work undertaken in 2002-03 to assess the costs associated with the provision of airports and airstrips by local government. Investigations confirmed earlier work that the local government sector, on average, makes a profit from the provision of airstrips and airports.
- *May 2011* – The Commission reviewed the incorporation of Cost Relativity Indices into the expenditure function calculations for roads by revisiting its work from 2002-03. The Commission was able to confirm that there continues to be a lack of clear data available across the sector to measure traffic volumes. Investigations also found that the classification of roads can vary significantly across councils based on information obtained from a survey of council’s Asset Management Plans.
- *May 2011* – The Commission withdrew all calculations (on both the revenue and expenditure sides of the methodology) relating to libraries for a period of one year, based on inconsistencies found with libraries data.
- *May 2011* – The Commonwealth announced the extension of the Supplementary Local Road Funding for a further three years from 2011-12 to 2013-14, providing an additional \$50.9 million to South Australian councils.
- *June 2011* - approximately one quarter of the 2011-12 Financial Assistance Grants were brought forward by the Commonwealth and paid in 2010-11. Allocation of the early payment of the 2011-12 grants was based on the 2010-11 distribution.

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

- *May 2016* – the Commission completed the first stage of a review of its Other Needs Assessment (Function 50), making a number of changes for the 2016-17 grant recommendations. Changes included the removal of the capital city status allowance for the City of Adelaide, removal of the allowance for duplicated facilities, the creation of a new expenditure function to account for the removal of the Environment and Coastal Protection allowances in Function 50 and the removal of the Cultural and Tourism allowance from Function 50 and the inclusion of its net expenditure in the updated Sport, Recreation and Culture expenditure function.

APPENDIX X – 2014-15 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 2014-15 General Information, Supplementary Returns and their Audited Financial Statements by the due date of 30 November 2015 and thereby facilitated the timely determination of grants.

- | | |
|--------------------------|-----------------------------------|
| 1. Adelaide | 28. Mount Gambier |
| 2. Alexandrina | 29. Mount Remarkable |
| 3. Barossa | 30. Murray Bridge |
| 4. Barunga West | 31. Naracoorte Lucindale |
| 5. Berri Barmera | 32. Norwood, Payneham & St Peters |
| 6. Burnside | 33. Playford |
| 7. Campbelltown | 34. Port Adelaide Enfield |
| 8. Charles Sturt | 35. Port Lincoln |
| 9. Cleve | 36. Port Pirie |
| 10. Coorong | 37. Prospect |
| 11. Copper Coast | 38. Robe |
| 12. Elliston | 39. Roxby Downs |
| 13. Flinders Ranges | 40. Salisbury |
| 14. Franklin Harbour | 41. Southern Mallee |
| 15. Gawler | 42. Tatiara |
| 16. Goyder | 43. Tea Tree Gully |
| 17. Grant | 44. Tumby Bay |
| 18. Holdfast Bay | 45. Unley |
| 19. Kangaroo Island | 46. Victor Harbor |
| 20. Karoonda East Murray | 47. Wakefield Regional |
| 21. Kimba | 48. Walkerville |
| 22. Light Regional | 49. Wattle Range |
| 23. Lower Eyre Peninsula | 50. West Torrens |
| 24. Mallala | 51. Whyalla |
| 25. Marion | 52. Wudinna |
| 26. Mid Murray | 53. Yankalilla |
| 27. Mitcham | 54. Yorke Peninsula |

APPENDIX XI - Financial Statements

SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

Financial Statements

For the Year Ended 30 June 2016

South Australian Local Government Grants Commission
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

| | Note No | 2016 \$'000 | 2015 \$'000 |
|--|------------|----------------|----------------|
| EXPENSES | | | |
| Employee benefit expenses | 4 | 305 | 367 |
| Supplies and services | 5 | 81 | 46 |
| Total Expenses | | 386 | 413 |
| INCOME | | | |
| Interest Revenue | 7 | 45 | 42 |
| Total Income | | 45 | 42 |
| NET REVENUE FROM (COST OF) PROVIDING SERVICES | | (341) | (371) |
| REVENUES FROM (PAYMENTS TO) SA GOVERNMENT: | | | |
| Revenues from SA Government | 8 | 428 | 419 |
| Net Revenues from SA Government | | 428 | 419 |
| Net result | | 87 | 48 |
| TOTAL COMPREHENSIVE RESULT | | 87 | 48 |

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

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

South Australian Local Government Grants Commission
STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

| | Note No | 2016 \$'000 | 2015 \$'000 |
|--------------------------------------|------------|----------------|----------------|
| ASSETS: | | | |
| CURRENT ASSETS: | | | |
| Cash | 9 | 1,112 | 1,008 |
| Receivables | 10 | 3 | 2 |
| Total Current Assets | | 1,115 | 1,010 |
| Total Assets | | 1,115 | 1,010 |
| LIABILITIES: | | | |
| CURRENT LIABILITIES: | | | |
| Payables | 11 | 13 | 13 |
| Employee benefits | 12 | 27 | 24 |
| Total Current Liabilities | | 40 | 37 |
| NON-CURRENT LIABILITIES: | | | |
| Payables | 11 | 11 | 10 |
| Employee benefits | 12 | 116 | 102 |
| Total Non-Current Liabilities | | 127 | 112 |
| Total Liabilities | | 167 | 149 |
| NET ASSETS | | 948 | 861 |
| EQUITY: | | | |
| Retained earnings | | 948 | 861 |
| Total Equity | | 948 | 861 |

Total equity is attributable to the SA Government as owner.

| | |
|--------------------------------------|----|
| Unrecognised contractual commitments | 13 |
| Contingent assets and liabilities | 14 |

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

South Australian Local Government Grants Commission
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2016

| | Retained Earnings | Total Equity |
|--|------------------------------|---------------------|
| | \$'000 | \$'000 |
| Balance at 30 June 2014 | 813 | 813 |
| Net result for 2014-15 | 48 | 48 |
| Total Comprehensive Result for 2014-15 | 48 | 48 |
| Balance at 30 June 2015 | 861 | 861 |
| Net result for 2015-16 | 87 | 87 |
| Total Comprehensive Result for 2015-16 | 87 | 87 |
| Balance at 30 June 2016 | 948 | 948 |

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

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

South Australian Local Government Grants Commission
STATEMENT OF CASH FLOWS
for the year ended 30 June 2016

| | Note | 2016 | 2015 |
|--|------|-----------------------|-----------------------|
| | No | \$'000 | \$'000 |
| | | Inflows (Outflows) | Inflows (Outflows) |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| CASH OUTFLOWS: | | | |
| Employee benefit payments | | (288) | (386) |
| Supplies and services | | (81) | (49) |
| Cash used in Operations | | (369) | (435) |
| CASH INFLOWS: | | | |
| Interest received | | 45 | 42 |
| Cash generated from Operations | | 45 | 42 |
| CASH FLOWS FROM SA GOVERNMENT: | | | |
| Receipts from SA Government | | 428 | 419 |
| Cash Generated from SA Government | | 428 | 419 |
| Net Cash provided by / (used in) Operating Activities | 15 | 104 | 26 |
| NET (DECREASE) / INCREASE IN CASH | | 104 | 26 |
| CASH AT 1 JULY | | 1,008 | 982 |
| CASH AT 30 JUNE | 9 | 1,112 | 1,008 |

SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

Notes to and
Forming Part of the
Financial Statements

For the Year Ended 30 June 2016

NOTE INDEX

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South Australian Local Government Grants Commission

Notes to and forming part of the financial statements

Note 1: Objectives of the South Australian Local Government Grants Commission

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

Note 2: Summary of Significant Accounting Policies

a) Statement of compliance

The financial statements of the Commission have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

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

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

Australian Accounting Standards and interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Commission for the reporting period ending 30 June 2016 (refer note 3).

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates where management is required 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 are outlined in the applicable notes;
- 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, which have been included in this financial report:
 - 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;

- b) commission member and remuneration information where a commission member is entitled to receive income from membership other than a direct out-of-pocket reimbursement; and
- c) employee targeted voluntary separation package information.

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 applicable valuation policy.

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

The financial statements have been prepared based on a twelve month period 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 2016 and the comparative information presented.

c) Reporting Entity

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

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 19.

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

d) 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 in these financial statements unless impracticable.

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

e) Rounding

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

f) Taxation

The Commission is not subject to income tax. The Commission is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and the emergency services levy.

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

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

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

There are no cash flows relating to GST transactions with the ATO 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 ATO. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

g) 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 following are specific recognition criteria:

Interest

Interest is recognised on a time proportionate basis as it accrues, taking into account the effective yield on the financial asset.

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.

Where money has been appropriated in the form of a loan, the Commission has recorded a loan receivable.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Commission and the appropriation is recorded as contributed equity.

Other Income

Other income consists of miscellaneous revenue.

h) 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 following are specific recognition criteria:

Employee benefits expenses

Employee benefits expenses include all costs 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 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

For grants and subsidies payable, the grants and subsidies will be recognised as a liability and expense when the entity has a present obligation to pay the grants and subsidies and the expense recognition criteria are met.

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

i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

j) 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.

Cash

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

For the purpose 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, 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 settled 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.

k) 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 combines amounts expected to be settled within 12 months and more than 12 months, the amounts expected to be settled after more than 12 months are separately disclosed.

Payables

Payables include creditors, 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, work cover levies and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention 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.

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

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. Where annual leave and skills and experience retention leave liabilities are payable later than 12 months, the liability is 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 measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities across government. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

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

I) 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.

Note 3: New and Revised Accounting Standards and Policies

Accounting Standards

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 2016. 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.

Note 4: Employee Benefit Expenses

| | 2016 | 2015 |
|--|------------|------------|
| | \$'000 | \$'000 |
| Salaries and wages | 187 | 204 |
| Annual Leave | 19 | 22 |
| Long service leave | 9 | 10 |
| TVSP Payments | - | 39 |
| Skills and experience retention leave | 1 | - |
| Employment on-costs | 42 | 44 |
| Commission fees | 45 | 46 |
| Other employee related expenses | 2 | 2 |
| Total employee benefits expense | 305 | 367 |

Targeted Voluntary Separation Packages (TVSPs)

| | 2016 | 2015 |
|---|----------|-----------|
| | \$'000 | \$'000 |
| Amount paid during the reporting period to separated employees: | | |
| TVSPs | - | 39 |
| Annual leave, LSL and SERL paid to those employees | - | 22 |
| | - | 61 |
| Recovery from the Department of Treasury and Finance | - | - |
| Net cost to the Commission | - | 61 |

The number of employees who received a TVSP during the reporting period was 0(1).

Note 5: Supplies and Services

| | 2016 | 2015 |
|------------------------------------|-----------|-----------|
| | \$'000 | \$'000 |
| Supplies and Services | | |
| Service Level Agreement | 32 | - |
| Information technology | 24 | 22 |
| Auditor's remuneration | 10 | 10 |
| Travel | 7 | 4 |
| Other | 8 | 3 |
| Other service contracts | - | 7 |
| Total Supplies and Services | 81 | 46 |

Note 6: Auditor's Remuneration

| | 2016 | 2015 |
|---|-----------|-----------|
| | \$'000 | \$'000 |
| Audit fees paid/payable to the Auditor-General's Department | 10 | 10 |
| Total Auditor's remuneration | 10 | 10 |

Other Services

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

Note 7: Interest Revenue

| | 2016 | 2015 |
|--|-----------|-----------|
| | \$'000 | \$'000 |
| Interest from the Department of Treasury and Finance | 45 | 42 |
| Total Interest Revenue | 45 | 42 |

Note 8: Revenues from SA Government

| | 2016 | 2015 |
|---|------------|------------|
| | \$'000 | \$'000 |
| Revenues from SA Government | | |
| Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i> | 428 | 419 |
| Total Revenues from SA Government | 428 | 419 |

Note 9: Cash

| | 2016 | 2015 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Deposits with the Treasurer | 1,112 | 1,008 |
| Total Cash and Cash Equivalents | 1,112 | 1,008 |

Interest Rate Risk

Deposits at call and with the Treasurer earn a floating interest rate, based on daily banking deposit rates. The carrying amount of cash and cash equivalents approximates fair value.

Note 10: Receivables

| | 2016 | 2015 |
|----------------------------------|----------|----------|
| | \$'000 | \$'000 |
| Current: | | |
| Accrued Interest on deposits | 3 | 2 |
| Total Current Receivables | 3 | 2 |
| Total Receivables | 3 | 2 |

Note 11: Payables

| | 2016 | 2015 |
|-----------------------------------|-----------|-----------|
| | \$'000 | \$'000 |
| Current: | | |
| Accrued expenses | 10 | 10 |
| Employment on-costs | 3 | 3 |
| Total Current Payables | 13 | 13 |
| Non-Current: | | |
| Employment on-costs | 11 | 10 |
| Total Non-Current Payables | 11 | 10 |
| Total Payables | 24 | 23 |

Interest Rate and Credit Risk

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

Note 12: Employee Benefits

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Current: | | |
| Annual leave | 12 | 13 |
| Long service leave | 11 | 10 |
| Skills and Experience Retention Leave | 1 | - |
| Accrued salaries and wages | 3 | 1 |
| Total Current Employee Benefits | 27 | 24 |
| Non-Current: | | |
| Long service leave | 116 | 102 |
| Total Non-Current Employee Benefits | 116 | 102 |
| Total Employee Benefits | 143 | 126 |

Annual Leave

Annual leave is classified as a current liability as employees are expected to take all annual leave within the year of entitlement.

Long Service Leave

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 3% (2015) to 2% (2016).

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

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$9,500 (\$3,600) and employee benefit on-cost expense of \$900 (\$300). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions, a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Note 13: Unrecognised Contractual Commitments

No material commitments exist as at 30 June 2016.

Note 14: Contingent Assets and Liabilities

The Commission is not aware of any contingent assets or liabilities as at 30 June 2016.

Note 15: Cash Flow Reconciliation

| | 2016 | 2015 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Reconciliation of Cash and Cash Equivalents - Cash at 30 June as per: | | |
| Statement of Cash Flows | 1,112 | 1,008 |
| Statement of Financial Position | 1,112 | 1,008 |
| Reconciliation of Net Cash provided by (used in) operating activities to net revenue (cost of) / from providing services: | | |
| Net cash provided by operating activities | 104 | 26 |
| less: Revenues from SA Government | (428) | (419) |
| Changes in assets/liabilities | | |
| Increase (Decrease) in receivables | 1 | - |
| (Increase) Decrease in payables and provisions | (1) | 5 |
| (Increase) Decrease in employee benefits | (17) | 17 |
| Net Revenue (Cost of) / from Providing Services | (341) | (371) |

Note 16: Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

| | | SA Government | | Non-SA Government | | Total | |
|------|------------------------------------|---------------|------------|-------------------|------------|------------|------------|
| | | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Note | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | EXPENSES | | | | | | |
| 4 | Employee benefits expenses | 14 | 15 | 291 | 352 | 305 | 367 |
| 5 | Supplies and services | | | | | | |
| | Service Level Agreement | 32 | - | - | - | 32 | - |
| | Information technology | 22 | 22 | 2 | - | 24 | 22 |
| | Auditor's remuneration | 10 | 10 | - | - | 10 | 10 |
| | Travel | - | - | 7 | 4 | 7 | 4 |
| | Other supplies and services | - | 2 | 8 | 1 | 8 | 3 |
| | Other service contracts | - | - | - | 7 | - | 7 |
| | TOTAL EXPENSES | 78 | 49 | 308 | 364 | 386 | 413 |
| | INCOME | | | | | | |
| 7 | Interest Revenue | 45 | 42 | - | - | 45 | 42 |
| 8 | Revenues from SA Government | 428 | 419 | - | - | 428 | 419 |
| | TOTAL INCOME | 473 | 461 | - | - | 473 | 461 |
| | FINANCIAL ASSETS | | | | | | |
| 10 | Receivables | | | | | | |
| | Accrued Interest on deposits | 3 | 2 | - | - | 3 | 2 |
| | TOTAL FINANCIAL ASSETS | 3 | 2 | - | - | 3 | 2 |
| | FINANCIAL LIABILITIES | | | | | | |
| 11 | Payables | | | | | | |
| | Accrued expenses | 10 | 10 | - | - | 10 | 10 |
| | Employment on-costs | 7 | 7 | 7 | 6 | 14 | 13 |
| | TOTAL FINANCIAL LIABILITIES | 17 | 17 | 7 | 6 | 24 | 23 |

Note 17: Remuneration of Commission Members

Members that were entitled to receive remuneration for membership during the year are listed below in the following summary table:

Gascoigne C J
Hutchinson L
Patetsos M (re-appointed 13 August 2015)

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

| | 2016 | 2015 |
|--------------------------------|----------|----------|
| | \$'000 | \$'000 |
| \$0 - \$9 999 | - | 2 |
| \$10 000 - \$19 999 | 2 | 1 |
| \$20 000 - \$29 999 | 1 | 1 |
| Total number of members | 3 | 4 |

Remuneration of members reflects all costs of performing commission member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$50,000 (\$50,000).

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.

Note 18: After Balance Date Events

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

Note 19: Disclosures of Administered Items

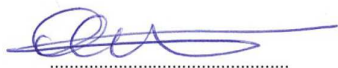
| | 2016 | 2015 |
|--|---------------|----------------|
| | \$'000 | \$'000 |
| Administered Commonwealth Revenues | | |
| Commonwealth Financial Assistance Grants | 76,570 | 229,485 |
| Commonwealth Roads to Recovery Grants | 11,975 | 4,260 |
| Total administered revenues - Commonwealth receipts | 88,545 | 233,745 |
| Administered Commonwealth Expenditure Grants | | |
| Commonwealth Financial Assistance Grants | 76,570 | 229,485 |
| Commonwealth Roads to Recovery Grants | 11,776 | 4,260 |
| Total administered expenses - Commonwealth payments | 88,346 | 233,745 |
| Administered Assets | | |
| Cash | - | 887 |
| Receivables | 199 | - |
| Total administered assets | 199 | 887 |
| Administered Liabilities | | |
| Accounts Payable | - | 887 |
| Total administered liabilities | - | 887 |

South Australian Local Government Grants Commission CERTIFICATION OF THE FINANCIAL STATEMENTS

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

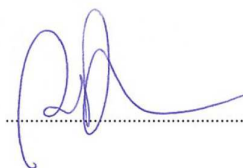
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the South Australian Local Government Grants Commission, and
- present a true and fair view of the financial position of the South Australian Local Government Grants Commission as at 30 June 2016 and the results of its operation and cash flows for the financial year.

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



Mary Patetsos
Chair
South Australian Local Government
Grants Commission

15 November 2016



Peter Ilee
Executive Officer
South Australian Local Government
Grants Commission

15 November 2016

INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Auditor-General's Department

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To the Chair
South Australian Local Government Grants Commission

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the South Australian Local Government Grants Commission for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chair and Executive Officer.

The members of the South Australian Local Government Grants Commission's responsibility for the financial report

The members of the South Australian Local Government Grants Commission are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the members of the South Australian Local Government Grants Commission determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report 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 comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

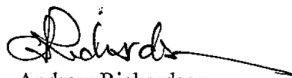
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 members of the South Australian Local Government Grants Commission, as well as evaluating the overall presentation of the financial report.

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

My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the South Australian Local Government Grants Commission website nor does it provide an opinion on any other information which may have been hyperlinked to/from these statements.

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the South Australian Local Government Grants Commission as at 30 June 2016, 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.



Andrew Richardson
Auditor-General
25 November 2016